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FACTORS INFLUENCING THE GROWTH OF SMEs IN DURBAN

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FACTORS INFLUENCING THE GROWTH OF SMEs IN DURBAN

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Abstract

The research study investigated the factors that affect the growth of Small and Medium Enterprises in the Durban Metropolitan Area. The global economic environment has been facing a plethora of challenges in recent times and nations are struggling to find ways of stimulating their economies. SMEs have been known to be great contributors to the development of economies through the provision of employment and increasing the Gross Domestic Product. However, inasmuch as SMEs are drivers of economic growth in various countries, there are diverse factors that influence the growth of SMEs, leading to stunted growth and sometimes closure of these businesses. The study focused on investigating the factors influencing the growth of SMEs in Durban. A mixed methods approach was adopted for conducting the study. Structured questionnaires were administered to 60 SME owners in Durban and there was a 100% response rate. In addition, 12 interviews with other owners of SMEs were conducted to gather in-depth information on the factors influencing the growth of SMEs. The convenience non-probability sampling technique was employed in coming up with the sample from the target population, which comprised both registered and unregistered SMEs. The researcher personally administered and collected the questionnaires from the business owners. Semi-structured interviews were also conducted by the researcher with SME owners. Quantitative data was then analysed using the Statistical Package for the Social Sciences (SPSS) version 24.0, whilst qualitative data was analysed using Nvivo 11. The study found that entrepreneurial skills, the availability of support and training for SME owners, managerial skills and the availability of capital are important factors that influence the growth of SMEs. In addition, the study found that government policies that favour the formation of SMEs are crucial for the growth of these businesses.

Declaration

I, Farai H Makasi, do hereby declare that this dissertation, submitted for the Degree of Master in Management Sciences: Business Administration in the Faculty of Management Sciences at Durban University of Technology, is solely the result of my original work. This work has not been submitted to any other institution of higher learning for a degree award or other purposes. Authors whose work contributed to this research were acknowledged accordingly, accurately cited and referred to in the list of references.

I hereby give full consent for this work to be made available for inter-library loan, photocopying and to any outside interested students or organisations.

Signed

Date: 11/08/2023

Dedication

This study is dedicated to the following people:

My wife, Tafadzwa and child, Zayne Anotidalshe;

My parents, Dr J. M. Makasi and Mrs M. Makasi.

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My utmost gratitude goes to the Lord Almighty who gave me the wisdom, power and resilience to soldier on until completion of these studies. Indeed, I committed my plans unto thee Lord and they were indeed established. I thank you.

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CHAPTER 1: INTRODUCTION TO THE STUDY

1.1 Introduction

SMEs are important to the nation's economy. Therefore, it is important to investigate the factors that influence the growth of SMEs in Durban. This chapter presents the context of the research, research problem, aim of the study, objectives of the study, research questions and a summary of the research methodology. The chapter also elucidates the structure of the dissertation chapters.

1.2 Context of the Research

In most nations the world over, governments face challenges with regard to their economies' growth in productivity, weak trade and investment, increasing income inequality, wealth and varying standards of living. These challenges were worsened by the 2007 – 2008 global crisis (OECD 2017:8). Small and Medium Enterprises (SMEs) are pivotal in the increment of productivity in economies, they aid countries to quickly adapt to changes in the economic environment globally (OECD 2016:9). Studies by Golikova and Kuznetsov (2017:34) revealed that even in Russia, a developed country, there is an under-development of SMEs. Thus, SMEs tend to contribute less to the GDP of the economy and also contribute less in the fight against unemployment. The optimum or full capacity of SME performance is therefore not known because this sector is under-utilised even in first-world countries such as Russia.

Despite the sector operating below capacity, SMEs make a huge contribution in terms of the GDP in emerging and developing economies, and they account for 34% and 52% of formal employment respectively. Globally, across 132 countries, SMEs' full-time employees almost doubled from 79 million to 156 million over the period between 2003 and 2016 (ILO 2017:21). Studies by Mugozhi and Hlabiso (2017:38) revealed that SMEs in South Africa offered over 55% of total employment and contributed about 22% of the Gross Domestic Product in 2003. Thus, it is important to investigate the factors that influence the growth of SMEs in Durban since this sector contributes significantly to the economy. This study provided more insights and information on the factors that are useful for SME owners, managers and other relevant SME departments.

