ENTREPRENEURSHIP AND SUSTAINABILITY CENTER

enterprise europe network
Business Support on Your Doorstep

OASPA

Scopus

Web of Science

Clarivate Analytics

IMPLEMENTATION OF INTERNAL CONTROLS AND THE SUSTAINABILITY OF SMEs IN HARARE IN ZIMBABWE

Makomborero Bure [1], Robertson K. Tengeh [2]

[1,2] Faculty of Business and Management Sciences, Cape Penisula University of Technology,

South Africa

E-mails: [1] mbure7@gmail.com; [2] tengehr@cput.ac.za

Abstract Inspired by the assertion that preventative measures can prevent the failure of business enterprises, this paper sought to determine the types of internal controls and the degree to which SMEs implemented them in the central business district of Harare in Zimbabwe. By completing semi-structured questionnaires, the 135 respondents generated the quantitative data, which was analysed utilising Version 25 of the Statistical Package for the Social Sciences (SPSS) software. The results revealed that the conventional internal controls which are customary in larger business enterprises were either absent or not adequately implemented in the SMEs. A cross-gender comparison suggested that female-led SMEs were more likely to implement internal control systems than their male counterparts. By empirically justifying the need for internal control systems in SMEs, this paper contributes to both theory and practice, by reaffirming the effectiveness of internal controls and emphasising how their effective implementation can increase the sustainability of this business cohort.

1. Introduction and background

Although small and medium-sized enterprises (SMEs) play a crucial role in the growth of most economies, their sustainability is often adversely affected by factors that contribute to their demise within the first few years after being established (Kemp et al., 2015; Nyathi et al., 2018). This becomes a cause of concern for countries with a high proportion of SMEs (Akingbade, Aliu, Elegunde, Ogundele &, Saka 2013). The many reasons for the failure of SMEs include a typical lack of awareness of the inherent risks that are associated with operating a business and effective strategies to circumvent them.

Irrespective of their sizes, all businesses are required to contend with a range of risks, which can be conveniently narrowed down to financial, operational, and technological risks. If not adequately managed, the risks are likely to influence the attainment of organisational goals adversely. Chimombe and Makochekanwa (2017) believe that the lack of capability to manage risks effectively compromises the sustainability of SMEs. Conversely, the chances of survival of SMEs will improve significantly through the effective management of risks, if appropriate internal controls are well-designed and implemented, the viability of the findings of studies such as the one that was conducted by, Gachoka, Aduda, Kaijage, and Okiro (2018) suggest that without internal controls, SMEs are bound to fail. By contrast, Eshima and Anderson (2017) maintain that the empirical evidence to support positive correlations between the implementation of internal controls and the sustainability of SMEs is limited. This perhaps justifies the need for more empirical studies.

Besides enriching the literature, Stone (2016) and Othman and Ali (2014) asset that the damage often done to both profits and the sustainability of businesses by the absence of internal control mechanisms or the ineffective implementation of them is immense and worth concerted intervention. Among the inevitable consequences are inefficiency, fraud, mismanagement, a loss of client assurance, and a loss of customers. Small businesses appear to be particularly prone to encounter losses in these respects, as the findings of the global fraud study of the Association of Certified Fraud Examiners (ACFE) of 2016 revealed that only 38% of small businesses had internal control departments, while the percentage for large companies stood at 88.3% (ACFE, 2016; Stone, 2016).

Even though SMEs are numerically predominant and the most vulnerable contributors to the economies of many countries, most research on the role that internal controls play in the sustainability of business organisations have tended to be mostly concerned with sizeable organisations. Even so, most of the relatively few studies of internal controls and sustainability in SMEs have focused on developed countries, with studies such as those of Adenyi and Adeniran (2017) being notable exceptions. Consequently, this research paper was prompted by the need to determine the influence of internal controls on the sustainability of SMEs in developing countries, with a particular emphasis accorded to Harare in Zimbabwe.

2. Literature review

2.1 Classification and significance of SMEs
Although definitions of SMEs tend to vary, defining characteristics in South Africa include the number of employees who are employed by individual organisations, turnover, and gross assets (South Africa, 1996). In Zimbabwe, SMEs are classified as enterprises which are staffed by not more than 100 employees. In many cases, crucial elements of the definitions of SMEs concern the roles which they play in the economies of their countries. SMEs make significant contributions to the economic growth of developing countries (Matamanda & Chidoko, 2017).

In Zimbabwe, the SME sector contributes more than 60% to the national GDP and employs an estimated 5.8 million people. Small businesses also make significant contributions to combating poverty, by reducing unemployment and improving living standards. As Berger, Bouwman, & Kim (2017) explain, in many cases SMEs provide opportunities for employment to people who would not be considered to be employable by larger corporations. SMEs are also widely acknowledged to be at the forefront of innovative practices (Bos‑Brouwers, 2010), as the close and personal interactions which their employees have with consumers enable them to develop a good understanding of their needs through direct personal experience (Khalifa & Saad, 2017). In Zimbabwe, it is often customary for innovative workers to prefer to work in smaller businesses than in large organisations (Cohen, 2017).

SMEs play a particularly vital role in the economy of Zimbabwe owing to their ability to repackage bulk purchases from distributors in quantities which are affordable to poor consumers who cannot afford to buy in bulk (Makochekanwa and Chimombe, 2017; Manaye, 2018). In many cases, SMEs are more capable of adapting to changing economic climates than their larger counterparts in the formal sectors of their countries. The emphasis which many SMEs place upon relationships with customers is evident from the findings of studies which have revealed that the loyalty of local customers is often not deterred even during economic crises (Kumar & Kumar Singh, 2017). The findings could suggest that SMEs are likely to display resilience during times of economic hardship. In the case of Zimbabwe during the 2008 global recession and local economic meltdown, SMEs played a significant role in helping to keep the economy afloat (Matamanda & Chidoko, 2017). Noko (2011) attributes the resilience of SMEs in Zimbabwe to the deftness with which they have been able to adapt to ever-changing government policies.

Güzel, Sağ, and Sezen (2016) argue that SMEs do not always stay small and that the majority of the corporations started as SMEs. Furthermore, SMEs which evolve into large corporations tend to remain in the communities in which they were first established (Seidl, Baumgarten, Beaumont, & Erskine, 2017). Choi, Lee, and Sonu (2013) emphasise that if the headquarters of large corporations remain in the communities in which they were established as SMEs, they invariably provide much-needed employment, which, in turn, stimulates local economies.

2.2 Sustainability and SMEs
As the meaning of the term 'sustainability' is to a large extent dependent upon the contexts in which it is used, a plethora of different definitions can be applied to it. In the context of the management of businesses, both Dyllick and Hockerts (2002) and Perrini and Tencati (2006) characterise sustainability in terms of the capacity of business organisations to continue to operate over long periods, owing to the durability of the relationships which exist with relevant stakeholders. From a similar standpoint, Bruwer and Coetzee (2016) maintain that the crucial factors which determine sustainability pertain to resources and stakeholders. The overarching thrust of all of the assessments which have been made in this discussion is that sustainability is a concept which refers to a crucial criterion for the success of all business organisations.

