

The Impact of Globalization on SMEs in Emerging Economies: A Case Study of Zambia

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Abstract

Globalization in business has diversified opportunities in the business world. The swelling competition and demand has strained players in the market place that has had notable bearing in most economies. Most industrialized developed economics' growth in the world has thrived through well-managed and strengthened Small Medium Enterprises (SMEs). Although SMEs have been the key drivers of economic growth in most emerging economies, the economic impact of globalization has affected their prosperity positively and negatively. This study focused on determining whether globalization has had an impact on SMEs in emerging economies in the context of Zambia. A better understanding on impacts of globalization should help stakeholders to direct their scarce resources to combat on what might impinge their success. The study utilized the mixed method technique combining qualitative and quantitative research methods. The sample size comprised 104 participants across fifty (50) SMEs operating in Zambia. The study found that globalization has affected these SMEs negatively.

Keywords: Emerging Economies, Globalization, Small Medium Enterprises (SME)

1. Introduction

Small Medium Enterprises (SMEs) are significantly key drivers of economic development in most developing countries (Mazanai & Fatoki, 2011). Evidently, SMEs are responsible for sustainable growth through job creation, development of entrepreneurial skills and contribute significantly to export earnings (Aris, 2007). Despite their positive economic impact, SMEs face a number of challenges in emerging economies. Many researchers have highlighted various challenges facing SMEs in a globalized environment (Abu Bakar, Mad, & Abdul Latif, 2006; Aris, 2007; Samad, 2007; Subhan, Mehmood, & Sattar, 2013). The challenges range from difficulties in economic recessions, barrier from global sourcing, low productivity, lack of financing as well as heavy regulatory burden. In addition, stability of SMEs in the globalized environment is challenged by some prerequisites for development like political stability, development in human capital, consistency in developmental policies, transparent monitoring and better infrastructure (Subhan et al., 2013).

Most significantly in emerging economies, the lack of managerial capabilities and the difficulty in accessing quality management and technology are the major challenges facing SMEs (Wafa, Noordin, & Kim-Man, 2005). In addition, the provision of finances to the SME sector still remains a challenge. A survey conducted by the World Bank on Enterprise Development in Zambia in 2007 identified poor access to finance as a major impediment to investment and growth of SMEs in Zambia (World-Bank, 2007). Furthermore, other similar studies have also found that barriers to entrepreneurship are lack of access to credit and lack of access to formal business and social networks (Teoh & Chong, 2008). Moreover, SMEs are also dealing with intensified global challenges such as the new emerging technologies in information and communications technologies (ICT) and production process as well as increasing factor costs, which affect their exports competitiveness (Decker, Haltiwanger, Jarmin, & Miranda, 2016). Other challenges making SME's in developing countries fail to thrive in a globalized environment are owed to idle capacity of factors of production which are not being fully utilized (Pandya, 2012).

Though there have been enough literature on the challenges of SMEs in developing countries, not enough investigations have considered the effects of globalization on SMEs in developing nations. Therefore, this research paper investigates the above raised concern.

1.1 Research question and objectives

The main goal of this paper is to investigate the impact of globalization on SMEs in emerging economies with the focus on Zambia. Therefore, the following is the research question that motivated this research followed by objectives to achieve the question.

Question: What is the impact of globalization on SMEs in developing countries?

In an attempt to answer the above question raised, the research strives to achieve the following objectives.

1. To investigate previous research on SMEs and globalization.
2. To determine the extent to which the impact of globalization affects operations of SMEs in Zambia.
3. To establish the impact of globalization on SMEs in emerging economies.
4. To recommend measures that can help improve the performance of SMEs in the globalized environment.

