



Entrepreneurial Mindset in Practice: Manifestations of Entrepreneurial Orientation among Trading SMEs in Kabwe District, Zambia

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Abstract: This study explored how trading Small and Medium Enterprises (SMEs) in Kabwe District, Zambia, manifest Entrepreneurial Orientation (EO) in their operational and strategic practices. The study adopted a qualitative case study design and collected data through in-depth interviews with ten SME owners and managers. Data analysis took place through the thematic analysis approach. Findings show that SMEs leverage decentralized decision-making to enhance operational responsiveness while fostering innovation in products, services and processes to adapt to dynamic market conditions. Risk-taking emerged as a calculated and learning-oriented practice, supporting market exploration and growth despite resource constraints. Proactive strategies enabled SMEs to anticipate market trends and capitalize on early opportunities. Competitive aggressiveness is expressed through relationship-based strategies, differentiation and assertive marketing, balancing collaboration with market positioning. Based on these insights, the study recommends that SME owners institutionalize employee autonomy, promote innovation, adopt evidence-based risk management and pursue forward-looking strategies.

Keywords: Entrepreneurial Orientation; small and medium enterprises; Kabwe district; Zambia

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Introduction

Small and Medium Enterprises (SMEs) play a pivotal role in driving economic growth, employment and innovation across both developed and developing economies. Globally, SMEs account for over 90% of businesses and more than half of total employment, making them indispensable to national development agendas (World Bank, 2018). In Zambia, the SME sector continues to be a vital engine for job creation and income generation, contributing significantly to the diversification of the economy (Nuwagaba, 2015; Mundia et al., 2023). Despite their importance, however, the performance and survival of SMEs in Zambia remain fragile. The Global Entrepreneurship Monitor (2019) reported that nearly 20% of SMEs in Zambia fail within their first few years, citing challenges such as limited access to finance, inadequate managerial skills, weak market linkages and a lack of strategic orientation.

The establishment of the Ministry of Small and Medium Enterprise Development in 2021 underscores the Zambian government's recognition of the SME sector as central to economic revitalization. However, persistent performance challenges point to a need for deeper understanding of the internal strategic behaviors that influence SME success or failure. One such behavioral construct is Entrepreneurial Orientation (EO), a multidimensional concept reflecting the degree to which firms exhibit innovativeness, proactiveness, risk-taking, autonomy and competitive aggressiveness (Lumpkin & Dess, 1996). EO captures how firms behave entrepreneurially, not merely whether they engage in entrepreneurship, and is thus critical in explaining variations in performance across firms operating under similar market conditions.

Although numerous studies have explored the EO performance relationship, findings have been inconsistent. Some scholars report a strong positive relationship between EO and firm performance (Covin & Slevin, 1989; Wiklund, 1999) while others suggest limited or context-dependent effects (Hart, 1992; Pratono & Mahmood, 2015). These inconsistencies highlight the need to explore how EO is manifested in different contexts, particularly within developing economies, where institutional frameworks, cultural norms and resource

constraints differ markedly from Western settings. As Gamage and Wickramasinghe (2012) argue, entrepreneurial theory developed in the West may not fully capture the realities of entrepreneurship in emerging markets.

In Zambia's Kabwe District, SMEs in the trading sector provide an illustrative setting for understanding how EO is expressed in practice. Once known as a declining industrial hub, Kabwe has recently experienced renewed economic activity, driven largely by the growth of trading enterprises. These SMEs operate in a competitive yet resource-constrained environment, making strategic behavior and adaptability essential for survival. Understanding how these businesses exhibit entrepreneurial orientation in their day-to-day operations offer valuable insight into the behavioral and contextual dimensions of entrepreneurship in developing economies.

