

SMEs Resilience, Adaptability and Nimbleness in Turbulent Business Environment: A Case of Mbare Business Owners in Zimbabwe

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Abstract

The extant literature highlights the importance of a favourable environment for the resilience, growth, and continuity of Small and Medium Enterprises (SMEs). However, SMEs have demonstrated the ability to thrive even under the most unprecedented environments, such as political, economic, and social instabilities. Notably, SMEs displayed resilience during the COVID-19 pandemic, which significantly disrupted the global business order. Recently, economic and political transformations have led to drastic changes in the business environment. This study investigates how SMEs in Mbare Township, Zimbabwe, leverage resilience and nimbleness, driven by organizational learning and sensemaking theories, to bounce back, grow, and thrive despite a perceived hostile business environment. This qualitative study employed in-depth interviews with 15 participants to gather data. The findings reveal that most businesses in Mbare have been significantly impacted by the turbulent business environment. However, the study also highlights that most SME owners are risk-takers and exhibit remarkable resilience, adaptability, and nimbleness.

Keywords

SMEs, Turbulent Business Environment, Resilience, Adaptability, Nimbleness, Sensemaking, Organizational Learning

1. Introduction

It is a widely held view that a favourable business environment is crucial for the growth and continuity of businesses (Moşteanu, 2024). However, the extent to which this environment contributes to growth and continuity remains debatable. This implies that some business environments are more conducive to growth and

continuity than others. Therefore, it would be naive to assume that a merely conducive environment will automatically translate into flourishing businesses. This is particularly true because the ability to grow a business inherently depends on internal factors, such as the skills, knowledge, and entrepreneurial acumen of the business owner, in addition to external factors (Tengeh, 2016). Nonetheless, resilience, adaptability and nimbleness on the part of the business owner are crucial for growth and continuity, especially in precarious business environments.

1.1. Background to the Research Problem

The prevailing notion suggests that a stable environment, encompassing political, economic, technological, and social factors, is crucial for business growth and continuity. However, empirical evidence challenges this assumption. Numerous studies have documented significant business growth and survival despite volatile and challenging conditions, such as hyperinflation, political instability, and global pandemics (Gölgeci et al., 2020).

The COVID-19 pandemic serves as a recent example, presenting unprecedented challenges to businesses worldwide. While these crises often present both threats and opportunities, it remains unclear why some business owners, despite recognizing the potential, are willing to assume significant risks, even at the cost of personal safety.

Instability manifests in various forms, including property loss, political violence, forced business closures and natural disasters. While literature generally predicts business decline in such circumstances, it has been observed that some SMEs demonstrate remarkable resilience and agility. Therefore, understanding the factors that contribute to this resilience in the face of adversity is crucial. This research focuses on SMEs operating within Mbare Township, a densely populated area with a history of experiencing significant social and political challenges. The 2008, 2013, and 2018 harmonized elections, coupled with the ongoing impact of the COVID-19 pandemic and recent inferno that swept Mbare market, have severely impacted the businesses (Chikwawawa, 2019; Kamuti, 2022; Nyeve, 2024). Despite these setbacks, SMEs continue to thrive in Mbare, suggesting a high level of resilience, adaptability and nimbleness.

1.2. The Problem

Extant literature suggests that resilient SMEs, capable of effectively navigating and recovering from disruptions, exhibit superior performance compared to their less resilient counterparts. However, a significant gap exists in our understanding of the specific factors and strategies that contribute to the resilience, nimbleness and growth of SMEs in turbulent business environments. This study aims to investigate how SMEs in Mbare Township, Zimbabwe, navigate and thrive despite operating within a challenging and dynamic business environment. By exploring the strategies and practices employed by these businesses, this research seeks to identify key factors that contribute to their resilience which leads to bouncing back

and growth. The insights gained from this study can provide valuable lessons for other SMEs, townships, and regions seeking to enhance their resilience and nimbleness to foster sustainable business growth in the face of various challenges.

1.3. Research Questions

In the context of Mbare traders who still make up the majority of SMEs in Harare, the research questions for this study are:

- 1) How risky is Small and Medium scale enterprising in Mbare Township?
- 2) Why do SMEs thrive in Mbare Township despite the turbulent business environment?
- 3) What survival strategies do SMEs owners utilize to mitigate the turbulent business environment in Mbare Township?