Consequently, the rates at which small businesses continue to fail within the early stages of their operations make it imperative to conduct empirical studies to identify the principal factors which preclude the majority from surviving beyond their formative years. The respective estimates of Cohen, McKay, and Wolfe, (2017) and Kemp *et al*. (2015) are that 75% and 70%, respectively, of SMEs, fail within five years of having been established.

2.2.1   Measures of sustainability
Irrespective of the criteria which are used to assess corporate sustainability, researchers tend to agree that measuring sustainability represents a crucial step towards reaching a consensus concerning how it may be optimally achieved (Lee & Saen, 2012; Ozdemir et al. 2011). As qualitative procedures are usually used to measure sustainability, they are often time-consuming, costly, and dependent upon expertise. Consequently, although large organisations may have the resources to implement them, in many cases they are likely to be beyond the means of SMEs.

To understand how internal controls influence sustainability, not only is there a need for a definition and understanding of the concept of sustainability, but due consideration also needs to be given to how it is measured. The existence of many different interpretations of sustainability implies that there are several different facets of sustainability and the possibility of diversity concerning the optimal methods for measuring each type of sustainability. At present many different predetermined measures of social, economic, and environmental

sustainability are used to determine whether enterprises are sustainable or not. Although the researcher does not wish to question the relevance or validity of the measures, it is also pertinent to point out that the use of predetermined measures could serve to preclude researchers from applying and assessing the relevance and validity of non-standard measures of sustainability, such as cultural sustainability. Although the social, environmental, and economic pillars upon which the concept of sustainability rests at present (Bos-Brouwers, 2010) are duly acknowledged, this paper is mainly concerned with cultural stability.

2.2.2 Economic sustainability

Although economic sustainability refers to the ability of enterprises to continue their operations profitably, profitability is not the only measure of economic sustainability. Other measures include the ability to withstand economic turbulence and the ability to recover from severe economic setbacks (Grimm, Hofstetter & Sarkis, 2016). In the context of this study, economic sustainability was of particular significance, as SMEs in Zimbabwe have been obliged to operate in an ailing economy for nearly two decades.

Since early 2000, the economy of Zimbabwe has undergone several reverses, collapses, and partial recoveries, all of which have influenced the sustainability of SMEs. From 2000 to the year in which this study was conducted (2017), SMEs have been affected by several developments at the macroeconomic level, most of which have had negative consequences. Among the measures to which the government resorted were the introduction of bearer cheques and dollarisation. Bearer cheques were introduced as an emergency measure and entailed replacing banknotes with cheques which were payable to bearers before particular expiry dates, while dollarisation saw the Zimbabwe dollar being replaced with the US dollar (Pilosoff, 2009). Subsequently, the Reserve Bank of Zimbabwe (RBZ) introduced bond notes, a new form of currency, to replace the US dollar. As those SMEs which have managed to survive the turbulent economic conditions which have plagued Zimbabwe since 2000 should be considered to be economically sustainable, for this study, sustainability is measured following the number of years for which individual SMEs have continued to operate profitably.

2.3 Drivers of sustainability

The sustainability of business organisations is influenced by both internal and external factors, with the former playing a crucial role (Lozano, 2015). Among the most significant internal drivers of sustainability are leadership, management styles, and internal control systems. Although this paper is primarily concerned with internal drivers, specifically the role of internal controls, it is necessary to provide an overview of external drivers, particularly concerning the sociopolitical and economic environments in which SMEs are required to operate in Zimbabwe.

2.3.1 External drivers: Sociopolitical and economic environments in Zimbabwe

Although dire sociopolitical and economic circumstances in Zimbabwe have militated against the successful operation of businesses, the consequences have been varied, in that many SMEs have thrived while others have collapsed (Mugobo & Wakeham, 2014). Many lessons can be drawn from both phenomena. The period from the time during which the study was conducted to the present has witnessed a further deterioration of economic conditions in Zimbabwe. The government responded by abolishing the Zimbabwe dollar in 2008 and adopting the US dollar as the official currency of the country, although the issuing of bond notes which were considered to be on a par with US dollars subsequently resulted in shortages of cash. Zimbabweans also preferred actual US dollars to the local bond notes, as they perceived them to be of higher value (Makanyeza & Mutambayashata, 2018).

As SMEs do not operate in a vacuum but instead depend to a large extent upon the success of the economies in which they operate, it is crucial that external factors which drive sustainability should be appropriately taken into account. In the case of Zimbabwe, shortages of cash at the national level inevitably precipitate internal problems, such as the theft of money or the abuse of resources. In addition to the sociopolitical factors which impede the

successful functioning of business organisations, the Zimbabwean economy is mired in a multitude of regulations which also have adverse implications for their sustainability. A case in point is provided by the gazetting of Statutory Instrument 64 to limit the spending of consumers on imported luxury goods.

2.3.2 Financial resources

According to Navare and Handley-Schachler (2017), SMEs in Zimbabwe tend to be characterised by low capitalisation and to depend mainly upon the financial resources of their owners. Conversely, as Khalifa and Saad (2017) explain, the financial resources which are available to enterprises contribute significantly to their sustainability because they determine their capacities in respects such as hiring employees, acquiring assets, and obtaining financial assistance in the form of loans. Dach and Allmendinger (2014) maintain that although in some instances SMEs can thrive with limited financial resources, they are nonetheless at a higher risk of failing due to unexpected setbacks than those with significant access to financial resources.

Although the sustainability of business organisations requires substantial investment, SMEs are often at a distinct disadvantage, owing to a lack of financial resources (Nobanee & Ellili, 2016). Gandhi, Sachdeva and Gupta (2018) maintain that in many cases SMEs lack human capital, in that their limited financial resources often preclude them from attracting suitably qualified personnel to ensure their sustainability. During the period of dollarisation, the country underwent a crisis concerning liquidity, which resulted in severe shortages of cash and further compromised the sustainability of SMEs as a direct consequence. Although the local currency was discarded in favour of the US dollar, other currencies such as the South African Rand and the Botswana Pula were also used.

Mabhungu (2011) explains that the government of Zimbabwe adopted the US dollar and introduced a multi-currency system to curb the rampant hyperinflation which had ravaged the economy of the country until 2009. As Bhatasara, Chiweshe, and Helliker, (2018) point out, most SMEs in Zimbabwe are obliged to use manual systems and effectively precluded from having access to electronic payment systems which medium-sized and large enterprises usually have. Not only do they lack the ability to invest the substantial amounts of capital which are needed to acquire efficient electronic systems, but they typically require the knowledge and experience which are necessary to fulfil the legal requirements with which they need to comply to operate them.