Against this backdrop, this study sought to explore how trading SMEs in Kabwe District manifest the dimensions of EO. Unlike most prior studies that employ quantitative methods to test EO - performance relationships, this study adopted a qualitative, interpretive approach to capture the lived experiences and behavioral expressions of EO among SME owners and managers. By examining how innovativeness, proactiveness, risk-taking, autonomy and competitive aggressiveness are exhibited in practice, this study contributes to a contextualized understanding of entrepreneurial behavior within Zambia's SME landscape.

Ultimately, the study provides nuanced insights into the entrepreneurial mindsets shaping the performance and sustainability of trading SMEs in Kabwe District. These insights not only enrich the theoretical understanding of EO as a behavioral construct but also offer practical guidance for policymakers, SME development agencies and business owners seeking to strengthen entrepreneurial capacity and competitiveness in similar emerging market contexts.

Literature Review

This section reviews relevant literature on SMEs, EO and firm performance, highlighting the economic importance of SMEs globally and within Zambia while examining the dimensions of EO in resource-constrained environments. It further analyses

empirical studies to identify key findings and existing research gaps, and anchors the study in the Resource-Based View (RBV) to provide a theoretical foundation for understanding how EO influences the performance of trading SMEs in Kabwe District.

Overview of Small and Medium Businesses

In developing nations, Small and Medium Enterprises (SMEs) are generally accepted as driving economic expansion and employment. Globally, SMEs make up around 90% of all businesses and employ more than half of the workforce (World Bank, 2022). Formal SMEs in developing economies account for as much as 40% of national income and informal SMEs add to this contribution (Chilwana, 2021). SMEs are frequently seen as the foundation of national economies, operating in the areas of trade, services, manufacturing, and agri-business (Banwo et al., 2017).

In Africa, SMEs are essential to promoting inclusive development, encouraging creativity and tackling unemployment (Okpara & Kabongo, 2009). However, restricted financial access, a lack of an entrepreneurial mindset and insufficient institutional backing continue to cause high failure rates (Arinaitwe & Mwesigwa, 2015). The Bank of Zambia and International Labour Organization (2021) estimate that SMEs in Zambia employ 88% of the workforce and account for around 97% of all businesses, contributing 70% of the country's Gross Domestic Product (GDP). Despite these contributions, difficulties still exist, including subpar financing, sluggish technology uptake, poor coordination, and a bad economic climate (SME Policy, 2023).

The Past of Zambia's SMEs

Through a number of policy measures taken since gaining independence, such as the Pioneer Industries Act (1965), the Small Industries Development Act (1981) and the Small Enterprises Development Act (1996), Zambia's SME sector has evolved (Mandawa, 2016; Financial Sector Deepening Zambia, 2009). The 2009 Small and Medium Enterprise Development Policy and the 2023 SME Policy address both historical and new problems, such as e-commerce and African Continental Free Trade Area (AfCFTA) integration, with the goal of improving the competitiveness, resilience and digital uptake of SMEs.

Traits of Small and Medium-Sized Businesses in Zambia

Micro and small enterprises in trade and services make up the majority of the Zambian SME industry, which is primarily located in Lusaka (43. 5%) and the Copperbelt (24. 2%), with rural districts like Kabwe accounting for around 5. 7% of SMEs (Zambia Revenue Authority, 2019). The majority of SMEs are family-run, operate informally, and are geared toward local markets; they frequently struggle with resource and technological limitations (Chilwana, 2021; Mundia et al., 2023). Retail of consumables, industrial products and agricultural inputs are common activities for SMEs in the trading sector. Although the usage of digital technologies like mobile money and social media marketing is becoming more widespread, it is still restricted. It's imperative that sustainable solutions be improved through strategic entrepreneurial methods (McGrath & MacMillan, 2000).