2. Literature Review

2.1. Small and Medium Enterprises

Past research shows that there is no commonly agreed definition of SMEs and is attributed to lack of capturing of all of the dimensions of SMEs in a single definition (Tinarwo, 2016). According to Paul et al. (2017), SMEs is defined as a venture with a maximum of 500 employees. Similarly, Lee et al. (2012) in the study of Korean firms, assert that a firm is considered SMEs when less than 500 employees are permanent workers. However, European SMEs are those firms with fewer than 250 employees (Batra et al., 2015). Then, in Egypt, SMEs are firms that employ 10 to 50 permanent employees, and in Kenya, SMEs employ 10 to 100 employees. Now, in Zimbabwe, all business ventures that employ 6 to 75 permanent employees are considered SMEs (Dlamini, 2017; Dlamini & Schutte 2020). Therefore, this study refers to the Zimbabwean definition of SMEs. The Zimbabwean SMEs are the centre of attraction as far as economic activities of the country are concerned such that their contribution to the GDP of the country is significant (Matsongoni & Mutambara, 2021). This is so because SMEs ride on entrepreneurship and they largely exploit niche markets because of their adaptability, creativity and innovative characteristics. In that regard, the government recognizes the SMEs as the major player in transforming the economy towards its vision of becoming the upper-middle income economy by 2030.

2.2. Concept of Resilience, Nimbleness and Adaptability

Uncertainties in business depicted by hostility, conflict and turbulence, pose serious negative challenges affecting the business. In that regard, flexible and agile organizations survive because they are able to make positive adjustments to improve their businesses for survival (Martinelli et al., 2018). According to Hillmann and Guenther (2021), organizational resilience sustains organizations, in spite of uncertainties that the environment suffer. In this case, resilience is considered as a key component in the manner individuals, systems, or organizations respond to adverse unexpected events (Martinelli et al., 2018). This means that individuals

and organizations must learn to react to changes in the environment in order to combat the challenges, which also entails the ability to adapt.

Several researches conceptualize resilience from different dimensions, for example Meyer (1982) and Hepfer and Lawrence (2022) visualized resilience as the ability to “bounce back” and flourish during and after disruptive conditions, while Lengnick-Hall & Beck (2016) asserts that resilience is the ability to change challenges into opportunities to improve performance. Further, Lengnick-Hall et al. (2011) conceptualize resilience as the ability to effectively absorb and develop situation-specific responses, in order to engage in alternative transformative activities to disrupt surprises that threaten survival of the organization. In the same token, Duchek et al. (2020) conceptualized resilience as comprising of three stages namely, anticipation, coping, and adaptation. Now, on one hand, some studies see resilience as a return to the status quo, and on the other hand, some studies consider resilience as exploiting current challenges to emerge stronger and more resourceful. Therefore, the extant literature on the concept of resilience share a common view that resilience comprises of resources, behaviours, requirements and capabilities that interact for the purposes of exploiting new opportunities, secure a successful future and resolving the present dilemmas. However, the resilience of SMEs in the Zimbabwean context is not fully settled, because the concept of resilience of SMEs is not fully settled in leadership and management researches.

Literature considers nimbleness as the ability of an organization to respond to ever-changing circumstances obtaining on the ground in a flexible, dynamic and agile manner (Pennington, 2013; Friedman et al., 2018; Winter, 2012; Jamal, 2025). Further, Roberts (2016) and Sullivan (2023) show that nimbleness requires initiatives which are responsible for demonstrating high level of elasticity and flexibility in terms of continuously adjusting to the social, environmental and economic realities. By so doing, it allows organizations to adapt to the context and needs of the circumstances on the ground. Of which, organizations decisively allocate their time and resources based on these defined contexts rather than being constrained by detailed objectives as stated in operational documents. In turn, this allows organizations to survive the austerity measures temporarily put in place by authorities, regulatory and governing bodies or the government, in response to imminent threat or severe adversity.

Adaptability is the cornerstone of success in today’s rapidly evolving world, transcending mere reaction to change and embracing it as an opportunity for growth (Ismail et al., 2023; Kalandarovna & Qizi, 2023). Therefore, adaptable individuals possess traits, including flexibility in thinking, allowing plans adjustments and embracing new ideas readily. In turn, individuals exhibit resilience, bouncing back from setbacks with renewed vigour and learning valuable lessons from their experiences. Therefore, adaptability requires a conscious effort, involving embracing new experiences, learning from setbacks, fostering a growth mindset, practicing mindfulness, and building strong relationships with others. These essential traits, encourages individuals to navigate the complexities of the modern world and thriving in dynamic environments.