2.3.3 Competition

The capacity of SMEs to continue their operations is threatened by the great competition which they face from many different sources (Papazov & Mihaylova, 2014). SMEs in many different industries in Zimbabwe are operating in direct competition with larger established enterprises in the country, and their markets have been further diluted by the importation of cheap goods from countries such as China and Dubai. Consequently, SMEs which rely extensively on local products or are unable to import competitively priced goods are likely to find themselves in an untenable position (Ayandibu & Houghton, 2017). The growth of sales which are transacted through the internet, in the form of either e-commerce or social commerce, has supplied yet another source of competition (Rahayu & Day, 2017). The combined effects of global economic crises, local economic upheavals, and the dramatically changing methods of transacting sales all have adverse implications for the sustainability of SMEs in Zimbabwe. Kusi-Sarpong, Gupta and Sarkis (2018) explain that the highly competitive and rapidly changing global business environment makes innovative practices both expensive and risky for all business organisations, including SMEs.

2.3.4 Internal drivers of sustainability

Batista and Francisco (2018) maintain that establishing corporate governance frameworks within business enterprises provides a crucial means of increasing their sustainability, while Choi, Lee, and Sonu (2013) emphasise that internal controls are essential to the sustainability of business enterprises. Although corporate

governance and internal controls tend to be associated more with larger companies than SMEs, internal controls can significantly increase the sustainability of SMEs.

The internal controls which business enterprises can employ fall into three principal categories, namely, detective, preventative, and corrective. Although the different types of internal controls are used for various purposes, all contribute to achieving the objectives of individual business organisations (Germann & Manasseh, 2017). Werner and Gehrke (2018) contend that SMEs often lack adequate financial or human resources to implement the full spectrum of internal controls and that in many cases, the organisational structure of SMEs may preclude them from doing so. By contrast, Aduda *et al*. (2018) maintain that even SMEs whose resources are extremely slender can implement their controls to achieve their organisational objectives. Apart from the complex external factors which affect the sustainability of SMEs, their sustainability is also influenced by many internal factors such as corporate culture, the availability of financial and non-financial resources, and approaches and attitudes to management. Although SMEs may be obliged to devise and implement their internal controls, there is ample evidence to confirm that the sustainability of all business enterprises is determined, to a large extent, by their ability to develop and implement appropriate internal controls (Werner & Gehrke, 2018). The unique internal control practices, which are generated by SMEs in the absence of the financial and non-financial resources which many medium-sized and large business organisations have at their disposal, have tended to be overlooked by many studies which have been conducted to date.

2.4 Internal Controls and SMEs
Internal controls are developed and implemented to ensure the effectiveness and efficiency of the operations of business organisations, responsible financial reporting, and compliance with appropriate laws and regulations (Kaya, 2018; Committee of Sponsoring Organisations of the Treadway Commission (COSO), 2017). The findings of numerous studies confirm that internal controls have been used in business organisations to promote their sustainability Khalifa and Saad (2017); Kaya and Masetti (2018); COSO, 2017).

2.4.1 Factors which influence the efficacy of internal controls
The many categories of risks to which SMEs are exposed need to be effectively minimised if they are to achieve their goals (Navare & Handley-Schachler, 2017). Germann and Manasseh (2017) suggest that internal controls are designed to help enterprises achieve their objectives through the mitigation and elimination of potential risks, although Gachoka *et al*. (2018) point out that SMEs very often cannot implement the internal controls which are used by larger enterprises. According to Ge, Koester, and McVay (2017), an essential difference between SMEs and large corporations is articulated by the trend for the latter to be sufficiently well-resourced and positioned to develop and implement internal controls.

2.4.1.1 Governance and leadership
As the owners of SMEs often play an active role in all of the operations of their businesses, they are usually able to ensure that the activities are carried out per their standards and expectations. Consequently, the management of SMEs by their owners usually entails a style of leadership in which there is no separation between ownership and control (Fernández & Nieto, 2006).

Werner and Gehrke (2018) emphasise that internal controls need to be developed in a proper manner which facilitates their adoption and implementation. Accordingly, those tasked with the implementation of the internal controls in organisations need to be thoroughly conversant with the internal controls which have been developed (Park, Matkin, & Marlowe, 2017). In addition, it needs to be acknowledged that the ultimate effectiveness and efficiency of a system of internal controls requires the internal controls to be the responsibility of all employees, from the members of the management of organisations who design and monitor their implementation to the members of staff who carry out the various control procedures (Germann & Manasseh, 2017).

2.4.2 Types of internal controls

Categories of internal controls are devised to perform different tasks. In this study, the classes of internal controls which are advanced by Olamide and Anastasia (2018) are used, namely, preventative, detective, and corrective controls. The latter are also known as compensating controls. Bruwer and Coetzee (2016) maintain that the presence or absence of each set of controls exerts a different influence upon the sustainability of SMEs.

2.4.2.1 Preventative controls

Aduda *et al*. (2018) explain that preventative controls are mechanisms, which are used to prevent undesirable consequences such as theft from occurring. Navare and Handley-Schachler (2017) maintain that preventative internal controls play a crucial role in ensuring the fluidity of business processes that, if they were to be impeded in any way, would prevent SMEs from attaining their operational objectives.

2.4.2.2 Detective controls

In certain instances, preventative controls in themselves may not be sufficient to safeguard the assets of SMEs and prevent losses and risks from undermining the success of their operations. The function of detective controls is to detect threats before the undesirable consequences of them occur (Germann & Manasseh, 2017).
Park *et al*. (2017) characterise detective controls as constituting the second line of defence after preventative controls. Conversely, Werner and Gehrke (2018) maintain that sufficiently effective and efficient preventative controls should ensure that the first line of defence eliminates risks. Detective controls can be employed for many purposes, such as quality control, legal compliance, and preventing and detecting instances of fraud (Gachoka, et al. 2018).

2.4.2.3 Corrective controls

Corrective controls play an equally vital role as those of preventative and corrective controls and enable organisations to limit the effects of damage which has occurred as far as possible (Ge *et al*., 2017). Consequently, it is imperative for business organisations to have appropriate policies and procedures to guide the implementation of corrective controls, which could take the form of issuing warnings to members of staff or even instituting procedures for dismissal in cases of dishonest conduct or gross negligence.
Effective corrective controls should ensure that business organisations can back up their stored data and have the luxury of restoring the functionality of systems in the event of unforeseen setbacks. As Haddow, Bullock, and Coppola (2017) argue that corrective controls can also take the form of a disaster management plan, which details the procedures, which should be followed before, during, and after the occurrence of a disaster or emergency.

Haddow *et al*. (2017) maintain that for a disaster management plan to be effective, it should be comprehensively documented in clear terms and easily implemented if and when unforeseen circumstances arise. A disaster management plan is corrective, in that it can provide the means to back up crucial information, such as information about debtors or creditors. The ability to plan for contingencies enables enterprises to remain afloat in times of crises by paying its creditors and ensuring that debtors pay them. Manufacturing enterprises are also able to back up vital information concerning the procedures and processes through which their products are manufactured. Also, Ge *et al*. (2017) characterise insurance as a corrective control.

2.5 Factors which discourage the comprehensive implementation of internal controls in SMEs

Werner and Gehrke (2018) emphasise the crucial role, which internal controls play in the operations of businesses and also acknowledge that many factors deter SMEs from formulating and implementing them. As it has already been explained, although many SMEs are unable to afford the controls, which are utilised by larger enterprises, they are often able to tailor practices to their specific needs concerning managing risks. Conversely, as Park *et al*. (2017) point out, the factors that make the practices difficult for SMEs to implement are similar to those, which affect larger enterprises concerning internal controls. The elements are discussed in the sections, which follow.