Entrepreneurial Orientation

A company's strategic orientation toward entrepreneurial activities is reflected in its EO, which encompasses key behavioral traits, such as innovativeness, proactiveness, risk-taking, autonomy and competitive aggressiveness (Lumpkin & Dess, 1996). These dimensions shape how firms identify and exploit business opportunities in dynamic market environments. Specifically, risk-taking reflects a firm's willingness to engage in uncertain ventures, proactiveness involves anticipating and acting on future market trends, innovativeness promotes creativity and experimentation in products or processes, competitive aggressiveness emphasizes assertive positioning against rivals while autonomy allows individuals or teams to make independent strategic decisions (Miller, 1983; Covin & Slevin, 1989; Lumpkin & Dess, 2001). Collectively, these EO dimensions enable businesses to recognize opportunities, drive innovation and sustain competitiveness in their respective markets.

In resource-limited nations like Zambia, EO typically takes the form of gradual and adaptive innovation rather than complete revolution (Muriithi, 2017; Mwaura, 2021). By comprehending EO in these settings, one may learn how small and medium-sized businesses in Kabwe overcome market and regulatory obstacles in order to boost their performance.

Empirical Studies

Studies conducted in Africa and throughout the world highlight contextual variations while emphasizing the beneficial effects of EO on business performance. Research from Indonesia, Singapore, Kenya, Malaysia, Nigeria, Jordan, Pakistan and Bangladesh has shown that either alone or taken together, EO factors have an impact on the success of SMEs (Sutrisno, 2019; Naidu, 2016; Ng'aru, 2019; Chua, 2019; Ogbolu, 2021; Kusumawardhani, 2013; Abou Saif, 2023; Mansi, 2021; Fayaz & Shah, 2017; Rezaei & Ortt, 2018).

The EO of solar milling cooperatives, for example, had a favorable impact on performance in Zambia's Southern Province, where measurable gains were brought about by creativity, initiative and risk-taking (Munyoro & Daka, 2025). According to research conducted in Lusaka, competitive aggressiveness and autonomy improve the performance of MSMEs, but the effects of other dimensions may vary depending on situations (Chota, 2020). EO dimensions in Bangladesh had a beneficial impact on SME performance, except for competitive aggressiveness, which suggests cross-country relevance and diversity (Hossain & Al Asheq, 2019). Research conducted in Pakistan and the United Arab Emirates further highlights that financial resources might moderate the influence of EO on performance, especially in resource-constrained environments where risk-taking and innovation rely on access to funds (Aziz et al., 2023; Author, 2023).

In general, the empirical investigations emphasize that even though EO consistently enhances performance, the manifestation and efficacy of its aspects are influenced by local market, institutional, and economic circumstances. The majority of past studies are quantitative, frequently ignoring the behavioral indicators of EO in context-specific environments like the trading of SMEs in Kabwe.

Theoretical Framework

This study is grounded in the Resource-Based View (RBV) Theory, originally advanced by Edith Penrose in 1959 and later formalized by Wernerfelt (1984) and Barney (1991). The theory posits that a firm's sustained competitive advantage is derived from its internal resources and capabilities rather than solely from external market conditions. According to RBV, organizations achieve superior performance when they possess resources that are valuable, rare, inimitable and non-substitutable (VRIN). These resources may be tangible (e.g., financial capital,

physical assets) or intangible (e.g., knowledge, skills, organizational culture, and strategic orientation).

The central proposition of RBV is that heterogeneity in firm resources explains differences in performance across firms. Firms that effectively develop and deploy unique internal capabilities are better positioned to exploit opportunities, neutralize threats and achieve long-term competitiveness. In this regard, strategic orientations and behavioral capabilities are considered intangible strategic resources that can generate sustainable advantage when properly leveraged.

In the context of this study, EO is conceptualized as an intangible strategic resource embedded within the firm. Drawing from Lumpkin and Dess (1996), EO comprises five dimensions: innovativeness, proactiveness, risk-taking, autonomy and competitive aggressiveness. These dimensions represent firm-level capabilities that influence how SMEs identify and exploit market opportunities. For example, innovativeness enables the development of new products and services; proactiveness facilitates anticipation of market trends; risk-taking encourages investment in uncertain opportunities; autonomy supports independent strategic action and competitive aggressiveness strengthens market positioning.