2.3. Operating Conditions of SMEs

Small and Medium Enterprises (SMEs) are the backbone of many economies, driven by the entrepreneurial spirit of their owners (Wachira et al., 2024; Sumant et al., 2024; Mugano & Dorasamy, 2024). These entrepreneurs conceptualize business ideas, mobilize resources, and assume the inherent risks associated with their ventures. These risks stem from various factors, including political violence, economic recessions, limited access to finance, and global crises such as the COVID-19 pandemic. The success of SMEs is significantly influenced by the operating environment. A favourable environment encourages entrepreneurial activities, fostering growth and sustainability. This typically includes factors such as access to finance, skilled labour, infrastructure, and supportive government policies (Asikhia & Naidoo, 2021). Conversely, an unfavourable environment, characterized by instability (political, economic, and social), insecurity, and limited resources, can hinder growth and even lead to business failure. As such these factors but not limited to political, social, geographical, and economic conditions interact and can create a turbulent environment, making it challenging to predict and plan for the future. On the other hand, a stable and secure environment is crucial for all stakeholders such as business owners, employees, and customers, and ultimately, for the survival and success of the business. For example, the political environment plays a crucial role in shaping entrepreneurial activity, in which case, frequent changes in government policies can create uncertainty and discourage investment. Conversely, positive legislation that reduces barriers to entry and simplifies business operations can significantly stimulate entrepreneurship.

2.4. Theories That Underpin the Study

2.4.1. Organizational Learning Theory

Organizational learning theory posits that organizations can learn and adapt over time through experience and knowledge acquisition (Argote, Lee, & Park, 2021). This is particularly relevant for Small and Medium Enterprises (SMEs) given their often-limited resources and the imperative to be agile in competitive markets. SMEs can foster learning by effectively managing and sharing knowledge through informal interactions, mentorship programs, or knowledge management systems. This facilitates employee collaboration and creates a learning culture. Additionally, SMEs often cultivate a culture of experimentation, allowing employees to explore new ideas and learn from failures. This iterative process of learning and experimentation drives the development of new products, services, and processes. Ultimately, continuous learning equips SMEs with the skills and knowledge necessary to navigate evolving market conditions and technological advancements.

2.4.2. Sensemaking Theory

Sensemaking theory focuses on how individuals and organizations interpret and understand their environment (Weick, Sutcliffe, & Obstfeld, 2005). SMEs often face unexpected challenges and their ability to quickly make sense of complex and

ambiguous situations is crucial to act decisively and effectively for survival and growth. In this case, SMEs develop an awareness of their external environment and also identify opportunities and threats to help interpret market signals and customer feedback. This means that SMEs actively seek information and make sense of it. Hence Sensemaking theory helps SMEs make informed decisions by providing a framework for understanding complex situations and evaluating alternatives (Weick, 1995).

2.4.3. Relationship between Organizational Learning and Sensemaking Theory

Organizational learning and sensemaking are interconnected theories because SMEs that effectively make sense of their environment are better positioned to learn and adapt. Conversely, learning from experiences contributes to the ability to make sense of future situations. For instance, an organization that learns from customer feedback about the product quality can use this knowledge to improve its production processes, which in turn enhances its ability to understand customer needs and preferences in the future. Therefore, both organizational learning and sensemaking are critical for the success of SMEs. By fostering a learning culture, encouraging experimentation, and effectively interpreting the environment, SMEs can enhance their competitiveness, re-bounce, growth, nimbleness and sustainability.

3. Methodology

This research employed a qualitative research approach, specifically an inductive and interpretive framework (Xiao & Tan, 2023), to explore the resilience, adaptability and nimbleness of SMEs in Mbare Township. This approach aligns with the recommendations of Bryman and Bell (2015) and is suitable for developing a deep understanding of complex phenomena through the analysis of rich data. To delve into the experiences and perspectives of SME owners, in-depth semi-structured interviews were conducted with 15 purposefully selected SMEs. This purposive sampling strategy aimed to select SMEs that could provide valuable insights into the research questions. Semi-structured interviews were chosen for their flexibility, allowing for in-depth exploration of key themes while maintaining a degree of structure. Again, open-ended questions were used to encourage rich and detailed responses from interviewees, revealing their attitudes, experiences, and perspectives on navigating turbulent business environments.