2. Literature Review

Globalization entails integration of industries, markets, economies, policy-making and culture dispersing a wide geographical area (Subhan et al., 2013). Thus, globalization describes the process in which national and regional economies have become integrated and inter-dependent through global network trade, immigration, communication and transportation (Samad, 2007). Globalization has brought about many advantages as well as challenges. For example, globalization encourages producers to benefit from free movement of labor between countries through sharing of skills, ideas and technology (Kohut & Wike, 2008). Globalization has brought about competitiveness in markets, which have reduced monopoly profits and incentive by enabling business to find cost reducing innovations. In addition, globalization has opened up capital markets that allow developing countries to borrow money that cover the gap on domestic savings (Ocloo, Akaba, & Worwui-Brown, 2014). Furthermore, globalization increases awareness among consumers of challenges from various phenomenon such as climate change as well as income wealth inequality. On the other hand, globalization has brought many challenges including inequality in wealth and income with poorest people not benefiting from basic technologies and public goods (Aris, 2007). Globalization has also led to inflation due to strong demand for food and energy causing rise in commodity prices (Abu Bakar et al., 2006). Globalization has led to vulnerability to external economic shocks because of interdependence among economies of the nations (Tarhan, 2007). Globalization can also be linked to loss of diversity in culture and economy as global multinational brands dominate domestic markets in many countries (Kohut & Wike, 2008). This has also led to trade imbalances where by some countries are running big trade surpluses and these imbalances cause pressure and tensions, which lead to some countries introducing protectionist policies (Harvie, 2004). Developing countries are more disadvantaged in this regard, as they fall victim to export dumping by producers in advanced nations which affect their local Small to Medium Enterprises (SMEs) (Wafa et al., 2005).

There is no formal definition of SMEs, the definition depends on the country (Ayyagari, Beck, & Demircug-Kunt, 2007). All the same, SME is a convenient term used to segment business and other organizations whose personnel numbers fall below certain limits e.g. 250 for European countries (Harvie, 2004). Nevertheless, it is generally acknowledged in both developing and developed countries the importance of SME's and the role they play in stimulating economic growth of the country (Ocloo et al., 2014). SME's are more relevant in the face of globalization which has become increasingly an influential force in global trade. However, SMEs faces many challenges in globalization era including absence of adequate and timely finances, limited capital as well as access to international market and knowledge (Anand, 2015). Globalization has also forced SMEs to change business models to include innovative capabilities. Nevertheless, it is not clear what the business models should contain and capabilities of those models (Lee, Shin, & Park, 2012). Pandya (2012) presents a comparative analysis of development of SMEs for both developing and developed countries with the focus on its role in the growth of the economy. The study also highlighted the parameters that are responsible for sustainable development of SMEs (Pandya, 2012).

There have been many literatures which have looked at the effect of globalization on SMEs like Ocloo et al., (2014) which explored the challenges that affect SMEs due to globalization in Ghana. The study identified competition and increasing technological advancements as the compelling facts.

They recommended that SMEs must put in place right strategies that would embrace the world market place that change frequently. Milan & Park (2015) studies the implication of globalization for the dynamics of macroeconomics in South Korea through a structural model. The empirical results from the study demonstrated that globalization has led to important changes in the macroeconomic environment over the period in the study between 1991 and 2012. Dikova et al., (2016) examine the benefits for first-time SME exporters from small European transition economy. The study tested the impact of market diversification, export intensity and product diversification on firm performance (Dikova, Jaklič, Burger, & Kunčič, 2016). From the data of first-time Slovenian exporters in the period 1995 to 2010 it was found that a diversified export strategy is positively related to performance in terms of market, intensity and product despite being with decreasing returns.

On a different note, Ghosh (2017) studies the impact of banking sector globalization on economic growth for 138 countries from developing and developed nations over the period between 1995 and 2013. The study found that banking sectors are open to reduce economic growth and that foreign banks reduced private credit flows in host countries (Ghosh, 2017). This implies foreign banks face informational bottlenecks that prevent them from lending money to a huge population of would-be client-base in host markets in which many SMEs would fall. Ezcurra & Rodriguez-Pose (2013) investigate the relationship between globalization and regional inequality for 47 nations covering the period of 17 yrs from 1990 to 2007. The results from the study found a positive and statistically significant association between magnitude of the regional disparities and economic globalization. Regional inequality is more pronounced in countries with greater degree of economic integration compared to rest of the world (Ezcurra & Rodríguez-Pose, 2013). In addition, the study also revealed that the spatial impact of economic globalization is more in low and middle income nations with higher regional disparities than in high income countries.

Despite many studies that have focused on the impact of globalization in literature. There is need for more studies on how globalization affects SMEs in emerging economies such as Zambia. Understanding the risks and impact of globalization can help stakeholders to direct their scarce resources to mitigate the impact that would impinge their success. Thus, this paper highlights the effects of globalization on SMEs in emerging economies with focus on Zambia. In addition, the paper suggests relevant mitigation strategies that can help affected SMEs to overcome the economic risks of globalization.