The study problem centers on understanding how trading SMEs in Kabwe District can enhance organizational performance despite operating in a resource-constrained and institutionally challenging environment. RBV provides an appropriate theoretical lens because it shifts attention from external limitations to the internal capabilities that SMEs can cultivate and control. In settings where financial and technological resources are limited, EO serves as a strategic capability that enables resilience, opportunity recognition and adaptive competitiveness. By grounding this study in RBV, EO is positioned not merely as a set of entrepreneurial behaviors but as a valuable and strategic internal resource capable of explaining performance variations among trading SMEs in Kabwe.

Methodology

This section outlines the methodological procedures that guided this study, including the design, sources of data, data management and ethical considerations.

Design

This study was grounded in a qualitative research approach to explore how trading SMEs in Kabwe District manifest the dimensions of EO within their real-life business environments. The study employed a qualitative case study design, which facilitates an in-depth examination of contemporary phenomena within their bounded context (Yin, 2014). Individual trading SMEs constituted the unit of analysis, allowing for a context-specific understanding of how EO dimensions are enacted in practice. This design was appropriate as it enabled the collection of rich, descriptive data on SME owners' and managers' experiences and behaviors (Bryman & Bell, 2011; Creswell, 2016).

Population and Sampling

The study population comprised owners and senior managers of SMEs in Kabwe District, as they are the primary decision-makers responsible for strategic direction and entrepreneurial practices within their firms. These participants were selected because they directly initiate, implement and oversee activities related to EO, including innovation, risk-taking, proactiveness, autonomy and competitive aggressiveness. A purposive sampling technique was employed to deliberately select participants who possessed substantial knowledge and practical experience in managing SMEs. Consistent with qualitative research principles, the sample size was guided by the concept of data saturation, the point at which no new themes or insights emerged (Miles & Huberman, 1994; Corbin & Strauss, 1990). Saturation was reached after conducting in-depth interviews with 10 SME owners and senior managers.

Data Collection Techniques

The study used face-to-face semi-structured interviews as source of data. Interviews were audiotaped with the consent of the participants to ensure the transcription's correctness.

Data Quality

Data quality management followed established qualitative rigor principles. Credibility was ensured through prolonged engagement and member checking, while dependability and confirmability were supported by a detailed audit trail of procedures and analytic decisions. Interviews were audio-recorded, transcribed verbatim, and systematically coded using ATLAS.ti (Version 24) to enhance transparency. Transferability was supported through thick descriptions of the

research context, participants, and SME environments, ensuring findings were grounded in the lived experiences of participants.

Data Analysis

Data was analyzed using the deductive thematic analysis, guided by the EO framework. Audio-recorded interviews were first transcribed verbatim and reviewed repeatedly to ensure familiarity. The transcripts were then systematically coded in ATLAS.ti Version 24, using predefined categories, based on the five EO dimensions: innovativeness, proactiveness, risk-taking, autonomy and competitive aggressiveness. Relevant data segments were assigned to these categories and subsequently organized into themes reflecting how SME owners and managers demonstrated EO in their operational and strategic practices. The resulting themes were interpreted to explain the manifestation of entrepreneurial behavior among trading SMEs in Kabwe District.

Ethical Considerations

Before collecting any data, the University of Zambia Research Ethics Committee granted ethical clearance. Before taking part in the study, participants were given informed consent after receiving explanation of the study's goals and methods. Respondents were free to quit at any point since participation was completely voluntary. With all identifying information left out of reports, matters of privacy, anonymity and confidentiality were given maximum attention. Audio recording was requested.

Results and Discussion

This section presents Entrepreneurial Orientation dimensions exhibited by SMEs in the trading industry in Kabwe District, Zambia. The findings are presented according to themes that emerged during data analysis.

Theme 1: Autonomy

Autonomy indicates the extent to which employees are granted discretion and authority to make independent decisions, exercise creativity and solve problems.