Thematic analysis was utilized to analyse the interview data, enabling the identification and interpretation of key themes and patterns related to SME resilience and nimbleness. Dawadi et al. (2021) and Brailas et al. (2023) recommend this approach for analysing qualitative data. While driven by resource constraints, this qualitative research utilized a case study approach, which Yin (2009) suggests is suitable for analysing contemporary events in their natural settings. Furthermore, interviewing the involved individuals allowed the researcher to explore the required aspects and trends in greater depth.

4. Results

4.1. Background Information

This study involved fifteen SME owners in Mbare Township—Harare, Zimbabwe. The sample comprised nine males and six females, ranging in age from 25 to 63 years old. To ensure a diverse sample, purposive sampling was employed, resulting in a group with varying levels of experience and perspectives in retailing, wholesale, and manufacturing sectors, with their business ages spanning from four to nineteen years. Annual turnover varied significantly, from \$32,000 to \$900,000 USD per year. Again, the businesses employed between five and twenty-five full-time staff. Now, purposive sampling was employed to capture a diverse range of experiences and perspectives within the SME sector. A detailed overview of participant characteristics is presented in **Table 1**.

Table 1. Characteristics of participants.

	Male (n = 9)	Female (n = 6)
Age Group (years)		
21 - 30	1	0
31 - 40	2	1
41 - 50	3	2
51 - 60	2	2
61 and above	1	1
Type of business		
Retail	3	4
Wholesale	2	2
Manufacturing-Metal working	2	0
Manufacturing-Wood working	2	0
Business age		
1 - 5 years	1	0
6 - 10 years	2	1
11 - 15 years	5	3
16 - 20 years	1	2
No. of Full time employees		
5 - 10	4	3
11 - 20	4	2
21 - 30	1	1
Total Annual turnover (USD)		
Up to 100000.00	5	4
100001.00 - 500000.00	3	1
Above 500000.00	1	1

4.2. Thematic Analysis

4.2.1. How Risky Is Small and Medium Scale Enterprising in Mbare Township?

There is overwhelming evidence that SMEs in Mbare operate in a complex and challenging environment. The interplay of economic, political, and operational hurdles and crime creates a perfect storm of risks that threaten the survival of these businesses. Three linked themes were identified in the research question 1 analysis.

1) The Economic Fluctuations

The data highlights how economic fluctuations, particularly inflation and exchange rate instability, significantly impact SMEs. According to 11 out of 15 participants share the same sentiments to say these economic fluctuations lead to reduced profit margins, increased costs, and difficulty in accessing finance for example interviewee 13 said:

“Among the many risks that my business faces not only here in Mbare but affecting other businesses in the country is unpredictable economic conditions, especially inflation. As I talk to you right now, I risk losing customers because the more I adjust my prices to match the inflation rate the less my returns. It is like every year we switch to new currency in an effort to contain inflation. Previously it was bond notes, then we switched to ZWL dollar and today we have ZiG dollar. All these changes in currency is necessitated by skyrocketing inflation. As a result my business suffers the ability to access affordable finances to fund the business for business growth”.

The interviewee 13 acknowledged and explained that it is risky operating a small and medium enterprise not only in Mbare Township but also in Zimbabwe. He interpreted inflation to mean that the cost of doing business increases such that he keeps track of the things he buys and sells. He also establishes how much prices have changed compared to previous years and watches how customers respond to price increases. These economic fluctuations impact negatively on the business as explained by interviewee 9 to say:

It is disheartening to say the least, economic fluctuations are hurting our country, significantly impacting our businesses in various ways. For example, the more the inflation continues to rise, the purchasing power of customers, the more it is constantly eroded and this leads to poor sales. Again, our businesses are facing challenges in paying employees due to stipulated minimum wage increases. My business in particular is now looking for cheaper alternatives of raw materials and I am focusing on products with fewer imported components. It is good that I am promoting reliance on local suppliers, but durability, accessibility and profitability are compromised. Again, the challenges in accessing foreign currency for necessary imports is still an elephant in the room. However, amid these unfavourable conditions, most of us don't give up. We are pushing and remain focused to bring food on the table.

