Developing Dynamic Capabilities in Emerging Markets:

Comparative Multiple Case Studies of Cameroonian and Zambian SMEs

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ABSTRACT

Small and Medium Size Enterprise (SMEs) have long been recognised as the major drivers of economic activities due to their entrepreneurial traits of being innovative which lead to job creation, sustaining economic growth, export expansion, and efficient allocation of resources in line with their competitive goals and their respective country’s objectives. In their pursuit as major economic drivers in their respective economies, SMEs are barely exposed to hostile environments triggering fierce competition from Multinational Corporations. This has entailed that SMEs need to enhance their capabilities in such environments to sustain their competitive advantage by reconfiguring their internal and external competences and resources in response to changing environments. Surprisingly, literature on how SMEs develop dynamic capabilities in such markets is limited and inconsistent. Therefore, this thesis explores how SMEs develop dynamic capabilities in emerging markets specifically in African markets.

The central purpose of the study is to explore how SMEs in emerging markets such as Africa develop dynamic capabilities to compete alongside MNCs. Building on prior researches which conceptually suggested that market orientation, learning orientation, and entrepreneurial orientation in separate cases, enables SMEs to build dynamic capabilities in dynamic environments, this study explored this viewpoint through a qualitative case study data. Comparative multiple case studies are developed in order to have a holistic understanding of how SMEs across sectors develop dynamic capabilities. The study employs empirical data collected through the use of semi-structured interviews in which samples are purposively selected from 10 firms from separate industries in Africa, in which five were drawn from Cameroon and other five drawn from Zambia. The study follows a qualitative-deductive approach.

Findings indicate that SMEs develop dynamic capabilities in emerging market principally through the lenses of market orientation and learning orientation. While entrepreneurial orientation is found lacking the potential to enable SMEs build-up the required dynamic capabilities due to the fact that it places huge demand on SMEs who are short of adequate financial resources to meet up with the contingencies of being fully entrepreneurial. That is to say, market orientation and learning orientation other than entrepreneurial orientation are the enablers of dynamic capabilities in emerging market. The findings contribute to existing literature by building an empirically-grounded synthesis of the constructs of market orientation, learning orientation and entrepreneurial orientation involved in the development of dynamic capabilities which validates earlier claims on the development of dynamic capabilities in dynamic environment. Second, the results contribute to theory by advancing an original model which brings together all standalone models in the field of dynamic capabilities development into one, thereby harmonising the polarisation of facts. Furthermore, the findings bear potential for researchers and entrepreneurs intending to invest in emerging markets such as Africa.

To improve on this study, we suggest undertaking a related cross-comparative case study on similar grounds which takes into account homogeneity and age parameters at industry level from two or more countries. We believe this might provide an additional explanation on how SMEs in emerging markets develop dynamic capability and may also shed more light on whether age of a firm has an effect on the build-up of dynamic capabilities.

Keywords: Small and Medium Size Enterprise, dynamic capabilities, emerging markets.
DECLARATION

We, Kabangu Kabangu and Ngwa Macdonald, do hereby declare that the work enshrined in this thesis is our own original work and to the best of our knowledge, it has not previously in its entirety or in part been submitted to any University for any academic award. It has been undertaken independently under the guidance of our supervisor. All other scholars, whose works were consulted, have been duly acknowledged.

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ACKNOWLEDGEMENTS

First and foremost, we would like to thank our Almighty God for making it possible for us to complete this thesis. He led us through with His infinite mercy and the gift of good health throughout our study period.

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We would also like to take this rare opportunity to sincerely extend our gratitude to our supervisor Professor Jan Bodin without whose relentless efforts this thesis would not have come to fruition. He has been the source of our inspiration providing constructive advice, critique, encouragement and support throughout the thesis period.

Finally, we are also grateful to our study respondents for taking out time from their ever-busy schedules to offer extremely enthusiastic responses during their participation in the study. We valued your contribution full of precious knowledge, experiences and insights which spiced our thesis.
DEDICATIONS

I dedicate my work on his thesis to my family. Without their love and support, I could not have completed this enormous task. To my caring mother Rosemary Mendai-Kabangu, my beautiful wife Florence Mushami-Kabangu, and my two lovely daughters, Mendai and Mutaka, I love you and thank you for your patience, devotion, kindness and aspiration.

         Kabangu Kabangu

My dedications of this thesis go out to my entire family who will never stop praying for my general wellbeing. To my late grandparents Rev. and Mrs. Mumambang Martin Ngwa, my mother Mumambang Beatrice Lum, my wife, Atanga Joysline Epse Ngwa Ngenwie and my lovely son Mumambang Duke Brayden Tanifum. I love you all and may the Almighty God continue to bless and watch over the family.

         Ngwa Macdonald
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**ACRONYMS AND ABBREVIATIONS**

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<th>Acronym</th>
<th>Definition</th>
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<tr>
<td>AFDB/ADB</td>
<td>African Development Bank</td>
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<tr>
<td>CEMAC</td>
<td>Central African Economic and Monetary Community</td>
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<td>CFA</td>
<td>Communauté Financière d'Afrique</td>
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<tr>
<td>COMESA</td>
<td>Common Market for Eastern and Southern Africa</td>
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<td>CSO</td>
<td>Central Statistics Office</td>
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<td>FDI</td>
<td>Foreign Direct Investments</td>
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<td>GRZ</td>
<td>Government Republic of Zambia</td>
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<tr>
<td>MCTI</td>
<td>Ministry of Commerce, Trade and Industry</td>
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<tr>
<td>MIP</td>
<td>Market Information Processing</td>
</tr>
<tr>
<td>MNC</td>
<td>Multinational Corporations</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>RICTA</td>
<td>Research ICT Africa</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Size Enterprise</td>
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<td>ZMK</td>
<td>Zambian Kwacha</td>
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CHAPTER ONE: INTRODUCTION

This chapter introduces dynamic capabilities in the context of Small and Medium Size Enterprises in their endeavour to manage ever increasing competitive changes and challenges in their business environments. The theoretical and empirical motivation for the study is presented which clearly indicates the purpose of the study and problem background, leading to the research question and delimitations respectively.

1.1 Background of the Study

Small and Medium Size Enterprise (SMEs) have long been recognised as a major business sector with a dominant positive contribution towards economic growth (Dababneh & Tukan, 2007, p. 4). An SME is an enterprise which employ fewer than 100 employees and which have an annual sales turnover of not less than 86,965 EUR and not exceeding 86,965 EUR (see section 1.6.1). Hence, it is an overdue concern for some governments especially in emerging markets to maintain the superior performance of Small and Medium Size Enterprises (SMEs) in both home and global market (Tesar & Moini, 1998, p.292) because of its emerging economic value. An emerging market is a country or nation that has undertaken transition in its economic systems and has the potential for economic growth while having an immense variability in consumers and business infrastructure (see section 1.6.3). Many countries have acknowledged that SMEs plays a pivotal role as they contribute to the achievement of macroeconomic goals of developing nations specifically those in emerging markets (Todd & Javalgi, 2007, p.167; Knight, 2001, p.155). SMEs are drivers of most economies because of their entrepreneurial traits of being innovative as compared to Multinational Corporations (MNCs) because there have flexible organisational structures with less bureaucracy (Edmiston, 2007, p.87). Researchers such as Harvie (2004, P.15), Kongolo (2010, p.2288), Edmiston (2007, p.77), Rowlatt (2013, p. 9-10), and Kula & Tatoglu (2003, p.325), have all pointed out the importance of SMEs to an economy. Such value includes their potential to contribute to job creation, sustaining economic growth, export expansion, and efficient distribution of resources in line with the country’s comparative advantage.

Consequently, governments in emerging markets are becoming increasingly aware of the importance of SMEs to the national economic development of their countries. SMEs also aid such economies integrating domestic firms into the global economy so as to foster a balance of trade (Filatotchev et al., 2009, p 1006; Mike et al., 2005, p. 1). These governments in emerging economies offer new firms incentives ranging from some years of tax reductions, start-up loans, advisory centres and other incentives (Filatotchev, et al., 2009, p 1006). Evidently, this support offered by individual country governments to their SMEs intended to survive competitive pressure from foreign and well-established MNCs seem not adequate to turn the tides.

To sustain SMEs’ competitive advantage in the global market, most countries in the past had put in some shielding measures to guard them against external competition. As a result, SMEs experienced a competition honeymoon from foreign competition leading to their unprecedented growth as most governments protected their economies from foreign invasion through import barriers (Todd & Javalgi, 2007, p.174). The shielding measures led to the domestic market being large enough for smooth operation of SMEs in which there was high demand for local goods and service and its low supply. However, in recent times where most nations recognize the benefits of globalisation, developing countries
have opened up their economies to the external world with a view of attracting their share of Foreign Direct Investments (FDI) in these emerging markets (Anderson & Sutherland, 2015, p. 815). The attraction of FDI through the removal of economic barriers have led to an integrated world economy (Todd & Javalgi, 2007, p.167). With such changes, SMEs are faced with both opportunities and challenges posing a danger of eroding their potential to contribute positively to the national economies and eroding their market share position (Todd & Javalgi, 2007, p.176). Therefore, according to Mike et al. (2005, p. 4), the entry of MNCs from developed countries into emerging markets has compelled the rising appetite for a study on a unique set of knowledge on how to compete favourably in these new market environments.

As stated by Pitelis & Teece (2010, p. 1248), MNCs exist because of the desire by their principal's entrepreneurs to create and capture value through the building and design of institutions that assist create cross-border markets, shape eco-systems, and leverage capabilities. Considering the evidence that many rapidly developing industries are dominated by large global firms (Bengtsson & Johansson, 2012, p. 402), as many more MNCs penetrate the emerging markets in developing countries, competitive pressure on local SMEs has intensified. This rivalry is as a consequence of the removal of the protective shield due to the advantages of integration and globalisation (Todd & Javalgi, 2007, p.174). The reduction of entry and trade barriers in effect becomes a driving force towards SMEs requiring the development of new and exclusive strategies towards achieving efficiency, effectiveness, and innovativeness as a dying need for survival.

Furthermore, due to their liability of smallness, SMEs face several challenges ranging from limited capital, capabilities and weak human resources base (Todd & Javalgi, 2007, p.174), and the low base of resources (Knight, 2001, p.156). Other challenges include minimal access to regular financial resources (Kalantaridis, 2004, p.245), less competitive power (Todd & Javalgi, 2007, p.168), and lack of experience with global business (Buckley, 1989, p.94; Tesar & Moini, 1998, p.293). Such challenges in emerging markets erode their competing power. As a result, SMEs are finding it more challenging to compete for Vis a vis, the presence of well-established MNCs. Due to endless competing pressure on the operation of SMEs from larger firms, the ability to control their industrial growth path is limited impacting negatively on their role in contributing to economic growth and employment (Etemad et al., 2001, p.481). The determinant factor for growth and survival for such vulnerable firms during such environmental turbulences depends on their ability to develop dynamic capabilities to remain competitive (Etemad et al., 2001, p.485). Dynamic capabilities are the firm’s capabilities to integrate, learn and reconfigure internal and external resources and competencies in response to changing environments (see section 1.6.2). It is their ability to achieve efficiencies in their operation which will enhance their survival in such competitive markets (Etemad et al., 2001, p.496). Hence, to facilitate growth in the very competitive environment, SMEs are expected to acquire vital capabilities which will enable them to modify their mode of operations to meet market situational-fit (Tesar & Moini, 1998, p.293).

Despite the competitive challenges emanating from environmental turbulences and their evident liability of smallness, SMEs still need to be viable and contributing to the economic growth and employment in their emerging market. Therefore, it raises the question of how SMEs could develop capabilities in response to such stiff competition from MNCs regardless of their liability of smallness (Barreto, 2010, p.257). Interestingly, it came to our attention that any firm that sustains successful performance in such market
must be endowed with inherent dynamic capability. According to Zahra et al. (2006, p.917-918), the essence of developing and employing dynamic capabilities to strengthen the firm’s competitive advantage in a turbulent market is the only viable solution against rivalry. In this regard, SMEs need to apply different forms of dynamic capabilities to be able to create, define, discover and exploit entrepreneurial opportunities well ahead of their competitors. Bearing in mind that what makes SMEs thrive in emerging markets is the exercise of dynamic capability and not resource endowment, we thought to gain a deeper understanding on how SMEs can acquire such threshold or distinctive capabilities needed to survival the terrors of MNCs.

According to the Africa development bank report (2014), Africa is attracting huge amount of FDI, and the region is becoming a destination choice for many MNCs. Its real GDP grew at 3.9%, higher than the global (3.3%) economy in 2014. As such, foreign investment is becoming a growing force in the economic transformation in emerging markets in such a way that they contribute in moving these economies up the global value chain, generates jobs and wealth (African investment report, 2014). Due to the identified global attention especially by foreign investors on Africa, we though it ideal to investigate the impact of this recent phenomenon on the SMEs who seem to encounter a direct competitive interaction with the influx of the MNCs. In the next section, we embark on a review of prior literature to gain a deeper understanding of how SMEs can develop dynamic capabilities leading to the identification of a research gap in the literature, and subsequently development of our research question.

1.2 Research Gaps
Being able to develop dynamic capabilities is an integral part of doing business in a dynamic environment (Zahra et al., 2006, p.917-918). However, dynamic capabilities do not come out of blues as a gift or by resources endowment, but they need to be developed by respective firms (Etemad et al., 2001, p.485). A review of past literature reveals tremendous research works on dynamic capability, as yet only comparatively few researchers have taken an interest in dynamic capability development (see section 1.5). Consequently, the literature calls for further studies in connection to how firms develop their dynamic capabilities (King & Tucci, 2002, p.171). Furthermore, the existing body of literature suffers several shortcomings.

First, the prevailing studies were conducted in stable environments whose results does not depict well the correct reflection of a dynamic environment such as Africa. Research findings from both Buttar & Koçak (2011) and Chien & Tsai (2012) reveal that dynamic capability is developed as a result of a firm adopting the philosophy of learning orientation and entrepreneurial orientations. In their case study of small high-tech firms in Turkey, Buttar & Koçak (2011) reveal that entrepreneurial orientation has a positive impact on building of dynamic capabilities which in turn, positively affects firm performance. Furthermore, Chien & Tsai (2012) found that learning orientation influence the firm’s capacity to develop dynamic capabilities. In the survey of leading fast-food restaurant chain in Taiwan, Chien & Tsai (2012) found that learning and knowledge influenced dynamic capabilities which enable the firms to reconfigure their knowledge resources both quickly and more efficiently in response to a changing environment which enhanced the firm’s performance. The findings nevertheless provide relevant insight on how dynamic capability by SMEs could be developed, but contextual dynamic environment information is little taken into consideration. Also, the link between dynamic capability and dynamic environment is missing. Thus, there is an opportunity to
investigate the relationships between their findings and the dynamic environment by conducting a current research in an emerging market. A current study could provide a complete understanding of how SMEs develop dynamic capabilities in the image of hostile, dynamic, and heterogeneous environments.

Second, the current literature lacks empirical research which applies dynamic capability development models to dynamic environment settings. Categorically, there is no empirical research to Zahra et al. (2006, p.918) question: how do dynamic capabilities come into existence? Even though the literature has some validated measures (Ali et al., 2010; Zollo & Winter, 2002; Zahra et al., 2006), the past studies on dynamic capability development have been mostly conceptual based. For example, Ali et al. (2010) in his theoretical study on dynamic capability and firm performance demonstrated that dynamic capability has developed as a result of learning which enables the firm to acquire new knowledge on how best to execute some business operations. Zollo & Winter (2002) through a conceptual study, also found that dynamic capabilities were shaped by the coevolution of learning mechanisms. They concluded that firms adopted a mix of learning behaviours constituted by a semiautomatic built-up of vast experience and by deliberate investments in knowledge articulation and codification activities which gave rise to dynamic capabilities. Additionally, Zahra et al. (2006) conceptual study found that entrepreneurial and learning orientations lead to the development of dynamic capabilities in both small and established firms. In this respect, the learning orientation framework developed by Ali et al. (2010), Zollo & Winter (2002), and Zahra et al. (2006); the entrepreneurial orientation model developed by Zahra et al. (2006) provide sound starting points for creating the construct. Hence, the literature still provides a research window which will advance understanding on dynamic capability through empirically investigating contributory dimensions unrevealing dynamic capability development in SMEs.

Finally, the existing literature contains polarisation of facts which lacks a harmonization framework as seen in Table 1. Diverse studies around dynamic capabilities development have resulted in parallel competitive models and results without connecting conclusion on how dynamic capabilities develop. Some research works have put much emphasis on the nature of dynamic capabilities (Eisenhardt & Martin, 2000; Winter, 2003; George et al., 2004). While Zollo & Winter (2002), Korr & Mahoney (2005), and Arthurs & Busenitz (2006) focussed mainly on the origin of capabilities. Furthermore, different studies concentrated on establishing processes or what is required to developing and exploiting dynamic capabilities (Zollo & Winter, 2002; Salvato, 2003; George et al., 2004). On top of that, some studies relates to outcomes or end results of dynamic capabilities (Eisenhardt & Martin, 2000; Zahra & George, 2002b; Bowman & Ambrosini, 2003; Sapienza et al., 2006). The polarisation of facts has led to confusion in the mind of scholars and SMEs on how best to develop dynamic capabilities. Thus, to address the polarisation effects in the development of dynamic capability, there is a need empirically to study the relationships between these three models and dynamic capability development by linking them in a single model and measure how dynamic capability develops in an emerging market. By adopting a more holistic approach to research, it could help identify the possible dimension towards the development of dynamic capabilities in emerging markets.

In summary, the findings of this review testify to the fact that the data cannot adequately provide a complete understanding of how SMEs develop dynamic capabilities in the
image of hostile, dynamic, and heterogeneous environments. The findings reveal fragmentation of facts which need harmonisation empirically. Fragmentation in itself presents a research gap on how SMEs in emerging markets develop the dynamic capability. Our argument is backed by the lack of an exhaustive theoretical framework which attempts to integrate all highlighted single concepts. Also, some studies have been conducted in different geographical settings mostly in advanced economies which have different environmental dynamics, and very little on or nothing on Africa with emerging markets and with different psyche distances.

Table 1: Overview of Past Research on the Development of Dynamic Capability

<table>
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<th>Reference</th>
<th>Study Design</th>
<th>Key Findings</th>
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<td></td>
<td>Learning</td>
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<tr>
<td></td>
<td></td>
<td>orientation</td>
</tr>
<tr>
<td>Zollo &amp; Winter (2002)</td>
<td>Theoretical &amp; conceptual studies</td>
<td>✓</td>
</tr>
<tr>
<td>Zahra et al. (2006)</td>
<td>Theoretical &amp; conceptual study</td>
<td>✓</td>
</tr>
<tr>
<td>Chien &amp; Tsai, (2012).</td>
<td>Empirical study (Survey) of 132 leading fast-food restaurant chain (Taiwan)</td>
<td>✓</td>
</tr>
<tr>
<td>Buttar &amp; Koçak (2011)</td>
<td>Empirical study (Qualitative case study) of 10 high-tech firms (Turkey)</td>
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1.3 Research Question

Bearing in mind that there have been not enough prior studies on dynamic capabilities studies to aid SMEs operating in emerging markets such as Africa characterised with stiff competition understand the development of dynamic capabilities to the advantage, our study seeks to fill the above-highlighted gap by answering the research question:

*How can Small and Medium-Size Enterprises (SMEs) in emerging markets such as Africa develop dynamic capabilities to compete alongside Multinational Companies (MNCs)*?

1.4 Purpose of the Study

The central purpose of the study is to explore how SMEs in emerging markets such as Africa develop dynamic capabilities to compete alongside MNCs. In light of the research
gaps, this study aims to integrate the three orientations: market orientation, learning orientation, and entrepreneurial orientation to empirically confirm or disconfirm the theories behind the frameworks drawn from different kinds of literature. Building on prior studies suggesting that market orientation, learning orientation, and entrepreneurial orientation of a firm would enhance dynamic capability development; this study explores this claims through qualitative comparative case study data from Cameroon and Zambia. By shedding more light on the dynamic capability developments concept, our study provides some insights into how they come into existence which had been neglected by some past studies. In this manner, we will fill in the necessary gap of knowledge between assumptions and facts about the conception of Africa as an emerging market, the dynamic capability development in the context of a different environmental turbulences and recommend on further research on foundation areas for possible future research. The aims of the study emanates from the following objectives:

a) to fill the gap in knowledge regarding dynamic capability development of SMEs in dynamic environments which can be understood by emerging market context
b) to confirm or disconfirm theory on dynamic capability development of SMEs in emerging markets,
c) to contribute to theory through the development of conceptual and methodological frameworks on the development of dynamic capability in emerging markets, and finally,
d) to address the study research question and suggest the direction for future studies.

Before proceeding to the theory section, where these perspectives are investigated and blended, below, we shed light on the key terms and concepts used in this study.

1.5 Systematic Review
We began information gathering on dynamic capability development from secondary sources to base the construction of our theoretical framework. We looked for secondary sources first to avoid data redundancy in which we might have collected data which others have already researched though their purpose might be different from that of ours (Ghauri & Gronhaug, 2005, p. 102). The secondary sources for this study consisted previously published material comprising of articles, books, journals and web-based which flamed our knowledge. To make progress, find new insights, and be familiar with how SMEs develop dynamic capabilities in emerging markets, it was cardinal for initially focussed on knowing what was already known (Flick, 2015, p.60). Therefore, to complement our claim that there had been little evident prior studies on how SMEs develop dynamic capabilities within the context of emerging markets particularly Africa, the authors have proceeded based on Baker (2000, p.219) and Boote & Beile (2005) approach to justifying research gap through a systematic literature review. The literature review also aims to accord readers an opportunity to gain insight into the reason behind the study, thereby presented a snapshot of the existing knowledge in the field (Rosenthal et al. 2014, p.302). Under a systematic review, the search methods, choice of databases, selection criteria are specified to make the review systematic, replicable and accessible in itself.

1.5.1 Literature Search
To enhance the quality of our literature review, we conducted a thorough literature search. In accordance with Steward (2004, p.497), we have described the method we used to retrieve literature by stating in detail the databases explored, the keywords and search
terms used. Our literature search was based on Reference Databases Searching such as Wiley INTERSCIENCE, JSTORE, Emerald, EBSCOhost, ELSEVIER, Taylor & Francis, and SAGE flamed by the UBE University Library Database Search Engine and Google Scholar™ Search Engine. Quality assurance in our review was addressed in line with Cooper (1998, p.43) and Podsakoff et al. (2005, p.475) who cautions the use of open information channels. In response to such a call, we confined our review to UBE Library Database, which stored only peer-reviewed articles to ensure standards of quality. We conducted the literature search in two phases. First, we searched for literature using search words such as dynamic capability, dynamic capability development, Small and Medium Size Enterprises, and emerging markets. The second step was to scrutinize the titles, keywords, and abstracts of the articles that came out of the search and decided on whether they were useful towards dynamic capability development. The full text of each item was reviewed to eliminate items that were not essential to dynamic capability development. Editorials, short research commentaries, and research notes were not retrieved for the review exercise.

1.5.2 Literature Selection
To ensure inclusion of relevant and quality articles in our review, our inclusion criteria for articles consisted of peer-reviewed publications only. Second, only literature written in English was used. Third, written as full text, not as editorials, short research commentaries, or research notes. Finally, the study should be related to the definition of SMEs, emerging markets and dynamic capability development. With the inclusion and exclusion perspective in mind, we adapted the Preferred Reporting Items for Systematic Reviews and Meta-Analysis (PRISMA) guidelines outlined by Moher et al. (2009, p.876-877) in selecting the studies for review in which only articles deemed essential were added to the review list. Searches for all sources yielded 1,020 outcomes. Acting by the above guidelines, we first excluded all duplicates, editorials, short research commentaries, and research notes (400) from the 1,020 search outcomes initially retrieved. We also reviewed all the titles of the remaining 620 articles, of which we excluded all articles that did not define dynamic capability, SMEs or emerging markets. Then, we retrieved and examined the abstracts of the 620 articles of which we excluded 568 articles because they did not address the subject of dynamic capability development. Finally, our selection process yielded 12 final articles as shown in figure 1; the process ended with the reading of all the selected articles that met our inclusion and exclusion criteria.
1.6 Key Concepts of the Study

In this section, we define the key concepts investigated in this study to facilitate readers’ understanding. According to Buckley & Chapman, (1996, p.235), each of the underlying fundamental concepts used in the study requires understanding from the researcher’s point of view through a description to increases the comparability of the results. In this study, the key concepts are small and medium-sized enterprises (SMEs), capabilities, dynamic capabilities, and emerging markets. In this regard, readers need to understand what the study means by (SMEs), dynamic capabilities, and emerging markets because each of these underlying concepts can attract more than one meaning from different viewpoints and disciplinary stances.

1.6.1 Small and Medium-Sized Enterprises (SMEs)

The term small and Medium-Sized Enterprises (SME) borders a broad spectrum of definitions. Various institutions and countries set their guidelines for defining SMEs, usually by employees and assets. While Cameroon defines SMEs as having more than 21 and less than 100 employees and which have an annual sales turnover net of tax not exceeding 152,449 EUR (RICTA, 2006, p.19). Zambia, on the other hand, regards SMEs as having employees ranging between 15 to 100 and which have an annual sales turnover not exceeding 86,965 EUR (MCTI, 2008, p.16). In this study, we follow the middle range definition of Cameroon and Zambia and define an SME as, “An enterprise which employ fewer than 100 employees and which have an annual sales turnover of not less than 86,965 EUR and not exceeding 86,965 EUR.” This definition is more neutral and accommodates both countries under this study.
Table 2. Definition of small- and medium-sized enterprises

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<th>Type</th>
<th>Employees</th>
<th>Turnover</th>
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<tr>
<td>Cameroon: Small and medium-sized</td>
<td>&lt; 100</td>
<td>≤ 152,449 EUR</td>
</tr>
<tr>
<td>Zambia: Small and medium-sized</td>
<td>&lt; 100</td>
<td>≤ 86,965 EUR</td>
</tr>
</tbody>
</table>

These SMEs play a central role in an economy because there are the major source of entrepreneurial skills, innovation and employment (Verheugen, 2005, p. 5; Dababneh & Tukan, 2007, p. 4). Their market competitiveness is drawn from their agility and tendency to operate niche markets with local adaptation (Bengtsson & Johansson, 2012, p. 401). However, despite being quoted as having the contributory role in the economy, their capability to undertake entrepreneurial activities thereby creating employment is limited by their lack of essential resources, limited market presence and overdependence on narrow product or service lines on a niche customer base (Bengtsson & Johansson, 2012, p. 403).

1.6.2 Dynamic Capabilities

Researchers in the field of strategic management are primarily concerned with dynamic capability variables of integration, building, reconfiguration, modification, activation and redirecting of substantial resources and routines to gain competitive advantage. Even though authors agree on the significance variables of dynamic capability, they lack consensus on a precise definition of dynamic capability as can be seen in Table 2.

Table 3. Key Definitions of Dynamic Capabilities

<table>
<thead>
<tr>
<th>Author</th>
<th>Definitions</th>
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<tbody>
<tr>
<td>Teece et al. (1997, p.515)</td>
<td>The firm’s ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments</td>
</tr>
<tr>
<td>Eisenhardt &amp; Martin (2000, p.1107).</td>
<td>Organizational routines of a strategic nature through which firms obtain new configurations of resources when markets emerge, collide, divide, evolve and die</td>
</tr>
<tr>
<td>Helfat et al. (2007, p. 4)</td>
<td>The capacity of an organization to purposefully create, extend or modify its resource base.</td>
</tr>
<tr>
<td>Winter (2003, p.991)</td>
<td>Those that operate to extend, modify or create ordinary (substantive) capabilities.</td>
</tr>
<tr>
<td>Zahra et al. (2006, p.918)</td>
<td>The abilities to reconfigure a firm’s resources and routines in the manner envisioned and deemed appropriate by the firm’s principal decision-maker(s)</td>
</tr>
</tbody>
</table>
Adopting the approach of Teece et al. (1997), this study defines dynamic capabilities as the firm’s capabilities to integrate, learn and reconfigure internal and external resources and competencies in response to changing environments. Dynamic capabilities as a term itself refer to two key sub-concepts: dynamic and capabilities. According to Teece et al., (1997, p.515), dynamic is the capability to renew capabilities so that they tarry with the changing operational environment. While capabilities stress the fundamental role of strategic management in an effective adaptation, integration and recreation of firms’ internal and external competencies and resources to meet the requirements of a changing operational environment. Since SMEs in this study operate in an emerging market with a rapidly changing industry environment, they need to identify, develop, protect, and deploy resources and capabilities in a manner that will bestow them with a sustainable competitive advantage (Amit & Schoemaker, 1993, p.35). However, to achieve such sustainable competitive advantages in rapidly changing environments, Teece et al. (1997, p.515) are of the views that firms need to develop a mover cost effective process than its rivals to reconfigure and transform their resources. The reconfiguration capability is what Teece et al. (1997) consider essential dynamic capability for monitoring changes in the environment, and for proactive responses through resource transformation.