Pricing and Promotion

One participant stated, "Our staff are actively involved in pricing decisions. Being closer to customers, they know what price points are affordable while ensuring profitability. This approach ensures satisfaction and maintains competitive sales" (Participant 1). This shows that

SMEs leverage frontline insights to enhance responsiveness and market alignment. By involving employees in pricing decisions, these businesses promote engagement and operational flexibility, which literature indicates improves innovation and strategic responsiveness (Covin & Slevin, 1989). Another participant added, "Employees participate in deciding on product prices and promotions. Their insights, drawn from direct interactions with customers, help us stay competitive and responsive to market needs" (Participant 9). This finding confirms that autonomy fosters decision-making grounded in local knowledge, aligning with Kusumawardhani (2013), who found that Indonesian SMEs also empower employees to respond quickly to market changes. Overall, the findings indicate that actively involving frontline employees in pricing and promotional decisions enhances SMEs' market responsiveness, operational flexibility and strategic alignment, demonstrating how autonomy supports informed and timely decision-making.

Operational Improvements and Problem-Solving

A participant noted, "We encourage employees to propose solutions, such as adopting workflow software recommended by a staff member. Implementing this improved our operational efficiency and service delivery" (Participant 2). This illustrates how autonomy encourages operational innovation and efficiency. It reflects EO theory, which posits that granting discretion enables proactive problem-solving and creativity (Lumpkin & Dess, 1996). Overall, the findings suggest that empowering employees to propose solutions fosters operational improvements and enhances service delivery, highlighting the role of autonomy in driving innovation and efficiency within SMEs.

Independent Handling of Customer and Supply Chain Processes:

One participant reported, "Customer Experience officers can independently process product exchanges. This improves responsiveness and customer satisfaction" (Participant 6). Similarly, a manager highlighted, "Managers are granted semi-autonomous control, enabling them to make quick operational decisions, such as sourcing from alternative suppliers during shortages. This ensures business continuity despite external disruptions" (Participant 8). These examples suggest that autonomy addresses responsiveness to customer and supply chain challenges, promoting adaptive capabilities, a critical factor for SMEs in resource-

limited environments (Muriithi, 2017). Overall, the semi-autonomous management of customer interactions and supply chain functions strengthens operational responsiveness and enhances the firm's ability to adapt to emerging challenges.

Creative Freedom in Marketing and Sales

Marketing and sales staff are given discretion to innovate and enhancing brand visibility. One participant stated, "Marketing staff are allowed creative freedom to collaborate with influencers. This independence has strengthened our market presence and increased brand visibility" (Participant 6). Another business owner added, "There was a case where staff independently accepted and successfully sold unplanned stock in my absence. This shows the potential benefits of granting autonomy" (Participant 7). These narratives show that autonomy is not only operational but also strategic, enhancing creativity and market responsiveness, consistent with EO literature (Lumpkin & Dess, 1996; Wiklund & Shepherd, 2005). By decentralizing decision-making, the prevalent focus on autonomy suggests that SMEs are actively promoting the entrepreneurial culture. This is consistent with research indicating that autonomy promotes strategic responsiveness, flexibility and creativity (Lumpkin & Dess, 1996; Wiklund & Shepherd, 2005; Covin & Slevin, 1989). In a similar vein, Kusumawardhani (2013) discovered that Indonesian SMEs gave workers the autonomy to make decisions, which allowed for a quicker reaction to market changes. In Kabwe, this autonomy emerged naturally from trust-based management and minimal supervision, reflecting how SMEs cultivate entrepreneurial practices within informal market settings.

Theme 2: Risk-Taking

Risk-taking entails engaging in high-stakes decisions and resource commitments under uncertainty (Miller, 1983; Covin & Slevin, 1989). SMEs in Kabwe displayed risk-taking initiatives through investments in uncertain ventures, market exploration and adaptive strategies.