2.5.1 Cost

Cost represents one of the most significant factors that discourage SMEs from developing and implementing internal controls (Manaye, 2013). Many SMEs are unable to secure sufficient funds to cover internal controls such as security features, control systems, digital systems, and other related facilities. Also, many lack the human capital that is needed to design and implement them.

2.5.2 Attitudes and knowledge

Navare and Handley-Schachler (2017) found that the owners of the SMEs that they studied tended to perceive internal controls as being necessary for larger organisations than their own and in many cases to have little relevance to the nature of their businesses. They also found that many of the owners were unwilling to change their approaches to the running of their companies, even in the face of the dramatic changes, which continue to redefine how business is conducted in the 21st century.

2.5.3 Separation of duties

Amroune et al. (2017) observe that although large corporations can spread the carrying out of crucial functions among large numbers of employees, SMEs often lack the human resources to do so. According to Nyathi et al. (2018), it is usually not considered extraordinary for a single employee in an SME to be responsible for performing several different tasks in crucial procedures. Failing to segregate duties and responsibilities inevitably results in increased exposure to the risk of errors and instances of fraud. In addition, it is also common for the owners of SMEs to be reluctant to delegate the performing of crucial tasks to members of their staffs, as they tend to believe that they maintain control over their businesses by performing the work themselves.

Ge *et al*. (2017) maintain that assigning responsibilities such as authorising transactions, keeping records, reconciliations of accounts, and custody of the assets of organisations to different employees increases the effectiveness and efficiency of internal controls. They also emphasise that individual employees should be assigned specific responsibilities, which should preferably be defined in a manner which provides appropriate orientation concerning their duties. According to Nyathi *et al*. (2018), the assignment of specific duties within holistic business practices to different, suitably qualified employees contributes significantly to the mitigation of risks.

3. Research design

Grounded on studies such as Bachman and Schutt, (2017) and Tomsic, Bojnec, and Simcic (2015), this paper adopted a quantitive approach to data collection and analysis.

3.1 Research population, sampling technique, and sample size

Cohen (2017) characterises a research population as an aggregation of elements from which a particular researcher wishes to make deductions. To Qin (2017), a target population alludes to a group of people or objects from which the data for a study is was derived and to which the findings of the study will apply. The target population for this study consisted of all of the SMEs that operated in the central business district (CBD) of Harare in Zimbabwe at the time of the study.

The stratified random sampling technique was employed to select the respondents for this study. As this method gave every SME the likelihood of being selected, it also ensured that the sample was an accurate reflection of the industries (Mac Lane, 2013).

The research sample comprised of 100 SMEs that were still operating and 35, which had ceased to function. As the size of the sample was significantly more than the recommended minimum of 30 for a quantitative survey

(Eichler, Wu, Cox, Klaus, & Boardman, 2018), one may conclude that it was representation of the target population.

3.2 Collection and analysis of the data

A semi-structured questionnaire was utilised for soliciting quantitative data from the 135 SMEs that either operated or had operated in the CBD of Harare. The questionnaires were administerd by the researcher to individual entrepreneurs, managers, and owners of shops. The data which the questionnaires generated was analysed employing Version 25 of the Statistical Package for the Social Sciences (SPSS) software, and the findings were presented in the form of descriptive statistics.

4. Results and discussions

The researcher collected 81 completed questionnaires from the Active SMEs and 24 from the dormant ones. Table 1 provides a summary of the distribution of industrial sectors in which the SMEs either operated or had operated.

Table 1. Industrial sectors in which the SMEs in the research sample operated or had operated

	Active SMEs		Dormant SMEs	
	Frequency	Percentage	Frequency	Percentage
Food and beverages	12	14.8	4	16.7
Information and communications technology (ICT)	10	12.3	4	16.7
Manufacturing and engineering	14	17.3	4	16.7
Transport and logistics	15	18.5	4	16.7
Retail and wholesale	18	22.2	4	16.7
Services	12	14.8	4	16.7
Total	**81**	**100.0**	**24**	**100.0**

Source: authors

Table 1 demonstrates that the sampling technique that was used enabled all sectors to be adequately represented. The food and beverage sector accounted for 14.8% of the active SMEs and 16.7% of the dormant ones, while the percentages for the information and communications technology (ICT) sector were 12.3% and 16.7% respectively. A further 17.3% of the active SMEs operated in the manufacturing and engineering sector, 18.5% in the transport and logistics sector, 22.2% in the retail and wholesale industry, and 14.8% were providers of services. It was significant to note that the dormant SMEs were equally represented in each sector, accounting for 16.7% of the sample of dormant SMEs in each instance.

Table 2. Ownership of the SMEs

	Active SMES		Dormant SMES	
	Frequency	Percentage	Frequency	Percentage
Family-owned and managed	23	28.4	5	20.8
Self-owned and managed	26	32.1	7	29.2
Separate ownership and management	32	39.5	12	50.0
Total	**81**	**100.0**	**24**	**100.0**

Source: authors

Table 2 records that 20.8% of the SMEs that had ceased operating had been owned and managed by families, 29.2% had been owned and run by single proprietors, and the ownership and management of 50% had been separate. The results further highlight that inability to retain key employees contributed to the demise of many that the SMEs studied. For instance, managers had resigned and formed businesses in the same lines of trade as those in which they worked in many cases.

4.1 People responsible for developing and implementing internal controls

Table 3. People responsible for developing and implementing internal controls

	Active SMEs		Dormant SMEs	
	Frequency	Percentage	Frequency	Percentage
Owner	43	53.1	17	70.8
Manager	38	46.9	3	12.5
No one	2	2.5	4	16.7
Total	**81**	**100.0**	**24**	**100.0**

Source: authors

Table 3 reveals that in 53.1% of the active SMEs the internal controls were developed and implemented by the owners, while in 46.9 % the responsibility fell to manager, and in 2.5% no one was responsible for doing so, which suggests that in these instances the businesses operated without a clearly articulated set of internal controls. In 70.8% of the dormant SMEs, the internal controls had been developed and implemented by the owners, while in 12.5% the managers had been responsible for doing so, and in 16.7 % no one had been responsible for doing so.

Table 4. Educational qualifications of people who develop and implement internal controls

	Active SMEs		Dormant SMEs	
Level of educational attainment	Frequency	Percentage	Frequency	Percentage
Primary	14	17.3	5	20.8
Secondary (O-level)	30	37.0	8	33.0
High School (A-Level)	5	6.2	4	16.7
Senior certificate	6	7.4	2	8.3
Diploma	9	11.1	2	8.3
Undergraduate degree	8	9.9	2	8.3
Postgraduate	4	4.9	0	0
No Education	5	6.2	1	4..2
Total	**81**	**100.0**	**24**	**100.0**

Source: authors

In Table 4 it can be seen that 17.3% of the people who were responsible for developing and implementing internal controls in the active SMEs had not progressed beyond primary school, 37.0% had completed secondary school, 6.2 % had completed high school, 7.4 % held senior certificates, 11.1 % held diplomas, 9.9 % held undergraduate degrees, 4.9 % held postgraduate degrees, and 6.2% had received no formal education. The spread of levels of educational attainment was generally similar for the dormant SMEs. The widely varying levels of educational attainment tend to support the assessment of Mehralizadeh and Sajady (2006) that practical training and experience are as essential to the sustainability of businesses as educational qualifications.