As Amit & Schoemaker (1993, p.35) see it, dynamic capabilities are very cardinal in the firm’s efforts to gain a competitive advantage in dynamic environments. Such competitive advantages can only be necessitated by the firm’s dynamic capability which enables it to leverage its current resources effectively, create new resources, acquire additional external resources, and eventually release existing resources to adapt to the changing environments (Lin & Wu, 2014, p.407). Therefore, when faced with an increasing dynamic competitive environment, SMEs in possessing of dynamic capability are capable of taking informed decisions to explore critically the relationship between current resources stock and dynamic capabilities thereby creating a congruence of resource allocation and dynamic capability development.

1.6.3 Emerging Markets
Although emerging market concept had been in existence and widely used among the business communities, there is no universal or commonly accepted definition. Lack of universality has led to emerging markets being defined from various perspectives as shown in Table 3.

Table 4. Key Definitions of an Emerging Market

<table>
<thead>
<tr>
<th>Author</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zhang, (2008, p.3)</td>
<td>Countries that are starting to participate globally by implementing reform programmes and are undergoing economic improvement.</td>
</tr>
<tr>
<td>Fan (2008, p.2)</td>
<td>A country that has undertaken transition in its political or economic systems and experienced rapid economic development</td>
</tr>
<tr>
<td>Van de Kuil, (2008, p.10)</td>
<td>A society transitioning from a dictatorship to a free market-oriented economy, with increasing economic freedom, gradual integration within the global marketplace, an expanding middle class, improving</td>
</tr>
</tbody>
</table>
standards of living and social stability and tolerance, as well as an increase in corporations with multilateral institutions

Khanna et al., (2010, p.6)  Transactional arenas where buyers and sellers are not easily or efficiently able to come together due to institutional voids

Burgess & Steenkamp. (2006, p. 338)  Any country whose income per capita does not exceed $10,000, does not follow a stable and responsible macroeconomic policy, has insufficient market capitalisation of publicly traded companies and volume of shares traded on the stock exchange

In this study, we define an emerging market as a country that has undertaken transition in its economic systems and has the potential for economic growth while having an immense variability in consumers and business infrastructure. As the majority of the world population now lives in emerging markets, it entails that the global population is shifting from basic need era to a more consumption-oriented era (Khan, 2014, p.1). This situation has ushered in an environment for more new consumers of products and services in the emerging markets thereby transforming them into a large consumption centers for MNCs.

In this study, we view emerging market from two perspectives: (1) firms from developed markets (MNCs) entering and competing in emerging markets, and (2) domestic firms (SMEs) competing within emerging markets. SMEs in emerging markets, therefore, need to develop exploratory strategies as markets improve in their domestic market and build new sets of strategies (Filatotchev et al., 2005, p. 3). In this case, they are expected to deal squarely with environmental uncertainties by upgrading and reconfiguring their resources and capabilities to gain competitive advantage.
CHAPTER TWO: THEORETICAL BACKGROUND

In this chapter, we examine the theory in the context of multiple frameworks on dynamic capability development and articulate our views and contribution of the theory to the study. Finally, we develop a conceptual framework for the study which informs the methodology chapter.

2.1 Choice of Theories

Several key concepts developed in the strategic management, learning, and entrepreneurship literature provide the theoretical starting points for this study. This study builds more upon the separate ideas of five studies on dynamic capability development. First, Ali et al. (2010) who understood dynamic capability development as emanating from the firm’s learning orientation and market orientation. Second, Zollo and Winter (2002) who conceptualized that dynamic capability derives from learning orientation. Third, Zahra et al. (2006) who conceptualized that entrepreneurial and learning orientations leads to the development of dynamic capabilities. Fourth, Buttar & Koçak (2011) case study finding that entrepreneurial orientations influence dynamic capability development. Finally, Chien & Tsai (2012) survey findings that learning orientation influences the firms’ capacity to develop dynamic capabilities. In this study, we have defined dynamic capabilities as the firm’s capabilities to integrate, learn and rebuild internal and external resources and competencies in response to changing environments. When reflecting back to the literature review, it was assumed by all authors that firms need to reconfigure their competencies and resources in response to changing environment for them to gain a competitive advantage in dynamic environments. It is only through reconfiguration processes advanced by prior studies where we can find explanatory instances on how SMEs develop dynamic capabilities in emerging markets. Thus, we believe that dynamic capabilities development can be tracked well by validating their claims, hence our choice of these theories.

2.2 The Impacts of an Emerging Market on SMEs

As earlier defined, an emerging market is a country or nation that is undergoing a transition in its economic systems and has the potential for economic growth while having an immense variability in consumers and business infrastructure. According to Kearney (2012, p.161), the term emerging market is external perceived from a classification by financial institutions or investors who associate such markets to business opportunities not yet fully exploited. To support his claim, Kearney (2012) states that despite emerging market being a global term, there is no definitional consensus on what constitutes an emerging market. Hence, the classification of countries as emerging markets is somehow arbitrary as it resides in external actors alone such as international financial institutions who use different categories, methodologies and degrees of granularity to classify and reclassify the term emerging markets. Emerging markets continue to grow at a faster rate as compared to the developed world and, are continuously being recognised as a diverse set of social environment, political, economic, business, institutional, financial, cultural, and legal within which to renew business potential (Kearney, 2012, p.160).

The primary indicators of an emerging market are institutional voids (underdeveloped business infrastructures) (Khanna et al. 2005, p.67) which emit some far-reaching challenges on operating firms. Institutional voids can be equated to Sunje & Çivi (2008,
characteristics of inadequate commercial infrastructure (communication, transport, power generation), inadequate legal framework, and reduced technological levels. Sunje & Çivi’s observations characterising of an emerging market connects well with Kearney (2012) descriptions. Kearney (2012, p.162) further states that, regardless of how they are defined, emerging markets are diverse in culture, language and politics. They tend to have less well-developed physical business infrastructure which includes governance, regulation, stock exchanges, processes and systems of accounting, and other financial infrastructure. Furthermore, they have less efficient markets with less liquidity than those in developed nations.

Due to weak regulatory frameworks in the Emerging markets, Khanna et al. (2010) claims that it’s difficult for MNCs to fill some voids in emerging markets while SMEs are better positioned as compared to the MNCs on how to operate amidst the institutional voids. SMEs are better placed to navigate institutional voids because they have the capacity to exploit their local knowledge to fill voids and build barriers to entry and expansion of foreign competitors. As stated by Sunje & Çivi, (2008, p. 203), possible viable markets for future expansion by globally competitive companies are the so-called emerging markets”. Such views correspond well with Khanna et al. (2005, p.67) observation that most countries in emerging markets have opened up their markets to FDI. Most MNCs have now seen such developments as opportunities to exploit and are transferring their business operations to such markets. According to the Africa development bank report (2014), Africa is attracting huge amount of FDI, and the region is becoming destination of choice for many MNCs. Its real GDP grew at 3.9%, higher than the global (3.3%) economy in 2014.

Attracting foreign private capital is becoming increasingly essential for economies in emerging markets to facilitate a sustainable business development (Sawalha et al., 2016, p.238). Hence, the influx of MNCs in form of FDI is an important source of capital investment particularly for countries in emerging market. It has been observed by Soumaré, (2015, p.5511) that emerging economies needs foreign investment to stimulate their economies and trigger poverty reduction. FDI is regarded as an important catalysts for technology transfer, a source of human capital development and technological diffusion contributing more to economic growth in emerging markets (Makki & Somwaru, 2004, p.795). While Wang (2009, p. 991) perceives FDI as the key accelerator of economic growth for emerging countries through effective capital raising and technological improvement for the country receiving the investment. Hence, FDI is well positioned to stimulate domestic investment and enhance improvements in human capital and economic institutions in the host countries. As such, foreign investors are becoming a growing force in the economic transformation in such a way that they can assist countries in moving their economies up the global value chain, generates jobs and wealth (African investment report, 2014). And, one way of achieving such goal is to raise capital through FDI that could assist host countries to facilitate technology transfers, increase domestic production, and provide employment opportunities and international market networks, amongst other things (Ola et al., 2012, p.2).

However, the flow of FDI in emerging markets brings instants changes to the operating SMEs. According to Makki & Somwaru (2004, p.795), apart from providing labour training, FDI also initiate new management practices, organizational arrangements, and integration of new inputs and technologies in the production systems of host countries, to the disadvantage of SMEs with limited resources to enhance change. Hence, the
continuous inflow of FDI introduces abrupt changes in the business system of countries in emerging markets, an approach which has a negative impact on the operations of SMEs that have limited resources as compared to the incoming MNCs. As stated by Etemad et al. (2001, p.481), globalization and the reduction of barriers that separated the competitive environments between SMEs and MNCs, all firms regardless of size are currently sharing the same competitive space. Eventually, this has increasingly made it difficult for SMEs to thrive on their own unless they cultivate an equal strength of competitiveness.

As stated by Todd & Javalgi (2007, p.167), SMEs within competitive environments are continuously feeling the pressure from increasing competition from MNCs that were in the past locked out of the domestic market. This has led to a continuous competitive environment to which SMEs must adapt. As more and more MNCs enter the emerging markets, there is increased competition, and increasing competition give rise to a depletion in the capability of SMEs to control their own developmental paths (Etemad et al., 2001, p.481). Due to their size limitations, limited financial capital, lack of necessary human resources, lack experience in developing an international strategy, and lack of competitive power due to their liability of smallness. SMEs therefore face challenges in influencing market pricing as they depend on a small customer base, and have a restricted growth as a result of minimal access to financial resources (Todd & Javalgi, 2007, p.167). Additionally, Khanna et al. (2005, p.67) states that due to weak regulatory frameworks in emerging markets, SMEs find themselves at the mercy of unfair competition from MNCs who bring in brands, capital, talent, and other resources while the cash-stricken SMEs become spectators thereby, limiting the growth potential of SMEs in emerging markets.

This cross-border competition has put enormous pressure on SMEs in emerging market who need to be highly dynamic for survival (Knight, 2001). However, as compared to MNCs, SMEs are unrestricted by bureaucratic and costly existing information systems. Instead, they are usually more innovative, adaptable, and have quicker response times when it comes to applying new technologies and addressing specific customer needs. According to Knight (2001), this situation entails that SMEs build the capabilities for succeeding in such highly competitive environment. However, how they develop such capability to succeed in this competitive environments is yet to be answered.

2.3 The Importance of Dynamic Capabilities to SMEs

In line with this study, dynamic capabilities is defined as the firm’s capabilities to integrate, learn and reconfigure internal and external resources and competencies in response to changing environments. According to Teece (2012, p. 1395) possessing dynamic capabilities determine the speed and degree to which the firm’s resources can be aligned and realigned to match the requirements and opportunities of the business environment so as to generate sustained abnormal (positive) returns. In any volatile business environment such as, SMEs need to transit from ordinary capabilities which according to Teece (2012, p. 1395) are rooted more firmly in routines, tend towards stability, inertia and path dependency, to highly dynamic capabilities. Routine capabilities can be defined as repeated actions sequences, which may have its roots in algorithms and heuristics about how the enterprise is to get things done (Teece, 2012, p. 1396). Meanwhile logically, dynamic capabilities need to change over time with the continuous or ever changing business environment. Strong dynamic capabilities are critical to success if SMEs in emerging markets have to compete favourably with well-endowed MNEs, Teece (2012, p. 1396) especially when an innovative firm needs to pioneer a market, or in the case of a new product category. Dynamic capabilities are ‘strategic’ and distinct
from ordinary capabilities. Firms can maintain and extend competitive advantage by layering dynamic capabilities on top of ordinary capabilities (Teece, 2012, p. 1396). A firm’s ordinary capabilities, if well honed, enable it to perform efficiently in its current activities. However, dynamic capabilities, when combined with a good strategy, enable the enterprise to position itself for making the right products and targeting the right markets to address the consumer needs and the technological and competitive opportunities of the future.

Existing literature on dynamic capability has identified a cross section of standpoints that constitutes an underpinnings of relevant knowledge around capabilities. For instance, Teece (2012) develops the thesis that in both large and small enterprises, entrepreneurial (managerial) capitalism is required to establish and sustain superior financial performance. The idea suggested here by Teece (2012) is that top management’s entrepreneurial and leadership skills around sensing, seizing, and transforming are required to sustain dynamic capabilities. MacLean et al (2015) has also incorporate the concept of creative action in the dynamic capability theorising and restoring its concern for entrepreneurial fitness and hence creativity. Looking at the firm from the perspective of a rational actor seeking to maximize competitive advantage and principally concerned with optimisation, we content with the view of Maclean et al (2015, p. 343) that the key concern is the firm’s technical fitness, that is, how effectively a capability performs its intended function when normalised by its cost. A recent study has also reveals that dynamic capabilities are more effective in the case of technological start-ups and how they emerge and evolve in an emerging market with a high degrees of environmental dynamism (Xiaofeng et al 2015). Although the increasing number of research interest in dynamic capabilities development for the better performance of enterprises, a research gap on how exactly dynamic capabilities emerge in SMEs remains to be fully add. Early research associated with dynamic capabilities has been predominantly based on established firms, as already indicated above. This ushers us to diagnose what exactly dynamic capabilities look like and how they can be developed in emerging markets, especially in an emerging market like Africa with very distinct socio-economic characteristics.

In the following section, we synthesize how various authors have claimed the development of dynamic capability in emerging markets which gives us a theoretical point of departure.

2.4. Enablers of Dynamic Capabilities in Emerging Markets
This section discusses the key enablers of dynamic capabilities in emerging markets. By enabler, we mean forces that contribute to the build-up of the required dynamic capabilities business success. Building on prior studies, the general enablers of dynamic capability has been advanced to be firm, (1) market orientation, (2), learning orientation, and (3) entrepreneurial orientation.

2.4.1 Market Orientation Perspective
Examining the effect of market orientation on dynamic capability, some scholars have argued that market orientation is an enabler of dynamic capability development. The logic behind such argument is based on the fact that because of its role in searching for new market information (Baker & Sinkula, 1999, p.295). According to Baker & Sinkula (2002, p.7), market orientation is the degree to which a firm’s strategic planning process
is influenced by the external marketing environment appraisal. While from the product innovation perspectives, Baker & Sinkula (1999, p.296) defines market orientation as “the degree to which firms acquire, distribute, use and ultimately depend on customer, competitor and supplier market information as inputs into the innovation process”. Therefore, firms which are enshrined into strategic planning will position or reposition their operations in line with the changing environment which may mean reconfiguring the current operational routines thereby bringing dynamic capability into context. The strategic direction which embraces dynamic capability is based on the result outcome of market intelligence accession, dissemination, and interpretation activities about customers, competitors, channel members and strategic partners (Day, 1994, p.9; Baker and Sinkula, 1999, p.296).

Building on Jaworski & Kohli (1993), a proposition on how environmental characteristics influence firm performance, a conclusion can be drawn that there is a direct linkage between a market orientation and dynamic capability. Jaworski & Kohli (1993, p.57), states that firms operating in more turbulent markets are most likely to make changes, modify, reconfigure, restructure their products and services regularly to meet the changing desires of customers. All these anticipated shifts in the way the firm operates in turbulent markets signify the role of dynamic capability building which enables the firm to recreate, reconfigure or remodel its operational routines in response to the market needs. In this case, it is agreeable that market orientation is necessary and sufficient to create an optimal opportunity for dynamic capability because it propels innovation of new products which in turn demands a change in the existing process and routines.

When viewing dynamic capability from an innovation angle, market orientation precisely stands as a key foundation of dynamic capabilities in emerging markets as it is poised with the potential to mediate the ability of firms to engage in practical innovation. The mediatory role entails reconfiguring of the existing routines, processes, and resources to meet the market demands (Baker & Sinkula, 2002, p.6). Day (1994, p.9) observes that market-driven firms are active in their endeavour to regularly evaluate their environment and are quick to react to changes in their markets. Such firms have the capacity to respond positively because they are not entrenched in the path dependency syndrome. Both Day (1994) and Baker & Sinkula (2002) regards such firms to be well positioned to anticipate how their markets will react in response to their strategies developed to retain or attract customers, improve channel relations, or thwart competitors. All this is possible because such firms have the ability to scan the environment and seize market opportunities as they arise. It is the capability to seize market opportunities as they arise which breeds in dynamic capability development. Such firms are deemed innovative regarding their ability to bring in new ways of doing things and disposal of old ways.

For a firm to be regarded as being innovative, it must have the capacity to generate, accept and implement new ideas, processes, products or services in response to new information which is an essential ingredient of dynamic capability development (Baker & Sinkula, 2002, p.7). As the firms generate, accept and implement new ideas, processes, products or services, there is a clear way that some change in the mode of operation will be required at some point in time which entails developing new capabilities. According to Baker & Sinkula (2002, p.7), the two forms of innovation cited as the incremental and radical, both have the capacity of dynamic capability development depending on the environmental context. Amongst the two types of innovation, incremental innovation is slow to adaptation to new ideas and works better in a more stable environment where there are
moderate changes, while radical innovation is ideal for highly volatile and rapidly changing environments.

The logic behind the market orientation being another foundation of dynamic capability development besides learning orientation is its characteristics of being driven by the feedback from customers, competitors, and suppliers which brings in changes to the operational routines which are the primary change agents (Baker and Sinkula, 1999, p.296). As the needs of customers change, firms too are forced to relook at their offering in line with their client's preferences. Such rapidly changing environmental dynamics compels firms to suspend their rigid core capabilities in the exploration of potentially new approaches in their pursuit of satisfying customers’ unmet needs. Suspension of rigid core capabilities entails parting ways with the old system which become outdated. The disposal of old ways of operations and the adoption of new ones is therefore in function of developing dynamic capabilities.

The primary focus of market orientation is on knowledge generation through market information processing (MIP) which enable firms to gather and exploit the information about its customers and competitors to their advantage (Baker & Sinkula, 1999; Sinkula et al., 1997). For the firms to have an efficient market information system which is capable of generating up-to-date knowledge about the market, it must engage into environment scanning in which they identify outstanding opportunities and threats leading to strategy formulation on how to mitigate risks and seize opportunities (Knudsen & Madsen, 2002, p.479). The strategy formulation in itself means a change in a strategic direction including the prevailing process, routines and substantive capabilities required to leverage the new knowledge. The process of environmental scanning which bring about changes in the way firms operate in response to changing markets is facilitated by its absorptive capability. The absorptive capability is their ability to recognize, understand, transform, and apply valuable external information to produce a dynamic firm capability (Zahra & George, 2002, p.186; Knudsen & Madsen, 2002, p.489). To gain market space, SMEs who have a bound margin of customers will operate as an open-system always looking to the external environment for new knowledge by interacting with potential sources of new information to increase their market share. The outcome of the market intelligence system may lead to a reconfiguration of the present routines to accommodate diffusion of the new market knowledge, and hence, the absorptive capacity characteristics are attributed to market knowledge creation.

Market orientation perspective has been regarded as an Out-Inside perspective in which firms recognise the need for change from their effort to compare themselves to others and depend on the markets as their standard for their performance (Day, 1994, p.20). Malhotra et al. (2005, p.551), observed that the firm typically realises its competitive advantage from knowledge resources fixed firmly in social relationships with other stakeholders which need to be harnessed through engagements. The market orientation based on its market information processing can integrate the absorbed information from the market with existing internal information to create new knowledge leading to the development of dynamic capabilities. In other words, the dynamic capability is triggered by changing customer needs and preferences fuelled by government regulations and competition (Kohli and Jaworski, 1990, p.4). Change of operations in these rapidly changing environments is inevitable, and firms operating in such markets are apparently feeling the pressure to adjust their activities in response to the market positions. It takes the firm to
have the dynamic capability to change their basic routine in response to the market information gathered through its market intelligence system.

Because market orientation is closely related to change, this study underscores the relationship between market orientation and dynamic capability. When a dynamic capability is understood as the means to firm’s reconfiguration of competencies and resources, it can be studied from the perspective of how it has developed among SMEs in emerging markets. Furthermore, since market information backs market orientation, firms in possession of it can be in a better position to acquire market knowledge in which they either adjust their production process in line with current market demand or create a new market for their existing products and services. Specifically, market orientation inspired by the firm’s market information processing has the potential to create new knowledge that facilitates dynamic capability development. Therefore, this study is interested in this view of firm dynamic capability development and it is argued that Ali et al., (2010) explanation of dynamic capability development in dynamic environments is almost equivalent to this study’s purpose. That is to say; the study investigates how SMEs have developed their dynamic capability, and the only ideal way of studying dynamic capability development is to explore SMEs’ opinions over the market orientation in an emerging market. Following such understanding, it is concluded within this section that market orientation construct captures the central concepts of dynamic capability, and it will help to promote our general understanding of how dynamic capability develops in emerging markets. Therefore, we proposed that,

**Proposition 1:** In an emerging market characterised with hostility, dynamism, and heterogeneity, market orientation enables SMEs to develop dynamic capabilities which allow them to gain competitive advantage.

### 2.4.2 Learning Orientation Perspective

Prominent scholars including Buttar & Koçak (2011), Chien & Tsai (2012), Ali et al. (2010), have all taken the stand that learning orientation facilitates the development of dynamic capabilities. Zahra et al. (2006), and Zollo & Winter (2002) subscribe to the notion that learning orientation is the springboard of a firm’s dynamic capability development. They also observed that in a rapidly changing environmental context such as an emerging market, companies need a strong learning orientation to enable them to create relevant knowledge required to gain competitive advantage. According to Calantone et al. (2002, p.516), learning orientation is the firm’s activity of developing and using acquired knowledge to enhance competitive advantage. Through learning orientation, the firm is poised towards receiving and sharing new information about customer needs, market changes, and competitor strategies, development of new technologies to create new valued products that are superior to those being offered by rival firms. Chien & Tsai (2012, p.437) observed that learning orientation improves the firm’s dynamic capabilities as it increases its accumulated stock of experience, knowledge linkage, and knowledge codification within the enterprise. While Baker & Sinkula (1999, p.298) and Alia et al., (2010, p.368) have states that firms with higher learning orientation have a greater opportunity of developing capability because of their tendency of always questioning their routines and norms towards redirecting their activities. It is through learning that creates knowledge, which in turn updates the existing processes and routines which serve as basic required for the development of dynamic capabilities (Leonard-Barton 1992, p.111; Zollo & Winter, 2002, p.341).
Learning orientation is a premise of competent learners which Sinkula et al. (1997, p.305) referred to as learning organisations. According to Garvin (1993, p.80), learning organisation is firm’s capability of creating, obtaining, and conveying knowledge, and at changing its behaviour to reflect new knowledge and insights. Most firms have been identified to acting from theory in use in their attempt to create, acquire, transfer knowledge, and change their behaviour to reflect new knowledge and insights. Theory in use is defined by Garvin (1993, p.306) as firm’s implicit or explicit understanding of the way of doing things within the organisation. Companies frequently take actions by documenting their best practices which serve as a reference point when handling a similar situation such as processing information about markets, products, customers, and competitors. According to Sinkula et al. (1997) the theory is always questioned when firms start evaluating their action outcomes against their expectations resulting in either a match or a mismatch of expectations with expected results, which in turn leads to their confirmation or disconfirmation of the theory in use. At this point, any mismatch or discontinuation with theory in use, therefore, calls for a new theory in use.

Modification of the theory in use requires firms to become learning organisations in which members respond to changes in both the internal and external environments by identifying and rectifying mistakes in theory in use (Sinkula et al., 1997, p.306; Zollo & Winter, 2002, p.341). The outcome of the internal and external analysis of the theory in use enables organisations to interact with its environment from which basing on the result, members learn new theory in use and update their beliefs about cause-effect relationships. The firm’s learning usually reveals itself in the form of internal and external organisational actions that exhibit the operationalisation of changes in theory in use. Sinkula et al. (1997) states that due to the processes of error detection and correction, management teams alter their shared mental models of their firm, products, markets, and competitors. Therefore, learning orientation is reflected by the presence of values that influence the propensity of a firm to pursue actively new knowledge and challenge the status quo (Baker & Sinkula, 2002, p.8). According to Sinkula et al. (1997, p.306), firm’s values drive behaviour and has the greatest capacity to identify and correct errors in the theory in use. Hence, organisations that have a learning orientation can change their operational routines because its members have the ability to question actively whether their existing norms can enable them reach competitive advantage or need to change behaviour.

The presence of learning orientation in a firm leads to the development of company values that effect the propensity of the firm to create and use knowledge Sinkula et al. (1997, p.306). Consequently, the values of a company towards learning impacts the manner in which the new information about the theory in use is being corrected, interpreted, evaluated, accepted or rejected. The foundations of learning orientation lean on three core values which are: commitment to learning, open-mindedness, and shared vision which triggers dynamic capability (Calantone et al., 2002, p.516; Chien & Tsai, 2012, p.435). Sinkula et al. (1997, p.306) holds the idea that commitment to learning is critical to learning orientation, and the value the organisation holds for learning influences later determines the decision to promote a learning culture or not. Building on Calantone et al. (2002, p.516), commitment to learning has the potential of fostering an organisations learning climate which is centered towards new knowledge creation, which is a crucial investment for the firm’s survival. In this regard, a firm’s attitude of attaching value to learning has the potential to boost the creation of new knowledge, when staff are motivated to pursue learning activities leading to new ways of performing tasks.
Open-mindedness is critical to dynamic capability development because it drives the firm to be keen in reviewing current operational routines and to accept new ideas in response to rapidly changing technology and turbulent markets which will enhance the development of dynamic capability (Calantone et al., 2002, p.516). Sinkula et al. (1997, p.309) defines open-mindedness as the willingness of the firm to examine its operational routines and to accept new ideas to cope with dynamic markets. Through open-mindedness, firms actively question their long-held processes, assumptions, and beliefs (Wang, 2008, p.638). Open-mindedness is associated with or being linked to the idea of unlearning (Day, 1994, p.9). Since learning comes into being after getting rid of the old habits, the open-mindedness is seen as enabling firms to unlearn old ways of undertaking some basic operations thereby re-creating or updating their knowledge base. The unlearning of old ways entails change which can conveniently be referred to as possessing dynamic capabilities. Day (1994, p.9) is of the idea that successes and failures of the past facilitate the formation of mental models of best practices. As time goes by, these models may continue being embraced despite being outdated unless the members have the open-mindedness to question their existence in light with the prevailing environment. Being Open-minded will drive the firm into a systematic appraisal of the firm’s current operational routines and keen to accept new ideas in response to rapidly changing technology and turbulent markets which will enhance the development of dynamic capability (Calantone et al., 2002, p.516).

The capacity to change is also facilitated by the firm’s value of shared vision, which is the organisation-wide focus on learning (Calantone et al., 2002, p.516). It is through a shared vision that new ideas can emanate into the development of dynamic capabilities. This conventional view facilitates common direction on matters affecting the organisation as members know what to learn and become aware that creative ideas will be appreciated. A clear path for learning creates core competencies required to examine the firm’s practices collectively and to propose some changes to gain competitive advantage. Collectiveness and a unity of purpose facilitate organisational learning which leads to the development of dynamic capabilities. Without a shared vision, people will be divided over what is important and breed resistance to change which is detrimental to dynamic capability development. Furthermore, it is tough for people to be exactly aware of organisational expectations and what theories in use are in existence (Sinkula et al., 1997, p.309).

Learning orientation enables organisations draw some lessons from past successes and failures and generate new understandings which are conducive to the development of dynamic capabilities (Wang, 2008, p.639). The development of dynamic capabilities in active markets depends on the transformation of the firm into a learning organisation that plays a significant role in updating the existing resources and capabilities in response to internal and external demand. According to Day (1994, p.9) an organisation is seen to have a learning oriented when its managers have the capacity to ask the right questions at the right time, analyse the answers about customers, markets and competitor, share the new knowledge, and then act decisively to bring changes when necessary. Therefore, the capacity to ask the right questions at the right time, analysing the answers about customers, markets, and competitor, and sharing the new knowledge can lead to dynamic capability development. Because of the outcomes of accurate screening, tracing errors, decisions confirming or disconfirming, and information gaps, the firm can create new knowledge leading to dynamic capability building. This process leads to a restructuring of operations which give rise to dynamic capability when firms position themselves into
learning organisations and embracing adaptive or generative learning (Sinkula et al., 1997, p.309).

Commitment to learning, open-mindedness, and shared vision underpins two types of organisational learning crucial to the development of dynamic capability: adaptive and generative learning (Wang, 2008, p.638). Adaptive learning focuses on knowledge acquisition that is very beneficial to the firm in refining existing knowledge and routines. The practice of refining existing knowledge and methods enable firms to reconfigure the present operational capabilities into fresh ones which underpin dynamic capability development. Wang (2008, p.638) describes such learning as sequential and incremental learning within the Orthodox scope of organisational activities based on updating the status quo. Adaptive learning demonstrates firm’s propensity to act in an unwilling to change fashion that does not support much the development of dynamic capabilities.

