

Exploring value-addition initiatives among small-to-medium enterprises in the leather sector in emerging economies

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Abstract

Orientation: Value addition has become increasingly important as a springboard to the growth of manufacturing enterprises in emerging economies. Despite the importance attached to value addition, small-to-medium enterprises (SMEs) in Zimbabwe's leather sector have minimally participated in value-added leather products. **Research purpose:** This study aimed at understanding the value addition initiatives among the SMEs in the leather sector, challenges as well as ascertaining how internal and external factors impact value addition. **Motivation for the study:** Small-to-medium enterprises in the leather sector participate minimally in value addition while large corporations largely depend on it as a springboard to growth. **Research design, approach and method:** This study adopted a qualitative approach to collect data using interviews with 15 purposively selected owners or managers drawn from the three leather clusters (hides and skins, leather products and finished leather products) in Zimbabwe's two major cities Harare and Bulawayo. Content analysis was applied to analyse interview data and the emergent themes are reported as findings. **Main findings:** Transportation, preservation and storage of raw hides and skins emerged as the major value-addition initiatives among the majority of SMEs while a handful of them produce value-added leather products. Value-addition challenges included limited value-addition knowledge, high cost of leather machinery and a lack of government support while both internal and external factors are stifling value-addition initiatives. **Practical/managerial implications:** Increased participation in value addition will create multiple jobs for the SMEs in the leather sector in Zimbabwe and allow them to address the socio-economic dimensions. **Contribution/value-add:** The originality of the research topic, research objectives, methodology employed as well as the research findings have the potential to fill the lacuna already identified in value-addition literature.