This account vividly illustrates the significant impact of economic fluctuations,

particularly inflation, on businesses operating within the country. Rising inflation erodes consumer purchasing power, leading to decreased sales and reduced profitability. Furthermore, the challenges associated with wage increases, coupled with difficulties in accessing foreign currency for imports, further strain businesses' resources. The strategy of seeking cheaper alternatives and relying more on local suppliers highlights the necessary adaptations that SMEs are making to survive. However, these adaptations often come at the cost of product quality, accessibility, and profitability. Despite these significant challenges, the SMEs owners demonstrate a strong entrepreneurial spirit and a commitment to overcoming obstacles and continuity to operate their business.

2) Operational Challenges

Operational Challenge was a prominent theme, identified in 9 out of 15 interviews. Nine participants used the word operational challenges. Interviewees 5, 7, 9 and 11 illustrated how power cuts, infrastructure and skilled personal have affected her day to day operations. Interviewee 5 says:

It seems as if it's an acceptable thing to live with frequent power cuts. It's a major disrupt according to me and my small establishment. Look at it this way, how do you explain operational efficiency when I have to invest in backup generators, which is a significant cost. Similarly, you find that poor infrastructure, particularly the roads, has made it difficult to distribute and receive my products and raw materials on time. At times our customers are not happy with our services and ultimately we lose sales. But the good things is if one is quick and effective in responding to these slightest of changes in the environment, then he/she is good to go.

Again, interviewee 12 concurred with the previous interviewee to say:

...the unreliable power supply has led to delays in production and fluctuating power supply caused many damaged equipment. The cost of running on generators and repair of equipment and machinery is unprecedented. You know, Mbare is a high crime zone and break-ins are a constant concern and without reliable power supply worsens the situation. But I have no choice. Some of us have quickly installed security systems and hired additional security personnel, which has actually increased our operating costs.

The respondents' testimonies underscore the significant impact of unreliable electricity supply on businesses operating within Mbare Township. Frequent power outages and fluctuations result in production delays, damage to equipment, and increased operating costs associated with generator usage and equipment repairs. Furthermore, they highlight how unreliable power exacerbates existing security concerns. For example, power outages can increase the vulnerability of businesses to break-ins and theft, necessitating costly security measures such as the installation of security systems and hiring additional security personnel. These challenges significantly impact the profitability and sustainability of businesses operating in Mbare, demonstrating the critical need for improved infrastructure and a more reliable electricity supply.

3) Crime

The SMEs in Mbare reportedly experience frequent incidents of theft and vandalism, resulting in financial losses as well as operational disruptions. 8 out of 15 interviewees attest to theft, vandalism and or extortion in the businesses for example, interviewee 14 explained how crime in the Mbare Township particularly theft, vandalism and extortion has disrupted his business operations.

Mbare Township is marred with more criminal activities than other townships. Thieves are all over and if there happens to be a civil unrest our shops are vandalized and at times extortion demands from criminals. As such some professionals and skilled workforce are not comfortable working in our Mbare workstations citing security reasons. But look, I am here and it depends on how strong you are managing perceptions. In this case professional employees end up shunning Mbare workstations in preference for other areas. Hence, the lack of skilled labour in Mbare has limited growth potential in some business, in the sense that it has impacted on productivity and quality of work. But I am among those who managed to cope and adapt to these challenges, and yeah I am soldiering on.

This interviewee's account highlights the significant impact of perceived and actual security risks on business operations within Mbare Township. The prevalence of criminal activity, including theft and the potential for civil unrest, creates a challenging and potentially threatening environment for businesses and their employees. This perception of insecurity directly impacts the availability of skilled labour, as professionals may actively avoid working in Mbare due to safety concerns. This labour shortage can severely limit business growth by hindering productivity and potentially impacting the quality of work. However, the interviewee also emphasizes the importance of resilience and adaptability in navigating these challenges, highlighting the capacity of some businesses to overcome these obstacles and continue operating within the township.

4.2.2. Why Do SMES Thrive in Mbare Township despite the Turbulent Business Environment?

The research question 2 focuses on the participants' experiences, perspectives, in which the most prominent themes that came out clearly were based on the social implications of their business failure, factors contributing to business survival, and businesses ability to meet specific needs of consumer and customers.

The participants highlighted the significant social implications of business failure, both for themselves and their families. 12 out of 15 participants implied that social implications are at play towards their business failures citing financial hardships, emotional and psychological distress heavily impacting on their families. Interviewee 6 explained,

“Mbare is tough, no doubt. But it's also a place where you can survive, and even thrive. I have seen businesses come and go, but the strong ones endure. It's about resilience, hustle, and understanding the market. Sometimes, you have to sell a single sweet to make some few cents. It's not much, I know, but it's something. As businesses we have faced hard times, like when our economy constantly crash.