Generative learning on the other hand centers on questioning long-held values and developing a new way of thinking which are viable for the development of dynamic capabilities (Wang, 2008, p.636). Generative learning comes into being when firms challenge their existing mental model paving way for new ways of handling tasks. For dynamic capabilities to develop, a firm must be ready to question over held values about its strategies, customers, competitors, and capacities, whether they can enable the business gain competitive advantage. Thus, generative learning is identified with creativity breakthrough and unlearning, on which commitment to learning, open-mindedness, and shared vision are anchored (Sinkula et al., 1997, p.309). High propensity for knowledge leads to search of new knowledge of what works best and what doesn't work well in environmental context and why. Upon the recognition of the need for change, the firm’s dynamic capabilities are developed. The desire for enterprises to evaluate their actions against performance leads to an understanding of the necessity of change which leads to the adjustments of the existing sets of routines (Zollo & Winter, 2002, p.342).

Viewing dynamic capability development from the angle of Zollo & Winter (2002), Zahra et al. (2006), Ali et al. (2010), and Chien & Tsai, (2012) ideas, learning orientations can function as dynamic capability drivers in dynamic environments. The dimensions of learning orientations have been linked as enablers of dynamic capability development. Thus, by these arguments in this section, learning orientation can be regarded as drivers of dynamic capability development which help to extend research in another context. Therefore, to gain a deeper understanding of how dynamic capabilities are developed among SMEs’ in emerging markets, it is necessary to study the learning orientation construct that seems to have a significant influence on a firm’s dynamic capability build-up. In this regard, we proposed that,

**Proposition 2:** In an emerging market characterised with hostility, dynamism, and heterogeneity, learning orientation enable SMEs to develop dynamic capabilities required to gain competitive advantage.

### 2.4.3 Entrepreneurial Orientation Perspective

The rapidly changing and competitive environments in the so-called emerging markets which are mostly in developing nations, put enormous pressure on SMEs to adopt an entrepreneurial mindset. An entrepreneurial mindset will facilitate the exploration and exploitation of opportunities proactively before they fall into the hands of their
competitors. The call for SMEs entrepreneurial mindset is supported by Buttar & Koçak (2011, p. 352) who state that satisfactory performance for SMEs in dynamic markets depends on their capability to sense and seizing opportunities leading to their exploitation by building and reconfiguring the firm’s resources to their advantage. Even though SMEs have been recognised and quoted to be more flexible in embracing an entrepreneurial mindset, this notion itself is not enough. In this regard, SMEs need the capability to change their mindset and embrace change in their operations by reconfiguring their resources and routines in line with the discovered or created opportunities.

It is highly expected that SMEs operating in dynamic environments characterised by high unpredictability in customers’ needs and corresponding competitor’s strategies, fast changes in market trends and industrial innovation will face market dilemmas due to these continuous market shifts. Wiklund & Shepherd (2005, p.77) are of the view that in such environments full of demand changes, it will also present plentiful opportunities for firms which have the orientation for pursuing new opportunities if they manage to find the precise balance to their strategic direction in such market environment. Firms that seize advantages of the new opportunities need the transformation of their strategic direction to enable a good fit with the current context. Such companies are expected to shift from the traditional practices of undertaking some tasks to new ways to enhance performance. On the other hand, Wiklund & Shepherd (2005, p.77) states that firms which are content with existing operations, are less likely to dispose of their embedded cultural practices and would stick to the old norms with little chances of changes not until they are tossed out of the market. Hence, to develop, adopt, and exploit new opportunities in changing environments, firms need to capitalise on entrepreneurial orientation (Lumpkin & Dess, 1996, p.136).

Zahra et al. (2006, p.944) states that changes in the entrepreneurial processes and resource allocation mechanisms of the firm have the potential of creating a platform needed for the development of current substantive capabilities that open up new strategic directions leading to the dynamic capability development. Entrepreneurial orientation as a construct has received a separate description from several scholars. For example, Covin & Slevin (1991, p.7) described entrepreneurial orientation as the firm’s willingness to innovate, restore market offerings by being innovative, proactiveness toward fresh marketplace opportunities, and by taking some risks to try out novel and unfamiliar products, services, and markets. Buttar & Koçak (2011, p. 351) described entrepreneurial orientation as the mindset of the firms which facilitate a firm’s growth and performance due to the created yielding internal environment which enables firms to broaden their scope through the reconfiguration of their extant asset base and processes. While Lumpkin & Dess (1996, p.137) on the other hand refers to the entrepreneurial orientation as the processes, practices, and decision-making activities of the firm that leads to the new entry. From all the descriptions of an entrepreneurial orientation as given by these authors, we can infer three key dimensions which are the willingness to innovate, take risks, and a tendency to be proactive about marketplace opportunities. The new entry concept of entrepreneurship is an indicator that the firm has undergone a transformation to accommodate new venture by reconfiguring its resources, processes, routines to suit the new market (Lumpkin & Dess, 1996, p.136). The new entry can be linked to the development of dynamic capability whose presence enables the firms to negotiate the entry of new or established markets with new or existing goods or services.
As commented by Lumpkin & Dess (1996, p.136), the emphasis on businesses’ performance determination has now shifted from solely depending on the strategic positioning of the firm to entrepreneurial processes encompassing methods, practices, and decision-making approaches, meaning companies need to act entrepreneurially. Firms now need to pay attention to their decision making when choosing the methods and practices to employ in their businesses which will give them a competitive advantage over their rivals. Being entrepreneurial oriented entails firms being clinical in their choices of experimenting with promising fresh technologies, capable of seizing current product and marketing opportunities, and holding an inclination to implement risky ventures. Entrepreneurial firms are first movers who initiate actions to which rivals then react to, for example, they are usually the first to launch new products or service offerings on the market (Wang, 2008, p.635). The values of entrepreneurial orientation have been endorsed by Wiklund & Shepherd (2005, p.72) who states that an excellent entrepreneurial orientation presents the firm with the ability to discover new opportunities in a dynamic environment that can differentiate businesses from each other which in turn creates a competitive advantage. The capabilities of creating new potentials for exploitation calls upon the firm to be forward-looking by realigning its business in line with the found opportunity. Hence, the discovery of new opportunities leads to a change in the operational procedures and processes which symbolize a dynamic capability perspective.

The key factors that necessitate entrepreneurial orientation in developing dynamic capabilities are its key dimensions which include the propensity of the willingness to innovate and take risks, and being proactive about marketplace opportunities (Lumpkin & Dess, 1996, p.137). The dimensions of entrepreneurial orientation are the firms building platforms which bring in flexibility and alertness to environmental changes and market signals on which dynamic capability rests, thereby stimulating the firm’s capabilities to reconfigure their operations within the shortest time (Buttar & Koçak, 2011, p. 355). Building on the view of Lumpkin & Dess (1996) and Buttar & Koçak (2011), we can conclude that entrepreneurial orientation drives the accumulation of knowledge and the development of dynamic capabilities. The first dimension of entrepreneurial orientation which is innovativeness has the potential to drive the entrepreneurial orientation towards dynamic capability development because of its Schumpeterian approach of creative destruction. Schumpeterian approach disrupts existing market structures through an introduction of new goods or services that shift resources away from existing activities and create new ventures (Lumpkin & Dess, 1996, p.142).

Innovativeness has the potential to enhance the development of dynamic capabilities because of the firm's tendency to embrace new ideas, novelty, experimentation, and creative processes that culminate into new products, services, or technological processes. The development of dynamic capabilities can be possible through innovativeness because it constitutes the firm’s willingness to depart from its current practices and venture beyond the existing traditional approach of business undertakings Wiklund & Shepherd (2005, p.75). As firms venture into new horizons, they reconfigure their operations to the new state of art which supports the view of dynamic capability development. Secondly, proactiveness can support the development of dynamic capabilities due to its forward-looking perspective which triggers innovativeness or new-venturing activities (Lumpkin & Dess, 1996, p.146). According to Wiklund & Shepherd (2005, p.75), proactiveness is the attitude of predicting and responding to future market wants and needs which in turn
leads to a first-mover advantage. Proactiveness entails being quick in exploiting the opportunities before competitors. We agree with Wiklund & Shepherd’s observation on the issue of the forward-looking perspective of firms because only pro active firms have the motivation to endeavour in being the first mover because they possess the capabilities required to turn the wheels in the right direction which we refer to as dynamic capabilities. Proactiveness has the calibre to propel the development of dynamic capability because firms possessing such a dimension engages in the repossessing of the earlier allocated resources from idle projects and reinvesting them in productive ventures which are perceived to bring a good return shortly (Venkatraman, 1989, p.949). The tendency of withdrawing resources from unproductive projects to productive units is a recipe for the development of dynamic capability. Hence, proactiveness positively aids entrepreneurial orientation in contributing to the development of dynamic capabilities for many firms operating in dynamic environments.

Thirdly, the risk propensity of any firm regardless of size fuels the reconfiguration of its existing substantive capabilities by engaging in uncertain and risk ventures with the perceived thinking of obtaining future rewards arising from the successful outcome of such risky situation. Lumpkin & Dess (1996, p.144) states that firms such as SMEs are mostly managed by entrepreneurs who are self-employed rather than working for someone else for wages, thereby assuming personal risk on their part which is an essential characteristic of being an entrepreneurial entity. According to Wiklund & Shepherd, (2005, p.75), risk taking is related to the willingness to commit more resources to business activities where the probability of both success and failure are imminent. Firms with high-risk propensity commit resources to prospective ventures despite the uncertainty over its outcomes. A firm is regarded as entrepreneurial oriented if it has the williness to break away from its traditional way of operation and ventures into unknown businesses or new business grounds which is an accurate reflection of dynamic capability. In other words, a higher risk propensity triggers entrepreneurial orientation towards the development of dynamic capabilities needed by firms operating in dynamic environments.

This study is positioned among earlier studies by Zahra et al. (2006) and Buttar & Koçak (2011) on dynamic capability development. It has been observed from these authors suggesting that entrepreneurial orientation through its three dimensions of innovativeness, proactiveness and risk-taking is likely to be a significant factor for dynamic capability development. In this study entrepreneurial orientation has been given particular attention, it clearly demonstrates its dimensions of innovativeness, risk-taking, and proactiveness triggers the development of dynamic capabilities. The three dimensions highlight the need to test the influence of entrepreneurial orientation on dynamic capability development. Hence, it is argued out in this section that entrepreneurial orientation dimensions such as innovativeness, risk-taking, and proactiveness represent a promising theoretical framework to study SMEs dynamic capabilities development in emerging markets. Therefore, we proposed that,

**Proposition 3:** In an emerging market characterised with hostility, dynamism, and heterogeneity, lack of capital will constrain SMEs’ entrepreneurial orientation to develop dynamic capabilities required to gain competitive advantage.

2.5 Learning Processes

Zahra et al. (2006, p.920) are of a strong view that development of dynamic capability is inevitable in a rapidly changing environment and firms need not create ‘once-and-for-all’
routines for their operations instead should continually renew their current capabilities in line with the prevailing situation in the market. The chosen learning style is dictating their renewal capabilities. It has been observed that in emerging markets, both SMEs and big firms engage in experimentation, learning-by-doing, trial-and-error learning, improvisation and imitation as an answer to the changing demands (Zahra et al. 2006, p.932). Miner et al. (2001, p. 319) have made an explicit distinction between the four learning types. On improvisation, they described it as learning which involves “real-time, unplanned experiences in which action informs design as it occurs, and trial-and-error learning is regarded as the taking of actions, planned or unplanned, to inform future actions.” While, experimentation is described as the learning which is the “deliberate and systematic use of varied conditions to learn cause-effect relationships; and imitation as the “most key strategy for being a second mover, copying from the leaders of the market." Both SMEs and big firms at some point look to learn through imitation. Due to limited resources, relative inexperience and lack of knowledge, SMEs see imitation as a quick solution towards new knowledge acquisition to enable them to compete equally for market share with big firms in dynamic markets (Zahra et al. 2006, p.939). Owners of small and medium-size enterprises may simply cash-in through an imitation to try something new rather than ‘reinvent the wheel’ by just copying ideas from the MNCs. Due to their imitative capabilities and flexible nature in such markets, SMEs achieve a situational fit as imitation allows them make some adjustment or reconfiguring their routines faster than big and established firms.

When compared learning potentials between big firms and small firms, Zahra et al. (2006, p.937) and Autio et al. (2000, p.913) states that younger firms have some ‘learning advantages’ compared to their counterpart the big firms because their short history position them with less to unlearn. SMEs hold more learning advantages over big firms regarding understanding newly acquired knowledge leading to the smooth development of dynamic capabilities (Autio et al., 2000, p.913). The organisational structures of SMES are flexible and easily modified as compared to those of big firms which are rationally bounded in relational obligations that limit adaptation to current circumstances. This situation clearly illustrates that new knowledge will reside actively and diffuse more rapidly within SMEs than big firms. Quick learning capacity will translate into faster dynamic capability development. Zahra et al. (2006, p.937) also observe that the nature of SMEs of not amassing slack resources which would have compelled them to spend the time to experiment with various contingencies made SMEs early adopter of new knowledge. Furthermore, their limited experience and resources is an indicator that they will be compelled to improvise to create or enact solutions using trial-and-error, and imitation.

2.6 The Conceptual Framework of the Study

As shown in Figure 2, the purpose of the study is to explore how SMEs in emerging markets develop dynamic capabilities to compete alongside MNCs. To achieve the stated study purpose and answer the research question, a framework which integrates market orientation, learning orientation, learning processes, dynamic capabilities, and substantive capabilities are drawn and tested in an emerging market. The main objective of this conceptual framework is to demonstrate the overall theoretical arguments and the interdependence of the constructs with dynamic capability. Therefore, the framework is based on the principles of dynamic capabilities of integrating, learning and reconfiguring internal and external resources and competencies in response to changing environments. The framework used in this study is developed by combining the findings of Ali et al.
During the literature review, it was found that marketing orientation (Ali et al., 2010), learning orientation, (Zollo & Winter, 2002; Zahra et al., 2006; Ali et al., 2010; Chien & Tsai, 2012), and entrepreneurial orientation (Zahra et al., 2006; Buttar & Koçak, 2011) enables the development of dynamic capabilities in dynamic environments. Furthermore, prior studies have not integrated market orientation, learning orientation, entrepreneurial orientation concept into a framework. In this study, market orientation, learning orientation, and entrepreneurial orientations are regarded as enablers of dynamic capabilities; an emerging market is considered as a study area while learning processes are deemed to be undertakings required to create dynamic capabilities. Therefore, the model extended in this study helps to increase the understanding of how SMEs in emerging markets develop dynamic capabilities.

![Figure 2. Dynamic capability development framework](image-url)
CHAPTER THREE: RESEARCH METHODOLOGY

The aim of this section is to explain methods used in carrying out this research, how the research was design and reasons for the choices. The research philosophies follow, then research Approach, research design, and the chosen research strategy. The research technique and paradigm are also presented in this chapter. The chapter also presents the interview guide and data collection method.

3.1 Choice of Subject

Being both students of the Umeå school of business and economics, with one from management major and minoring in business development, and the other from Business Development and minoring in Marketing, inspiration towards this subject emerged as we jointly had a good number of courses together especially the course Current Trends. Adding to the recent general conception highlighting the continent Africa as an emerging economy, the course Current Trends gave us a better exposure and a deeper reflection toward the subject matter especially as we are both international students from the African continent. Our reflections on the subject transcended beyond the Western view on African economies which we have herein call the “Outside- In- View,” to an in-house perspective that is the manner in which the respective African economies view themselves which we also have in this paper addressed as the “Inside- Out- View.” So we intend the choice of this subject to clarify the general notion of the “all in one” view of Africa as a single economy but rather a continent with many economies both developed and emerging. Since we are both entrepreneurial in our focus, a proactive strategy of the Blue Oceans theory Johnson et al. (2014, p. 58) of looking through the Crystal ball and reading new market trends, in a seemingly fast moving business environment, was paramount to the choice of our subject. Considering the inflow of MNC’s which usually are endowed with much more resources into these markets which have been labelled as emerging markets, it became interesting for us to understand how the home based companies yet still stand tall amidst such heavy competition. Though much is being said recently about Africa as an emerging market, during our readings we noticed very little has been written on this market, so we found it interesting to advance knowledge about this market. Drawing inspiration from our considerable wide scope of readings throughout our studies, we identified that the heavy reliance of companies on price wars and the resource-base advantages no longer validates as adequate competitive strategies. As such, we considered how thinking out of the box in the light of constantly developing dynamic capabilities to suit the dynamics of the ever-changing business environment could be a competitive game changer regarding competitive advantage.

3.2 Pre-understanding

Having a keen interest in a particular subject underpins the quality of the results obtained from a research study. Pre-understanding has been referred to the previous knowledge which makes the understanding of data through a broad historicity in human understanding (Nystrom & Dahlberg, 2001 p. 345). This fundamentally determines the choice of methods tools and philosophical position employed throughout the study. Therefore, to conduct a credible research, we thought it quite relevant for the authors to be endowed with the necessary educational, professional and practical experiences. Both authors of this paper have had remarkable long-standing job experiences with one of us having worked in the public service as a Human Resource Manager in Zambia and the other with a four years work experience in the Microfinance sector in Cameroon.
Throughout our worker life, we had the rare opportunity to interact and witness the level of competition faced by home-based companies from a cross section of sectors, and we both experienced the ever increasing and tense competition SMEs faced against highly advantaged multinational corporations. Understanding the liabilities of smallness and newness of these SME’s, it had always been interesting for us to investigate how they strategize to sustain their businesses. Our unflinching interest for this subject has further been motivated by the recent branding of African economies as emerging and fast growing economies causing a scramble for investment by MNC’s more than before. It is cardinal for us to point out that by understanding the concept of pre-understanding, we could reflect upon natural attitudes out of our pre-understanding so as to come out with new things not already existing in our pre-understanding. As such, we could better understand the research we carried out, the selection and elimination of certain questions used into this area of research.

3.3 Philosophical Underpinnings

In this section, we present our philosophical views underlined in our study from the perspective of how actually the development of dynamic capabilities from the standpoint of SMEs can be most feasible. When carrying out a detailed research study of any nature, it is imperative for the researcher to outline their philosophical perspective on what values underpin the study to aid readers to have a clear understanding of the underpinning knowledge path and focus of the study. This entail pointing out clearly the set of values, beliefs, behaviours, and philosophical assumptions inclusively which influence the research process. This understanding is supported by Ponterotto (2005, p. 127) who suggest that a good researcher, whether hailing from postpositivism and quantitative research traditions or constructivism–interpretivism and associated qualitative traditions, must understand fully the philosophy of science parameters undergirding their research. Philosophical assumptions as stated by Ghosh (2011, p.2) are presuppositional assumptions for the establishment of truth. He further supports that before researchers conduct an investigation, they must make their presuppositions underlying the truth of knowledge in the field of study. According to Flick (2015, p.20), philosophical assumptions understanding have an impact on the way research issues are identified by researchers for investigations, on how they are formulated as problems to be studied, and on how they are studied. They also have a significant influence on what is perceived as an appropriate method for undertaking the study and on how designs, approaches, and methods should be adopted to a study. Therefore, without philosophical assumptions, the researchers would be sailing without docking because the underpinning understandings are not explicitly stated in advance.

Easterby-Smith et al. (2002, p.27) stimulates the motive for philosophical assumptions by advancing three reasons why researchers should show their understanding of basic philosophical assumption. First, understanding of the underlying philosophy helps researchers to choose appropriate methods and decide on the overall research strategy. The knowledge will enable the researchers to illustrate precisely the sources, nature and the manner the empirical data is gathered and analysed, linking theory to justify the results to the research question(s). Second, an understanding of the research philosophy will help researchers in appraising different research methods and shaping the appropriate use of the method for the study. Finally, philosophical assumptions assist in bringing creativity and innovativeness in the field of research as it enables researchers to make decisions on whether to develop, modify, or adapt research methods from other disciplines. Hence, it
is of paramount importance for researchers to understand the underlying philosophical assumptions behind their study (Scotland, 2012, p.9).

Readers on their part need to understand without difficulties how the fundamental philosophical assumptions relate to the investigator’s planned methodology and how they link to the findings and conclusions presented in the final research analysis. This comprehension will enable an improved understanding of the study, application of the results in business practices, constructive academic discussions, and presentation of research findings. Considering that research philosophy is an overarching concept relating to the development of knowledge and the nature of that knowledge in social research (Saunders et al., 2009, p.108), readers won’t understand the manner in which the research has been undertaken, therefore making acceptability difficult if appropriate and clear philosophical standpoints and concepts have not been illustrated. So, incorporated within this scientific paper is the philosophy of science, beliefs and supposition relating to ontology (the nature of reality), epistemology (the study of knowledge, knowledge acquisition, and the relationship between the research participant and would-be knower (the researcher)), and methodology (the process and procedures of research). Science in this view can be defined broadly as the systematic quest for knowledge, and philosophy of science refers to the conceptual roots undergirding the pursuit of knowledge (Ponterotto 2005, p. 127).

3.4 The Underlying Philosophies

Social reality in research can be addressed in different forms, thereby presenting a choice to researchers to decide on which approach, design, methods, and strategy to use based on their understanding of the philosophical ideas in their field of study. In this case, researchers have several philosophical considerations at their disposal, and their respective philosophical stand is mirrored through perspective on social reality. The way social actors understand and perceive social reality in their environment is influenced by their philosophical inclinations, choice of research approaches, methods, and designs (Saunders et al., 2009, p.107-108). In other words, Saunders et al. (2009) imply the researcher’s values can impact on the underlying study and the manner it’s pursued. Approaches to research are not merely dictated by approaches, methods and designs but also by the researcher’s particular view of the relationship between knowledge and the process by which it is developed (Saunders et al., 2009, p.108).

Studies approach social inquiry in different ways, some of which are in contrast to each other due to their practical and technical issues of design, and also due to their different understandings of knowledge and the relation between social research and reality (Flick, 2015, p.19). We believe that the paramount issue behind underlying philosophy is not solely that a researcher is philosophically informed, but how well researchers can reflect upon their philosophical choices and defend them about other alternative dimensions. The philosophical thinking of any researcher could be viewed from two main ways: ontological philosophy which are concerned with the nature of reality and its existence (knowledge), and epistemological philosophy (theory of knowledge) concerned with the question of what constitutes valid knowledge (Saunders et al., 2009, p. 107-109). Each presents conflicting and competing views about social reality with potential influence on the research process. Therefore, the researcher’s judgments about the expected findings of the study will influence the study approach and methods employed.
3.4.1 Ontology Standpoint

An ontological position is cardinal to every research and enables the researcher to clarify his/her standpoint about the nature or existence of the subject under study (Moon & Blackman, 2014, p.1170) precisely. Ontology has also been referred to as the philosophy underlying the relation to the nature of reality evaluated according to the researcher’s viewpoint (Saunders et al., 2009, p. 111; Bryman & Bell, 2011, p. 20). That is to say; it regulates the researchers’ assumptions about the relationship between social actors and the external environment. As nicely explained by Ponterotto (2005, p. 130), ontology concerns the nature of reality and being and specifically addresses the following question: What is the form and nature of reality, and what can be known about that reality? Bryman & Bell (2011, p. 20) and Saunders et al. (2007, p.108) both justify the ontological assumptions that social beings are regarded as objective or subjective to the social actors, and also societal changes are influenced by perceptions and the outcomes of societal actors. As noted by Moon & Blackman (2014, p.1170), adopting an ontological perspective, puts the researcher in a position to answer three important questions which are significant to the design of the study: What truth claims can a researcher create about reality? Who decides the validity of what constitutes reality? How do investigators deal with different and conflicting ideas of truth?

Many ontological positions exist in the field of social research; however, the dichotomy between objectivism and constructionism can suffice to demonstrate the value of ontology to our study. As pointed out by (Bryman & Bell, 2011, p.20), the central point of orientation concerns the question of whether social entities can or should be considered objective entities that have a reality which is external to social actors (objectivism), or whether they can be regarded as social constructs from the perceptions and actions of the social actors (constructivism). According to Moon & Blackman (2014, p. 1170), objectivisms holds the view that affirmative reality exists that can be exploited, studied, understood, and experienced as a real truth. Hence, they posit that a real world exists independent of human experience and interferences. Objectivists claim that one true reality exists that can be understood by every researcher provided correct methods are applied because there is clear link between reality and the term used to describe it existence (Bryman & Bell, 2011, p. 21; Moon & Blackman, 2014, p. 1170). Saunders et al. (2009, p. 111) complement the debate on ontology by stating that objectivism presents an ontological viewpoint in which the external environments reality is seen to be independent of the influence of the social actors within it and remains available for exploitation with less variations. According to Neuman (2000, p.67), objectivist views reality as real, existing in the environment and waiting to be discovered by investigators even though human perception and intellect may be flawed and reality at some time being difficult to pin down, but it does exist.

Constructionism, on the other hand, holds the views that reality is constructed within people’s minds such that no one true reality exists in the environment, instead, the reality is relative according to each person who experiences it at a given point in time (Moon & Blackman, 2014, p. 1170). Saunders et al., (2009, p. 111) attributes constructionism to the pattern in which people observed the world and evaluated it based on the consequences of individual actions to construe the reality. Hence, constructionism sails the subjective view of reality. According to Bryman & Bell (2007, p. 22), constructionism advances the notion that social phenomena are created from the perceptions and actions of social actors concerned with their existence. To stimulate the debate on construction of reality, Moon & Blackman (2014) poses a question exemplifying wilderness: “Can
wilderness universally be defined, measured, and experienced (objectivism) or do individuals define, measure, and experience wilderness differently (constructionism)?” Viewing this question from the constructionist perspective, reality exists in the minds of people, subjects, or respondents being studied.

Constructionists argue that even if there exist a shared reality within a society, different realities will exist among single individuals (Moon & Blackman, 2014, p. 1170). Hence, constructionists assume that bounded reality is a mirage and do not exist, instead, subjects construct their unique reality. It implies that the reality of the social world is constructed and does not exist out there for a researcher to investigate without interaction. According to Flick (2015, p.25), the common denominator of all constructionist researchers is their tendency to examine the relationship to reality by approaching it using constructive processes. Therefore, the ontological position of this study is enshrined in a constructivist view. This is supported by our position that a deeper understanding on how SMEs develop dynamic capabilities in emerging making, is based on the assumption that the phenomenon of developing dynamic capability is an intangible reality constructed within people’s minds such that no one true reality exists in the environment, instead, reality is relative according to each person who experiences it at a given point in time.

3.4.2 Epistemology Standpoint
According to Bryman & Bell (2011, p. 15), epistemology concerns the question of what should be regarded as acceptable knowledge in a discipline and which in turn influence the manner in which knowledge is acquired. In the view of Moon & Blackman (2014, p. 1171), epistemology is much concerned with all features of the validity, range and methods of acquiring knowledge, with what comprise a knowledge claim, the manner in which knowledge can be obtained, and how the degree of its applicability can be determined. In other words, epistemology describes how possible it is to acquire know about the world to the point that reality can be studied. The primary argument here is the question of whether or not the social world can or should be studied under the same principles, procedures, and the nature of natural science. According to Flick (2015, p.27), the researcher’s epistemology position serves as a starting point for defining their research problem and selecting the methods to be used in their study. It is this point that methodological approaches are grounded into epistemological positions. Flick (2015, p.27) states that the study benefits from adopting an epistemology position in three ways. First, it provides a theoretical fundament for conceptualising the research and procedure, second, it provides a basis for critical reflection on methods and knowledge they produce, and finally, it supports, improves and makes social research possible and realisable.

In reference to Saunders et al. (2009), it is clear that most beliefs of researchers are bounded in various ways with different postulated views of knowledge acquisitions. When deciding on what sort of epistemological stance to take, a research swings between positivism and interpretivism. These two philosophical underlying stand distinct from each in their knowledge route as they embrace different approaches, designs, and methods. On the one hand, the epistemological position of positivism affirms the importance of siding with the methods of the natural science perspective to the study of social reality and beyond (Bryman & Bell, 2011, p. 15). Positivism presumes that reality exists independent of the individual researcher (Moon & Blackman, 2014, p. 1171). It is centered on the principle of knowledge whereby the purpose of theory is generated through the gathering of facts into the hypothesis that can be tested and therefore allows to be considered as law, which follows the principles of deduction (Bryman & Bell, 2011,
p. 15). In this case, the role of a researcher is just to discover the already existing objective truth that is empirically verifiable, valid, generalizable, and independent of researcher’s line of thinking and social interactions (Flick, 2015, p.20). Neuman (2000, p.67) relates positivism claims to being absolute determinism, where subjects are merely regarded as mere robots who must always react in a similar manner every time.