3. Methodology

This study adopted a mixed methods research, that is, quantitative and qualitative research approach (Collis & Hussey, 2013). According to Saunders (2011) a quantitative approach ensured that the logical reasoning is applied to the research so that precision, objectivity and rigor replace hunches, experience and intuition as the means of investigation research problems (Saunders, 2011). Notwithstanding this benefit, the quantitative approach to the study of small and medium business implied that some questions simply do not get asked or cannot be asked (Thomas, 2004).

Data was collected through a questionnaire which was administered to the respondents. The questionnaires consist of two parts, the first part concentrated on the biographic information of respondents. The second section consisting of Likert scale items demanding the extents of agreement and disagreement to items specified for the study regarding the impact of independent variables on the growth and developments of their businesses. The use of both qualitative and quantitative approaches was to obtain in-depth information from the selected SMEs firms through interviews in addition to the primary data obtained through the use of the questionnaires.

3.1 Sample, data collection and coding

In answering the research question which is the impact of globalization SMEs in Zambia, the sample consisted of 50 SMEs employing at least 2 personnel, operating mainly in general trade, cosmetics, boutique and saloon and service industries almost evenly distributed between the three industries. The sampling method used was a purposive. In particular we used non-proportional quota sampling where we non-randomly selected 10-12 respondents in each province of Zambia giving a total sample of 104 sample units. It aimed to represent a population of SMEs in Zambia. The SMEs selected were those actively engaged in business. Within the requirement that there should be an equal number of SMEs located in peri-urban and urban centers, the inclusion of three economies for each category avoids the risk of drawing conclusions from single contexts. SMEs were added to the sample until target numbers were met; 78% of firms approached agreed to participate in the study.

The data derive from questionnaires using a mixture of open and closed-ended questions designed to study how SMEs are impacted by globalization. The research was conducted in 2017. The on-site visits provided a good understanding of the sampled firms' activities. The questionnaire was standardized in order to ensure consistency of measures and reliability within the research process. It served as a replication guide that ensured stability in data collection (Creswell & Creswell, 2017). Although many questions were factual in nature, various steps were taken to develop and maintain a common understanding of all questions and of the meanings to be attached to qualitative responses as well as to control for the impact of multiple responses. There was a process of respondents' preparation before admission of questionnaires concerning issues such as the establishment of rapport, identification of follow-up questions, and use of probes (Wallen & Fraenkel, 2001). A coding scheme was developed and subsequently refined. The refined coding scheme was then used to code all transcripts. Once the data had been coded and entered into an SPSS data file, frequency runs and tabulations were performed as a further check on coding anomalies and to reduce validity concerns.

3.2 Measures

Tables 3, 4 and 6 list the length in business, comments and type of business respectively. They indicate the relevant questions asked in the questionnaire and how replies were operationalized. Some items are factual in nature and are recorded either directly. Others, notably core competitive strengths, are perceptual in nature and are coded from an analysis as in table 3. It should be noted that where data are coded in ordinal categories, these were not presented in interviews a priori. The questionnaire had also employed open-ended questions; our procedure was to record accurately what respondents said and then often to code whether or not a particular item was mentioned. For this mode of data capture it was not considered generally appropriate to constrain respondents' views into predetermined scales devised by the researchers.

3.3 Chi-Square Test

The chi-square test of independence was carried out to find out if the opinion given on the impact that globalization was significantly related to the length the participants had been in business. The p-value for a test of independence is calculated as

$$P(\chi^2 > \chi_0)$$

$$\text{Where } \chi_0 = \sum_{i=1}^n \frac{(O-E)^2}{E}$$

The chi-square test of independence was again carried out to find out if the comments given on the impact of globalization were significantly related to the type of business the participants had been engaged in. Results for the Chi-Square test for independence were generated using SPSS.

4. Results and Analysis

As stated in the methodology, the research comprised both quantitative as well as qualitative approach. Presentation of results and analysis for each approach follows.

4.1 Quantitative findings

The total number of respondents in this research was 104, males constituted the larger proportion of 65.4% with female 34.6%. The majority of the respondents had reached the tertiary level of education with the percentage of 63% while small percentage of about 8% only reached the primary level. Table 1 shows line of business for the respondents considered for this research.