People lose jobs, money became scarce. But the irony is, the market never stops. People always need something, whether it's food, clothes, or tools. So, we don't only adapt but I and some of my colleagues frequently change the course with great speed and capitalise on what's trending before the next hurdle catches us. I on one find ways to cut costs, source cheaper goods, and build relationships with my customers. It's a constant struggle, but it's a fight I am willing to take."

This interviewee provides a nuanced perspective on the realities of conducting business within Mbare Township. While acknowledging the inherent challenges, such as economic fluctuations and competition, the interviewee emphasizes the resilience and adaptability required to survive and even thrive in this environment. The emphasis on "hustle," understanding the market, and building strong customer relationships highlights the entrepreneurial spirit and innovative strategies employed by some businesses in Mbare. The interviewee's account underscores the importance of adaptability, nimbleness and resourcefulness in navigating economic downturns and finding opportunities within seemingly limited circumstances. This perspective provides valuable insights into the unique challenges and strengths of the Mbare business community. Their strengths give them the impetus to thrive amidst turbulent business environment. Now in support of the above assertion interviewee 1 attributes resilience and nimbleness of SMEs owners to strong team work among them. Interviewee 1 explained to say:

"The streets of Mbare are our classrooms. I learn about business, finance, and human nature every day. It's a harsh environment, but it teaches you to be tough. I have seen people losing everything, their homes, their savings, even their dignity. But they bounce back, faster and stronger than before. It's a testament to the human spirit which some call it 'ubuthu' which is within us. We support each other, share tips, and help each other out. It is a community, it is a family. When one of us falls, we all feel it. That's why we push each other to succeed. We know that if we don't, our families will suffer. Our children's education, their future, depends on our hard work and determination."

The participant's testimony highlights the unique learning environment and strong community spirit that exist within Mbare Township. The emphasis on "ubuntu", a concept of human interconnectedness and collective well-being, underscores the importance of mutual support and shared responsibility within the SMEs fraternity. The interviewee's emphasis on the importance of supporting each other and ensuring the well-being of future generations highlights the strong sense of family and community that underpins the entrepreneurial spirit within Mbare. Furthermore, another powerful drivers for SMEs owners to thrive is the motivation to provide for their families and to secure a better future. This long term perspective in their minds help them to endure the short term hardship they experience in their businesses. Furthermore, interviewee 11 concurred with others participants and has this to say,

"Mbare is a place of opportunities. It is a place where the informal sector thrives, where people find ways to make a living despite the challenges. As a group of

SMEs we've faced economic hardships, political instability, and social unrest. But we've persevered. Personally, I have learnt to adapt to changing circumstances, quickly seize opportunities, and most importantly build strong relationships. Apart from being an entrepreneur, I am also a survivor. I overcame adversity, and will continue to do so. The trick is all about quick, decision making and action and manoeuvre quickly in this harsh environment. I cannot go without telling you that Mbare is also a place of despair. I have seen businesses collapse, families torn apart. But amidst all these chaos, there is always hope. Mbare business owners have learnt to be resourceful and to think outside the box. They at times sacrifice a lot, on their time, their health and their peace of mind in order to thrive. As businesses around here we are not just fighting for our businesses to thrive but we are also fighting for our Mbare community to remain vibrant, to say is this the Mbare we want. Yes, we are creating jobs for Mbare residents and providing for our families. Above all we want to see the growth of Mbare. It is indeed a tough journey, but it's one worth taking."

This interviewee provides a nuanced and insightful perspective on the complexities of operating a business within Mbare Township. While acknowledging the significant challenges, including economic hardships, political instability, and social unrest, the interviewee emphasizes the resilience, adaptability, and entrepreneurial spirit of the Mbare SMEs. The emphasis on "surviving" and "thriving" highlights the dynamic nature of the Mbare economy, where individuals find innovative ways, resilience, adaptability and nimbleness to generate income and contribute to their growth despite precarious conditions. However, the interviewee also acknowledges the darker side of reality, including the potential for business failure and the social and economic costs associated with these challenges. Despite these hardships, the interviewee expresses a deep commitment to the future of Mbare, emphasizing the importance of community development, job creation, and ensuring the long-term vibrancy of the township. This perspective provides valuable insights into the multifaceted realities of life and business within Mbare and the unwavering determination of its business owners to overcome adversity to build a better future.