In contrast to the positivist doctrine is the interpretivism which is one that assumes the application of the scientific model to the study of the social science world. The interpretivism doctrine hold under the intellectual view that the subject matter of the social science, that is people and institutions fundamentally function distinctively against the natural science order, predominantly respecting the view that strategy is required that respects the differences between people and the objects of the natural science and therefore requires the subjective meaning of social action (Bryman & Bell, 2011, p. 16). The philosophy here is concerned with the question of how individuals make assumptions and grasp a comprehensive sense of the world around them (Bryman & Bell, 2011, p. 18). Interpretivism contrast the views of objective truth is waiting to be discovered as stated by Neuman (2000, p.67). Instead, Moon & Blackman (2014, p. 1172) says that truth or meaning, comes into existence arising from subject’s engagement with the realities in their communities, and there is no such real pre-existing environment without human interactions. An interpretivist researcher is inclined towards gaining a deep understanding of how people in a given society differ in their path towards knowledge acquisition and the influence of their interpretation of social constructions (Blumberg et al., 2005, p. 19). Following Moon & Blackman (2014) explanation, we can tell that interpretivism assumes are of the view that different people in societies construct the meaning of the same occurrence in a variety of ways. As Moon & Blackman (2014) put it, people in any environmental settings will typically engage with each other to understand and attach meaning to the problems surrounding them based on their cultural, historical, and societal perspectives. In short, meaning is derived from human interaction with their societies.

Interpretivist researchers achieve such goals through learning from a particular social setting and observing it from those concerned (Moon & Blackman, 2014, p. 1172). In doing so, the researcher comes to terms with what applies to the people being studied thereby gaining knowledge on people’s experiences. This is so possible also since interpretive approach is inclined towards a practical orientation of observing a situation from the participant’s point of view as compared to objectivism’s who sits on the fence adopting an instrumental orientation

In summary, our study is anchored on interpretivism and supports the choice of a qualitative method in a deductive manner. This epistemological consideration has been chosen considering its more suitability with the exploratory nature of the study and the research questions which tend to produce qualitative data and suits well with the case study design that is employed for this study. The interpretive choice is also necessitated by the nature of study topic which is concerned with SMEs dynamic capability. As stated by Makadok (2001, p.389), capabilities are firm-specific and embedded in the firm by which ownership cannot easily be transferred from one firm to another without also transferring ownership of the firm itself. Hence, we consider the most viable epistemological position to address this challenge lays within an interactive approach which enables the exploration of a firm-specific and embedded capabilities held by the SMEs. We shall focus on interpretation and seek to understand what dynamic capability development means to different SMEs specifically. Hence, the use of interviews and other
related pure qualitative data collection methods seems to be the appropriate choice for this study. This would help in understanding the experiences of SMEs in the development of dynamic capabilities.

### 3.5 Research Approach

In this section, we outline the fundamental approach to the theory used in this study. As stated by Saunders et al. (2009, p. 124), any study involves the use of theory. As such, it is imperative on researchers who should be clear on the approach used at the start of their study. Paying attention to research approaches enables researchers to decide whether to use the deductive approach in which they develop some hypotheses and design strategies to test the hypothesis. Or alternatively, adopt an inductive reasoning approach in which they collect and analyse data leading to theory creation. Neuman (2000, p.49) outlines the behaviour of researchers towards theory creation and theory testing by stating that researchers approach the building and testing of theory from two perspectives. He states that some start with abstract thinking, then logically link the ideas in theory to tangible evidence, and then test the ideas against the evidence. While others commence with accurate observations of empirical evidence, and on the strength of proof, infer and build theory. However, choices on research approaches are not made in a vacuum, but being influenced by the researcher's’ philosophical stance (Saunders et al., 2009, p. 124). For example, deductive researchers are inclined towards positivism, while inductive reasoning is inclined towards interpretivism epistemology. In the next two sub-sections, we contrast inductive and deductive approaches and their implications to our study and finally, present our chosen approach.

An inductive approach is the process of reasoning whereby a researcher reaches an empirical generalisation from particular facts (Ghosh, 2011, p.58). According to Bryman & Bell (2011, p. 13), inductive reasoning is a research approach in which observations or findings drives the creation of a new theory or where observations or findings informs generalisation. While Neuman (2000, p.49) states that inductive researcher starts with detailed observations of the natural phenomenon and move toward more abstract inferences and ideas. Through the inductive approach, researchers build the theory from the ground. This is supported by Creswell (2009, p. 175) who further explains that it entails the building of patterned categories and themes from the bottom up, by organising data in an increasingly more abstract units of information. This entails working to and from the themes and the database until a comprehensive set of themes can be established. The process most often starts with a topic and a few vague concepts which drive towards observation, refining of concepts, generating empirical inferences leading to the identification of preliminary relationships (Neuman, 2000). Bergdahl & Berterö (2015, p.112) also contributes to the debate on research approach by stating that a study is inductive if researchers move from a particular or singular statements to a universal theory. Popper (2003, p.45) relates inductive approach to a process he terms abstraction from individual concepts.

A deductive approach, on the other hand, is the process of drawing inferences through a process of reasoning based on assumptions which are either factual or based on observation (Ghosh, 2011, p.57). Neuman (2000, p.49) in effect, sees a deductive approach as a process which starts with an abstract of the phenomenon, logical relationship among concepts, then moving towards concrete empirical evidence. Various writers have had their take on this approach such as Bryman & Bell (2011, p. 11) who relates deductive approach to a theory testing approach in which theory and hypothesis
deduced from a natural phenomenon comes first to drive the empirical process. Bergdahl & Berterö (2015, p.112) also defines deductive as the approach in which researchers move from the theory to the particular in which the research question is deduced from theory. Locke (2007, p.868) looks at deductive as the process in research which involves going from the general to the particular, while, Mingers (2012, p.860) defines inductive as a process in which general laws are induced from specific examples or instances. Furthermore, Yom (2015, p.617) describe deduction as the process in which researchers begin with a deduction of hypotheses from theory, predict their observable inferences, collect useful empirical and cases. Finally, the test of the hypotheses is done by comparing results with their earlier predictions. As Neuman (2000, p.49) observed, most researchers under deductive reasoning have vivid ideas about the nature of the phenomenon and want to test the ideas statistically by starting with a theory which suggests the evidence, they should collect, analysed the data, then link theory to the findings. Hence, the primary objective of deductive approach lays in clarifying the nature of the relation between establishments and inferences of valid claims. This falls in line with Popper & Mingers (2012, p.860) who states that a deductive is a reasoning approach in which particular instances are deduced to follow from general laws.

This study has been undertaken following a qualitative-deductive approach which intends to confirm or disconfirm theory on dynamic capability development to gain a deeper understanding of how SMEs developed dynamic capabilities in emerging markets. Several authors have approached a qualitative study with a deductive approach. Bergdahl & Berterö (2015, p.119) recommends the use of the qualitative-deductive approach to confirm or disconfirm theories provided the study purposes ranges from descriptive to explorative. While, Elo & Kyngäs (2008, p.107) has endorsed a qualitative deductive approach claiming that it is very helpful provided the overall purpose of the study is to confirm or disconfirm the existing theory in a different situation or to compare categories at different time periods. Elo & Kyngäs (2008, p.111) further recommends the use of a qualitative deductive approach in cases where the researcher wants to reconfirm existing empirical in a new context which may take the form of confirming or disconfirming categories, concepts, or models. We believe a qualitative-deductive approach constitutes a higher degree of fit with our study because it presents an appropriate approach to exploring SMEs experiences and better leverage towards an understanding of how they develop dynamic capabilities. We believe by confirming or disconfirming already existing claims on how SMEs develop dynamic capability through a qualitative inquiry, in a market with significant environmental differences, will constitute an added value to theory. The choice of qualitative-deductive approach is also driven by our interpretive philosophical foundations which favour interactions with informants. We further clarify our methodological position in the next section which explains the role of qualitative and quantitative methods in our study.

3.6 Research Methods
Methodological positions as recognised by Bryman & Bell (2011, p. 26) are helpful in precisely distinguishing between qualitative and quantitative research methods used, and represents an important means of classifying a range of issues concerned with the practice of business research. Superficially, the quantitative/qualitative distinction is predominantly thought of as the use of measurements of a quantitative method while the qualitative method does not. However, there is a predisposition among many writers suggesting that the difference between the two methods is deeper than just the presence or absence of quantifications (Bryman & Bell, 2011, p. 26). The obvious fact of a major
distinctive epistemological and ontological standpoints suggest that there is a fine line distinguishing the two methods apart from just numbers (Bryman & Bell, 2011, p. 150)

Quantitative research is construed along the lines of quantification in the collection and the analysis of the related data (Bryman & Bell, 2011, p. 26). Researchers who use the quantitative method are positivist and employ experimental methods and quantitative measures to test hypothetical generalisations, emphasise the measurement and analysis of causal relationships between variables to illustrate the meaning or explaining social problems (Golafshani, 2003, p. 597). Creswell (2003, p.18) on his part defines quantitative research as one in which researchers initially employs positivist claims for knowledge creation in which they use strategies of inquiry such as experiments and surveys, and collects empirical data on predetermined tools that yield statistical data. This entails the use of deductive approach linking the relationship between the theory and the research by which the principal objective is the testing of the theory. Both Bryman & Bell (2011, p. 27) and Golafshani (2003, p. 598) agree that the quantitative method incorporates the practices and rules of the natural science model and predominantly the positivist or scientific paradigm. Such beliefs lead to regarding the world as made up of observable, measurable facts, and embodies the social reality views of an external objective reality. Golafshani (2003, p. 597) further explains that charts and graphs need to be used with the quantitative method to illustrate the results of the research, with the frequent use of words such as variables, populations, and result as part of the daily quantitative method terminology.

In contrast, a qualitative method usually emphasises predominantly words rather than quantifications in the collection, analysis and the presentation of data (Bryman & Bell, 2011, p. 27). Qualitative research has broadly been defined as any research that produces findings not arrived at using statistical measures or other means of quantification, but instead the kind of research that produces findings that come from real-world settings where the phenomenon of interest unfolds naturally (Golafshani, 2003, p. 600). While according to Creswell (2003, p.18), qualitative research is one in which the investigator makes knowledge claims based mostly on constructivist perspectives dictated by multiple meanings of individual experiences in which meanings are socially and historically constructed with a view of developing a theory or pattern. With this method, data is collected directly in the field at the site where the participants experience the issue or problem directly under investigation (Creswell, 2009, p. 175). This method is directed towards a much more inductive approach which we have discussed earlier, with more preference on the manner in which individuals interpret their social world and embodies principally views of social reality by shifting emergent properties to individual creation (Bryman & Bell, 2011, p. 2). As also preceded by Creswell (2009, p. 175), qualitative data collection is done through the examination of documents, observing behaviour, or by interviewing of the participants. This implies that the researcher gathering the information needs actually to talk directly to people with a keen notice on their behaviour within the context. Thus, the researcher reviews all the data collected and makes sense out of it by organising it into categories of themes that cut across the data source (Creswell, 2009, p. 175). This correlate to Creswell (2003) statement that qualitative researchers have constructivist knowledge claims.

This study is guided by a qualitative method which provides a situation fit with the exploratory characteristics of the research questions and constructivist knowledge claims for the study. A qualitative research method was chosen for several reasons. First, we are
interested in verbal expression rather than figures because we want to conduct interviews to get deeper insights on how SMEs develop dynamic capabilities. Second, we would like respondents freely to construct the meaning of dynamic capability development, meaning typically rooted in interactions with other people. Third, a qualitative method has been chosen in line with Creswell (2003, p.22) who states that if the concept [dynamic capability development] needs to be understood because little research has been done on it, or existing theories do not apply to the particular sample or group under study, then it merits a qualitative approach. Finally, there is proof that qualitative method has been used to confirm or disconfirm theory (Bryman & Bell, 2011, p. 27; 394). Bryman & Bell (2011) cited Hochschild (1983) theory of emotion work which emerged from a questionnaire study and then the theory was eventually confirmed using qualitative methods such as interviews and participant observation. It is interesting to understand that qualitative research can be conducted in both cases of theory development and for the confirmation or disconfirmation of theory.

3.7 Research Strategy
Creswell (2009, p. 176) has suggested five important qualitative inquiry strategies of equal magnitude, prominent across writers of the social sciences, which researchers can choose among which include the narrative, phenomenology, ethnography, case study and the grounded theory. The use of case study strategy will constitute the base of inquiry for this study. Bryman & Bell (2011, p. 59) have described a case study research strategy as very popular and most widely used since most of the best-known studies in business and management have employed this design. Merriam (2009, p. 39) has pointed out that modern case study research cuts across antecedents in anthropology, sociology and psychology. Creswell (2009, p. 13) has stated that the case study strategy of inquiry is one in which the researcher explores in depth the program, event, activity and the processes of one or more individuals. That is, cases are bounded by precise time and activities, whereby researchers collect in-depth information using an appropriate data collection procedure over a considerable length of time.

Therefore, defining a case study in terms of the research process, Merriam (2009, p. 40) states that a case study is a factual investigation of a contemporary occasion within its real-life perspective, especially when the boundaries between phenomenon and context are not clearly evident. Bryman & Bell (2011, p. 60) have clarified that the use of the term “case study” in this context should be reflective of a geographical location such as the workplace or an organisation. As precise by Bryman & Bell (2011, p. 59), the case study design strategy entails a detailed and intense observation and analysis of single cases concerned with the nature of a particularly complex situation in question. The fundamental difference between the case study and other research designs has been noted as to be its focus on a limited system (Bryman & Bell, 2011, p. 60). Qualitative case studies need to share with other forms of qualitative research the search for meaning and understanding, the researcher being the central figure in data collection and analysis, an inductive inquiry approach, and the end product being richly descriptive (Merriam, 2009, p. 39).

The reasons for selecting a particular design should be inherently related to its fitness of addressing the research problem under investigation. As such, the case study strategy offers the possibility of inquiring complex social units comprising of multiple variables of significance value in understanding the phenomenon (Merriam, 2009, p. 50). Due to the fact that it is anchored on real life situations (Saunders et al., 2009, p. 145), it results
in a rich and holistic account of a phenomenon, and present the ready with an expanded rich experience by offering the most appropriate insights and illumination to the study (Merriam, 2009, p. 51). The case study strategy is noted to have a considerable ability in generating answers to the question ‘why?’, ‘what?’ and ‘how?’ and therefore most often used in explanatory and exploratory research (Saunders et al., 2009, p. 146). Although the criticism about the case study strategy based on the grounds that it focuses mostly on a single unit, a single instance, therefore the issue of generalisability looms larger than with other types of qualitative research (Merriam, 2009, p. 51); case studies are not confined to the study of a single case and so they have become increasingly common and very important in business research (Bryman & Bell, 2011, p. 63). So this clarifies the question of transferability with the use of a case study strategy.

Consequently, we have employed a multiple case study approach in this research because it will be most appropriate for data collection, analysis, and findings which will better satisfy the objectives of this study. As interpretivism epistemology frames our study, we stand to benefit from the case study through a better comprehension of why certain characteristics or effects occur or do not occur. The multiple case strategy will allow for a comparison and contrast of the findings derived from the various cases, therefore, presenting the possibility of differentiating what is unique from what is common in the cases, and this will result to promoting a better theoretical reflection (Bryman & Bell, 2011, p. 63).

3.7.1 Case study Approach

The primary objective of our study is the confirmation or disconfirmation of theory from qualitative case study to answer our research question: “How do SMEs develop dynamic capabilities in emerging markets to compete alongside MNCs.” Although most of the qualitative case studies have taken the inductive, theory-building approach (Barratt et al., 2011, p.331), our study advanced the use of deductive, theory-confirmation or disconfirmation approach similar in nature with Meredith (1998) and Voss et al. (2002). The approach to confirm or disconfirm existing theory on dynamic capability development is also in line with earlier studies which adopted deductive, theory confirmation or disconfirmation approach. Such studies include Bitektine (2008), Eisenhardt (1989), Langley (1999), and Pinfield (1986). Others include Benbasat et al. (1987), Darke et al. (1998), Lee (1989), Bonoma (1985), Hillebrand et al. (2001) and Johnston et al. (1999). The deductive, theory confirmation or disconfirmation approach was anchored on Johnston et al. (1999, p.204) recommendation on observing three main requirements when using qualitative case studies for confirmation or disconfirmation of the appropriateness of a theory. Johnston et al. (1999) proposed that “the case study must begin with an existing theory for the development of research hypotheses or preposition, a systematic and logical research design be followed; and finally, researchers should implement evaluation criteria to assess potential biases independently and to ensure the methodological rigor.”

We used the comparative case study as a principle means of theory confirmation or disconfirmation (Ross & Staw, 1993, p.705). With the view of achieving the objective of confirming or disconfirming the theory, the study adopted three approaches which also brought in objectivity and guarded against authors’ personal bias. First, we adopted the appropriateness of competing theories approach (Eisenhardt, 1989; Johnston et al., 1999; Pinfield, 1986). The competing theories approach aided the authors in minimizing personal bias that would have entered into the analysis caused by selectively looking for
evidence that fit the prepositions. Due to the appropriateness of competing theories approach, the authors were compelled to choose one theory over another based on empirical. Secondly, the appropriateness of competing theories approach was complemented by the alternate theoretical templates strategy advanced by Bitektine (2008, p.162), in which competing theories were confirmed or disconfirmed at the same time. Building on the strength of alternate theoretical templates strategy, different theoretical models were applied to multiple cases to contrast the assumptions, explanations, and recommendations that formed each of the alternative theories. The alternative theoretical templates strategy gave the authors an opportunity to use a real-life case to subject learning orientation, market orientation and entrepreneurial orientation theoretical approaches to confirm or disconfirm test of the appropriateness of the theory.

Thirdly, the study employed the pattern matching approach between theory and data in line with Ross & Staw (1993, p.705). We performed pattern matching using variation on either dependent (dynamic capability development) or independent variables (learning orientation, market orientation, or entrepreneurial orientation). When dynamic capability development, for instance, was predicted and found to result from a firm’s being learning orientation, market orientation, or entrepreneurial orientation, the authors confidently confirmed that dynamic capability development was enabled by such independent variables or vice versa. As Lee (1989, p. 35) stressed, we did not rely on a comparison between groups of observations on a single measure when confirming or disconfirming theory instead used a comparison of a pattern of observed outcomes with some pattern of expected values derived from the three theories. The pattern-matching technique enabled outcome evaluation on multiple dimensions. To achieve a successful pattern matching, we acted in accordance with Trochim (1989, p. 360) in which we developed a theoretical pattern of expected outcomes, an observed pattern of effects, and matched the two.

All the three approaches adopt the logic of confirmation or disconfirmation of the appropriateness of a theory. They entail articulating a theory into a set of prepositions and then comparing them against empirical data for confirmation or disconfirmation. Under the confirmation or disconfirmation of theory, the proposition under consideration predicts outcomes for specific cases and subsequently investigates these cases to see whether the theory holds true for them (Hillebrand et al., 2001: 652). The disconfirmation of the theory arises when the theory under consideration does not hold true for the predicted outcomes. As Bitektine (2008, p.165) states, selecting competing theories based on mutually exclusive assumptions in which only one theory is deterministic, enables one to gain significant insights into the exploratory power of a non-deterministic theory too. Such insights can only be achieved if the researcher can prove that the alternative explanation drawn from the deterministic theory confirms or disconfirms in the context of a given case study. The use of a case study as single confirmation or disconfirmation of an established theory has been recommended by Kaarbo & Beasley (1999, p.376). Kaarbo & Beasley (1999) states that the distinction between confirming and disconfirming depends on the nature of the empirical findings whether they are in support of the predictions of an existing theory (confirming), or they call that theory into question (disconfirming). Kaarbo & Beasley (1999) further explain that the case study can be an ideal confirmation or disconfirmation of a given theory provided the researcher specifies in a precise manner the variables and the prepositions to be confirmed or disconfirmed, selecting a case that fits the parameters of the theory under investigation.
According to (Johnston et al., 1999), the strengths of the confirmation or disconfirmation of theory with case studies lays in the growth of knowledge achieved not through the proof of a single theory, but multiple theories. That is to say; a single theory cannot accomplish confirmation or disconfirmation but through the confirmation or disconfirmation of separate competing theories that are inferior in their ability to explain the natural case phenomena. Furthermore, to overcome possible researcher bias, the authors utilized multiple cases and confirmation or disconfirmation of the appropriateness of the theories (Barratt et al., 2011, p332). The choice was based on the works of Benbasat et al. (1987) and Eisenhardt (1989), which led to a better ability to handle the richness of the contextual data and more confidence in research findings. While a single case was possible for confirmation or disconfirmation of the appropriateness of theory, the authors recognize that multiple cases were more compelling and make the research more robust than using a single case (Barratt et al., 2011, p332). Through multiple cases, a triangulation of data sources was achieved as chosen cases complemented each other in terms of similar contexts to provide convergence of evidence on one meaning (Johnston et al., 1999, p.203, 207).

3.7.2 Comparative Case Study Design

Our case study was designed in line with Kaarbo & Beasley (1999) steps in comparative case study research. Firstly, a specific "how" format research question was formulated which focused on the underlying process, on the causal nexus between the learning, market, and entrepreneurial orientation variables and dynamic capability development to be explained (Kaarbo & Beasley, 1999, p.378; Yin, 1994). The development of a focused research question enabled the authors identify the most relevant variables and identify cases for selection. Secondly, variables (learning, market, and entrepreneurial orientation) from the existing theories were identified through a systematic literature review which explained the dependent variable (dynamic capability development). The identification of variables enabled the authors to single out the most important existing theory explaining the phenomenon for an assessment about the research question.

Thirdly, the authors engaged in case selection where cases were selected basing on three criteria: selecting comparable cases, selecting cases that varied on the dependent variable, and selecting cases across industries of the population to address alternative explanations (Kaarbo & Beasley, 1999, p.380). Under comparable cases, a similar systems design was observed in which similar cases were chosen to minimize the number of explanatory variables. A similar system design was done to gain understanding whether the variation noted in the cases was as a result of the explanatory variable under investigation or to other differences between the cases (Ragin, 1987, p. 1). In this manner, we picked cases that had geographical and historical similarities and had theoretically derived properties. To avoid the same explanatory variables that may be present in cases in which the phenomenon is absent, selected cases were varied on the dependent variable (how separate firms responded to the independent variables) (Achen & Snidal, 1989, p.147). By selection cases based on variation in the values of the dependent variable, the authors will have a story to tell about the dependent variable under study upon completion of this research (Kaarbo & Beasley, 1999, p.381; Collier & Mahoney, 1996, p.58). In addition to choosing comparable cases that vary from the values of the dependent variable, we decided to pick cases across population subgroups (cross industry and cross country) with a view of providing variation across some dimension associated with an alternative explanation of the relationship under investigation. Through this approach, we were able to demonstrate whether the relationship holds across different subgroups of a population.
which informed our opportunity to challenge an alternative explanation as the study concluded.

Fourthly, we operationalized variables under investigation and constructed a case interview guide which aided the collection of evidence for the variables in the study (Kaarbo & Beasley, 1999, p.383). The same variables across the set of cases were conceived in the form of semi-structured questions that were asked in each case to assure acquisition of comparable data from the several cases. Hence, the same set of general categories of values of each variable guided the study across the cases. Fifthly, after evidence accumulation, variables (themes) were coded and the empirical presented (Yin, 1994, p. 95). For validation sake, case study database was created in the form of a transcribed data different and separate from the report. Finally, the authors were engaged into pattern matching in which single or mutually exclusive rival patterns predicted by the theory were matched and compared against the pattern observed within and across cases (Yin, 1994, p. 108). We looked at the relationship between various explanatory variables in the right form for the preposition to be accepted. In other words, we determined whether learning orientation, market orientation, and entrepreneurial orientation variables differentiated across the different outcomes of the dynamic capability development.

3.7.3 Choice of Study Participants
The central emphasis of qualitative choice of study participants is information richness being regulated by appropriate identification of participants who can inform the study and fair selection of information sources. Hence, abundance information help to address the research question which in turn help to develop a full description of the phenomenon under investigation (Fossey et al., 2002, p.726). According to Fossey et al. (2002) and MacDougall & Fudge (2001, p.120), most qualitative participant selection involves small numbers of participants in which no fixed minimum number of participants is a requirement to conduct a sound study. Instead, the study needs to be informed by sufficient depth of information required to be gathered to describe the phenomena adequately under investigation.

To enhance the appropriateness of participant selection and adequacy of information collected in qualitative research, researchers have a freedom of selecting from a variety of screening strategies. These selection approaches range from the snowball, sequential, theoretical to purposive selection (Fossey et al., 2002; Neuman, 2000; Flick, 2015; Cooper & Schindler, 2003). Snowball selection is a strategy used when subjects being studied are difficult to access or approach making it rely on respondents themselves to identify others with direct knowledge relevant to the investigation being conducted (Fossey et al., 2002, p.726; Cooper & Schindler, 2003, p.203). Neuman (2000, p.199) describes snowball as a network, chain referral, or reputation selection, a method for identifying and choosing the cases in a network which start with one or few people or cases and spreads out by links to the initial cases. According to Neuman (2000, p.200), the sequential selection is a strategy in which a researcher continues in gathering cases until the amount of new information or diversity of cases is filled or until a saturated point is reached. While the theoretical selection is a strategy used by researchers with a view of developing a theory which is regulated by emerging theory in which the growing researcher’s theoretical interest guides the selection of cases (Neuman, 2000, p.200; Flick, 2015, p.104). The other option is purposive selection where researchers select participants to conform to some criterion (Cooper & Schindler, 2003, p.201). Neuman
(2000, p.200) describe purposive selection as a strategy used to select unique cases that were particularly informative. While Flick (2015, p.103) looks at the purposive selection as concentration principle in which cases are chosen according to their relevance to the study topic.

To conclude, given the qualitative-deductive nature of our research, the case selection of participants for this study is purposive selection informed by Neuman (2000, p.198). Neuman (2000) explains that purposive selection of study participants is ideal for exploratory research which uses the wisdom of an expert in choosing cases or selecting cases with a particular purpose in mind such as SMEs. Cooper & Schindler (2003, p.201) also recommends the use of purposive selection in the early stage of an exploratory study. Since our study is also in an initial stage in which cases are selected based on their relevance to the study of dynamic capability development, purposive selection provides an ideal fit with our study, and we stand to benefit from this strategy. Purposive selection will provide the much needed rich data source as our research is theory driven which start from a theory confirmation or disconfirmation, informed by analysis of data and guided by developing understandings (MacDougall & Fudge, 2001, p.120; Bruton et al., 2004, p.76).

3.7.4 Study Participant Recruiting Strategy

We recruited our study participants through contact persons in both two countries: Cameroon and Zambia in line with MacDougall & Fudge (2001, p.120). MacDougall & Fudge (2001) recommends that when it’s hard to gain access to subjects for the study, researchers should recruit their subjects through existing organizations and networks or enlist the assistance of a contact person to gain access. MacDougall & Fudge (2001, p.121) further states that to minimise the failure rates of gaining access to or endorsement from key people, the researcher should make contact with people or organizations who know the communities to seek key or better still use the champion’s credibility or authority in the community. The use of contact persons or champions was necessitated by the distance between Sweden and Africa as the authors were Sweden-based student at the time of the study. Contact with respondents was facilitated by negotiating endorsement from key contacts with SMEs communities who turned out to be champions for the study (MacDougall & Fudge, 2001, p.122). We negotiated for endorsement by key contacts through an introductory letter from our host University outlining our research purpose and ethical consideration. A follow-up was made in person and by telephone to key contacts or champions for each group, network, or community concerning the interview. Negotiation of endorsement enabled us to build a good relationship with the principal contacts as earlier stated by MacDougall & Fudge (2001, p.119).

The viable case for confirming or disconfirming the competing theories about dynamic capability development was Africa, Cameroon, and Zambia respectively. Two factors motivated the selection of Cameroon and Zambia as a confirming case. First, the activities of major players such as MNCs affect the growth of SMEs, and second, the market contest among the actors occurs in a highly volatile environment, where theory would predict a high degree of SMEs conformity with the dictates of established firms. The primary unit of analysis in this study is SMEs in the context of emerging markets. Given the complexity of the environment and engagement of multiple actors involved in a complex network of interactions, the case study design where MNCs and SMEs were explored within multiple case study provide a situation fit and is believed to be most appropriate. The key subunits of analysis in this study design are firm owners, Chief Executive
Officers, Directors and Managers characterized by their interests in respect to decision making, and their ability to affect the developing of dynamic capabilities in such firms.

3.8 Data Collection
Data collection is the process of acquiring data from different sources through asking, watching, and reviewing documents (Wolcott, 1992, p.19). As Wolcott (1992) states, data is not in the field awaiting collection, instead, researchers should identify and treat it as data for the research. Research data comes in two forms: qualitative data which is conveyed through words and quantitative data presented in a numerical form (Patton, 2002, p. 4). To avoid some effects on our results, we paid attention to data collection techniques by aligning the theoretical orientation, problem, and purpose of the study to the subject selected (Dey, 1993, p. 15). We aimed at relevant and authenticated information to answer our research question by direct engaging SMEs in the process. The authors had option to choose between two major sources of data collection: primary data and secondary data (historical) (Ghauri & Gronhaug, 2005, p. 91-102). However, due to the fact that the authors needed to gain deep understanding on how SMES develop dynamic capabilities, the study was anchored on primary data derived from a new research study which provided first-hand information regarding dynamic capability development.