Table 1: Level in Business Hierarchy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Owner	58	55.8	56.3	56.3
	Partner (shared capital)	9	8.7	8.7	65.0
	Family Business	24	23.1	23.3	88.3
	Employee	12	11.5	11.7	100.0
	Total	103	99.0	100.0	
Missing	System	1	1.0		
Total		104	100.0		

As observed from the table above, 56.3% of the respondents owned businesses who are mostly traders with 8.7% being in partnership. Those who were in family business and employees constituted about 23 % and 11.7% respectively. Table 2 below shows the type of business respondents are involved in.

Table 2: Type of Business

		Frequency	Percent	Valid Percent	Cumulative %
Valid	Supplier	4	3.8	4.4	4.4
	General Trade	28	26.9	31.1	35.6
	Electronics & Phone Accessories	9	8.7	10.0	45.6
	Buying & Selling cars	2	1.9	2.2	47.8
	Education (School)	1	1.0	1.1	48.9
	Cosmetics , Boutique, Saloon	16	15.4	17.8	66.7
	Farming & Food	7	6.7	7.8	74.4
	Hardware	5	4.8	5.6	80.0
	Service	13	12.5	14.4	94.4
	Marketeer	5	4.8	5.6	100.0
	Total	90	86.5	100.0	
Missing	System	14	13.5		
Total		104	100.0		

The majority (31.1%) of the respondents did general trade deals and the smallest proportion of 1.1% provided education services as indicated in Table 2. A combination percentage of 67.8% of respondents were involved in other small types of businesses such as selling electronics and phones, buying and selling of cars, accessories, cosmetics, boutique and saloon, farming, hardware, service, and Marketeers. To understand how these small business are affected by globalization, Table 3 shows the cross tabulation for the risk of globalization on the length of business.

Table 3: Globalization has had a high risk on our performance * Lengthy in Business Cross tabulation (%)

Globalization has had a high risk on our performance		Lengthy in Business				Total	
		1-5yrs	6-10yrs	11-15yrs	above 15yrs		
Strongly Disagree	Count	2	1	4	1	8	
	%	4.4%	3.8%	30.8%	7.7%	8.2%	
Disagree	Count	15	10	2	4	31	
	%	33.3%	38.5%	15.4%	30.8%	32.0%	
No Opinion	Count	13	5	2	2	22	
	%	28.9%	19.2%	15.4%	15.4%	22.7%	
Agree	Count	12	8	5	5	30	
	%	26.7%	30.8%	38.5%	38.5%	30.9%	
Strongly Agree	Count	3	2	0	1	6	
	%	6.7%	7.7%	.0%	7.7%	6.2%	
Total		Count	45	26	13	13	97
		%	100.0%	100.0%	100.0%	100.0%	100.0%

A total of 8.2% of the respondents strongly disagreed that globalization has had a high risk on their performance in business. 38.5% of those who strongly disagreed had been in business for at least 11 years. 22.7% had no opinion on the claim while 6.2% strongly agreed to the claim and 7.7% of them had been in business for at least 15 years. Further, a Chi-square test of independence revealed that the opinion given on the impact that globalization has had on their performance in business was not significantly related to the length the participants had been in business. The probability value of 0.796772 led to the conclusion. However, the small cell frequencies prompted us to use the Fisher’s exact test as a non-parametric alternative to the Chi-square test. A p-value of 0.5886 implied that the earlier conclusion is still valid shown in Table 4 below.

Table 4: Fisher exact test

Fisher's Exact Test for Count Data	
data:	Table1
p-value =	0.5886
alternative hypothesis:	true odds ratio is not equal to 1
95 percent confidence interval:	0.4233701 1.1659426
sample estimates:	
odds ratio	0.7054345

Table 5 indicates the comments from respondents about globalization in relation to SMEs.