4.2.3. What Survival Strategies Do SME Owners Utilize to Mitigate the Turbulent Business Environment in Mbare Township?

The research question 3 focuses on the survival strategies which SMEs employ. The responses suggest that SMEs in Mbare Township employ a range of survival strategies to mitigate the turbulent business environment. For example, interviewee 15 has this to say,

"I don't have an option but to be creative including quick thinking on what's trending. I had to start selling airtime and groceries alongside my main product line, clothes. Yes, I agree that air time sales has a small profit margin, but it keeps the cash flow going. We also keep an eye on trends. If a new style becomes popular, we will try to source it, even if it means traveling to other townships where we are not licensed to operate from. It's risky, but sometimes you have to take chances."

This response highlights the importance of diversifying products and services to adapt to changing market conditions. Again, the response brings in the strategy of market intelligence, whereby the interviewee highlights the importance of staying informed about trends and consumer preference in making quick business decisions. Then, the next response from interviewee 7 supports interviewee 15 to say,

“I have learnt to manage risk. I do not invest too much in inventory, and I am careful about who I give credit to. I also diversify my income streams. I sell my products at the market, and I also do some online sales. It is not a lot, but it is helping my staying afloat in this business.”

This response points to diversification again as an essential strategy. This implies that diversifying income streams can reduce reliance on a single source of revenue thereby improving overall business resilience. Another strategy that came out clear is risk management such as inventory control and credit management. These can help mitigate against potential losses that the business can incur. Hence, this strategy is an impetus for the business to re-bounce back, thrive and grow in turbulent environments. However, interviewee 4 brings in another dimension to say,

“Some of us have joined a local cluster business associations. I have seen this as a great way to network, share information, and get advice. I even go further to collaborate with other businesses on joint promotions. Sometimes, we pool our resources to buy goods in bulk, which helps us get better deals.”

This response shows that joining business associations and collaborating with other businesses can provide access to resources, information, and support networks which can lead to cost savings, increased market reach, and shared risk. It implies that it is against this backdrop that SMEs thrive in unprecedented situations. An almost similar response was shared by interviewees, 2, 3, 10 and 8, for example interviewee 8 says,

“I build strong relationships with my suppliers and customers. I think I am honest and reliable, because they appreciate my way of doing business with them. Of which, during tough times, they have extended credits and offered the business discounts. Another thing is I keep my expenses low. I rent a small space, and I don't hire many employees. My business is small and I do most of the work myself with the help of just a few hired contracts and my children.”

This response implies that building strong relationships with suppliers and customers can foster trust and loyalty, which can be particularly important during challenging times. This strategy when coupled with cost control strategy such as minimising rent and labour cost can improve productivity and profitability. Furthermore, the response also reveal that most SMEs owners are hands-on.

5. Discussion

The thematic analysis of this research provides a nuanced understanding of the challenges, resilience, adaptability and nimbleness of SMEs operating in Mbare

Township. The findings align with existing literature on the challenges faced by SMEs in developing economies, particularly in urban informal settings (Karedza et al., 2014). Again, the findings of Bomani et al. (2022) revealed that while the government is putting in place regulations to support SMES, the measures are inadequate. These researchers noted stringent government regulations and limited access to finance as hurdles to SMEs' sustained growth.

The economic fluctuations and financial constraints significantly impacted on the SMEs in Mbare and is consistent with the findings of various studies. The findings of Moscalu et al. (2020) and Karas & Režňáková (2021) suggest that financing constraints and access to external finance hamper SMEs' growth and tighten their investment possibilities. Now, the unpredictable nature of the Zimbabwean economy, characterized by high inflation and currency instability, create a volatile business environment. As such, SMEs in Mbare are highly vulnerable to prices shocks because they often operate on thin profit margins. Of which, limited access to formal financial institutions further exacerbates these challenges, hindering their ability to invest in growth and advanced innovations. In the same vein, SMEs in Mbare face operational challenges which include unreliable power supply and poor infrastructure. These operational challenges are not unique in the Mbare context. Numerous studies have highlighted the negative impact of such constraints on SME performance including the study by Daniel (2023) which identified that epileptic power supply has a negative impact on SMEs making them to spend about 20% - 30% on backup energy. Similarly, the findings of Karedza et al. (2014) are consistent with these findings to say poor road networks disrupt supply chains, increase operational costs, and hinder productivity. Moreover, the lack of adequate infrastructure, such as water and sanitation facilities, can pose significant health risks and limit business operations.