3.8.1 Criticism of Secondary Sources
Through a systematic review, new insights into the development of dynamic capability have been generated. However, it is very cardinal for the authors to provide a relevant and reliable assessment of the secondary sources used. On one hand, the secondary sources have enabled unearth inconsistencies and differences in the existing studies in the same field of study by applying scientific procedures in the extracting and pooling of findings (Bowman, 2007, p.171). It fit well with our study purpose as it hinges on empirical studies and aims to analyse past studies by drawing overall conclusions from several studies that tackled similar research questions or propositions (Cooper & Hedges, 1998, p.3). Furthermore, it presented the position of the existing knowledge in the field of dynamic capability development and revealed significant incomplete issues which require immediate attention thereby directing our research (Cooper & Hedges, 1998). However, the findings from the secondary sources, could not fully answer our research question without collecting primary data.

3.8.2 Empirical Data Collection
The well-known qualitative data collection methods are interviewing, focus groups, and participant observation (Fossey et al., 2002, p.726; Merriam, 2009, p.88). Focus group is a qualitative data collection which embraces facilitated group discussions that make use of the group interactive participation as the means of exploring the topic under investigation (Fossey et al. (2002, p.727; Merriam (2009, p.94). Focus group method emphasises the need to choose participants on the basis of shared social, cultural experiences, concern related to the study focus, and respondent’s willingness to communicating with each other who share similar experiences (Macnaghten & Myers, 2004, p. 65; Patton (2002, p. 386). Additionally, Fossey et al. (2002) state that focus groups are instrumental in participatory action research. While ethnographers mostly employ participant observation with the view of gaining insight of the naturally occurring routines, interactions and practices of a selected group of people in their social settings (Fossey et al., 2002, p.727). In this method, the researcher acts as one of the research
participants in the respondent’s’ social world with a view of developing an understanding of what is being observed. According to Merriam (2009, p.117), observations is carried out in the environmental setting where the phenomenon of interest naturally occurs in which observed data represent a first-hand encounter with the phenomenon of interest rather than a second-hand account of the view obtained in an interview. Merriam (2009, p.119) further states that observation is the best in its kind when a case can be observed first-hand, or when respondents are not keen to discuss the topic under study.

An interview is defined by DeMarrais (2004, p. 55) as “a process in which a researcher and participant engage in a conversation focused on questions related to a research study”. Hence, the main objective according to Patton (2002, p. 341) is to acquire special kind of information sitting in another person’s mind. According to Patton (2002, pp. 340-341), an interview is only ideal when the researcher wants to find out things he or she cannot directly observe such as feelings, thoughts, and intentions about phenomena, thus the need to ask people questions about those things. In this case, the interview enables the investigator to allow to enter into the other person’s perspective (Neuman, 2000, p.370). The interview is seen as a gateway to people’s minds Fossey et al. (2002, p.727) since it elicits participants’ views of their lives, as manifested in their narrations and so to gain access to their experiences, feelings, and social worlds. Fossey et al., (2002) further states that of all the three forms of qualitative data collection methods, interviews are the most used methods.

Interviews come in three forms: highly structured, semi-structured, and unstructured interview Merriam (2009; Neuman, 2000; Fossey et al., 2002). Highly structured interviews have standardised questions and the order in which they are asked which are determined ahead of time ideal for a survey (Merriam, 2009, p.90). The semi-structured has been described as the in-the-middle between structured and unstructured by (Merriam, 2009, p.90). Semi-structured interviews have been observed to facilitate more focused exploration of a specific topic being regulated by an interview guide (Fossey et al., 2002, p.727). The interview guides mainly contain a list of questions and prompts designed to guide the interview in a focused, flexible and conversational fashion. While unstructured interviews, on the other hand, are a form of interview in which respondents are the key driver of the discussion taking the lead to a greater extent in telling their stories about the phenomena instead of the researcher directing the interview (Fossey et al., 2002, p.727). Unstructured interviews are essential when the researcher has little information about a phenomenon to ask relevant questions about (Merriam, 2009, p.909). In this case, the researcher learns enough about a situation from the open-ended conversation to formulate questions for subsequent interviews.

This study employs the semi-structured interviews as its data collection method. We are of great believe that semi-structured interview approach has the highest degree of fit with our study because it is well positioned to facilitate more focused exploration of dynamic capability development by SMEs in emerging markets. Our choice of data collection method is informed by Patton (2002, pp. 340-341) and Neuman, (2000, p.370) who states that an explorative study stands to benefit a lot from semi-structured interview. The reason behind their argument is that participants are active, and their insights, feelings and cooperation are an important component of the conversation process that reveals subjective meanings. This method requires subjectivism and thus corresponds to the underlying reasoning behind the choice of ontological and epistemological standpoints
for this study. Hence, the semi-structured interview will enable us to enter into SMEs’ perspective.

### 3.8.3 Interviews Protocol

We commenced this study in January 2016 with theoretical data gathering, and the interviews were conducted between 22nd March and 13th April 2016. The empirical analysis had followed the interviews before the thesis was presented and defended on 30th May 2016. The authors conducted a total of 10 semi-structured interviews with SMEs in Cameroon and Zambia, drawing five SMEs from five separate industries from each country. The interviews in Zambia were conducted face-to-face while those in Cameroon were conducted by telephone. On average, interviews lasted just an hour, ranging from 25 minutes to an hour in line with Bruton & Ahlstrom (2003, p.240-41). An overview of respondents who enabled us to answer our research question is provide in Table 5.

#### Table 5. Overview of Interview Respondents

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Title</th>
<th>Date</th>
<th>Access Mode</th>
<th>Duration</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>CM 01</td>
<td>Proprietor</td>
<td>07/04/2016</td>
<td>Telephone</td>
<td>45 minutes</td>
<td>Cameroon</td>
</tr>
<tr>
<td>CM 02</td>
<td>Manager</td>
<td>31/03/2016</td>
<td>Telephone</td>
<td>38 minutes</td>
<td>Cameroon</td>
</tr>
<tr>
<td>CM 03</td>
<td>Field Supervisor</td>
<td>29/03/2016</td>
<td>Telephone</td>
<td>25 minutes</td>
<td>Cameroon</td>
</tr>
<tr>
<td>CM 04</td>
<td>Proprietor</td>
<td>13/04/2016</td>
<td>Telephone</td>
<td>30 minutes</td>
<td>Cameroon</td>
</tr>
<tr>
<td>CM 05</td>
<td>Proprietor</td>
<td>13/04/2016</td>
<td>Telephone</td>
<td>33 minutes</td>
<td>Cameroon</td>
</tr>
<tr>
<td>ZM 01</td>
<td>Director</td>
<td>22/03/2016</td>
<td>Personal Interview</td>
<td>50 minutes</td>
<td>Zambia</td>
</tr>
<tr>
<td>ZM 02</td>
<td>Director</td>
<td>23/03/2016</td>
<td>Personal Interview</td>
<td>48 minutes</td>
<td>Zambia</td>
</tr>
<tr>
<td>ZM 03</td>
<td>Marketing Mgr.</td>
<td>24/03/2016</td>
<td>Personal Interview</td>
<td>45 minutes</td>
<td>Zambia</td>
</tr>
<tr>
<td>ZM 04</td>
<td>Manager</td>
<td>29/03/2016</td>
<td>Personal Interview</td>
<td>45 minutes</td>
<td>Zambia</td>
</tr>
<tr>
<td>ZM 05</td>
<td>CEO</td>
<td>31/03/2016</td>
<td>Personal Interview</td>
<td>1 hour</td>
<td>Zambia</td>
</tr>
</tbody>
</table>

Our interview process involved mutual sharing of experience with SMEs in which our background and research purposes were unveiled with a view of building trust and encourage the opening of information as recommended by Neuman (2000, p. 370) and Saunders et al. (2012, p. 389). Hence, we commenced all of our interviews with an introductory session about our thesis and the purpose of the interview. We began building rapport and steered the conversation away from evaluative topics. To stay close to the participants’ experiences, we posed questions in the form of situations as means of motivating them to become active participants whose insights, feelings, and cooperation were cardinal to the investigation that revealed sought meanings.

Realising the exploratory nature of the research, we guided the topic direction and coverage through an interview guide which cultivated a relaxed environment in which the respondents openly articulated their views on the factors towards the development of dynamic capability in reference to Cooper & Schindler (2003, p.362). Nine interviews were conducted in English except for one which was conducted in local language and whose responses to the posed questions were carefully translated into English. All interviews were recorded and transcribed except for one which was in note taking format as the respondent refused to be taped. Follow-up question interviews were conducted which sought clarification on given responses. This process is similar to the one used by Bruton & Ahlstrom (2003, p.240-41). Details of the interview questions are contained in the Interview Guide as Appendix A. Generally; there was great consistency in the
evidence gathered from cases on all variables investigated about the development of dynamic capability by SMEs. All in all, the respondents were cooperative and open, and in all occasions appeared keen to the study and motivated by the research questions.

3.9 Analysis of Qualitative Data

According to Fossey et al. (2002, p.728), there are two main qualitative data analytical techniques: meaning-focused and discovery-focused analytical approaches. Fossey et al. (2002) describe the meaning-focused approach as a strategy concerned with meaning comprehension which gives rise to the understanding of the subjective meaning of experiences and situations for the participants as opposed to how the inferred meanings fit with investigator’s conceptions. While discovery-focused approach, on the other hand, is described by Fossey et al. (2002) as a strategy which is concerned with establishing patterns and connections among elements of data within and across the cases. According to Fossey et al. (2002, p.728), one of the primary forms of discovery-focused approach is a thematic analysis which is concerned with a constant comparative and progressive procedure of classifying, comparing, grouping and refining groupings data into categories, or themes within cases. Ayres (2008, p 867) on the other hand describes thematic analysis as a data reduction and analysis strategy in which data is segmented, categorized, summarized, and reconstructed in such a manner that captures the relevant themes within a data set.

Data for this study was analysed using a thematic analysis in line with (Flick (2014, p.22). Thematic analysis was chosen because it incorporates both categorizing and connecting strategies in such a way that while identification of themes was taking place, the researchers were also tracing the relationship among case categories (Ayres, 2008, p.868). Ayres (2008) also recommends it as he believes thematic analysis can retain the connection of the data from the cases to their original context which may be lost during the coding process. Among the thematic analysis, we chose to use Attride-Stirling’s (2001, p. 387) thematic network analysis because its features have the highest degree of fit with the mandate of interpreting data and gaining an insight of the subject at hand as it manifests richness of words. Furthermore, since qualitative data usually exist to a significant volume, Attride-Stirling’s approach enabled us break down the large quantity into a manageable size to make sense of it and explore the information in it (Attride-Stirling, 2001, p. 388; Saunders et al., 2012, p. 546). Building on the works of Attride-Stirling (2001, pp. 390-402), interviews were coded for themes and sub-themes (see chapter 4). Finally, at each point in our data analysis, we embarked on categorization in which we looked for similarities and differences and a connecting exercise in which we searched for actual connections between theory and data (Flick, 2014, p.30). Categorizing and retrieval were conducted manually.

In the next chapter, we analyse the findings obtained from the semi-structured interviews leading to discussion.
CHAPTER FOUR: EMPIRICAL FINDINGS

In this chapter we present the results obtained from the semi-structured interviews. This chapter has been divided into three different sections. The first section would present the context of the study. While, the second section would present the views, opinions and feedback of the SMEs collected from each country through the questions in the interview guide. Finally, the third section would present a cross-country comparative analysis of the opinions and views of the SMEs.

The main aim of this empirical data analysis is to determine the key drivers of dynamic capability development in emerging markets. This analysis will accord us a chance to increase our understanding of how SMEs develop their capabilities in emerging markets thereby answering our research question. The empirical data was analysed using a thematic network analysis as stated in section 3.9 and illustrated below.

In the succeeding section, we present the context in which the study was undertaken to facilitate transferability decisions.

4.1 Context of the Study

Before the presentation of our empirical findings, a general understanding of the business environment in which the sampled SMEs operate is essential to facilitate reader comprehend the basis of our transferability standpoint. This is also intended to facilitate comparative case analysis on cross-firm and country, hence, providing the context in which the cases were conducted to ascertain the degree of economic policies in both countries that might have influenced the actions of the respondents.

4.1.1 Cameroonian Business Environments

Cameroon is a middle-income country owing to its demography with a little over 20 million inhabitants, a surface area of 475 442 km² and situated in Central Africa. It shares
a common border with Nigeria, Chad, Central African Republic, Equatorial Guinea, and Gabon. A bilingual country with two regions English speaking while the rest of the country is French speaking. Cameroon is endowed with notable natural resources, including oil and gas, high-value minerals, timber, agricultural products such as coffee, cocoa, cotton cocoa, maize, and cassava.

Cameroon stands as the largest economy in the Central African Economic and Monetary Community (CEMAC). The economy is diversified with growth principally driven by the secondary sector and a larger agricultural goods and the supply of energy (oil & gas sectors). As a member of the Franc zone, the country benefits from the stability of the CFA Franc (XAF) currency. Cameroon’s government seeks to promote private investments since the private sector is considered as the primary driving force behind the growth of the economy and employment. There is a reform process underway, aiming at improving the business environment and attracting more investments into the Cameroonian economy. According to projections, growth has been indicated to remain strong in 2015 (5.4%) and 2016 (5.5%) thanks to a diversification policy aimed at developing value chains in agriculture and developing the construction sector and the supply of energy (ADB, 2015, p2). This falls in line as several non-oil sectors continually benefiting from progress in the implementation of the “Vision 2035” program which aims to make the country an upper-middle income economy by 203. Recent, the tertiary sector has been the principal driver of economic growth, with telecommunications, transport, and financial services being particularly very dynamic. Although Cameroon is becoming less dependent on oil compared to other African oil exporting countries, revenue from oil still accounts for close to 20% of total generated revenue and close to 45% of exports. Therefore, the recent oil price decline has had an impact on Cameroon’s economic outlook (TWB).

4.1.2 Zambian Business Environments
Zambia is situated in the southern Africa region between latitudes 8° and 18° South and longitudes 22° and 34° East of the Greenwich Meridian (GRZ, CSO, 2011, p.1). The country has a land coverage area of 752, 612 km² and lies at an altitude of approximately 1200m above sea level. Zambia is a landlocked sub-Saharan country surrounded by Tanzania, Malawi, Mozambique, Zimbabwe, Botswana, Namibia, Angola, and Democratic Republic of Congo. Zambia has among the most liberal economy in the region. Since the early 1970s, Zambia’s economic growth was driven by large-scale parastatal enterprises (Mubita, 2007, p.1).
However, in 1991 Zambia embarked on a radical reform program which led to a liberalised economy in which most parastatal companies had been privatised, ushering in private sector participation (AFDB/OECD, 2003, p.337). The move also triggered trade liberalisation, deregulation of prices, and ending of foreign exchange control. The establishment of the Industrial, Commercial and Trade Policy (1994) encouraged private sector participation to boost SMEs growth through a substantial reduction in inflation rates, a private competitiveness sector, liberalized trade policies and removal of foreign exchange restrictions (MCTI, 2008, p.10). As a result, there has been an increase in Foreign Direct Investment activity in the economy.

Trade between Zambia and its neighbours has been enhanced by her membership to some regional economic bodies. For example, Zambia is a member state of the Common Market for Eastern and Southern Africa (COMESA) which has two main economic goals. The first one is to sustained economic growth among member countries through the creation of a common market. While the second one is to co-operate in the creation of conducive environment for foreign, between countries and domestic investment including the joint promotion of research and adaptation of science and technology for development (COMESA, 1992, p.9). COMESA has now 22 member states: Angola, Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Namibia, Kenya, Libya, Madagascar, and Malawi. Others are Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. In the next section, we briefly give firm profile and then afterward, present interview outcomes for each respondent SMEs from both countries.

4.2 Dynamic Capability Development of Cameroonian SMEs
This section discusses the critical events behind the remodelling of internal and external competences and existing resources to address rapidly changing environments which led to the competitive advantage of the five SMEs investigated drawn from five industries in this study from 31st March to 13th April 2016. Also, some background of SMEs is presented to assists the reader easily understand the changes that took place in the firms. We define dynamic capabilities as the firm’s capabilities to integrate, learn and reconfigure internal and external resources and competences in response to changing environments.
4.2.1 Dynamic Capability Development of CM01

CM01 is principally into the safety sector of the Marine or petroleum industry. They are involved in the supply of safety equipment to petroleum industries and advise them on the recent safety regulations and requirements throughout the seasons and exploitation stages. The company lobbies and participate in tenders be it private or government tenders and normally win tenders for up to 80,000,000 CFA Frs. As noted by the proprietor,

“We have been over ten years in this sector and back then, there were only about 6 certified safety companies in Cameroon but now the market is so saturated”.

(Proprietor, personal interview, 2016/04/07)

As explained by the proprietor, there are whole lot of things involves from one stage to the other of the exploitation of petrol and their customer purchasing power is high.

“For every industry and the petroleum sector in particular, safety is internationally highly recommended aspect and so my business entails the supply of worker’s safety equipment from head to toe”. “This influenced my decision about getting into the petroleum sector because it is sector with very high demands in terms of safety and so the market is big”.

(Proprietor, personal interview, 2016/04/07)

Emerging Market Perspective

Although there is a significant level of diversification in the Cameroonian economy, there is therefore a less dependent on oil than other African oil exporting countries. However, oil revenue accounts for about 20% of total revenue and about 45% of total exports. Therefore, the global oil price decline has had an impact on Cameroon’s economic outlook. It is important to note here that this sector is a matured one as far as the Cameroonian economy is concerned.

“As time goes by the business is no more as lucrative as it used to be because there has now become a lot of undercutting from both big international companies and many other new home based entrants. The foreign companies are beating us hands down because of the financial means that they have. Since almost every of the safety equipment are manufactured abroad like from China, the MNCs are better placed to place bigger orders of the safety equipments from there sometimes probably block the manufacturers from selling to other customer”.

(Proprietor, personal interview, 2016/04/07)

Market Orientation Perspective

The company considers its ability to understand the dynamics of the price, preferences, the place of production and many other possible future customer demands as key to the strategy in the need to meet customer requirements and continue winning tenders and contracts. As explained by the proprietor,

“Most often different customer companies demand for different items and at different stages during the year which we need to understand what they will need at every stage. Some other customers usually give as a particular list of what to supply at precise times of the year so in this case all we need to do is to supply precisely what they want. But also it is very important for our vendors to convince
customers to start consuming alternative brands which are equally very good which we are able to supply”.

(Proprietor, personal interview, 2016/04/07)

The proprietor went on to indicate that there had been this tendency for their French customer companies to demand principally products manufactured from France meanwhile most European originated companies had their manufacturing companies or preferences from China or Dubai. But of recent the price of products has been the determining factor and so the ability to lay hands on quality but cheaper products has been the key challenge. And since there are a wide range of manufacturers, the key issue is to be able to figure out the best manufactures in terms of quality and price from which to buy equipments and supply to their customers at the best prices.

“There is also been a recent trend of preference for medical safety equipment manufactured from Europe”.

(Proprietor, personal interview, 2016/04/07)

Learning Orientation Perspective
There was an absolute recognition of the important to continuous learning by always sending employees for regular trainings but also the recognition of lapses due to the lack of adequate financial mean.

“We usually send only a selected few to marine safety seminars and workshops and when they return, we usually have meetings where we share with the rest of the workers the important issues learned from the seminars. The world is generally evolving and there are international standards that are demanded from time to time and even the safety equipment we supply must meet international norms”.

(Proprietor, personal interview, 2016/04/07)

The proprietor further explains that they take time to always read and study so as to make sure that they supply exactly what is suitable for the purpose.

“If companies need to be classified according to how well they are schooled in this business, then we are always amongst the best. Whenever we go for tenders if not for the sake of prices whereby other competitors can offer better prices because they want to win by all cost, then we are always top in terms of our presentations, technical descriptions because we take time to read and study and a continues acquiring of knowledge so as to meet and supply the appropriate safety equipment which is very indispensable to our business sector. So continuous acquiring of knowledge of international safety standards is very primordial. We are always on the internet to abreast ourselves about what is trending in terms of new safety equipment and international regulations so this keeps up ahead”.

(Proprietor, personal interview, 2016/04/07)

Entrepreneurial Orientation Perspective
As explained by the proprietor, the company is one of the first into the marine safety sector in Cameroon, consequently, they have gotten a lot of expertise over the years and this has accredited the company with the advisory role to customers and the ability of
trying new safety equipment and as such, this has worked much to the company’s favour by enabling the winning of contracts and tenders especially whenever an alternative product we suggested works just fine.

“Due to the explained tendency for customers not wanting to get into a firm contract or sometimes just a one-year supply contract so as to avoid a breach of contract lawsuits, it is most often a loose collaboration with the customers. As such, there is always a risk of over stocking intended for supplies but of which at the end of the day the customer may suddenly prefers a different supplier or equipment” the proprietor explained.

“Our ability to precisely or closely estimate possible needs of our customers, or convince the customers to prefer a particular safety equipment and also any possible new national and international regulation, and therefore stocking products which meet these specifications always keeps us highly competitive in the market. When the market is staggering that is how everything is uncertain. So we always try to seize such opportunities and minimise certain treats as they present themselves”.

(Proprietor, personal interview, 2016/04/07)

4.2.2 Dynamic Capability Development of CM02
CM02 is into the construction company and also provide other companies with contractual labour and machinery. Created in 2005, the company operates in the private sector whereby it lobbies for both government and private contracts into the building of schools, hospitals, companies, residential houses and others. The company’s manager reported that over the past years, the company have had to deal with very heavy competition from particularly Chinese companies especially because they have the strategy of coming in with their own machinery and almost every labour force from their home country.

“The country is constantly under serious construction so it is a sector with constant demand so that prompted us to engage into this sector” said the manager as their motivation to getting into this sector”.

(Manager, personal interview, 2016/03/31)

Emerging Market Perspective
Our business sector is very competitive both with home and foreign competitor especially like the Chinese and also the European and French companies that had been here long before the Chinese. The company manager explained that since the government recent strategy has been to open up to foreign companies, there is absolute need for the government to also came out with better policies to protect the home based companies. Note was made to the tendency of bribery and corruption in the award of government contracts even though this contracts are awarded to the lowest bidders they usually end up spend so much money to get certain contract due to kickbacks. As such, we end up not being able to break even and make substantial profit at the completion of the contracts.

“The nature of the banking policy too is not helping at all since they are too oriented towards equivalent security before they grant us loans or a line of credit”.

(Manager, personal interview, 2016/03/31)

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Market Orientation Perspective
As the economy evolves, CM02 has indicated to recognise the needs of their customers in terms of getting just the right machinery, quality of services and so are constantly faced with the challenge to meet up with the exigencies of possible changes in customer needs. The company manager confirmed a very positive results in terms of customer loyalty, profitability and through customer’s recommendation to other customers due to their constant strategy of integrating customer opinion in the company’s strategy towards better serving their needs.

“We work closely with our customers by frequently asking them what they think about our services and how are the best possible ways to make necessary improvements” said the manager”.  

(Manager, personal interview, 2016/03/31)

Learning Orientation Perspective
“First of all, having qualified manpower is a problem so we have the challenge of training and educating our workers to meet up with national and international standards” said the company manager. It was evident the difficulties in terms of financial resources which constrained the company when it comes to educating and training their workers. However, the manager said they benefit enormously from the presence of the many Chinese, French, American and European companies in Cameroon since they have adopted a strategy of being keen in understanding what and how they do what they do and strive to emulate.

“Our business sector is highly competitive and so to stay ahead or at least survive we need to do what we need to do. I can say our general strength has been our ability to be fast learners especially from foreign companies and this has really put us ahead of competition, plus being able to better understand the play with the local environmental challenges”.  

(Manager, personal interview, 2016/03/31)

A well-structured employee promotion mechanism whereby the company workers are promoted based on productivity and output was identified as a huge motivates for the company employees to push their limits by constantly learning more to stay competitive among themselves for promotion and at the same time this helps the general growth interest of the company

“Training in every form is very expensive so what we do is to always have meetings and seminars where we share ideas and experiences. This keeps workers abreast with what other companies are doing and what we are not doing and so this kind of constant comparing of notes with other rival companies gives us a critical learning platform”.

(Manager, personal interview, 2016/03/31)

Entrepreneurial Orientation Perspective
It was identified that the company has a fundamental problem with always trying new things as a result of lack of financial resources but the manager argued that the company will stop at nothing in trying new things whenever the resources permit.
“Other companies may use a strategy what I always call the fire brigade approach whereby if something comes up they quench it and if it does not come they keep on going hoping that it never comes. So they more or less work spontaneously by being reactive rather than being strategic. But we usually try to foresee opportunities and work to mitigate potential risk” said the company manager”.

(Manager, personal interview, 2016/03/31)

There was evidence of strategic planning in the company’s strategy.

“We usually associate all the stakeholders and get their opinions and usually work ahead of time. This entails always knowing what we expect and what risks involved and try to work towards mitigate them. Anything out of that makes things very difficult “.

(Manager, personal interview, 2016/03/31)

4.2.3 Dynamic Capability Development of CM03

CM03 is into the electricity sector whereby they supply electricity equipment and also do maintenance and repair works for different companies and establishments. The company deal with items like power and control circuits, electricity transformers of different voltages, electric motors, both small and big lighting powers etc.

“We basically work with the principal electricity company in the country called SONEL to construct and extend low, medium and high voltage line. So we have 18 full time employees and close to 25 temporary workers” said the Chief Field Supervisor”.

(Chief Field Supervisor, personal interview, 2016/03/29)

Our company has been in business for over 16 years and the Chief field supervisor who is a co-owner of the company said their motivation into this business sector was the rampant cut and scarcity of electricity supply and therefore the government’s intent to address the situation by extending electricity supply, and the constant high demand for electricity made the sector highly lucrative.

“Back then is was a highly unexploited market and irrespective of the high competition in recent years, the sector still continues to be a promising sector since there are still many rural areas without electricity and the more the economy becomes industrialised the more demand there will be for electrical maintenance services”.

(Chief Field Supervisor, personal interview, 2016/03/29)

Emerging Market Perspective

CM03 acknowledged a struggle especially with the nature of bad road when it comes to executing contracts in the suburbs, even in the township were the company is situated and carries out a good number of contacts, the company noted a serious problem of traffic which sometimes slows down the promptness of their services. This are indicative of the characteristics of an emerging market. The Chief Field Supervisor also mentioned that,

“Our business sector is very highly competitive with at least more than 5 closely competing companies both home based companies and international companies
as well and contracts are usually awarded to the lowest bidders. When a company has a job to be done, they call us like three to four companies and each of us then have to evaluate the contract and present our estimates to the customer. Depending on which supplier has the best terms especially price wise, then the customer will call and issue a purchase order and the job is executed”. However, there was a strong emphasis on corruption and the payments of kickbacks involved in the award of contracts”.

*(Chief Field Supervisor, personal interview, 2016/03/29)*

**Market Orientation Perspective**

It was evident that the company understood the absolutely need to be up to standards about the precise needs of their customers and possible future change of customer needs else the Chief field supervisor said they would probably not be able to keep their customers throughout their usual five year contracts with them.

“We have a qualified permanent manpower and a good number of temporary workers ready to meet up with our customer demands. So what we do is first we categorise our workers depending on their expertise in particular assignments like lighting works, voltage constructions, wiring of electrical motors and panels. As such changes in the needs of customers are handled solely by the best workers in that particular line of change and so this account for a better performance over our competitors”.

*(Chief Field Supervisor, personal interview, 2016/03/29)*

“One of our customers like the city council demand a whole lot of different electrical services at different points in time such as their recent demand for solar street lighting systems. Other changes of customer demands which we have had of recent is the demand to replacement of all the old electric meters in houses with new electronic meters which are more effective than the old once. So different customers have different change of their needs so we have to always be ready to meet up with whatever changes in the customer’s demands”.

*(Chief Field Supervisor, personal interview, 2016/03/29)*

The company also tries to implement some diversification policies.

“Although we are principally concerned with electricity, customers sometimes have need for carpentry, painting and plumbing services and we also try diversify to satisfy them with those services”.

*(Chief Field Supervisor, personal interview, 2016/03/29)*

**Learning Orientation Perspective**

CM03 proved to be absolutely about learning and what strength it I could for the company.

“Continuous learning is very important because we need to always train the guys to meet up with the standard. Each time before any work is carried on, we must first of all have some preliminary training to ensure that the workers output is up
to the standard and this also helps so that we don’t have major problems when we are doing some form of wiring be it on a panel or a transformer”.

*(Chief Field Supervisor, personal interview, 2016/03/29)*

“There is an inherent need at every section of our activities to improve our skills and knowledge about effective and efficient ways of serving our customer and this has translated to our high level of performance in terms of profitability and customer satisfaction. The guys are very aware that every assignment, there must be some precise information and guidance that needs to be given for them to be up to standard before they can go on with the work”

*(Chief Field Supervisor, personal interview, 2016/03/29)*

The company also proved to put in place some constant measures to ensure continuous learning and improvement,

“Every now and then, we do some sort of renewal of instructions because due factors like fatigue the workers may forget to keep to some laid down instructions so their skills need to always be refreshed. But also every one month, the guys are called together and we hold briefings and educative meetings depending on the nature of work programmed for the following month”.