To ascertain how qualifications were spread among the genders, the researcher employed cross tabulation. The findings are reflected in Figure 1.
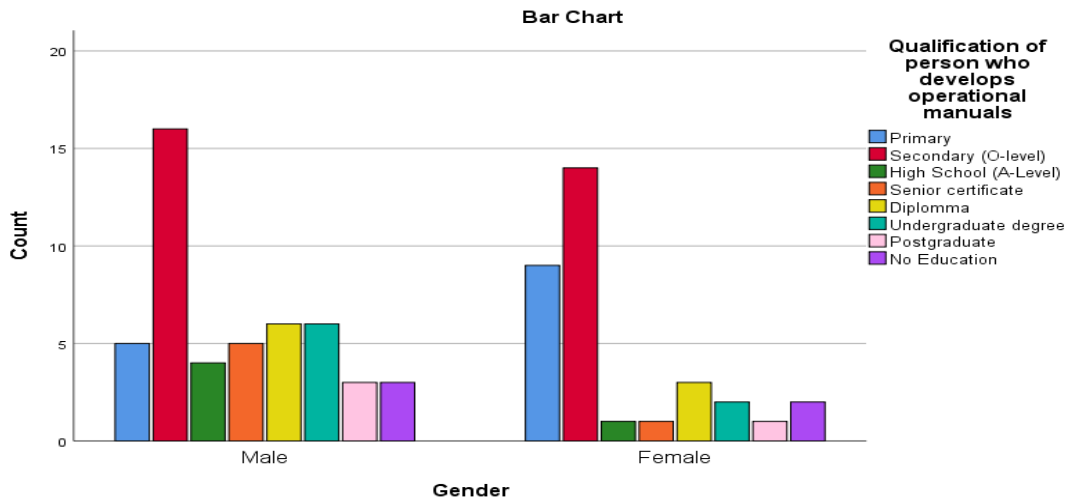
Figure 1. Cross tabulation of levels of educational attainment and genders of the respondents

Figure 1 illustrates that the levels of educational attainment of the male respondents were generally higher than those of the females and that most of the SMEs were either run or had been run by people who did not hold tertiary qualifications.

4.2. Manuals and procedures followed in implementing internal controls

Appropriate manuals provide coherently written guidance to those who are tasked with the implementation of internal controls following the policies of individual business organisations. Rahayu and Day (2016) maintain that the availability of and adherence to manuals contribute significantly to the sustainability of businesses. Table 5 provides a summary of the numbers of SMEs, which made use of or had made use of financial, operational, marketing, and technological manuals.

Table 5. First set of manuals to guide the implementation of internal controls

	Active SMES		Dormant SMES	
Item	**Frequency**	**Percentage**	**Frequency**	**Percentage**
Financial manuals	30	37.0	6	25.0
Operational manuals	31	38.3	11	45.8
Marketing manuals	30	37.0	10	41.6
Technological manuals	29	35.8	11	12.5

Source: authors

Table 5, notes that 37% of the active SMEs had manuals to guide the implementation of internal controls concerning finances, 38.3% had manuals to guide operations, 37% to guide marketing, and 35.8% to guide the use of technology. For the dormant SMEs the percentages were 25%, 45.8%, 41.6%, and 12.5% respectively.

Table 6 summarises the numbers of SMEs that either used or had utilised manuals for cost control, income regulation, consumer relations and corporate governance. According to Lozano (2015), corporate governance represents the heartbeat of any business, and its absence is likely to have extremely negative implications for survival. These controls are also crucial to the effective management of the working capital of a business Yadav,

Jain, Mittal, Panwar, and Sharma (2019) explain that business organisations need to regularly manage their working capital to maintain liquidity in their day-to-day operations. Appropriate by policies and working manuals provide the basis for the internal controls which need to be applied.

Table 6. Second set of manuals to guide the implementation of internal controls

Item	Active SMEs		Dormant SMEs	
	Frequency	Percentage	Frequency	Percentage
Cost control	37	45.7	12	50
Income regulation	25	30.9	9	37.5
Consumer relations	26	32.1	7	29.1
Corporate governance	19	23.5	4	16.67

Source: authors

Table 6 indicates that a significant majority of both the active and dormant SMEs prioritised cost controls over controls aligned to income regulation, consumer relations, and corporate governance. Among the active SMEs, 45.7% implemented cost controls, as opposed to 50% of the dormant SMEs. The table also reveals that the smallest percentages of both groups implemented controls to ensure optimal levels of corporate governance. This finding correlates that noted in Table 2, which showed that most of the SMEs in the sample were owned and managed by families or single proprietors, for whom the concept of corporate governance would be likely to appear abstract and irrelevant to the running of their businesses.

Table 7. Cross tabulation of the implementation of the first set of internal controls and gender

Gender	Cost control		Income regulation		Consumer relations		Corporate governance	
	Yes	No	Yes	No	Yes	No	Yes	No
Male	14%	40%	10%	33%	12%	36%	25%	35%
Female	36%	11%	28%	28%	23%	28%	38%	2%
Total		100%		100%		100%		100%

Source: authors

Table 7 illustrates that internal controls aligned to cost control, income regulation, consumer relations, and corporate governance were implemented in significantly more of the SMEs in the sample which was run by females than those which were driven by males. The female respondents who comprised 38% of the sample implemented controls to ensure effective corporate governance, while those who constituted 2% did not. By contrast, the male respondents who comprised 40% of the sample did not implement internal controls on cost control, the group which accounted for 33% did not implement internal controls relating to income regulation, and that which comprised 36% did not implement internal controls related to corporate governance. Table 8 summarises the distributions of the genders of the respondents regarding the implementation of financial, operational, marketing, and technological controls.

Table 8. Cross tabulation of the implementation of the second set of controls and gender

Gender	Financial controls		Operational controls		Marketing controls		Technological controls	
	Yes	No	Yes	No	Yes	No	Yes	No
Male	38%	35%	10%	36%	11%	38%	45%	39%
Female	25%	2%	33%	21%	27%	24%	7%	9%
		100%		100%		100%		100%

Source: authors

Although almost all of the female respondents implemented financial controls, their male counterparts were relatively evenly distributed, in that 38% of the sample achieved the controls, while 35% did not. The female respondents also represented significantly higher percentages of the sample concerning the implementation of operational and marketing controls, while the male respondents who implemented controls concerning the use of technology represented a group which comprised 45% of the sample. By contrast, the female respondents who did so made up only 7% of the sample.

4.3   The benefits of internal controls for achieving the objectives of SMEs
The following two sections take the form of discussions of the benefits, which can be derived from the implementation of internal controls and the negative consequences that can result from failing to implement them.