The prevalence of crime and insecurity in Mbare Township is a significant challenge for SMEs. Theft, vandalism, and extortion led to substantial financial losses and disrupt business operations. These findings are supported by previous research on the impact of crime on small businesses (Mohan, 2021). Again, the fear of crime can deter customers and employees, leading to reduced foot traffic at the business premises and increased security costs.

Despite the numerous challenges, SMEs in Mbare Township exhibit remarkable resilience, adaptability and nimbleness. The findings of this study align with the literature on the survival strategies employed by SMEs in adverse conditions (Naradda Gamage et al., 2020). These strategies often involve diversification, such as expanding product lines and services to reduce reliance on a single source of income. Additionally, leveraging informal networks for support, information sharing, and access to resources is crucial. Flexibility and agility are also key, allowing SMEs to adapt to changing market conditions and customer preferences. Furthermore, cost-cutting measures, such as minimizing rent and labour expenses, can help improve profitability. Finally, building strong relationships with suppliers, customers, and other stakeholders enhance trust and cooperation, fostering a

more resilient business environment. Therefore, SMEs have demonstrated a mastery of these strategies, enabling them to effectively navigate and recover from business disruptions of any magnitude

6. Limitations and Recommendations

SMEs in Mbare Township operate in a dynamic and challenging environment. However, through resilience, adaptability, and a strong community spirit, these businesses have demonstrated a remarkable capacity to survive and thrive. Now, understanding the challenges and leveraging the strengths of the Mbare business community, policymakers, and developing organizations are implored to play a crucial role in supporting the growth and development of SMEs in this vibrant and resilient township.

Now, to further enhance the resilience of SMEs in Mbare Township, a multi-faceted approach is necessary. Policy and regulatory reforms are crucial, which must focus on the measures to promote a stable economic environment. The government is also encouraged to investing in infrastructure development, particularly in areas such as building “state of the art” market buildings, power supply and road network in order to improve the operating environment for SMEs. Furthermore, the government is called upon to expand access to affordable financing scheme to SMEs for example through microfinance institutions and other financial intermediaries to support SMEs growth. Again, strengthening security measures to reduce crime and create a safe business environment is paramount.

Like any research, this study has limitations. A key limitation stems from the scope of data collection. The study’s exploration of participant responses was geographically constrained, focusing on a small, specific area. This limited geographical scope hindered the ability to gather a broader range of perspectives and experiences related to SME adaptability, resilience, and nimbleness in a turbulent environment. Consequently, the sample size may not have been fully representative of the diverse SME landscape, potentially impacting the generalizability of the findings to other regions or industries. Furthermore, the limited sample size may have prevented the achievement of data saturation, meaning that the research may not have captured the full spectrum of possible responses and insights. A larger, more geographically diverse sample would have strengthened the study’s conclusions.

While the study provides valuable insights within its defined scope, the reliance on a single data collection method also presents a limitation. The current approach, while valuable, could have been augmented by a mixed-methods approach. Integrating quantitative data, such as surveys or statistical analysis of business performance indicators, with the qualitative insights gathered through interviews or focus groups, could have provided a more comprehensive and robust understanding of the complex interplay of factors influencing SME adaptability, resilience, and nimbleness. A mixed-methods approach would have allowed for triangulation of data, enhancing the validity and reliability of the findings and potentially

revealing patterns and relationships that might have been missed with a purely qualitative approach. This combined approach would have also facilitated a deeper exploration of the nuances of SME experiences and allowed for a more nuanced interpretation of the qualitative data. Therefore, future research employing a mixed-methods design with a wider geographical reach is recommended to build upon these findings and develop a more comprehensive and generalizable understanding of SME adaptability, resilience, and nimbleness in turbulent environments.

7. Conclusion

This research provides valuable insights into the challenges, resilience, adaptability and nimbleness of SMEs in Mbare Township. The findings highlight the need for a comprehensive approach to support these businesses, including policy reforms, infrastructure development, and capacity building. By addressing these underlying issues, it is possible to create a more sustainable and prosperous future for SMEs in Mbare and other similar urban areas.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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