*(Chief Field Supervisor, personal interview, 2016/03/29)*

**Entrepreneurial Orientation Perspective**

The Chief Field Supervisor acknowledged the absolute need for the company’s strategy to be proactive as a competitive strategy.

“Being able to see ahead of time and rightly guess the possible needs of our customers has been a key part of our strategy and this has always kept us ahead of our competitors when our guesses turn out correctly. Since we deal principally with electricity and electrical equipment, we are constantly faced with the challenge to try new equipment and system and our ability to fully understand and be able to use new systems as they emerge has been very instrumental to our progress. We also usually look out for new technological advancements which may become a strength and try to plan towards related possible outcomes”. This is indicative that the company considers the essence of innovativeness a priority as a competitive strategy”.

*(Chief Field Supervisor, personal interview, 2016/03/29)*

**4.2.4 Dynamic Capability Development of CM04**

Principally CM04 deals in the road construction sector but also diversifies a little into truck transportation business and the supplies of building materials such as sand gravel and cement. The proprietor said he became interested in this line of business since childhood by gradually learning from his father from whom he finally inherited the company. The company has 13 permanent employees but usually used many more temporal workers depending on the capacity of the contract to be carried out.

“I have remained passionate about this business sector since childhood till date. So I have come a long way with very high interest for this business sector with a
full understanding of its ins and outs so towards growing the business and making profit”. Said the proprietor”.

(Proprietor, personal interview, 2016/04/13)

**Emerging Market Perspective**

The proprietor described the sector as a very challenging one with so much competition from both home and international companies. From the discussions, the proprietor raised very high concerns about the high level of corruption in the sector particularly in the award of contracts. Serious challenges at the level of obtaining financial resources from the banks due to the poor banking system, and a dysfunctional system at the seaport that seem to favour international firms over home based companies at the level of clearing heavy machineries needed for construction.

“As the time I took over this business from my father there where very few competitors. But I now compete with so many foreign companies that are also in this sector of business”.

“Well, the main difficulties I encounter is the lack of enough financial resources and also the machinery and equipment which are really very expensive. But most often the foreign companies come in with enough of these resources plus that the government for some reason grants them more favour in terms of importation duties of the heavy equipment required but of which we the home based companies hardly benefit from such relaxed importation duties”.

(Proprietor, personal interview, 2016/04/13)

**Market Orientation Perspective**

The company is highly customer need oriented and it was noted that the company’s principal marketing strategy is basically to constantly update their assets such as their equipment, machinery and techniques of executing contracts with recent once which can better serve the needs of their customers. The idea of the company is that it is the quality of the machinery and equipment that advertise the company and attracts customer. So the company has a strategy of updating their machinery and equipment yearly either by purchasing new once or renovating the old once.

“When dealing with customers, we put in our very best to make sure that their needs are satisfied and so that we can keep them loyal and avoid other companies taking them away. So all the time we try to keep our customers happy by providing faster services. In this case, the quality of our equipment, machinery and the quality of the construction material we use is key to keeping our customers satisfied. I also always caution the truck drivers on how to address clients so that they may not feel disrespected and dissatisfied”.

(Proprietor, personal interview, 2016/04/13)

**Learning Orientation Perspective**

Learning was identified to be an essential ingredient to the success of CM04. The company’s ability to fast learn from the foreign competitors was noted to be its competitive strength. The proprietor explained that every employee fully understands the absolute need to learn new things because since they sometimes get contracts like sub-contractors from bigger companies which most of times are foreign companies, the employers are obliged to use strictly the kind of equipment and methods used by the
bigger company otherwise the worker will not be suitable for the job. The company therefore benefits from training programmes organised by the big companies with which they work as subcontractors. As pointed out by the proprietor,

“While competing with the many foreign competitors in the market, we learn a lot because they came with a lot of highly technological equipment, machineries and use highly advanced techniques which we never knew about and all we have to do is strive hard to meet up to standards by learning very quickly what they do”.

(Proprietor, personal interview, 2016/04/13)

Entrepreneurial Orientation Perspective
The proprietor of CM05 expressed concerns for reasons why the company may fail to be sometimes proactive because most of times, there are delays in payment when they execute government contracts. As such, huge sums of the company’s capitals are sometime stocked with the government awaiting payment and this constraints effective planning. However, the proprietor proved that his long experience in this business sector has endowed him with a visionary sense of foreseeing possible openings in terms of possible construction contracts and begins to lobby for them well ahead of time. This enables the company to always win contracts.

“We principally always plan a strategy of 70% machinery and equipment, and 30% financial resources. This basically always determines our future plus the strength of our long expertise in this sector has all along constituted an edge over other rival companies”.

(Proprietor, personal interview, 2016/04/13)

4.2.5 Dynamic Capability Development of CM05
CM05 competes in the telecommunications company, and they are trying to cover the country 90% with 3g network. The company was created in 2012 and the manager who is a shareholder of the company, in an Interview with him said they were motivated by modern technology and the need to innovate the telecommunication sector in the country which before never had the 3G technology or the optical fibre.

Emerging Market Perspective
As explained by the manager, the market is tough to penetrate with a lot of other big companies that already existed in the market. There also exist certain difficulties which include unawareness by the public of the technology, insecurity, vast area with no electricity and under development.

Market Orientation Perspective
The company is highly customer inclined and does everything to meet the needs of the customers. The company faces a hectic challenge at the level of reaching out to customers in terms of advertisements and promotion schemes. As quoted by the manager,

“Cameroonians don't like to read therefore sensitising the population will make a great difference for the products to be consumed greatly”.

(Proprietor, personal interview, 2016/04/13)
Records indicate that the company is meeting the needs of customers and so the customers are increasingly subscribing to the company’s offer since the manager pointed out that calls have increased from 200 a day to 13000 a day in my area, and total number of clients are about 2 million presently and increasing every day.

“We have a target to cover the whole country and improve as technology improves. So we have technicians who work 24 on 24 to assure the stability of the network as such provide customers with the very best quality.

(Proprietor, personal interview, 2016/04/13)

Learning Orientation Perspective
The company manager acknowledged a continuous learning culture as to be an indispensable tool for the company’s growth and successes. The company often organise video conferences and refresher courses to keep the working team up to date with most recent technologies and techniques. The employees were are said to be very open to learning new things and the company management makes efforts to keep them comfortable and motivated so that they can put in their very best.

“We use very complicated equipment, some which detects calls per day, many others that reduce congestion and supplies of communication credit easy, and so employees need to be properly trained in the use these complicated machines and continuous learning of new updated software and technologies is very vital especially as the customer base increases”.

(Proprietor, personal interview, 2016/04/13)

Entrepreneurial Orientation Perspective
CM05 is highly entrepreneurial considering how innovative they are by taking the telecommunication sector into an unprecedented level in the sector that is from the 2.5G network that initially existed to the 3G network which they offer. Being just three years old, the company. As proudly said by the manager during the interview with him,

“New things are always exciting and challenging so we definitely understand the importance in weighing in on proactive and innovative strategies in other to mitigate threats and seize opportunities that arise. You see while we are using 3g network they are at 2.5g network. It says it all”.

(Proprietor, personal interview, 2016/04/13)

4.3 Cross-Case Analysis of Dynamic Capability Development of SMEs in Cameroon
In this section, we present an overall picture of how Cameroonian SMEs had developed dynamic capability in the emerging market. As earlier stated, dynamic capability is the firm’s capabilities to integrate, learn and reconfigure internal and external resources and competences in response to changing environments.

4.3.1 Emerging Market Perspective
An overview analysis of the Cameroonian economy indicated significant characteristics of an emerging market. CM02 indicated the tendency of bribery and corruption in the
sector. That is the payment of kickbacks in the award of contracts even though the contracts were earmarked for the lowest bidder. An aspect of a dysfunctional banking policy which are not fully instrumental in funding SME’s was evident in the. CM03 acknowledged problems such as the bad nature road especially in the suburbs, and a serious problem of traffic congestion which frequently slows down the promptness of services. This are indicative of the characteristics of an emerging market (Sunje & Çivi 2008, p. 205). There were also concerns as indicated by CM05 of insecurity, vast area with no electricity and under development.

4.3.2 Market Orientation Perspective
All companies sampled in Cameroon exhibited substantial leverage of customer orientation as a major dynamic strategy in their various business sectors. CM01 precisely adopts a learn strategy whereby it stocks products precisely on customer demand therefore ensuring they meet the exact customer needs. They also follow recent trend of preferences for medical safety equipment thereby staying ahead of the competition by proactively planning in advance how to meet such future demands CM02 on its part work closely with its customers like in a strategy of co-creation, by constantly weighing in on their contributions on how to improve the services offered to them. In the same light, CM03 categorising employees according to their specific area of expertise who then focus towards a proactive strategy toward meeting possible changes in the needs of its customers Jaworski & Kohli (1993, p.57); & Day (1994, p.9) which account for better performance over competitors.

4.3.3 Learning Orientation Perspective
Continuous learning of new ways of doing things be it from the dynamism of environmental changes Zahra, et al. (2006) and Zollo & Winter (2002) or a smart move of emulating new strategies from big foreign companies constituted a strength for all the companies. Some of the companies seem to have benefited from the second mover advantage strategy by learning from the successes and failures of other competing companies. As noted specifically from CM04, they strive hard to cash in on foreign technological methods used by foreign companies in terms of their equipment, machinery and new techniques of work. This fast learning capability brings the home based companies up to the necessary competing standard. Taking the case of CM05, they also have capitalised on continuous learning since it ventures into the telecommunication sector which is very technological oriented, and this has given the leverage to win market shares rapidly against well-established rivals in the market.

4.3.4 Entrepreneurial Orientation Perspective
Most of the companies at different levels are short in one aspect or the other of entrepreneurial characteristics such as risk taking, innovativeness, proactiveness. A major reasons accounting for this shortcomings where discovered to be lack of financial resources to plan well ahead of time and take certain level of risk.

4.3.5 Summary
In reference to the findings of this study, that dynamic capabilities for Cameroonian SMEs were much driven by learning orientation and market orientation as compared to an entrepreneurial orientation. Except CM01 and CM05, CM02, CM03, and CM04, on the other hand, low response value towards entrepreneurial orientation propensity as illustrated in Table 6. In this regard, we can conclude that SMEs have reconfigured their
internal and external competencies and existing resources in response to the changing environments on the lenses of learning orientation and market orientation.

Table 6. Summary Findings on Dynamic Capability Development of SMEs in Cameroon

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4.4 Dynamic Capability Development of Zambian SMEs

This section discusses the critical events behind the reconfiguration of internal and external competences and existing resources to address rapidly changing environments which led to the competitive advantage of the five SMEs investigated drawn from five industries in this study from 22nd March to 31st March 2016. Also, some background of SMEs is offered because gaining insight of the history of the firm assists the reader to understand better the changes that took place in the organisation. We define dynamic capabilities as the firm’s capabilities to integrate, learn and reconfigure internal and external resources and competences in response to changing environments.

4.4.1 Dynamic Capability Development of ZM01

ZM01 was established in 2012 when the firm’s founders had an idea to start an Air Travel Agent business on the Zambian market. It began as a breakaway firm from a parent company in the travel industry in 2012 by four employees who by now are the four directors for the enterprise. A significant factor behind the birth of the business was their sensing capability to recognize their former employer’s move to wind up business in Zambia and re-allocate to another country. The firm had been running for four years offering other related services such as car hire services and employs 22 workers.

Emerging Market Perspective

Uncertainty in the travel industry has affected ZM01’s resources required as a travel agent, the capabilities needed to outperform competitors and to leveraging its strategies to gain and maintain a competitive advantage. Complex and uncertain of the industry is reflected by the continuous change taking place in the environment. Some of the challenges highlighted by the firm point to institutional voids which manifest an emerging market. The firm has been forced to react continually to the dynamic environment. One of the Directors confirmed operating in an unpredictable and dynamic market and had this to say,

“This market is very dynamic and full of cutthroat competition regarding promotional wars, and customer needs keep on changing. We also face many challenges culminating from the closure of mines which has reduced movement of traders, poor road network system, weak internet, and energy deficit which delays customer contact and booking. We are losing customers because we cannot
reach out quickly to them due to poor road network system. There is frequently disruption of power making us being offline resulting in loss of business”.

(Director, personal interview, 22/03/2016)

Market Orientation Perspective
ZM01 knows its business travel environment very well and has been actively engaged in scanning other dimensions of its business opportunities. Several changes have occurred which had a direct impact on the firm leading to its line of activities restructuring. Beyond 2015, ZM01 was one of the primary intermediaries between international airline ticket seller deriving most of its revenue from airline bookings. But in 2015, the firm found itself in a similar and awkward situation it was in 2012 when it broke away from its parent firm of restructuring. The new airlines policies of E-Reservation empowered travellers to make their own travel arrangement online reducing the role of ZM01 in the distribution channel. Several major airlines abolished payment of commission to local agents and introduced a zero commission policy and client service fees charge instead, thereby decreasing the commissions from bookings ZM01 may earn. In the interview, the director noted that the firm had changed the way it used to conduct business.

“In the past, airlines used to pay us a lucrative commission which was sustaining our operations. Once again, we found ourselves down the road to reconstruction. We had to pick up ourselves and live to the expectation of charging an average of 5% as the service fees for airlines ticketing. Nevertheless, travellers are increasingly looking forward to value adding advice packages for their vacation from us from our firm”.

(Director, personal interview, 22/03/2016)

An illustration of the firm’s reconfiguration capabilities was its decision not to close but to rebuild themselves into a client service fees charging entity while still selling airlines tickets. In practice, the firm quickly reshaped the business, giving the firm a more futuristic approach and competitive adage. This differentiated ZM01 from its competitors at the time.

Learning Orientation Perspective
From the learning capability perspective, ZM01 appeared to have fully understood the importance of learning and revealed the learning organisation characteristics of creating, acquiring, and transferring knowledge, which modified its behaviour to reflect new knowledge and insights in line with Garvin (1993, p.80). The firm has adopted various learning practices which include job-on-training, try-and-error, improvisation, and imitation in its quest to create, acquire, and transfer knowledge. A living example of ZM01’s reconfiguration capabilities was its absorptive capability to integrate its internal and external knowledge to upgrade the features of its agency airlines tickets. Recently ZM01 has apparently started to evaluate the quality of its product and services more critically than before. The main reason for the decision was to differentiated features from its competitors at the time. One of the concern of most travelling clients for ZM01 was the outlook its flight tickets as compared to foreign designed. In its attempt to improve document features, employees were accorded a chance to express their innovative ideas. In collaboration with their clients and staff, ZM01 managed to improve the outlook of its airline's tickets. In the interview, the director noted that the firm had managed to change
the outlook of its airline's tickets due to tacit and explicit knowledge acquired from both its employees and clients.

“Thanks to our members of staff for their dedication to learning …and the Directorate for its open-mindedness to the views of the customers and employees by questioning our airline's tickets outlook. We have now shelved away the old way of issuing tickets and have put in place a new prestigious face”.

(Director, personal interview, 22/03/2016)

Learning orientation on the dimensions of commitment to learning, open-mindedness, and a shared vision, were clearly one of the drivers to the up-gradation of the features of its agency airlines tickets of ZM01

Entrepreneurial Orientation Perspective
At the time of the study, ZM01 exhibited no sign of entrepreneurial capability as it was still offering the same line of services it introduced on the market in 2012. There was also no any work-in-progress to symbolize pending innovative activity. Lack of resources seems to be at the helm of its inability to innovate. Because ZM01’s business is closely intertwined with the growth of the mining industry, it was evident that the economic recession arising from the fall in copper prices on the London Metal exchange hit the firm hard that ZM01’s revenue decreased, limiting all expansion programs. The general economic downturn in the main economic had a direct negative impact on the travel habits of ZM01’s clients. One of the firm’s directors confirmed to the fact that economic recession had constrained their entrepreneurial orientation to the point that they cannot commit firm resources into uncertain ventures.

“Due to the closure of some mines on the Copperbelt, business has stagnated. We have witnessed a reduction in movements of traders which has reduced our financial turnovers. The situation has compelled us to adopt a wait-and-see approach before trying anything new to minimise some risks. We lack the capital to sponsor new projects and can’t waste time dreaming about innovations. We believe in wise change and to known skills…”

(Director, personal interview, 22/03/2016)

4.4.2 Dynamic Capability Development of ZM02
ZM02 is a mining based contracting company specialised in underground mining support systems and general support services in the mining and mining related industries. The company was started in 1991 by one of their existing co-founder directors who was an ex-miner, and who had an idea to start contracting services for the needs of the mining industry. The motivation behind the firm inception was driven by one of their co-founder directors who was inclined towards underground support system. When he retired from the mines, he started the company, and based on his expertise, led the firm to its high heights. It has been in operation for 25 years with the workforce of 52.

Emerging Market Perspective
Parameters of emerging markets were evident from the firm’s response during our study. It appeared ZM02 have continuously suffered threats from big firms for some time nearly forcing it into bankruptcy. In unstable environments such like the one under study, there were numerous unpredictable external changes with a high rate of change, working to the
disadvantage of the firm. Where SMEs face rapid change, unpredictable outcomes and unanticipated disruption in dynamic markets, there is a possibility of resource advantages being eroded quickly. In an interactive interview with the director, it was revealed that the dynamic environment is eroding its resources as the emerging challenges were beyond firm’s control.

“The market is very competitive as there is an influx of big Chinese firms entering the market who have quick access to investment funds. We are facing transportation constraints too due to poor road network system leading to delays in meeting our targets with our customers (mines). This has led us to incur unnecessary costs regarding repairs to our vehicles… Lack of capital also is another hiccup for small business such as ours”.

(Director, personal interview, 23/03/2016)

Market Orientation Perspective
It has been observed ZM02 has developed some mechanism for benchmarking the business environment and better still sharing the acquired information internally with its employees. The firm is active in networking with others parties inside and outside the mining industry for knowledge acquisition. ZM02 has also modified its business policy to incorporate partnership with the view of matching changing market environments. An illustration of this dynamic capability can be traced to its strategic decision to build a firm reputation. The major client who was the mine by then had changed the procurement system from local sourcing to global sourcing. The mines used to source all its requirements locally in Zambia, but of late the system changed instantly. The mines have introduced e-procurement. The e-procurement is being managed online from South Africa creating stiff competition in the underground support services for ZM02. In 2003, ZM02 realised business was slipping out of its hands due to lack of international reputation and sought for reputable partners. An illustration of that strategic decision was elicited from an interview with the director.

“In 2005, the firm announced its decision to enter into partnership with a reputable foreign firm…Now the firm is doing fine as it is riding on the shoulders of our renowned partner”.

(Director, personal interview, 23/03/2016)

Learning Orientation Perspective
From the viewpoint of learning orientation, some examples illustrate the role of dynamic capabilities in the learning practices of ZM02’s growth. An illustration of this dynamic capability can be traced from the firm’s open-mindedness to incorporate logistic support system. Learning has changed the purchasing and supply system for ZM02 since the coming of the new partner on board. ZM02 has to acquire new knowledge on how to corporate with their overseas counterpart when executing orders for tools and equipment. The traditional way of manual handling of orders had to change to web-designed in which orders were managed and controlled online from the sources to the point of consumption. Intending to operate the new system, ZM02 had to introduce logistic management system in the firm, replacing the traditional one. An expert was hired to train the local counterparts in-house. ZM02 has learnt new ways from their new partners. During the interview with the director, it was revealed that ZM02 had created a learning platform which modified its behaviour to reflect new knowledge and insights.
“Due to our cooperating partners, we have done away with the tedious traditional purchasing and supply in which it was difficult to monitor the goods. With the help of our new friend, we are now capable of tracking movement and storage of firm resources between the initial points to the area of need. We have learnt the better way…”

(Director, personal interview, 23/03/2016)

Entrepreneurial Orientation Perspective
The study reveals that ZM02 is not entrepreneurial orientated as it failed to meet the criteria of being proactiveness in transforming its new ideas into fruition and its risk averseness despite being innovative by nature. Failure to exhibit proactiveness and inability to embark on new ventures with uncertainty symbolize the firm’s inability to translate its creative ideas in new product or services. Looking at the firm’s entrepreneurial orientation processes, we can see the lack of capital as being the major constraint towards the firm’s innovation orientation. During the interview, it was revealed that ZM02 is still courting the new partner to finance innovative activities as the firm was financially constrained.

“We are surviving on a tight budget due to lack of capital, and the little we have cannot be risked. We are only ready to take up such measures after due diligence. Due to limited resources, we can only take on board calculated risk in new ventures to caution unexpected losses. We have developed some project proposal which we have forwarded to our counterpart…might embark on new projects”.

(Director, personal interview, 23/03/2016)

4.4.3 Dynamic Capability Development of ZM03
ZM03 is a private mini-hospital which started small in 2008 as a health-based consultancy firm and now running as a fully-fledged specialised min-hospital. The medical consultancy firm was established by two doctors who by that time were offering advisory services to the government general hospital. During their spare time, received home calls for medical screening. Upon being overwhelmed by public demand for specialised medical facilities, they transformed themselves into a hospital offering both dedicated services. The firm has been in existence for eight years employing 80 employees.

Emerging Market Perspective
Despite success in the Zambian health market, ZM03’s managers were aware that there were operating in a dynamic environment full of challenges which needed scrutiny. Such challenges were bringing both opportunities and threats to their business. Mostly the firm cited the environmental limitations on their operations. The field has witnessed some big companies coming into the country alongside their health provider clients to provide medical facilities for their employees. During our study, it was visible to see some foreign investors set their medical facilities posing a threat to ZM03. The marketing manager noted this observation during the interview who further stated that some of the challenges emerging from the environment were beyond their control.

“The market is so competitive with so many private hospitals coming on board. On top of that, we do face operational challenges such as inadequate road network system, poor infrastructure, power deficit, etc. Poor roads are delaying our quick responses to patient’s calls. Power deficit also is a threat to the lives of our patients...
as most of our operations in the theatres are electricity driven. To supplement the erratic power supply, we are incurring additional cost in running alternative form of energy such as gene sets”.

(Marketing manager, personal interview, 24/03/2016)

Market Orientation Perspective

There were some indications that ZM03 has developed the capability to build a comprehensive picture of the healthcare’s development. The roots of ZM03’s dynamic capability development could be detected back based on the strategic judgement of the firm’s founder members to respond to client’s preference of reconfiguring the consultancy centre into a specialised hospital. To manage the hospital adequately, ZM03 embraced strategic human resource management. An illustration of ZM03’s reconfiguration capabilities was its decision to recruit specialised foreign doctors to address the psych distance being created by the influx of foreign investors and their families. ZM03 had been quick to sense and seize the opportunity generated by an influx of foreign investors in the mining industry by reconfiguring its human resource recruitment strategy. Initially, its recruitment strategy was mainly local staff but had diversity regarding its medical staff. An illustration of this turnaround was elicited from an interview with the marketing manager.

“To achieve our goal of specialised services in the medical field, we have acquired the services of local and foreign skilled doctors in each department. We have specialised doctors who have to enhance our competitive advantage, we are in the monopoly of a cardiologist, and have a modern theatre in the market making us do all surgeries in-house with no referral to rival hospitals”.

(Marketing manager, personal interview, 24/03/2016)

Learning Orientation Perspective

From the learning capability perspective, ZM03 appear to have fully understood the importance of learning as it has created, acquired, and transferred knowledge throughout the firm which modified its behaviour to reflect a new knowledge and insights in records management system. In its learning processes, the firm had relied on job-on-training and experimentation. An accurate picture of the firm’s reconfiguration capabilities could be seen from the firm’s behaviour to discard its old manual registry. In the past, ZM03 had been running the affairs of patient records through a manually operated registry on open files. Due to pressure from the clients who demanded privacy of their personal data, it became apparently that management needed to acquire new ways of handling its clientele’s information system. To adhere to Personal Data Protection Act, ZM03 installed software to manage patient’s records. A database management was born, and all the hospital information was electronically filed, compelling all members of staff to learn how to retrieve and store data from the hospital database. A database expert was hired to train all key personnel in database management in-house. By the time of the study, the hospital was electronically driven as a result of a change from manual to e-registry. The notions came to light during the interview with the marketing manager.

“Arising from our commitment to learning, we have managed to migrate from manually operating information system to electronic system we are now calling hospital management system. Our automated patient management system is driven by software instead of hardcopy files which lack privacy…”
Entrepreneurial Orientation Perspective

By being a healthcare provider, ZM03 recognised being in a very competitive high-technology industry which demanded a continuous reconfiguration of its tools and equipment to address changing customer needs in light of the increasing competition from newcomers. ZM03 reacted to this by building a refurbished theatre far ahead of its competitors. This theatre has increased precision in the doctor's’ diagnosis of acute diseases as they continue operating challenging environments. These continuous equipment improvements play a cardinal role in the expansion of ZM03 because clients were looking forward to accurate diagnosis and treatments. The firm has been found to bore an entrepreneurial mind which led to the refurbishment of its old theatre. The entrepreneurial capability of ZM03 was demonstrated by its proactive construction of a state of art theatre and procurement of modern tools and equipment as illustrated by the marketing manager during the interview.

“Our desire to have a modern hospital with a modern theatre has driven us to high heights. The hospital has been ready to undertake such value-added health ventures… Out of our initiatives, we are in the monopoly of a cardiologist and have a modern theatre in the market. The hospital was also quick to introduce epidural services (baby delivery service) for the first time in its kind to meet customers changing needs and preferences”.

(Marketing manager, personal interview, 24/03/2016)

4.4.4 Dynamic Capability Development of ZM04

ZM04 is a real family business where the ownership of the firm is shared between the founder and its descendants. It operates as a mechanical engineering firm in the engineering industry specialised in motor vehicle radiators which started in 1991, and has expanded to other mechanical services within the same industry. The family had a mechanical engineering background which saw an overwhelming opportunity in the radiator services by its co-founder member who was an employee in a mechanical workshop at that time before 1991. The original business idea was to repair vehicles in response to the increased demand from the car industry. The most important change in the firm took place in 1995 when the founder sensed stiff competition in the general motor vehicle repairs and seized the opportunity in radiator repairs and modification. It has been in this business for 25 years with a labour strength of 30.

Emerging Market Perspective

In Zambia, the second-hand car industry which ZM04 mostly rely on had declined because of the economic downturn caused by the reduction in the copper mining activities which is the primary drivers of business on the Copperbelt part of Zambia. At the time of the study, there were only a few cars in waiting at the firm because several garages were competing for the few cars in circulation. This environmental dynamism arising from the external environment had brought uncertainty in the business of ZM04. Interview with ZM04’s manager showed that the firm’s management had a holistic view of the firm’s competitive position in the industry. An illustration of this was the manager’s accurately and strong perception about the sector’s future.
“The market environment is highly competitive. Recent acquisitions of workshops and garages taking place in the industry are clear testimony that the industry’s largest players are attempting to knock out smaller firms and conquer their market shares in the near future. They come here with their well equipment personnel in metal works… Despite the competition, we still face some challenges regarding poor road networks, erratic power supply and lack of capital for expansion works”.

(Manager, personal interview, 29/03/2016)

Market Orientation Perspective

It was noted during our interaction with the firm that it knew its business environment adequately. In the past, ZM04’s business was mainly on repairing copper based radiators. However, the recent trend in the industry has replaced the copper head cylinders by aluminium cylinders. ZM04 had not done aluminium welding before because they were not best suited for that job. Additionally, they lacked tools for such tasks. But upon realising such opportunities in technological changes, the firm responded well to this new development by aggressively searching for new business solutions. The firm had been able to modify its workshop to adapt to the new technology in the car industry. One of the most recent illustrations of ZM04’s capability to follow its market environment was its timely decision to invest in aluminium welding machines. The firm has reacted to the new trend by acquiring new aluminium oriented welding tools from South Africa in 2008. This investment was necessitated by the help of an Indian aluminium car radiators who provided the better opportunities for the firm to change the workshop designs. Through such investment, the firm apparently responded to the changing needs and preferences of its customers. An illustration of that strategic decision was elicited from an interview with the manager.

“Our response has been positive to the point that we have managed to adapt to the modern aluminium car radiator system departing away from the traditional copper head cylinders. Through our continuous interaction with car dealers… has enabled us to acquire insight into the latest radiator technology which has changed from the traditional copper head casting to aluminium head casting”.

(Manager, personal interview, 29/03/2016)

Learning Orientation Perspective

ZM04 has shown qualities towards learning orientation in which it had committed itself to learning as a whole firm thus leveraging the learning practices to all staff. An illustrative example of the resource reconfiguration processes undertaken by firm is revealed by its deliberate move to learn aluminium arc welding. Due to the technological changes in the radiator design, the firm acted with a shared vision in acquiring new knowledge on how to repair aluminium radiator parallel to its specialised copper casing radiator when it came to welding. ZM04 had reacted adequately to the new trend by engaging the services of an Indian specialist in the welding of aluminium-based radiators to train the firm personnel through job-on-training. As a result of this cooperation, ZM04 had managed to acquire knowledge and skills in the new product family of aluminium radiators. Hence, it had managed to reconfigure its resources by acquiring the help of expertise in some areas of concern. During the interview by the manager, it was revealed that the firm had created a routine to guide the firm’s learning processes.
“We managed to poach an Indian radiator expert who had transferred knowledge on the aluminium radiator to us. Learning has improved our working capabilities to cope up with rapid changes in the car industry. We have acquired new skills…and migrated from copper head radiators to aluminium heads arc welding”.