4.3.1   Perceived benefits of internal controls
Although 46% of the respondents considered that internal controls resulted in increased overhead expenses for businesses in terms of both initial outlay and the costs, which are incurred through the implementation of monitoring practices, 66% believed that they resulted in reduced incidences of theft of stock and resources by customers, employees, and other stakeholders. A further 72% contended that internal controls would encourage potential investors to invest in or partner with SMEs, as they should serve to convince them that their investments and the assets of the SMEs were secure.

A relatively small group of 14% of the respondents maintained that internal controls facilitated the delegation of duties. This finding suggests that the owners or managers of many of the SMEs preferred to assume as many responsibilities as possible. It would be plausible to conclude that their reluctance to delegate responsibilities stems from an inability to detect instances of unethical behaviour, owing to a lack of appropriate controls. According to 20% of the respondents, microfinance institutions, banks, and the government assess the internal controls which SMEs implement before they commit to lending substantial amounts of money. Consequently, a lack of internal controls could constitute one of the principal reasons for the difficulty that many SMEs experience in attracting the capital and investments, which they need to establish themselves securely and to achieve adequate growth.

4.3.2   Consequences of an absence of internal controls
A significant majority of 64% of the respondents attributed rampant theft of their resources to a lack of internal controls, while 42% acknowledged that a lack of controls undermined the confidence of shareholders and stakeholders in their ability to grow and prosper. A further 16% believed that a lack of appropriate controls impeded employees from functioning optimally. This assessment suggests that a lack of controls is likely to result in excessive reliance upon decisions which are taken solely by owners, who in some cases may not have a sufficiently comprehensive understanding of the dynamics which prevail at the operational level. It could also suggest that excessively bureaucratic styles of leadership could serve to impede manufacturing schedules. A significant portion of 32% of the respondents contended that delayed decisions owing to bureaucratic practices

resulted from an absence of internal controls, while 26% believed that a lack of internal controls increased the extent to which SMEs were exposed to the risk of cybercrime. More ever a small group of less than 10% maintained that SMEs which failed to implement internal controls were particularly likely to lose skilled and ethical members of their workforces and to fail to attract young graduates who could stimulate the adoption of innovative practices.

5.   Conclusions, implications, and recommendations

While the people of Zimbabwe struggle to bring the governance of their country into line with democratic principles, the damage which was inflicted upon the economy by many years of totalitarian rule has left a lingering legacy. The economic collapse has resulted in many businesses struggling to survive in extremely unfavourable conditions and widespread poverty owing to ever-escalating levels of unemployment as businesses continue to be obliged to close. All of these phenomena have contributed to the highly volatile economic environment with which SMEs are required to contend in Zimbabwe. This study of active and dormant SMEs in Harare in Zimbabwe was conducted to contribute to their sustainability by providing a comprehensive understanding of functions that the effective implementation of internal controls performs. The findings underscore the overarching need for the leaders of SMEs to be schooled and capacitated with the requisite competencies to formulate and manage internal controls systems. It was evident that a great many of the SMEs in a large research sample either lacked articulated procedures for implementing internal controls or failed to implement internal controls adequately. Conversely, it was found that although the female respondents in many instances lacked the levels of educational attainment of their male counterparts, they were generally more aware of the need to implement internal controls.

The crucial role, which SMEs play in achieving economic growth in developing countries, is more widely acknowledged today than ever before. By emphasising the need for SMEs to integrate effective internal control systems, this paper advances the need for tailor-made policies, which support and empower SMEs by enabling them to benefit from the implementation of external controls. Through lobby groups, SMEs can influence the policies of any of the spheres of government that affect them and also to be adequately represented at the national level. Similarly, associations of SMEs could promote the development and implementation of government programmes to equip SMEs to play a decisive role in the achieving of economic growth and combating unemployment, particularly concerning enabling them to develop and implement internal controls to ensure their sustainability.

Although internal controls are widely perceived to be costly to implement, SMEs can and should identify cost-effective forms of internal controls by performing cost-benefit analyses before embarking upon the implementation of particular systems. Useful risk ratings could also play a vital role in enabling the owners and managers of SMEs to decide upon the types of internal controls that they need to implement. Another significant consideration that arises from the findings of this study is that internal controls serve not only to minimise risks, but also to provide insights into opportunities that can be exploited. Consequently, internal controls have the inherent capacity to perform at least two crucial functions and can be used to facilitate the growth of SMEs to larger enterprises. As developing and implementing effective internal controls entails an ongoing process, the perceptions and attitudes of those who are to be tasked with doing so need to accord with the priorities which internal controls serve. Accordingly, facilities should be made available to the owners and managers of SMEs to educate them concerning the concept of internal controls, the benefits which they provide, and the process of developing and implementing them. Furthermore, there is an increasingly pressing need for the adoption of ICT by SMEs in Zimbabwe, to maximise the benefits which their internal control systems can provide.

References:

Makochekanwa, A., Chimombe, S. 2017. *Analysis of the impact of dollarisation on Zimbabwe's international trade flows*. University of Zimbabwe Publications. http://ir.uz.ac.zw/jspui/bitstream/10646/3492/1/Makochekanwa%20and%20Chimombe%2cS.%20Analysis_of_the_impact_of_dollarisation_on_Zimbabwe%E2%80%99s_international_trade_flows.PDF

Adeniyi, S.I. & Adeniran, B.G. 2017. Internal controls for sustainable development of small scale enterprises in Lagos State: A study of selected local governments. *Business Trends*, (7)2, 28-35. https://www.dfek.zcu.cz/en/tvp/doc/akt/2-2017-clanek-4.pdf

Amroune, B., Plaisent, M., Hafsi, T., Bernard, P. & Zuccaro, C. 2017. Success Factors of Upgrade Programs of SMEs in a Changing Environment, Resources Dependency Perspective: The Case of Algeria. https://doi.org/10.13189/aeb.2017.051103

Association of Certified Fraud Examiners. (2016). ACFE report to the nations on occupational fraud and abuse, 2016 global fraud study; about the report. Internal threats. Retrieved from https://www.acfe.com/rttn2016/docs/2016-report-to -the-nations.pdf

Ayandibu, A.O. & Houghton, J., 2017. The role of Small and Medium Scale Enterprise in local economic development (LED). *Journal of Business and Retail Management Research*, 11(2). http://www.jbrmr.com/cdn/article_file/i-26_c-262.pdf

Bachman, R.D. & Schutt, R.K. 2017. *Fundamentals of research in criminology and criminal justice*. Sage Publications. https://www.amazon.com/Fundamentals-Research-Criminology-Criminal-Justice/dp/1506359574.

Batista, A. & Francisco, A. 2018. Organizational sustainability practices: A study of the firms listed by the Corporate Sustainability Index. *Sustainability,* 10(1), 226. https://www.mdpi.com/2071-1050/10/1/226.

Berger, A.N., Bouwman, C.H. & Kim, D. 2017. Small bank comparative advantages in alleviating financial constraints and providing liquidity insurance over time. *The Review of Financial Studies*, p.hhx038. https://academic.oup.com/rfs/article/30/10/3416/3792480.