Investment in Uncertain Ventures

SMEs allocate significant resources to ventures with unpredictable outcomes. One participant recounted, "We invested heavily in fertilizers, which cost the business millions, but the returns were lower than expected because customer demand was not properly researched. However, we viewed this as a learning opportunity to guide future

investments” (Participant 3). This trend demonstrates how SMEs view emerging risks as learning opportunities. Risk-taking here is cautious and informed by experience, aligning with EO literature that emphasizes measured entrepreneurial risk in uncertain markets (Rauch et al., 2009).

Another participant shared, “We joined the government fertilizer distribution program, which required us to secure a bond against our business assets. The profit margins were low, but this risk was necessary to maintain relevance and trust with our farming clients” (Participant 4). Such strategic risk-taking shows SMEs’ commitment to long-term relationships and market positioning, reinforcing findings that risk-taking supports resilience in resource-constrained environments (Aziz et al., 2023). Overall, the findings illustrate that SMEs engage in calculated risk-taking, viewing uncertain ventures as opportunities for learning, strategic positioning and long-term resilience, consistent with the entrepreneurial orientation perspective.

Exploration of New Markets and Product Introduction

One participant stated, “Investing in a new club was risky because entertainment venues have short lifespans, but it allowed us to diversify our clientele and strengthen our market presence” (Participant 5). Similarly, another owner stated, “We launched mini-grid power solutions and mobile sales clinics to reach remote areas, expanding our market presence despite operational risks” (Participant 7). These findings highlight proactive risk management and adaptive strategies, consistent with EO principles and prior studies in Indonesia and Zambia (Kusumawardhani, 2013; Munyoro & Daka, 2025). The experiences of participants demonstrate that SMEs actively pursue new markets and introduce innovative products, taking calculated risks to diversify operations and expand their market presence.

Learning from Setbacks and Adaptive Strategies

One participant noted, “A failed product expansion taught us to strengthen market research and inventory control, reducing wastage and making operations more efficient” (Participant 8). This confirms that risk-taking is coupled with learning, an essential component of EO that fosters adaptability and long-term sustainability (Miller, 1983; Covin & Slevin, 1989). Kabwe SMEs exhibit careful,

deliberate risk-taking, emphasizing adaptive learning and long-term returns. Consistent with Miller (1983) and Covin and Slevin (1989), entrepreneurial firms engage in calculated risk-taking under uncertainty rather than reckless behavior. Similarly, Kusumawardhani (2013) found that Indonesian SMEs practiced moderate, experience-based risk-taking within their financial constraints, indicating that limited access to capital encourages prudence. Rauch et al. (2009) further demonstrated that such planned risk-taking enhances sustainability in dynamic environments, reinforcing the resilience-oriented approach adopted by Kabwe SMEs when navigating uncertainty. These findings indicate that SMEs view failures as learning opportunities, informing future strategic adjustments.

Theme 3: Innovativeness

Innovativeness represents a firm’s tendency to engage in creativity, experimentation and novel solutions in products, services or processes (Lumpkin & Dess, 1996; Rauch et al., 2009). Among Kabwe SMEs, innovation was consistently emphasized as a mechanism for competitiveness and market relevance as reflected in various ways.

Product and Service Innovation

One participant shared, “We transitioned from basic knapsack sprayers to motorized sprayers and mechanized planters to meet commercial farmers’ efficiency needs” (Participant 3). This demonstrates how SMEs respond to customer demands by upgrading their offerings, reflecting EO theory’s assertion that innovation drives long-term competitiveness. Another participant stated, “We introduced solar-powered water pumps, fans, televisions and mini-grids in partnership with government agencies, addressing market and societal needs” (Participant 1). This highlights how SMEs align innovation with both market opportunities and social utility, a strategy that literature suggests strengthens resilience and market positioning in emerging economies (Ndubisi & Iftikhar, 2012; Wiklund & Shepherd, 2005). Overall, the findings indicate that SMEs actively pursue product and service innovations, adapting offerings to evolving market and societal needs, thereby reinforcing competitiveness and long-term market relevance.