(Manager, personal interview, 29/03/2016)

**Entrepreneurial Orientation Perspective**

At the time of the study, ZM04’s line of product and services had remained at the same level throughout for the past five years since 2008. The firm had failed to restore its resource advantage. However, it had some plans to increase R&D in the near future when the financial status of the business improves. The firm still believes the only way to gain a competitive advantage was to introduce new products and services on the market which it was still researching on. Economic problems arising from decreasing number of customers due to the economic meltdown experiencing in the country had indirectly retarded ZM04’s economic growth. Organising finance for new investments had been challenging for the firm because of its unfavourable collateral requirements from the banks. For the firm to embark on R&D, it required huge working capital of which it was struggling to mobilise due to its liability of smallness. Due to the financial crisis, ZM04 was less willing to participate in new ventures. Such comments were elicited from the interview with the manager who noted the challenges small firms such as ZM04 were facing in their entrepreneurial path.

“Depending on the availability of resources (capital), the firm is ready to embark on new ventures as we believe the only way to be successful by providing value to the clients. We only embark on wise moves which are informed by our capabilities regarding knowledge in the new direction and capital required. Without capital, we can’t innovate”.

(Manager, personal interview, 29/03/2016)

**4.4.5 Dynamic Capability Development of ZM05**

ZM05 is a construction firm operating in the construction industry. The firm was started by its founder member in 2000 after leaving the mines. The genesis of the firm began as a result of the construction inclination of its existing co-founder who is after leaving the mines decided to initiate the business with the mines as its first client. Later it grew to extend its services to the government sector regarding constructing clinics, schools, and markets. ZM05 has been doing business for 16 years with the workforce of 54.

**Emerging Market Perspective**

ZM05 endorsed the notion that it operated in an emerging market arising from elicited statements during our interaction with the firm. The firm management was categorically aware of operating in a dynamic environment full of challenges which were cited as institutional voids posting as challenges on one side and opportunities on the other hand. The construction environment had a bearing on ZM05’s strategies adopted in response to the changing needs and preferences of its clients. From the interview, it was clear that the environmental factors were having far-reaching impacts on the firm's operations and developmental plans. During our study, it was notable that there was an influx of foreign-based companies who had coloured the whole industry with their personnel and
machinery. An interview with the CEO revealed that the firm was wading in the face of operational challenges as a result of the dynamism of the market.

“There is a sky-high competition coming from both local and foreign firms. There is an influx of big foreign corporations with massive investments bulldozing the market. Besides that, inadequate road system, erratic power supplies, and delays in payment by our clients are posing environmental challenges on us. The highway network is terrible which is slowing our movements. The energy sector is questionable constraining our construction works due to erratic power supply. On top of that, our clients are delaying payments for our jobs because of the economic meltdown”.

(CEO, personal interview, 31/03/2016)

Market Orientation Perspective
It was evident to note during the study that management that ZM05 had relevant knowledge about its business environment as well. Despite using few formal benchmarking techniques such as client’s satisfaction forms and SWOT analysis, ZM05’s management seemed to be very aware of the recent changes in the industry and transformed itself in response to its environment. An illustration of ZM05’s reconfiguration capabilities was its strategic decision to build its resource stock through partnership. In 2008, the government changed its bidding procedure. There was a requirement that all bidders should meet a threshold requirement of a sound bank account and heavy duty equipment and tools before being awarded a contract to avoid contract completion delays. The new regulation disadvantaged ZM05 in the construction industry. With a view of becoming competitive, ZM05 needed to borrow a huge sum of money from the banks of which the possibility of failure was very high. The gap in capital margin attracted new entrants of foreign origin who had proper tools and equipment and fuelled the level of competition. By 2009, the firm had already reacted to the market change by increasing cooperation with foreign construction companies in the form of partnership which increased its capability to raise the required threshold. An illustration of such decisive decision was elicited from an interview with the CEO.

“As after realising that the new contracting policy will limit our [company] resource base, we acted much more radical to solicit for a partner who would provide resource equity in our bidding process. It was not easy to find a right partner… but it worked well that now we are financially sound and had success in bidding for contracts. Our partnership has changed even our image and status…”

(CEO, personal interview, 31/03/2016)

Learning Orientation Perspective
At the time of the study, it was revealed that ZM05 had to rebuild its construction techniques from manual to automation arising from its learning capability. The firm fully understood the importance of learning as it managed to create, acquire, and transfer knowledge from outside. The firms had gained new insights through job-on-training, try-and-error, improvisation, and imitation. A demonstration of the ZM05’s managerial capability to learn from its environment was its decision to train its machine operators for the newly acquired machine negating the threat of hiring machine operators from its competitor. In the past, the firm used to lift construction loads and compacting the earth manually which were hazardous. However, their found partners brought some earth
moving machines and cranes to enhance performance and improve ergonomics, but ZM05 lacked the capability to operate the machine. To run the machines, the firm made a decision to outsourcing personnel from a rivalry business. The strategy did not work well with tight schedules as the keep sharing the same machines with their rivals prompting ZM05 to learn how to operate them using their personnel. They're commitment to learning, and open-mindedness enabled them to do away with the old construction odds and acquired new knowledge from their partners. The following quotations are representative of the ideas that came to light in the interviews.

“Learning is a powerful tool which has transformed the mindset of this firm… Because of learning from our partners, we are at parity with foreign companies and ahead of some of our local rivalry enterprises in this construction industry. We no longer use our employees as forklift, those are bygones. We now operate sophisticated earth moving machines and cranes”.

(CEO, personal interview, 31/03/2016)

Entrepreneurial Orientation Perspective
It was evident during the study; ZM05 had rebuilt its construction techniques from manual to automation arising from its learning capability. The firm fully understood the importance of learning as it managed to create, acquire, and transfer knowledge from outside. The firms had gained new insights through job-on-training, try-and-error, improvisation, and imitation. A demonstration of the ZM05’s managerial capability to learn from its environment was its decision to train its machine operators for the newly acquired machine negating the threat of hiring machine operators from its competitor. In the past, the firm used to lift construction loads and compacting the earth manually which were hazardous. However, their found partners brought some earth moving machines and cranes to enhance performance and improve ergonomics, but ZM05 lacked the capability to operate the machine. To run the machines, the firm made a decision to outsourcing personnel from a rivalry business. The strategy did not work well with tight schedules as the keep sharing the same machines with their rivals prompting ZM05 to learn how to operate them using their personnel. They're commitment to learning, and open-mindedness enabled them to do away with the old construction odds and acquired new knowledge from their partners. The following quotations are representative of the ideas that came to light in the interviews.

“Buying a desired tool and equipment is one thing, sustaining its service is another thing. We have limited chances of obtaining such resources. Hence, we realised sustainability will only come in through repair and modification of machines parts from our worship. While others are disposing of worn parts of their machines, we buy them and rebuild them to our perfection…”

(CEO, personal interview, 31/03/2016)

4.5 Cross-Case Analysis of Dynamic Capability Development of SMEs in Zambia

In this section, we provide an overall picture of how Zambian SMEs had developed dynamic capability in the dynamic environment. As earlier stated, dynamic capability is the firm’s capabilities to integrate, learn and reconfigure internal and external resources and competences in response to changing environments (Teece et al. 1997).
4.5.1 Emerging Market Perspective

About the issue of Zambia as an emerging market, all the SMEs studied confessed to the fact that they were operating in a dynamic environment which was full of uncertainty. They felt it was difficult for them to predict imminent occurrences because environmental changes kept happening at a very fast pace. As a result, many SMEs were struggling to develop robust capabilities to counter the emerging threats due to unfair competition. Furthermore, all cited numerous challenges which were signs of an emerging market. For example, SME ZM01 cited poor road network system, weak internet, and energy deficit, SME ZM02 advanced inadequate road network system and lack of capital, SME ZM03 perceived poor road network system, poor infrastructure, and power deficit. While, SME ZM04 thought of poor road networks, erratic power supply and lack of capital, and SME ZM05 quoted inadequate highway system, erratic power supplies, and delays in payment by our clients. All these are forms of institutional voids which characterise an emerging market (Sunje & Çivi 2008, p. 205; & Khanna, et al., 2010, p.7-8).

4.5.2 Market Orientation Perspective

All SMEs from Zambian cases had acquired information from its environment and used it alongside its existing resources in such a manner that supported dynamic capability development. Due to their actions to acquire and integrate capabilities, the firms had managed to align their product and services in line with the needs and preferences of their customers. All the firms came to terms with their environment expanding and reconfiguring their resource base as a result of the changing market demand. The SMEs that had been studied had brought in new experts and current technology to support their growth. Additionally, we can just state that the SMEs considered from Zambia had shown they development dynamic capabilities in their attempt to modify their businesses as a result of being market oriented. Signals from ever changing market compelled each of them to change their business processes (Jaworski & Kohli 1993, p.57). An exemplifying picture could be drawn from their strategic decisions. SME ZM01 reconfigured its revenue stream basing on client service fees moving from the commission to their airline ticket sales, and SME ZM02 modified its business policy to incorporate partnership. Also, SME ZM03 reconfigured its staffing strategy ushering in specialised foreign doctors, while SME ZM04 changed its workshop from copper radiators welding to aluminium radiators welding, and finally, SME ZM05 reconfigured its capabilities through partnership.

4.5.3 Learning Orientation Perspective

When it came to learning orientation, it was noticed that all the five SMEs had also transformed their business direction as a result of their acquired knowledge (Chien & Tsai 2012, p.437). Their learning capabilities were traced from their abilities to employ their prior and new experiences in doing business. Of the SMEs that were studied, all have experienced a change of process as a result of both management and employees’ ability to think outside the box by increasingly questioning their firms’ prevailing norms and routines which culminated into creative mind-sets (Baker & Sinkula 1999, p.298; & Alia et al., 2010, p.368). Managers’ open-mindedness could have motivated employees to create current ideas and translated them into productive ideas to the firms. When the case firms were viewed from learning oriented perspective, it is undeniable evidence that all had reconfigured their systems as a result of learning (Leonard-Barton 1992, p.111; Zollo & Winter, 2002, p.341). A sample example of the resource reconfiguration processes undertaken by firms as a result of learning is as follows. SME ZM01 integrated its internal
and external knowledge to upgrade the features of its agency airlines tickets, and SME ZM02 learnt logistic management systems which replaced the traditional purchasing and supply. Even SME ZM03 acquired records management experience which changed its hand-operated registry to e-registry. Furthermore, SME ZM04 gained current insights on how to repair aluminium radiator parallel to its specialised copper casing radiator, while, SME ZM05 managed to train its machine operators for the newly acquired machine.

4.5.4 Entrepreneurial Orientation Perspective

Financial resources were found to be a limiting factor to SMEs’ dynamic capability developed in Zambia. This study found that only ZM03 and ZM05 were better placed to respond quickly to new opportunities through innovation due to the nature of their business and the existence of an equity partner. From the illustration of ZM01, ZM02, and ZM04, we could quickly pick an indication that there was a strong correlation between financial support and the possibility to launch new products or service in a dynamic environment. The affected SMEs were found contemplating whether to use their little profits to finance planned smaller investments or not due to lack of external backers to fund larger ventures. ZM03 for example, could not have constructed and stocked its modern theatre is there was no guaranteed inflow of revenue from patients who could not resist visiting the hospital for their illness regardless of their financial position. ZM05, on the other hand, could not have modified machine parts without external funds from the equity partners. Therefore, we can conclude that Zambian SMEs need substantial financial resources for them to become industrious.

4.5.5 Summary

It is point clear from the findings of this study that dynamic capabilities for Zambian SMEs were much born from the interplay between learning orientation and market orientation as compared to an entrepreneurial orientation which appeared to be contextual to the existence of capital. Except ZM03 and ZM05, ZM01, ZM02, and ZM04, on the other hand, are neutral to entrepreneurial orientation activation as shown in Table 7. Therefore, SMEs have modified their internal and external competencies and existing resources in response to the rapidly changing environments on the platform of learning orientation and market orientation.

Table 7. Summary Findings on Dynamic Capability Development of SMEs in Zambia

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Emerging market</th>
<th>Market orientation</th>
<th>Learning orientation</th>
<th>Entrepreneurial orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZM01</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>ZM02</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>ZM03</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>High</td>
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<tr>
<td>ZM04</td>
<td>High</td>
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<tr>
<td>ZM05</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>High</td>
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</tbody>
</table>

In the next chapter, we compare and analyse the cases from both countries giving rise to their discussion.
CHAPTER FIVE: SUMMARY AND DISCUSSIONS

In this chapter, we would discuss the results obtained from the semi-structured interviews with SMEs from Cameroon and Zambia leading to the confirmation or falsification of the tested theories whether market orientation, learning orientation, and entrepreneurial orientation result in the development of dynamic capabilities in an emerging market.

In line with the research gaps, there has been insufficient of empirical studies applying a dynamic capabilities approach to emerging markets. Hence, the purpose of the study was to explore how SMEs in emerging markets such as Africa develop dynamic capabilities to compete alongside MNCs. In this study, a framework for investigating the influence of market orientation, learning orientation, and entrepreneurial orientation (independent variables) were developed and tested using data collected from Cameroon and Zambia through a semi-structured interview. In this study, we conceptualized and empirically tested the relationships between the independent variables on dynamic capability development in SMEs. The results supported all but one of the prepositions as discussed below.

5.1 Comparative Case Analysis of Dynamic Capability Development of SMEs between Cameroon and Zambia

In this section, we compare findings on the studied SMEs’ dynamic capability development from both countries highlighting key similarities and differences. Cases from Cameroon are quoted SME CM while Zambian SMEs are quoted as SME ZM. The results are presented regarding how each construct impacted the reconfiguration of firm competences and resources including additional insights on the nature of dynamic capability development (see Table 8).

5.1.1 Emerging Market Perspective
Both Cameroonian and Zambian SMEs possess similar views about the nature of their market. Of all the ten SMEs studied, agreed to the notion that they were operating in a dynamic environment with a lot of far-reaching institutional voids which were difficult to be filled. All cited facing several comparable challenges ranging from inadequate commercial infrastructure (communication, transport, and power generation), inadequate legal framework, to reduced technological levels. The environmental challenges in both countries were consistently found to have an impact on how the SMEs developed their dynamic capabilities to cope with the ever increasing competitive market. It was also found that both markets have significantly attracted foreign investors who had intensified competition thereby constraining the SMEs’ growth.

5.1.2 Market Orientation Perspective
When it came to the reconfiguration of firm competences and resources as a response to customer changing needs and preferences, suppliers and competitors, the SMEs from both countries agreed to have modified their internal and external competencies and existing resources in their pursuit to address rapidly changing environments basing on market information collected from their environments. Due to their actions aimed at acquiring and integrating capabilities, the firms had managed to align their product and services in line with the needs and preferences of their customers. In other words, we can just state
that the SMEs studied from both countries had shown they developed much of their dynamic capabilities to modify their businesses from being market oriented.

5.1.3 Learning Orientation Perspective
Another area under investigation was learning orientation which was found to be active among all SMEs from both countries. It was interesting to notice that all the SMEs had also remodelled their business as a result of the acquired knowledge from the environment. Their learning capabilities were visibly traced from their capacities to integrate and employ their previous and new experiences in solving their business challenges. All had managed to migrate from old procedures and process showing the ability to think outside the box as the result of their nature to question their business norms and routines which led to creative mindsets. When we analysed the firms from the learning oriented perspective, it was figured out that all had reconfigured their business systems as a result of learning besides market orientation.

5.1.4 Entrepreneurial Orientation Perspective
On an exceptional context, only four out of the ten SMEs in both countries were found with an actual entrepreneurial orientation mindset. SME CM01, SME CM05, SME ZM03, and SME ZM05 were entrepreneurial firms. We found them better placed to respond quickly market opportunities by reconfiguring their competencies and resources on innovation window because they had sturdy clientele or had an equity partner. Failure by all the SMEs from both two countries to respond positively to entrepreneurial orientation was as a result of their lack of capital to support entrepreneurial ventures. Lessons learnt from these findings is that SMEs’ entrepreneurial capabilities from these two countries required a substantial financial backing to rekindle their entrepreneurial capabilities.
Table 8. Summary Findings, Comparative Case Analysis of Dynamic Capability Development of SMEs between Cameroon and Zambia

<table>
<thead>
<tr>
<th>Construct</th>
<th>Cameroon</th>
<th>Zambia</th>
<th>Additional observations and dissenting views</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emerging market</td>
<td>A general view of the Cameroonian market was indicative of characteristics such as bribery and corruption, poor road networks, a dysfunctional banking system, inaccessibility of electricity, especially in the remote area. Lack of adequate financial resources for the SME’s</td>
<td>There is a strong correlation between SMEs views and the emerging market. All cited challenges ranging from poor road network system, weak internet, and power deficit, to lack of capital correlated well with the description of an emerging market.</td>
<td>Both Cameroonian and Zambian SMEs possess similar views about the nature of their market. The environmental challenges were consistently found to be impacting SMEs’ dynamic capabilities development.</td>
</tr>
<tr>
<td>Market orientation</td>
<td>Understanding the present and potential needs of customers and putting in place strategies towards meeting this needs was notice to be of paramount importance in the market. This is can be judged to be a reason for their resilience in competition.</td>
<td>Market orientation was instrumental to the development of dynamic capabilities as due to it firms re-align their product and services in line with the changing needs and preferences of their customers.</td>
<td>In was a general pattern for all SMEs in both countries that they have turned around their business due their reaction to the changing needs and preferences of their customers.</td>
</tr>
<tr>
<td>Learning orientation</td>
<td>Firms are fast learners benefiting from the second mover advantage. There is also evidence of general learning attitude on the part of the employee and strategies put in place by for continuous learning</td>
<td>SMEs had a strong emphasis on learning orientation which led to the transformation of their business orientation as a result of the acquired knowledge. All have reconfigured their systems as a result of learning.</td>
<td>There is general agreement that SMEs from both countries have reconfigured their competences and resources as a result of being learning oriented by nature.</td>
</tr>
<tr>
<td>Entrepreneurial orientation</td>
<td>Companies limited regarding the financial resources necessary to take a risk and be proactive in their strategies.</td>
<td>Lack of capital limits SMEs’ dynamic capability build-up. Out of five, only two exceptionally respond quickly to new opportunities through innovation.</td>
<td>Lack of capital has a far-reaching impact on the entrepreneurial capabilities of SMEs in both countries.</td>
</tr>
</tbody>
</table>
5.2 Emerging Market Perspective

From our analysis of the literature on emerging markets, some schools of thought consider emerging markets as extremely low-income countries; others portray it as countries expecting to experience enormous economic growth while others include continents or all countries that were not classified as developed countries. Based on our definition of an emerging market as a country that has undertaken transition in its economic systems and has potential for economic growth while having an immense variability in consumers and business infrastructure, we have made some observations that every emerging market is unique. That is to say; it is the presence of institutional voids and its bait of potential economic growth which characterise it as an emerging market as cherished by Sunje & Çivi (2008, p. 205). These institutional voids such as inadequate commercial infrastructure, inadequacy physical infrastructure (communication, transport, power generation, reduced technological levels, etc.), socio-political (political instability, inadequate legal framework, weak social discipline), unique cultural characteristics, and limited personal limits the economic growth of operating firms in emerging markets.

Judging from alternative advanced definitions of emerging markets and its institutional voids, there seems to be clear evidence that both the Zambian and the Cameroonian markets and possibly most African markets fall within the ambits of such characteristics of an emerging market. This assertion comes from the fact that both markets exhibited features and challenges including poor road network system, weak internet facilities, to lack of capital, bribery and corruption, a dysfunctional banking system, and inaccessibility of electricity, especially in the remote area. Lack of adequate financial resources for the SME’s and a weak governance system. Despite the presence of such institutional voids, we have taken a second thought about African markets being branded emerging market by a series of literature. We besides hold an assertion that this market may not adequately position itself as an emerging market and neither are all industries emerging. From our empirical findings, SMEs such as SME ZM02 a mining based contracting company, SME ZM04 a mechanical engineering firm, SME CM01 principally into the safety sector of the Marine or petroleum industry, SME CM03 in the electricity sector and SME CM04 which is in the road construction industry; have been doing their businesses and engaged in local competition for some time before the sudden penetration of MNCs into the market. The evidence is enough to illustrate such industries are mature enough since they being in existence for quite some time and their businesses cannot be branded emerging.

There is also evidence from our empirical data that Africa is made up of economic blocs such as CEMAC in the case of Cameroon and the regional economic body COMESA where Zambia is a member state. Both economic bodies and their member countries have distinct and sovereign markets that function with goals among other to sustained economic growth among member countries through the creation of a common market. They also co-operate in the creation of an enabling environment for cross-border and domestic investment, and a joint promotion of research and adaptation of science and technology for development. This clearly illustrates a long standing and a highly competitive economic activities within the African economies which has attracted the sudden interest and inflow of MNCs into the market. In this regard, we consider the concept of the African continent as an emerging market to be an Outside-In- view of MNCs who have suddenly recognised the already existing opportunities endowed in these markets. While seeing African continent as an emerging market from an Inside-Out-perspective of SMEs, Africa as a whole is not an emerging market because some
economies are not emerging instead they are matured market and firms within it are being regarded as Multinational Emerging Markets with long-standing competitive environments. In this respect, we could assume there is just a change of perception of how outside world is portraying African markets from being a source of raw materials for their industries to an industrious base. During our study, we realised MNCs had made an inroad into the Zambian and Cameroonian economies and believed the situation could be the same in other African markets which could pose some opportunities to be exploited and at the same time some challenges on SMEs executives to work extremely hard to protect their businesses.

5.3 Market Orientation Perspective

The findings presented in Chapter 4 leave little doubt that market orientation leads to the SMEs operating in emerging markets such as Africa to develop dynamic capabilities. Earlier, we proposed that in an emerging market characterised with hostility, dynamism, and heterogeneity, market orientation enables SMEs to develop dynamic capabilities required to gain competitive advantage. Our initial ideas are consistent with the findings of Ali et al. (2010). This study found that SMEs could develop dynamic capabilities by being market orientated in an emerging market.

Dynamic capability and the manner through which it is being developed has been found to be very essential to the growth of SMEs in this study area resulting from being market orientated. Without SMEs being market orientated, firms operating in emerging markets would be making an offering which is short of customers’ expectations which might reduce their competitiveness. However, by adopting substantive market orientated strategies, the SMEs studies were able to reconfigure their competences and resources in line with customer needs as they collected information from the environment (intelligence generation), communicated customer needs to all staff (intelligence dissemination), and took action to meet emerging needs (responsiveness). This is consistent with the findings of (Haugland et al., 2007). Reconfiguration activities are visible in the way they have acquired information and used it alongside their existing resources giving rise to dynamic capability development. Due to their actions to acquire and integrate capabilities, they have managed to align their product and services in line with the needs and preferences of their customers. In this manner, it is right to state that the driving force behind product and service innovation for market orientated firms is the customer. Hence, market orientation has potential of creating an optimal environment for innovation for SMEs in emerging markets.

The findings imply that in market turbulence, SMEs need to count on market orientation as it's possible alternative besides learning and entrepreneurial orientation (Haugland et al., 2007). Firms need to have the first-hand information on customer’s needs to avoid a mismatch of offerings and customer needs. As noted, there had been a recent change in population demographics in this regional market recently due to a tremendous influx of population from other parts of the world and cross-border movement either in search of business opportunities, relocation of people from one town to another in search for jobs, or running away from war torn regions. This led to a dramatic shift of preferences of the customers in this markets which needed a direct response from the SMEs. Firms in this case need to adopt the market orientated strategies of intelligence generation, intelligence dissemination and responsiveness if they want to be competitive. We strongly believe that by being market orientated, the SMEs studied have been able to reconfigure their offering as a result of their philosophy of initiating market research to appraise the needs and
preferences of the customers and potential customers, and to create new products or services which meets the emerging preferences. This has been reflected through how most of the SMEs under this study had adjusted their current marketing mix to prevent a mismatch of offerings with customers' needs. Their ability to identify the changing preferences of customers and adjusting their offerings to match such needs, symbolises the development of dynamic capabilities.

The study of dynamic capability development thus suggests the need for SMEs in emerging markets (market turbulence) to build dynamic capability on the lens of market orientation to align their offerings with customers' needs. Hence, we confirm the theory by Ali et al. (2010) that in an emerging market characterised with hostility, dynamism, and heterogeneity, market orientation enable SMEs to develop dynamic capabilities required to gain competitive advantage. More formally,

**Proposition 1:** In an emerging market which characterised with hostility, dynamism, and heterogeneity, market orientation enables SMEs to develop dynamic capabilities which allow them to gain competitive advantage.

5.4 Learning Orientation Perspective

The results of this study demonstrated that alongside the customer-driven approach to dynamic capability development, learning orientation mediated by committed to learning, open-mindedness and shared vision enables SMEs to develop dynamic capabilities (Baker & Sinkula, 1999a, 1999b; Sinkula et al., 1997). This is consistent with our prediction and the theory: that in an emerging market characterised with hostility, dynamism, and heterogeneity, learning orientation enable SMEs to develop dynamic capabilities required to gain competitive advantage (Ali et al., 2010; Zollo & Winter 2002; Zahra et al., 2006; Chien & Tsai, 2012).

Our findings demonstrate that all the SMEs had remodelled or reconfigured their business activities due to their learning orientation and exhibited an onward commitment to learning new things, open-minded investigation into the accuracy of its external marketplace theories-in-use and internal operating procedures and routines, and their attitude to create direction for their firms. All have managed to migrate from old systems and procedures as a result of their ability to critically questioning their business norms and routines leading to their creative mindsets. Even though some scholars claim market orientation is superior towards the development of dynamic capability in emerging markets, Baker & Sinkula (2002, p.5) states the opposite. Baker & Sinkula hold the claim that it is not enough for market orientation to be a standalone driver of dynamic capabilities in dynamic environments. Baker & Sinkula (2002) are of the view that in addition to a strong market orientation which breeds in incremental innovation, firms must also institutionalize higher order learning processes to facilitate radical innovation. Learning orientation thus avails SMEs a chance to discard or unlearn their current way of performing some tasks and replace them with something new. It is only through the learning orientation that SMEs can be able to get rid-off obsolete mental models (beliefs) and venture into new mental models. Most of the SMEs under study had responded well to the environmental challenges because learning orientation allowed them to get rid of their technical and administrative patterns that halted radical innovation. Hence, we see dynamic capability development potential as a strong consequence of learning.
orientations because it promotes generative learning which triggers radical innovation, the beacon on which dynamic capabilities rest.

Learning orientation stands to surpass resource accumulation by firms in emerging markets. Although SMEs in emerging markets may buffer themselves with local adaptation knowledge resources, they cannot harness the rewards of such resources if the SMEs cannot purposefully employ a learning orientation. The firms must be in a position to recreate such resources when called up, an essential factor in the development of dynamic capabilities. Therefore, there are tremendous up-sites derived from being learning oriented. First, when the firm commits itself to continuous learning, it seeks a full environmental insight comprising its customers, competitors, and emerging technology which enhance the implementation of new ideas, products, or processes. Second, when the firm is open minded, it is in a position to discard unfavourable procedures and replace them with new effective one. Finally, when a firm shares its vision by communicating it to all concerned parties, it reaps the benefits of being industrious because individuals won’t be pulling the firm’s productive ideas toward different directions, hence facilitating change.

In this regard, findings from this study imply that SMEs tends to develop their dynamic capabilities by being learning oriented firms alongside being also market oriented. These findings underline the significant importance of an SME adopting learning orientation in emerging market where there are dynamic changes in consumer tastes and technological changes. Having such an orientation appears to give rise to dynamic capabilities. Hence, we confirm the theory by Ali et al. (2010), Zollo & Winter (2002), Zahra et al. (2006), and Chien & Tsai (2012) that in an emerging market characterised with hostility, dynamism, and heterogeneity, learning orientation enable SMEs to develop dynamic capabilities required to gain competitive advantage. More formally,

**Proposition 2:** In an emerging market characterised with hostility, dynamism, and heterogeneity, learning orientation enable SMEs to develop dynamic capabilities required to gain competitive advantage.

### 5.5 Entrepreneurial Orientation Perspective

As described earlier, for a company to be considered entrepreneurial, it has to create, discover, and exploit opportunities ahead of their competitors. This entails that the African SME’s need to be clinical in their actions of experimenting with promising current technologies, being able to seize new product and marketing opportunities, and capable of options to undertake risky ventures. Before-mentioned higher risk propensity is needed to trigger entrepreneurial orientation towards the development of dynamic capabilities needed by SMEs operating in vigorous environments. Earlier research has found entrepreneurial orientation to be a real contributor to the development of dynamic capabilities of SMEs in emerging markets (Zahra et al., 2006; Buttar & Koçak, 2011). And it was proposed that, in an emerging market characterised with hostility, dynamism, and heterogeneity, entrepreneurial orientation enables SMEs to develop dynamic capabilities required to gain competitive advantage. It is also believed by (Miles & Arnold, 1991) that SMEs in dynamic, hostile and heterogeneous environments will exhibit the propensity of taking calculated risks, being innovative, and demonstrating proactiveness. Miller & Friesen (1983), Miles & Arnold (1991), and Abiodun & Rosli, (2014) also hold a secured claim that firms in advance the idea dynamic, hostile and
heterogeneous environments will adopt being entrepreneurial orientation as their favourable structural uncertainty reduction strategy in response to operational challenges caused by environmental turbulence.