Bos‑Brouwers, H. E. J. 2009. Corporate sustainability and innovation in SMEs: evidence of themes and activities in practice. *Business strategy and the environment*, 19(7), 417-435. https://onlinelibrary.wiley.com/doi/abs/10.1002/bse.652.

Brink, A., Cant, M. & Ligthelm, A. 2003. *Problems experienced by small business in South Africa*. Small Enterprise Association of Australia and New Zealand 16th Annual Conference, Ballarat, 28 Sept -1Oct, 2003.

Bruwer, J.P. & Coetzee, P. 2016. A literature review of the sustainability, the managerial conduct of management and the internal control systems evident in South African small, medium and micro enterprises. https://businessperspectives.org/images/pdf/free/7237/PPM_2016_02cont1_Bruwer.pdf.

Choi, J.H., Lee, J. & Sonu, C.H. 2013. Determinants of human resource investment in internal controls. *China Journal of Accounting Research*, 6(3), 167-185. https://www.sciencedirect.com/science/article/pii/S1755309113000257.

Cohen, E., 2017. *Sustainability for SMEs*. Routledge, p. 356.

Cohen, G. & Ladaique, M. 2018. Drivers of Growing Income Inequalities in OECD and European Countries. In *Reducing Inequalities* (pp. 31- 43). Palgrave Macmillan, Cham.

Dach, L., & Allmendinger, K. 2014. Sustainability in Corporate Communications and its Influence on Consumer Awareness and Perceptions: A study of H&M and Primark. *Procedia-Social and Behavioral Sciences*, 130, 409-418. https://www.sciencedirect.com/science/article/pii/S1877042814029589.

Dyllick, T. & Hockerts, K. 2002. Beyond the business case for corporate sustainability. *Business Strategy and the Environment*, 11 (2), 130 -141. https://onlinelibrary.wiley.com/doi/abs/10.1002/bse.323.

Eichler, C.M., Wu, Y., Cox, S.S., Klaus, S. & Boardman, G.D. 2018. Evaluation of sampling techniques for gas-phase siloxanes in biogas. *Biomass and Bioenergy*, 108, 1-6. https://www.sciencedirect.com/science/article/pii/S0961953417303653.

Eshima, Y. & Anderson, B.S. 2017. Firm growth, adaptive capability, and entrepreneurial orientation. *Strategic Management Journal*, 38(3), 770-779. https://onlinelibrary.wiley.com/doi/abs/10.1002/smj.2532.

Noko, J., 2011. Dollarization: the case of Zimbabwe. *Cato Journal*, 31, 339. https://ideas.repec.org/a/cto/journl/v31y2011i2p339-365.html.

Eshima, Y. & Anderson, B.S., 2017. Firm growth, adaptive capability, and entrepreneurial orientation. *Strategic Management Journal*, *38*(3), 770-779. https://onlinelibrary.wiley.com/doi/abs/10.1002/smj.2532.

Fama, E.F. & Jensen, M.C. 1983. Separation of ownership and control. *The journal of law and Economics*, 26(2), 301-325. https://www.jstor.org/stable/725104?seq=1#metadata_info_tab_contents.

Fernández, Z. & Nieto, M.J., 2006. Impact of ownership on the international involvement of SMEs. *Journal of international business studies*, 37(3), 340-351. https://link.springer.com/article/10.1057/palgrave.jibs.8400196.

Gachoka, N., Aduda, J., Kaijage, E., & Okiro, K. 2018. The Moderating Effect of Organizational Characteristics on the Relationship between Budgeting Process and Performance of Churches in Kenya. *Journal of Finance and Investment Analysis*, *7*(2), 1-5. *www.scienpress.com/download.asp?ID=584495.*

Gandhi, S., Sachdeva, A. & Gupta, A. 2018. Distributor service quality in Indian SMEs: A bi-directional customer perspective. *Uncertain Supply Chain Management* 6(4), 335-356. http://growingscience.com/beta/uscm/2741-distributor-service-quality-in-indian-smes-a-bi-directional-customer-perspective.html.

Ge, W., Koester, A., & McVay, S. 2017. Benefits and costs of Sarbanes-Oxley Section 404 (b) exemption: Evidence from small firms' internal control disclosures. *Journal of Accounting and Economics*, 63(2), 358-384. https://www.sciencedirect.com/science/article/pii/S0165410117300113.

Germann, S. & Manasseh, S. 2017. Internal Controls in Small and Medium Size Enterprises: A Study of Matamata. *AMR*, p.51.

Nyathi, K. A, Nyoni, T., Nyoni, M., and Bonga, W. G. 2018. The Role of Accounting Information in the Success of Small & Medium Enterprises (SMEs) in Zimbabwe: A Case of Harare. *Journal of Business and Management* 1(1), 01-15. Available at SSRN: https://ssrn.com/abstract=3114042

Grimm, J.H., Hofstetter, J.S., & Sarkis, J. 2016. Exploring sub-suppliers' compliance with corporate sustainability standards. *Journal SMEs*, 112, 1971-1984. https://www.sciencedirect.com/science/article/pii/S0959652614012165.

Haddow, G., Bullock, J. & Coppola, D.P. 2017. *Introduction to emergency management*. Butterworth-Heinemann.

Helliker, K., Chiweshe, M.K. & Bhatasara, S. eds., 2018. *The Political Economy of Livelihoods in Contemporary Zimbabwe*. Routledge.

Kaya, O. & Masetti, O. 2018. SME Financing and Securitization: Firm‑Level Evidence from the Euro Area.

Kemp, A. Bowman, A., Blom, B., Visser, C., Bergoer, D., Fullard, D., Moses, G., Brown, S-L., Bornman, J., & Bruwer, J-P. 2015. The usefulness of cash budgets in micro, very small, and small retail enterprises operating in the Cape Metropolis. *Expert Journal of Business and Management*, 3(1), 1 – 12. https://ideas.repec.org/a/exp/bsness/v3y2015i1p1-12.html.

Khalifa, A.H. & Saad, M. 2017. The determinants of trust in the customer–service provider relationship: The case of Tunisian small and medium-sized enterprises (SMEs). *International Journal of Technology Management & Sustainable Development*, *16*(3), 295-310. https://www.ingentaconnect.com/contentone/intellect/tmsd/2017/00000016/00000003/art00006?crawler=true&mimetype=application/pdf.

Kumar, R. & Singh, R. 2017. Coordination and responsiveness issues in SME supply chains: a review. *Benchmarking: An International Journal*, *24*(3), 635-650. https://www.emeraldinsight.com/doi/abs/10.1108/BIJ-03-2016-0041.

Kusi-Sarpong, S., Gupta, H. & Sarkis, J. 2018. A supply chain sustainability innovation framework and evaluation methodology. *International Journal of Production Research*, 1-19. https://www.tandfonline.com/doi/abs/10.1080/00207543.2018.1518607?journalCode=tprs20.