Technology and Process Innovation

A participant indicated, “Our business relies on WhatsApp-based reporting for sales tracking,

improving monitoring and response times” (Participant 2). Another owner added, “We developed a mobile application for sales agents to process transactions in remote areas, boosting operational efficiency” (Participant 1). These findings show that SMEs leverage technology not just for product innovation but also for process efficiency, reflecting the EO principle that innovation encompasses both products and operational processes (Lumpkin & Dess, 1996). These examples illustrate that SMEs adopt digital tools and innovate operational processes to enhance efficiency and responsiveness.

Employee-Driven Innovation

One participant noted, “Sales staff influence product selection based on customer feedback, ensuring that market demands are met” (Participant 2). This trend supports the idea that employee involvement fosters innovative solutions from within the organization, a trend also observed in Indonesian SMEs, where innovation was primarily driven by practical necessity and customer feedback (Kusumawardhani, 2013). In Kabwe, SME innovation takes multiple forms, including digital adoption, product improvements and initiatives driven by employees’ practical insights. This lends credence to the EO theory, which holds that innovation is the key to long-term competitiveness (Lumpkin & Dess, 1996; Rauch et al., 2009). In Indonesian SMEs, Kusumawardhani (2013) noticed similar trends, where innovation was motivated by customer needs and resource constraints rather than official research frameworks. This phenomenon was also reflected in studies by Wiklund and Shepherd (2005) and Ndubisi & Iftikhar (2012), who recommended innovation as a need for SMEs in emerging economies. These findings reveal that frontline employees play a pivotal role in driving innovation, contributing practical insights that enhance product and service offerings and reinforce SMEs’ market responsiveness.

Theme 4: Proactiveness

Proactiveness is a forward-looking orientation focused on opportunity-seeking and anticipating market shifts (Lumpkin & Dess, 1996; Covin & Lumpkin, 2011). Kabwe SMEs demonstrated proactiveness through early market entry, strategic partnerships and adaptive strategies.

Early Market Entry and Diversification

SMEs introduce products or services ahead of competitors. One participant reported, “We pay close attention to market demand and introduce

services before competitors. For example, we were among the first to offer personalized photo gifts in our area” (Participant 2). This demonstrates proactive market sensing and the ability to capitalize on opportunities before rivals, consistent with EO literature that identifies early action as a competitive advantage (Wiklund & Shepherd, 2005). Another owner said, “We launched mini-grid power solutions and mobile sales clinics to expand energy access and product reach.” (Participant 1). This trend reinforces proactive behavior, showing SMEs’ initiative in addressing underserved markets despite resource limitations.

Strategic Partnerships and Customer-Centric Approaches

One participant explained, “We partner with larger companies to sell their products, leveraging brand recognition while maintaining our competitive edge” (Participant 4). This indicates that proactiveness extends beyond individual action to collaborative strategies, aligning with EO research highlighting the role of partnerships in capturing opportunities (Covin & Lumpkin, 2011). These findings suggest that SMEs leverage strategic partnerships and customer-centric approaches to enhance competitiveness and capitalize on market opportunities collaboratively.

Market Intelligence and Adaptive Strategies

A participant noted, “When a competitor moves, we act fast. We’ve made unplanned but necessary investments to stay ahead” (Participant 6). This demonstrates SMEs’ reliance on local knowledge and intuition to anticipate and respond to market changes, a necessity in contexts with limited formal market data. This aligns with studies emphasizing the context-dependent nature of proactiveness in SMEs in emerging economies (Kusumawardhani, 2013; Covin & Lumpkin, 2011). Kabwe SMEs’ proactive conduct aligns with Kusumawardhani (2013) and Wiklund & Shepherd (2005), who discovered that SMEs that maintained their growth were those that were always prepared for and responding to market trends. These findings indicate that continuous market monitoring enables SMEs to respond flexibly to competitor actions and changing economic conditions.