Table 5: Comments from respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SMEs need more financial support to perform better	13	12.5	14.6	14.6
	Govt should ban imports	6	5.8	6.7	21.3
	Govt should regulate imports	12	11.5	13.5	34.8
	Govt should promote local products & introduce new industries	16	15.4	18.0	52.8
	Globalization is health, helps our economy to grow	12	11.5	13.5	66.3
	Govt should create conducive environment for SMEs	11	10.6	12.4	78.7
	More training for SMEs	5	4.8	5.6	84.3
	SMEs should advertise more	3	2.9	3.4	87.6
	Globalization has brought difficulties to local SMEs	9	8.7	10.1	97.8
	Promote joint ventures between local and foreign companies	2	1.9	2.2	100.0
Total	89	85.6	100.0		
Missing System	15	14.4			
Total	104	100.0			

About 62% of the respondents had the following comments or suggestions which could enhance their performance in business; they needed more financial support, government to regulate imports of certain goods to promote the local products, government to introduce more industries and create conducive environments for SMEs and Globalization is health and probably boasts the county’s economic muscle. Other comments provided were SMEs to be provided with training and government to promote locals to partner with local investors. Table 6 shows cross tabulation between comments from respondents and the type of business for the respondents.

Table 6: Comments * Type of Business Cross tabulation (%)

Comments from Respondents/ Type of business	Supplier	General Trade	Accessories & Phone	Electronics	Buying & Selling cars	Saloon	Cosmetics, Boutique, Saloon	Food	Farming & Hardware	Service	Marketeer	Total
SMEs need more financial support to perform better	1.3	4.0	1.3	0.0	4.0	0.0	.0	0.0	1.3	12.0		
Government should ban imports	0.0	1.3	2.7	0.0	1.3	0.0	0.0	0.0	0.0	5.3		
Government should	0.0	0.0	1.3	0.0	1.3	2.7	4.0	4.0	0.0	13.3		

regulate imports										
Government should promote local products & introduce new industries	2.7	8.0	0.0	0.0	5.3	1.3	0.0	0.0	1.3	18.7
Globalization is health, helps our economy to grow	1.3	1.3	4.0	0.0	0.0	2.7	1.3	1.3	0.0	12.0
Government should create conducive environment for SMEs	0.0	1.3	0.0	0.0	8.0	1.3	0.0	0.0	2.7	13.3
More training for SMEs	0.0	2.7	1.3	1.3	0.0	0.0	0.0	1.3	0.0	6.7
SMEs should advertise more	0.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0
Globalization has brought difficulties to local SMEs	0.0	5.3	0.0	0.0	1.3	0.0	0.0	5.3	0.0	12.0
Promote joint ventures between local and foreign companies	0.0	0.0	0.0	0.0	0.0	1.3	0.0	1.3	0.0	2.7
Total	5.3	28.0	10.7	1.3	21.3	9.3	5.3	13.3	5.3	100.0

A non-parametric Fisher’s exact test of independence revealed that the comments given on the impact that globalization has had on their performance in business was not significantly related to the type of business respondents were engaged in. The probability value of 0.652563 led to the conclusion.

4.2 Qualitative Findings

After conducting interviews, three main factors were found to have major impact of globalization confronting SMEs Zambia. These include the general impact of globalization on SMEs, economic impact of globalization on SMEs and the impact of globalization on business activities of SMEs.

a) The impact of globalization on SMEs

Globalization has opened up trade barriers; this has benefited the consumers with the variety of goods on most markets. Meanwhile as for SMEs in emerging economies, it has affected them negatively and some have seen not much of change, as their products are not making it across the borders. During the interview, participants shared their experiences with regard to the impact of globalization on their firm. The following quotations typify their shared views:

“We are not making much from our export earnings as much of our products are sold locally, maybe if our production levels where to improve”.

The findings of Anand, (2015) in the survey conducted on 343 middle and senior managers of 125 high performing SMEs operating in manufacturing industry in India, Nepal and Bangladesh, between the years of 2012-2013 is consistent with the above view. The limited financial capital for expansion posed as the major challenge in penetrating the international market.

The SMEs in retail business who are dealing in selling imported goods have been affected to a point that they are finding it difficult to survive in the business. The establishment of foreign firms selling similar goods has brought tough competition. The following statement from the respondents mirrors their shared views:

“Globalization has affected our business negatively, because most of the goods we sell are imported goods from China and now the Chinese are in Zambia selling the same goods, which is proving to be a challenge as we are competing of selling price with them”.

The findings above are consistent with the findings of Ocloo et al., (2014) in Ghana, which identified stiff competition and technological advancements as the compelling challenges facing SMEs. Considering their recommendation that SMEs must put in place right strategies which would embrace the world market place that is constantly changing is ideal but this will require business processes reengineering to fit in a compete favorably.