Lee, K.H. & Saen, R.F. 2012. Measuring corporate sustainability management: A data envelopment analysis approach. *International Journal of Production Economics*, 140(1), 219-226. https://www.sciencedirect.com/science/article/pii/S0925527311003781

Ligthelm, A.A. & Cant, M.C. 2002. *Business success factors of SMEs in Gauteng*. Pretoria: University of South Africa. https://www.worldcat.org/title/business-success-factors-of-smes-in-gauteng-a-proactive-entrepeneurial-approach/oclc/51481530.

Mabhungu, I., Blessing, M., Simbarashe, M., Divaris, J., Lloyd, C. 2011. Factors influencing micro and small enterprises' access to finance since the adoption of multi-currency system in Zimbabwe. *E3 Journal of Business Management and Economics,* 2(6), 217-222. citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.907.1195&rep=rep1....

Mac Lane, S. 2013. *Categories for the working mathematician.* Springer Science & Business Media (Vol.5) https://www.springer.com/gp/book/9780387984032.

Manaye, M.K. & Tigro, M.G. 2018. Challenges for Small and Micro Enterprises in Accessing Finance (Case of Wolaita Soddo Town). *Global Journal of Management and Business Research* https://journalofbusiness.org/index.php/GJMBR/article/view/2339/2240.

Matamanda, S.H. & Chidoko, C. 2017. Accessing formal financing by Small and Medium Enterprises in Zimbabwe: The case of SMMEs and banks in Chiredzi Urban. *Cell*, *263*(773), 555908.

Mehralizadeh, Y. & Sajady, S.H. 2006. A study of factors related to successful and failure of entrepreneurs of small industrial business with emphasis on their level of education and training https://papers.ssrn.com/sol3/papers.cfm?abstract_id=902045.

Mugobo, V.V. & Wakeham, M. 2014. Re-branding Zimbabwe: A transformative and challenging process. *Mediterranean Journal of Social Sciences*, *5*(27 P1), 298. www.mcser.org/journal/index.php/mjss/article/download/5083/4906.

Navare, J. & Handley-Schachler, M. 2017. Financial aggregation of risks for SMEs in developing economies: a conceptual framework of financial aggregation and microinsurance effects. In: Spence, L.J.; Frynas, J.G. Muthuri, J., & Navare, J. (eds). Handbook on Small Business Social Responsibility: Global Perspectives. Edward Elgar. http://eprints.mdx.ac.uk/22955/

Ng, H.S. & Kee, D.M.H. 2018. The core competence of successful owner-managed SMEs. *Management Decision,* 56(1), 252-272. https://www.emeraldinsight.com/doi/abs/10.1108/MD-12-2016-0877.

Niţă, C.G. & Ştefea, P. 2014. Cost control for business sustainability. *Procedia-Social and* Behavioural Sciences, 124, 307-311. https://www.sciencedirect.com/science/article/pii/S1877042814020382.

Nobanee, H. & Ellili, N. 2016. Corporate sustainability disclosure in annual reports: Evidence from UAE banks: Islamic versus conventional. *Renewable and Sustainable Energy Reviews*, *55*, 1336-1341. https://www.sciencedirect.com/science/article/pii/S1364032115007315.

Olamide, O. & Anastasia, O.O. 2018. Management Controls and Small Scale Enterprise's (SSEs) Profitability in Ogun State, Nigeria. *Covenant Journal of Entrepreneurship* (Special Edition), 1(1). https://journals.covenantuniversity.edu.ng/index.php/cjoese/article/view/826.

Othman, R. & Ali, N. 2014. NPO, internal controls, and supervision mechanisms in a developing country. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 25(1), 201-224. https://link.springer.com/article/10.1007/s11266-012-9335-4.

Ozdemir, A.I. & Aslan, E. 2011. Supply chain integration, competition capability and business performance: a study on Turkish SMEs. *Asian Journal of Business Management*, *3*(4), 325-332. https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=2ahUKEwjGkZ_M8PrgAhVDxhoKHc-ZCYIQFjAAegQIARAC&url=http%3A%2F%2Fmaxwellsci.com%2Fprint%2Fajbm%2Fv3-325-332.pdf&usg=AOvVaw0a9Wz5XPLyvYoPP_r7fwc7.

Papazov, E., & Mihaylova, L. 2014. Linking Accounting Information with Business Planning in Bulgarian SMEs. In *8th International Management Conference: Management challenges for sustainable development. Bucharest, Romania* (pp. 321-327). https://ideas.repec.org/a/rom/mancon/v8y2014i1p321-327.html.

Park, Y.J., Matkin, D.S. & Marlowe, J. 2017. Internal control deficiencies and municipal borrowing costs. *Public Budgeting & Finance*, 37(1), 88-111. https://onlinelibrary.wiley.com/doi/abs/10.1111/pbaf.12120.

Perrini, F. & Tencati, A. 2006. Sustainability and stakeholder management: The need for new corporate performance. *Business Strategy and the Environment*, 15(5), 296 – 308. https://onlinelibrary.wiley.com/doi/abs/10.1002/bse.538.

Pilossof, R. 2009. 'Dollarisation 'in Zimbabwe and the Death of an Industry. Review of African Political Economy, 36(120), 294-299. https://www.jstor.org/stable/27756273?seq=1#metadata_info_tab_contents.

Qin, J. 2017. Examples and Basic Theories for Length Biased Sampling Problems. In *Biased Sampling, Over-identified Parameter Problems and Beyond* (pp. 1-9). Springer, Singapore. https://link.springer.com/chapter/10.1007/978-981-10-4856-2_1.

Rahayu, R. & Day, J. 2017. E-commerce adoption by SMEs in developing countries: evidence from Indonesia. *Eurasian Business Review*, *7*(1), 25-41. https://link.springer.com/article/10.1007/s40821-016-0044-6.

Sağ, S., Sezen, B. & Güzel, M. 2016. Factors that motivate or prevent adoption of open innovation by SMEs in developing countries and policy suggestions. *Procedia-Social and Behavioral Sciences*, *235*, 756-763. https://www.sciencedirect.com/science/article/pii/S1877042816316111.

Seidl, M., Baumgarten, A., Beaumont, S. & Erskine, S. 2017. *Microsoft System Center 2016 Orchestrator Cookbook*. Packt Publishing Ltd.

Siwangaza, L., Smit, Y., Bruwer, J., & Ukpere, W. I. 2014. The status of internal controls in fast moving small medium and micro consumer goods enterprises within the Cape Peninsula. *Mediterranean Journal of Social Science*, 5(10), 163-175. http://www.mcser.org/journal/index.php/mjss/article/view/2879.

Stone, R. 2016. Fraud, security, and controls in small businesses: A proposed research agenda. *Journal of Business*, 1(3), 15-21. https://www.journalofbusiness.us/index.php/site/article/download/44/15.

Tomšič, N., Bojnec, Š. & Simčič, B. 2015. Corporate sustainability and economic performance in small and medium sized enterprises. *Journal of Cleaner Production*, 108, 603-612. https://www.sciencedirect.com/science/article/pii/S095965261501207X.

Makomborero BURE
https://orcid.org/0000-0003-0730-080X

Robertson K. TENGEH
https://orcid.org/0000-0003-2485-0205