Theme 5: Competitive Aggressiveness

Competitive aggressiveness involves bold, assertive actions to outperform rivals and strengthen market position (Lumpkin & Dess, 1996; Covin & Slevin, 1989). Kabwe SMEs displayed this dimension

through strategic pricing, partnerships, product differentiation and marketing visibility.

Supplier-Driven Cost Leadership

One participant explained, “We stay ahead by maintaining strong relationships with suppliers, helping us secure products at lower costs and price competitively” (Participant 3). This highlights that competitive strategies are embedded in relationship management rather than confrontation alone, consistent with EO literature that stresses adaptive competition in SMEs (Rauch et al., 2009). The findings suggest that strong supplier relationships enable SMEs to achieve competitive pricing and sustain a cost leadership advantage.

Pragmatic Partnerships

One owner indicated, “When faced with larger competitors, we partner with them to sell their products. This approach helps us maintain relevance in the market” (Participant 5). This trend demonstrates that SMEs balance competitiveness with cooperative networks, reflecting the socio-cultural emphasis on trust and reputation in local markets. These findings indicate that SMEs strategically collaborate with larger firms to maintain market relevance and strengthen their competitive position.

Product and Service Differentiation

A participant stated, “Instead of rushing to slash prices, we focused on reinforcing what sets us apart-product quality and after-sales service.” (Participant 7). Such differentiation shows that competitive aggressiveness is strategically nuanced, prioritizing sustainable advantage over short-term price battles, aligning with findings by Covin & Slevin (1989). These findings indicate that SMEs focus on product quality and after-sales service as key differentiation strategies to build long-term competitive advantage.

Aggressive Marketing and Visibility

SMEs leverage digital tools and influencer partnerships to enhance brand presence. A participant noted, “Our aggressive goal is to increase brand visibility through social media and partnerships with influencers.” (Participant 9). This demonstrates that SMEs use modern marketing channels assertively to maintain competitive positioning, reflecting the dynamic integration of traditional EO dimensions with contemporary tools. This pattern reflects the EO perspective that competitive aggressiveness can be strategic and

adaptive rather than purely confrontational (Covin & Slevin, 1989; Lumpkin & Dess, 1996). In the Kabwe context, SMEs combine strong market visibility with relational strategies, emphasizing reputation, trust and long-term networks. This contrasts with findings from Indonesian SMEs, where competition was largely price-driven (Kusumawardhani, 2013) and highlights how socio-cultural dynamics shape the expression of competitive aggressiveness among SMEs in Kabwe.

Conclusions and Recommendations

Conclusions

Based on the themes that emerged from the analysis, it can be concluded that EO among SMEs is reflected in decentralized decision-making structures that enhance operational responsiveness, continuous innovation in products and processes that supports adaptability and calculated risk-taking that facilitates business expansion within resource-constrained environments. The findings suggest that SMEs adopt forward-looking strategies to anticipate market changes while maintaining competitiveness through differentiation, strategic partnerships and assertive marketing practices. Overall, EO functions as a context-driven strategic posture that enables trading SMEs to adapt to environmental uncertainties and sustain their market position.

Recommendations

Based on the study conclusions, it is recommended that SME owners and managers should institutionalize decentralized decision-making to empower employees and improve operational responsiveness. They are encouraged to foster continuous innovation by integrating employee and customer insights and adopting appropriate technologies. Calculated risk-taking should be guided by market research and pilot testing to support sustainable growth. SMEs should also pursue forward-looking strategies, including monitoring market trends, forming strategic partnerships and differentiating their offerings to maintain competitiveness. Additionally, policymakers and business support institutions should provide capacity-building, access to finance and market information platforms to strengthen entrepreneurial capabilities and enable SMEs to navigate uncertainties effectively.

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