When SMEs are exposed to increasing turbulent, complexities, threatening environments, and prevailing expedition of environmental changes, we expected them to adopt entrepreneurial orientations as a strategic reaction to these escalating levels of environmental uncertainty (Yeoh & Jeong, 1995). With such views in our minds, we expected the SMEs to be inclined towards an entrepreneurial orientation through the lens of innovation in their offer of new products and services as a primary competitive strategy in competing for market share. We also expected the SMEs in this type of market to exhibit entrepreneurial characteristics such as risk-taking, innovative and proactive as per (Naman & Slevin, 1993, p.137-38). Contrary to our prior assumption and theory, entrepreneurial orientation did not enable SMEs to develop dynamic capabilities in these emerging market characterised with hostility, dynamism, and heterogeneity, and in which participants lack capital. This result is consistent with Miller & Friesen (1983) who suggest that hostile or dynamic environments might to some extent intensify and complicate environmental challenges to the firm that might limit its entrepreneurial capability unless the threat behind it is clearly understood and mastered. The scholars believe hostility creates scarcer resources, limits the profit margins, and in some cases restrict the movement of such resources. Although all the SMEs recognises the absolute need for an entrepreneurial ability of proactiveness, innovativeness and the need to take the reasonable risks as essential competitive capabilities, most SMEs did not subscribe to entrepreneurial orientation.

Interestingly, the goal post had changed, and the majority of the SMEs were noticed to be conservatively risk-averse, not many being innovative, and mostly reactive to customer demands. Almost all the SMEs interviewed for this study both in Zambia and in Cameroon demonstrated evidence of inability to undertake risky ventures as an entrepreneurial strategy toward competitiveness. Taking into account that for a firm to be considered entrepreneurial oriented, it must possess the williness to break away from its traditional way of operation and ventures into unknown businesses or new business grounds. Such tendencies are an exact reflection of dynamic capability as exhibited by some SMEs such as SME CM05, SME ZM03, SME ZM05 and SME CM01, which could reinvent their business into new competitive directions. Also, because for SMEs to be regarded as entrepreneurial, they must exhibit the dimension of innovativeness and proactiveness which are a vital factor for dynamic capability development, surprisingly, and most of the SMEs lacked the adequacy of these aspects of proactiveness and innovativeness. The most cited limiting factor to their non-entrepreneurial capacity was a lack of adequate financial resources as compared to their foreign competitors in the same market. They face challenges in acquiring loans from the bank due to unfavourable collateral requirements leaving them with no option other than being risk-averse, non-innovative, and reactive to customer demands. As observed, almost all the SMEs expressed disappointment about their inability to obtain needed finances to upgrade their machinery and equipment to the most recent like those used by the MNEs in the market.

Due to the low capabilities for SMEs in both the Zambian and Cameroonian markets to be entrepreneurial, we can, therefore, suggest that entrepreneurial orientation does not constitute a competitive strength for SMEs in the African markets against the MNCs, which are most probably highly entrepreneurial. Our findings imply that lack of financial
resources constraints entrepreneurial capabilities for the SMEs in these emerging markets. Hence, we disconfirm the theory by Zahra et al. (2006), and Buttar & Koçak’s (2011) that in an emerging market characterised with hostility, dynamism, and heterogeneity; entrepreneurial orientation enable SMEs to develop dynamic capabilities required to gain competitive advantage. On the other hand, we adopt the theory by Miller & Friesen (1983) which suggest that hostile environment creates scarcer resources, limits the profit margins which restrict the movement of such resources of SMEs, thus hindering dynamic capability development. More formally,

**Proposition 3:** In an emerging market characterised with hostility, dynamism, and heterogeneity, lack of capital will be a constraint to SMEs’ entrepreneurial orientation to develop dynamic capabilities required to gain competitive advantage.

**Summary**
Finally, we state that market and learning orientation contributes much to the development of dynamic capabilities for SMEs in emerging markets while entrepreneurial orientation is contextual. We term entrepreneurial orientation contextual because it demands huge capital and resources to support Research and Development (R&D) required to support innovation which is beyond the reach of most SMEs. In this regards, the conceptual framework for the development of dynamic capabilities in emerging markets is revised as shown below:

![Figure 4. Dynamic capability development framework](image)

In the next section, we discuss how our study addressed ethical issues involving research subjects during our semi-structured interviews.

**5.6 Ethical Considerations**
Ethics are values and standards of behaviour that regulate moral judgments about researchers’ behaviour and their relationships with respondents (Cooper & Schindler, 2003, p.120). While Neuman (2000, p.90) describes ethical issues as concerns, dilemmas, and conflicts that arise over the proper way to conduct research. In this case, ethics defined what was or was not legitimate to do, or what moral our study procedure involved.
The goal of ethical conduct in research is to ensure that no one was harmed or suffered adverse consequences from our research activities. Due to the qualitative nature of our research method, we balanced the rights of respondents against the scientific dictates of our chosen method. Before evaluating the details of the study design, first, we looked at the relationship between the research process, morals, and values because they are integral to the research process (Neuman, 2000, p.90). Also, our research approach being interpretivism, demanded an observation of ethical considerations towards participants when conducting research.

With ethical considerations in mind, aspects such as physical harm, discomfort, pain, embarrassment, privacy, deception, lack of informed consent, and invasion towards respondents and every other participant were utmost respected in this study. We acted in line with recommendations suggested by Cooper & Schindler (2003, p.121-23) and Neuman (2000, p.95-100) as ethical principles to be adopted in research. First, the principle of no harm to respondents was achieved by balancing the value of knowledge against the value of the lives of those interviewed. We adhered to some clear prohibitions to avoid causing physical harm, psychological harm, and harm to respondents’ career or income by not causing unnecessary or irreversible harm to participants by ensuring prior voluntary consents, avoiding unnecessary, humiliating, degrading, or releasing damaging information about specific individuals that was collected for research purposes. We evaluated each case, weighed potential harm against potential benefits and bore responsibility for our decisions. For example, to avoid career or income harm on respondents, we decided to interview only Chief Executive Officers, Directors, Managers, and Proprietors for firms who had authority to make decisions.

Secondly, the principle of no deceit was achieved since we ensured a clear outlining of the purpose of the study and benefits (Cooper & Schindler, 2003, p.121). We respected the principle of voluntary consent in which we never forced any respondent to participate in the study and avoided any lies about the nature of the research. All the respondents who participated in the study explicitly agreed to join. Whenever we made direct contacts with key respondent, we discussed the study benefits without overstating nor understating the benefits. We made sure to begin each and every interview by a full introduction of ourselves, a brief description of the purpose and benefit of the research. This strategy was intended to put respondents at ease, letting them know to whom they were speaking to motivate their cooperation towards answering questions truthfully and honest contribution to the study.

Finally, the principle of non-invasion was achieved by protecting the privacy, anonymity, and confidentiality (Neuman, 2000, p.98-99). The authors protected respondents’ privacy by not disclosing their specific identity after data collection. To achieve total privacy, we incorporated anonymity and confidentiality by separating the respondent’s identity from their responses. By respecting the anonymity criteria, we have ensured that the respondents remain nameless to the public. We have also protected the identities of respondents by making sure individual firms are unknown or anonymous through discarding the individual firm’s addresses and referred to them by code numbers. All the records interviews with the respondents were also held with absolute confidentiality from the public and all information presented only in encrypted format.

In the next chapter, our study conclusions highlighting contributions, implications, and direction for future research.
CHAPTER SIX: CONCLUSIONS

This chapter provides a summary of the research, by re-introducing the research question and then summarizing the answer given to it by the overall results of the study. The theoretical contribution of the study is discussed first, then followed by discussions on some managerial implications. Finally, the chapter concludes with a discussion of the limitations of the study and suggested directions for further research.

The purpose of our study is to explore how SMEs in emerging markets specifically in Africa, develop dynamic capabilities to compete alongside MNCs in their selected countries. To achieve this purpose, information from previous studies along the lines of this study was gathered with a view of increasing our insight into the subject matter, thus, leading to the identification of the research gaps. The research took a qualitative-deduced approach and a multiple case study research design. We have conducted ten semi-structured interviews, with five SMEs from Cameroonian and five with Zambian SMEs. In the upcoming paragraphs, we clarify whether our research question and objectives have been achieved or not, and discuss our contributions, and implications.

6.1 Answering the Research Question

The central research question as stated in chapter one of this study came about through identified research gaps from prior studies on SMEs’ capabilities in developing, which is: “How can Small and Medium Enterprises (SMEs) in emerging markets such as Africa develop dynamic capabilities to compete alongside Multinational Companies (MNCs)?”

We define dynamic capability as a firm’s capabilities to integrate, learn and reconfigure internal and external resources and competencies in response to changing environments. Overall, the results of this study contributed towards answering the research question, through linking theory with the collected empirical data on dynamic capability development in emerging markets. From our findings, we can reliably confirm to the theory that both market orientation (Ali et al., 2010) and learning orientation (Ali et al., 2010; Zollo & Winter, 2002; Zahra et al., 2006; Chien & Tsai, 2012) contribute to the development of dynamic capabilities of SMEs in emerging markets. This study reveals that learning orientation is the dominant criteria for the development of dynamic capabilities considering that it leverages the SMEs to discard obsolete procedures, equipment, and technology, and replace them with new effective ones. Meanwhile, although market orientation also contributes to dynamic capability development, the SMEs mostly respond to the changing needs and preferences of customers in a reactive manner.

The study also at this moment is not in conformity with the theory by (Zahra et al., 2006; Buttar & Koçak, 2011) that entrepreneurial orientation would contribute to the building of SMEs’ capabilities in emerging markets. Due to financial constraints to support the associated cost, entrepreneurial orientation was not maximised to its full capacity to aid SMEs to develop dynamic capabilities. This study unlike previous studies has therefore interestingly identified the possibility of SMEs competing in a market without having to be fully entrepreneurial. Although it was evident that this was not intentional but rather due to the enormous constraints they face in obtaining the financial resources to support the exigencies of being entrepreneurial. However, it was understood from the point of view of these SMEs that they have resorted to strategies of seizing the second mover advantages by being fast learners and capitalising on a better mastery of the market and
its environment. So we posit that in emerging markets specifically the case of Africa characterised with hostility, dynamism, and heterogeneity, lack of capital will be a constraint to SMEs’ seeking to be entrepreneurial orientation in developing dynamic capabilities required to gain competitive advantage.

This research has fundamentally addresses the perspective of Africa as an emerging market on a whole different level. First we dispute the general appellation of Africa as an Emerging market which is wildly used by previous literatures. Based on the empirical findings, it is obvious that Africa is a mother economy constituted of different sovereign markets and economies which are further grouped into economic blocs with the aim of facilitating trade. Although we side with the idea that some of these markets are emerging based on their identified characteristics which match with our definition and characterises of emerging markets, a considerably large part of these African markets or industries in this markets cannot entirely be considered as emerging markets. Based on this facts, we hold the view that the perspective of the consideration of Africa as an emerging market is basically an Outside-In view from the angle of MNEs who have suddenly identified the opportunities endowed in these markets. Meanwhile, considering an Inside-Out perspective from the view point of some SMEs located in some industries and other cases the entire market, it will not be entirely justifiable to call the markets as emerging markets. So we can confidently say state that from an Outside-In view by MNEs, Africa looks to be an emerging market, while from an Inside-Out perspective of the SMEs, Africa as a continent is not an emerging market but a market accommodating both emerging and non-emerging markets.

6.2 Theoretical Contributions

As earlier mentioned in the research gap, one of the objectives of this study is to fill the gap in knowledge regarding dynamic capability development by SMEs in dynamic environments, in the context of emerging markets. This study fills in this gaps by contributing to the literature on SMEs dynamic capability and add value to knowledge on many fronts. First, we build an empirically-grounded synthesis of the constructs of market orientation, learning orientation and entrepreneurial orientation involved in the development of dynamic capabilities. These construct advances the theoretical research agenda initiated by Ali et al. (2010), Zollo & Winter (2002), Zahra et al. (2006), and Chien & Tsai (2012) answers Zahra et al. (2006, p.918) question on: how do dynamic capabilities come into existence?. This study has validated earlier claims on the development of dynamic capabilities in a dynamic environment. In this regard, our findings contribute to the literature by advancing knowledge on how SMEs develop dynamic capabilities in emerging markets.

Second, we contribute to theory by advancing a primary model which integrates all standalone models in the area of dynamic capabilities development. Our model blends Alia, et al. (2010) MO-LO two constructs model with Chien & Tsai (2012) LO-single construct model into one model while introducing a third construct from entrepreneurship to form an MO-LO-EO model in illustrating how dynamic capabilities comes into existence. Initially, we realised a fragmentation in current models with claims of their contribution to the development of dynamic capabilities in dynamic environments. In seeking to harmonise the fragmented and conflicting theories, we have developed a framework that tests the distinctive models to ascertain their true contributions towards dynamic capability development in dynamic environments. Our model is intended to
provide new testing grounds in advance to that of both Alia et al., (2010) and Chien & Tsai (2012), thereby providing a more solid theoretical foundation in a contextual perspective of emerging markets environment, the drivers to dynamic capability development.

We have also added flesh to previous theoretical standpoint considering the general notion of Africa as an emerging market. We theorise a whole new perspective of this markets by segmenting the understanding of this market into two distinct viewpoints of an Outside-In- view of Africa as an market by MNCs, and on the other hand, an Inside-Out- perspective of SMEs who consider Africa as not entirely an emerging market but as a continent of both emerging and non-emerging markets.

6.3 Managerial Implications

It is always of paramount importance that a study provides necessary practical implications for management and in this case for managers from both Cameroon and Zambia seeking to sustain their business in emerging markets. The findings of this study pinpoint some determinant factors which enable firms to develop dynamic capabilities to foster competitive advantage which needs to be taken into consideration. First, gaining a competitive advantage in emerging markets is key among the goals of all managers requiring to sustaining their businesses. Noticing that some managers in emerging markets face some challenges of how to create or identify business opportunities before their competitors, adopting market-oriented strategies will be instrumental to this problem. Furthermore, firms need to reinvent themselves through the creation and exploitation of opportunities by proactively managing existing resources, new markets, products and service development, if they need to stay ahead of competition in their various business sectors. Managers who scan their business environments for new opportunities definitely stand a higher chance to identify emerging opportunities and threats only detectable by embracing market oriented strategies. This entails keeping a keen lookout for constant changes in the environment and the correlative implications on the needs and preferences of their customers and potential customers. Putting in place appropriate environment scanning techniques such as SWOT analysis, PESTEL, competitor intelligence, benchmarking, market research and customer attitude surveys will enable the identification of opportunities to be exploited ahead of competitors and thwart threats from the environments.

Drawing from the work of Ambrosini & Bowman (2009, p.38), the deployment of dynamic capabilities of SMEs in emerging market would only yield temporary competitive advantage or competitive parity. Despite most indigenous SMEs having a local adaptation advantage arising from a better mastery of the business environment, they lack the dynamism required to sustain their competitiveness with the better endowed MNEs. The SMEs are most often stuck in their old ways of doing business, lacking the potentials to break free from their comfort zone and try new productive and more profitable ways of doing business. An option to such a dilemma is by being learning oriented regarding proactively questioning whether their current organisational customs and cultures, beliefs and business practices maximize organizational performance. Corporate beliefs and business practices identified to be detrimental to the firms’ competitiveness need to be discarded. Managers with a higher propensity of critically examining the firms’ practices and procedures and bringing them to terms with the changing environmental dynamics are most likely to shed-off undesired systems and explore best practices which sustain their businesses. Therefore, managers can guard
against performance lapses and sustain their results by conducting constant internal business appraisals in the form of organisational performance reviews and program performance audits.

As indicated by the findings of this study, SMEs face enormous challenges in terms of obtaining adequate financial resources. This is notably due to the difficulties involved in obtaining investment funds from Commercial Banks who most often demand heavy collateral securities. The lack of enough financial assets was identified to limit the SMEs' drive toward innovativeness. However, there is no doubt that entrepreneurial orientation through the lenses of innovation, risk-taking and proactiveness are vital strategies towards competitiveness and sustenance of businesses in emerging markets. Managers therefore, need to be absolutely innovate, proactive and take calculated risk if they need to remain competitive considering the ever increasing entrants of new MNEs in the market. Embarking on coopetition, Bengtsson & Johansson (2012) and strategic partnerships with other firms can be a strategy to mitigate the limitations of inadequate financial resources. On a cautionary ground, managers should only select complementary partners; that is partners who bring in the alternative business resources required to fill in the resource gaps instead of a supplementary partner who will only breed in resource redundancy which adds no value to the firm’s entrepreneurial activities.

6.4 Societal Implications
Small and Medium Size Enterprise (SMEs) have long been recognised as a major business sector with a dominant positive contribution towards economic growth (Dababneh & Tukan, 2007, p. 4). Many countries have acknowledged that SMEs play a pivotal role as they contribute to the achievement of macroeconomic goals of developing nations specifically those in emerging markets (Todd & Javalgi, 2007, p.167. Researchers such as Harvie (2004, P.15), Kongolo (2010, p.2288), Edmiston (2007, p.77) have all pointed out the importance of SMEs to an economy. Such value includes their potential to contribute to job creation, sustaining economic growth, export expansion, and efficient distribution of resources in line with the country’s comparative advantage. So the effect in terms of damages caused by SMEs’ actions are somewhat reduced and their effect in terms of the economic recovery is significantly accelerated. As noticed, it has already been an obvious fact for some time now that SMEs effects cut beyond direct job creation and tax generation. They improve not only the direct business atmosphere but also the economy as a whole.

SMEs due to their liabilities of newness and smallness, have also been recognised to have difficulties with obtaining capital, complementary resources, consequently face a potential high risk of failure (Bengtsson & Johansson, 2014, P. 403). So the development of dynamic capabilities as herein addressed, if implemented by the African SMEs, would first of all enable them mitigate these liabilities of smallness. As such enable them stay in business so that they can remain a veritable force for the society in which they operate in terms of job creation, economic dynamism, contribute as an important linkage in the value chains for other companies, and societal infrastructural development.

From our findings, SMEs in the context of Africa face difficulties being entrepreneurial with a major constraint being the difficulties in obtaining financial resources. The belabouring of this fact in this thesis is an eye opener for the governments in Africa to establish measures toward the development and improvement of the financial market and banking sector which would enable SMEs an easier road to financial strength.
Consequently the availability of the much needed financial resources to enable them to be entrepreneurial and contribute to the overall economic growth and not leaving out human capital improvement, societal development, and contributions to other industry sectors.

6.5 Study Limitations

Any form of study by its nature apparently contains some limitations compelling potential issues for future research. In conducting a qualitative research by nature, we may have come short of essential criteria necessary for a perfect study. First, we used semi-structured interviews which were carried out partly through a face to face in the case of Zambian SMEs and through phone calls for the case of the Cameroonian SMEs. The use of two different data collection methods could have posed a problem of inconsistency. Also, the part use of phone interviews could have lacked the capture of important aspects such as facial expressions, gestures, examination of documents, dip feelings and observing behaviour of the interviewee which are an integral part of better understanding in-depth meaning behind the responses. Second, the nature of the selection of cases could be a limitation on its own. Initially, we planned to draw an equal representation of respondents from each country on similarity grounds such as same industry. However, this was not achieved due to the short notice given to the informants in which some were willing to participate at the point when the exercise was already over. We believe this had a limitation on the cross-industry comparative case analysis we intended to observe by drawing similar industries in both countries. We hoped to compare results on similar terms through a comparative study on how dynamic capability was developed from on industry level.

Although we could explain the typically educative intentions of our study including all attempts to conduct the interviews with absolute ethical consideration, some respondents seemed to have been economical about entirely exposing their strategies. Firms operating in highly competitive industries were limited in their disclosure of data for feared of being exposed or giving away their intellectual properties. Furthermore, due to the nature of the empirical evidence, we could not segregate the firms on age basis to ascertain whether experience also plays a role in the manner such SMEs develop dynamic capabilities. Conducting such a study which takes into account homogeneity and age parameters at industry level from two countries could also shed more light on how firm age impacts SME’s dynamic capabilities development in emerging markets.

6.6 Future Research

Our study was predominantly an exploration of how SMEs were developing dynamic capability and how they withstood the storm of heavy competition from MNCs with more endowments of resources. Since there is evidence of little research being carried out within the context of African markets, it will be of interest to widen the horizons and shed light on other concerns requiring equal attention. Considering the enormous challenges eminent from the empirical data which constitutes ideal characteristics of this business environment such as corruption, improperly organised government, social and banking sectors, lack of befitting infrastructures and inadequate educated and trained labour (underdeveloped business infrastructures and institutional voids), further research can be carried out to understand what the most appropriate strategy can be for MNCs planning a penetration into this market considering these ideal environmental dynamics. This may facilitate internationalization prospects for MNCs that may be contemplating without
success plans to expand branches to these markets. It was also identified from our study how SMEs in African markets stand to profit by learning new things from the MNCs competing with them in the market. So it will be interesting to find out how impactful are MNEs to the improvement of the general economy of the countries in which they operate, and on the other hand, it will also be revealing to find out the level of leverage these emerging markets have on the performance of MNCs in terms of growth and profitability. Other investigations could be carried out to uncover why some companies are more successful than others when doing business in emerging markets? What specific set of strategies will make companies successful in the foreseeable future? Why do some companies in emerging markets fail to reach their targets? What are some avoidable mistakes made by some companies in their expansion strategies in emerging markets?

In the next chapter, we discuss how we established integrity in our study.
CHAPTER SEVEN: TRUSTWORTHINESS CRITERIA

Demonstrating an accurate picture of the phenomenon under the study is cardinal in every research. Hence, in this chapter we elaborate how our research achieved the standards for quality.

The challenge that lies behind many qualitative research concerns the analysis of the body of evidence collected with the view of presenting a potent explanation of the phenomena, based on a holistic exposition of the social understandings expressed in the empirical data (Carcary, 2009, p.13). However, due to the researcher’s judgement, intuition, and personal bias in qualitative research, the question arises on how to illustrate the trustworthiness of such research results. Some authors including Guba & Lincoln (1994) and Marshal & Rossman (2006) had come on board suggesting the use of research trustworthiness and authenticity as more desirable quality criteria for qualitative studies. Marshal & Rossman (2006, p. 201) and Bryman & Bell (2011, p. 395) advance four trustworthy dimension criteria encompassing credibility, transferability, confirmability, and dependability. In our endeavour to render trustworthiness and authenticity to our study, we will explain below how each criterion of this research has been upheld.

7.1 Credibility
Shenton (2004, p.63) describes credibility as the researcher’s attempt to display how the real picture of the phenomenon under investigation is presented. Building on the works of Brown (2008, p.295), Guba, 1981, p. 85), and Shenton (2004, p.67, we first, conducted a systematic review of prior study findings to which helped assess the extent to which our research findings were congruent with preceding studies. Second, we triangulated our research process in three ways. We started with a participant triangulation in which we used multiple participant sources of information from heterogeneous industries. Also, a location triangulation was used in which multiple data was gathered from two independent markets (Cameroon and Zambian) where similar findings emerged. The final triangulation was a theory triangulation whereby we used multiple conceptual viewpoints from marketing, learning, and entrepreneurship. Third, recurrent debriefing sessions between our research supervisor and us through work-in-progress provided a platform on which our research direction and ideas were scrutinised. Fourth, peer scrutiny through which checks and balances by fellow final year master students provided a critical review of our research report leading to the final publication. Fifth, member check was employed through which respondents’ voice recordings were incorporated in the form of quotation, in a draft analysed data, and were forwarded back to them for verification before producing the final document to avoid data conflict or inconsistencies. Finally, we presented credibility through the provision of our pre-understanding (see section 4.1) in which we disclosed our personal and professional information relevant to the phenomenon under study.

7.2 Transferability
According to Anney (2014, p.277), transferability is the extent to which qualitative research findings can is transferred to other contexts with other respondents. To ensure the possibility of transferability, we acted in line with Bitsch (2005, p.85) recommendation that qualitative researchers should provide a thick contextual description of the study and use purposeful sampling to enhance transferability judgments. In this case, a thick contextual description had been presented in which we had eagerly detailed
all the research processes, methodology, data collection, the context of the study, to the production of the final report intended to assist other researchers in reproducing our study with similar conditions to other settings. Our respondents were selected based on specific purposes suitable for answering our research questions. Only respondents who were proven knowledgeable of entrepreneurial activities in emerging markets were chosen to provide an accurate representative sample of both regions. The study was conducted within the economic context of CEMAC and COMESA. Despite the differences in the economic characteristics of both CEMAC and COMESA, there are some similarities between them when it comes to trade and protection patterns (see section 3.2). One important similarity is that both CEMAC and COMESA member states have liberalised their economies leading to an influx of FDI, which has fuelled competition upon the SMEs within the member countries. Since similar findings have emerged from two distinct economic zones, the findings are indications of greater transferability in West African sub-region, the Southern, Eastern, and part of Northern Africa.

7.3 Dependability
Dependability according to Bitsch (2005, p.86) is the stability of research findings over a period. Dependability entails that end-users assess the results, interpretations, and recommendations of the study in the assertion that the study is correctly underpinned to the data collected from the respondents. Lincoln & Guba (1985: 3169) and Anney (2014, p.278) attest that the merit of the research depends on the researcher’s ability to adopt an auditing approach which facilitates accesses to all complete records at all phases of the research process. Dependability was therefore established through the provisions of an audit trail, and stepwise replication, and all materials used in the study ranging from problem formulation to data collection (voice recorded interviews, transcriptions) and analysis are at hand and may be made available on demand. Dependability was also established through a stepwise replication in line with Anney (2014, p.278) whereby each of us analysed the same respondent data independently and afterwards made comparisons. The dependability of the inquiry was achieved because the results of analyses were similar from both researchers. In this regard, the findings of the study are dependable.

7.4 Confirmability
Confirmability is defined by Anney (2014, p.279) as the extent to which other end-users could confirm the research findings. According to Tobin & Begley (2004, p.392), data and interpretations of the findings should not appear to be inventions of the researcher’s imagination but apparently comes from the data sources. We established confirmability in line with Bowen (2009, p.307) by adopting audit trials, stepwise replication, and respondent validation. According to Bowen (2009), an audit trail is an essential validation mechanism which provides visible evidence of the study depicting the research from the process to the product, thus proving that the inquirer did not just flame up the situation. In this case, the confirmability of our research is achieved considering that all materials used in the study starting from problem formulation up to data collection (voice recorded interviews), transcriptions, have been safely reserved and may be made available if need be. As in the case of dependability, stepwise replication also applies to confirmability (Anney, 2014, p.278) wherein provides internal confirmability. To achieve this, we analysed the same respondent data independently and afterwards made comparisons and confirmed the findings before seeking external confirmation. The conformability of the inquiry was reached as there are no inconsistencies in the results. Respondents’ validation cemented our confirmability exercise whereby participants were given an opportunity to
comment on the summary interpretations of their interview responses by forwarding a summary analysis to them. Out of ten, six respondent with an affirmative action, while four did not respond up to the time of the final publication of this report.
REFERENCE LIST


MacDougall C, & Fudge E., (2001). Planning and recruiting the sample for focus groups and in-depth interviews. Qualitative Health Research; 11, 117-126.


APPENDIX A: Interview Guide for SMEs

1. Tell me about your company, its operations and the industry in which you operate

2. What was your motivation in getting into this business sector, and how long you have been in this business?

3. How competitive is the market in terms of both national and international rival companies?

4. What are some general or particular environmental difficulties, if any, in terms of infrastructural, accessibility to customers, purchasing power of customers etc.?

5. What is your impression about the importance of learning to your business?

6. How has a general organisational learning attitude impacted your business growth and competitiveness?

7. What is your impression about employee understanding of the need for continuous learning for the interest of the company?

8. What particular or general learning practices does your company implement to get the best possible performance from learning experiences?

9. What is your impression about the frequency of possible changes in the needs and preference of your target customers?

10. How does your company identify any changes in customer need and how do you respond to such changes of your customers, potential customers or the business environment as a whole?

11. How has your response to changing market needs been a valuable competitive tool Vis a vis competitor?

12. What is your impression about always trying something new in your company, and how helpful has such an approach worked in favour of your company over your competitors?

13. How inclined is your company towards possible strategies to meet expected or unexpected future business opportunities and threats?

14. What from your perspective are the noticeable competitive effects of any such proactive strategies over rival companies?

15. How ready is your company to take prompt measures in the face of eventual harsh business challenges?