In addition, the SMEs that are producing their own products also had their pinch as result of globalization. Most of the firms failed to compete and eventually close down because of the pressure from the influx of cheaper produced foreign goods. A respondent in this category made the following statement:

“Survival in our business has become difficult because our marginal cost of production is higher than the imported products.”

The above views are literally in line with findings of Aris (2007) and Harvie (2004) of which countries with more trade surpluses are inevitably benefiting in a globalized environment and hence, the tension caused by the trade imbalance could only be addressed through protectionist policies.

b) The economic impact of globalization on SMEs

The contribution of SMEs to economic welfare in terms of employment creation and the actual country's Gross Domestic Product is affected. Most SMEs have failed to grow in the globalized environment and this eventually affected the general output of the country. The respondent had this to say concerning the economic impact of globalization on SMEs:

“It is difficult to make enough profit even employ more people because there many products on the market and customers have variety to choose from and some are of better quality”.

SME in emerging economies also have faced difficulties to access finance to expand their business (Agwu & Emeti, 2014). The financial challenges have handicapped the operations of SME's in emerging economies (Daniels & Ngwira, 1993). The respondent reviewed this statement to affirm:

“Our competitors have money for expansion of their business, maybe the interest rates when accessing loans from where they coming from is lower. Hence our competitors are economically sound and they have more money to expand”.

c) The impact of globalization on business activities of SMEs.

The SMEs dealing in imported goods are facing a hug challenge to compete with other new firms that have come on the market with cheaper sources of their goods. This is proving to be difficult to compete, as their sourcing prices are higher than that of their competitors. Moreover, the competitors are more advantaged in sourcing for the same good at a cheaper price. A respondent said:

“The Chinese shops which have opened here are marking business rough, maybe they know cheaper sources of these products or they are getting these products on credit.”

The SMEs that are producing their own goods are also affected. Worse more the imported products are cheaper and sometimes of even better quality than theirs. The cost of production in Zambia is higher than in most Asian countries where most of the imported goods are coming from. A respondent made the following statement:

“Competition has become stiff because our marginal cost of production is higher than the imported products.”

The above views were also consistent with findings of Kohut & Wike, (2008) where they found that external economic shocks posed as a business challenge in a globalized environment.

5. Discussion and Conclusion

This paper has analysed the impacts of globalization on SMEs in emerging economies in the context and set up of a country Zambia in the sub-Saharan region. The findings show that the broader notion that globalization has had positive impact in developing countries is questioned in view of SMEs. Taking into consideration the role played by SMEs in economic development, there are different contextual factors that need to be considered and addressed for SMEs to yield positive returns in a globalized environment.

This conclusion still holds when we examine the impact of globalization on SMEs in other developing countries (Ocloo et al., 2014). The existing difficulties to access financial capital, heavy regulatory and high taxes save as a heavy burden for survival of SMEs in a globalized environment. Our findings further review that most SMEs affected are trading imported goods and the analysis of additional explanatory variables that a large number of SMEs family businesses were the majority had better chances of survival than individually owned businesses. This could be owed to the financial and strategic management aspect, hence there is need for skills development in these areas by most SMEs. The results of the analysis also indicate that the impact of globalization on SMEs may affect the level of business activities in developing countries. This is potentially important, since the level of international marketing in many developing countries still lags behind.

Therefore policy-makers and international organizations should pay particular attention on the implications derived from integration with the rest of the world in emerging countries. The findings further represent an

additional contribution to the debate by emphasizing the impact of global integration. The inquiry that globalization leads to the rise of losing and winning countries in terms of benefits of trade within countries is less, but the distribution of winners and losers seems to be economically irregular. Our findings suggest that the losing countries are low income earning countries, which are emerging at a very slow rate. Further, the analysis reviewed that the opinion given on the impact of globalisation has had on their performance in business was not significantly related to the length the participants had been in business.

Therefore, an additional extension to this research is welcome in the context of enlargement of the number of countries included in the sample. Lack of adequate regional data and resources has prevented us from pursuing this issue, but addressing it may provide a more complete picture about the impact of globalization on SMEs in emerging economies. Furthermore, studies on the impact of globalization may lead better terms of trade between countries.

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