1.3 Research Problem

A report by the South African Small Enterprise Development Agency (SEDA) showed that more than a half of the newly formed SMEs in the South African economy fail within their first year of inception (SEDA, 2013:2). SEDA, an agency of the Department of Small Business Development in South Africa, gives non-financial support to small businesses and cooperatives. Evidence from another study by Makuwe (2021:41) in Durban, South Africa revealed that SMEs needed to focus on innovation to be successful. On the other hand, Abdu and Jabir (2018:26) opined that numerous studies had been conducted on the factors affecting the development of big and established firms. In addition, a study by Njanike (2019:31) revealed that the growth of SMEs in Africa is impeded by many challenges, which include the lack of capital because such businesses cannot access loans as they do not have any collateral security. He went on further to point out that most SME owners do not possess any educational qualifications that are business-related, but they are just business-minded people and this leads to failure. Competition from other bigger and more powerful organisations is another factor that generally bars these SMEs from flourishing, as revealed in a study by Bouazza, Ardjouman and Abada (2015:101). Similarly, the Durban Metropolitan is a hub for SMEs but the majority of them fail to grow and some fail within the first few years into existence. Hence, this led to the need for investigating the factors influencing the growth of SMEs in South Africa, particularly Durban since this sector has been found to be a thriving sector that can curb the increased unemployment.

Similar studies have been carried out by Ndege (2017:76) in the Vaal Triangle, mainly focusing on the factors leading to the high failure rate of SMEs. Amaradiwakara and Gunatilake (2016:62) also researched the factors affecting SMEs in Sri Lanka with a sample of fifteen businesses. The results showed that financial constraints, lack of technology and government regulations on the importation of raw materials were the key factors impeding the growth of SMEs. However, a gap still remains within Durban, South Africa, with regard to revealing the underlying factors that limit the growth of SMEs. This study aims to investigate the factors influencing the growth of SMEs in Durban.

1.4 Aim of the study

The aim of the study is to investigate the factors influencing the growth of Small and Medium Enterprises in the Durban Metropolitan Area.

1.5 Objectives for the study

The objectives of this study are to:

- Ascertain whether the possession of entrepreneurial skills affects the growth of SMEs;
- Evaluate whether the availability of support and training affects the performance of SMEs;
- Evaluate whether managerial skills are relevant for the growth of SMEs;
- Determine the importance of government policies that favour the formation of SMEs; and
- Establish if the availability of capital affects the growth of SMEs.

1.6 Research questions

The research questions for this study are as follows:

1. Does the possession of entrepreneurial skills have an effect on the growth of SMEs?
2. Does the availability of support and training in business affect the performance of SMEs?
3. Are managerial skills important for the growth of SMEs?
4. What is the importance of government policies that favour the formation of SMEs?
5. Does the availability of capital affect the growth and expansion of SMEs?

1.7 Research methodology

1.7.1 Research design

The study employed a mixed methods approach, which uses two methods of conducting research that includes gathering, analysing and combining quantitative and qualitative research in the same study (Cameron, Sankaaran and Scales,

2015:92). A mixed approach is used because it provides a better understanding of the research problem by using both qualitative and quantitative methods. The study was cross-sectional and descriptive in nature. A qualitative research study gathers non-numerical data and it uses open-ended questions. It uses a limited number of people. This approach is further explained as a tool for exploring and understanding the meaning or terms that a social group gives to a certain problem or phenomena (Creswell 2014:4). A cross-sectional study is when information is collected at a single time from the respondents. It is easy and less time-consuming to use. The only disadvantage of using this method is that it cannot measure any changes that might happen (Leedy and Ormrod 2014:194).

1.7.2 Target population

The target population for this study was SME owners in Durban. The researcher cannot target all the SMEs, so sixty were selected for the questionnaire survey and twelve for the in-depth interviews. Durban, also known as eThekweni, is a city which covers 2292 square kilometres and is the hub of business in KwaZulu Natal as it is the biggest city in the province. The map of Durban is shown in the illustration below.

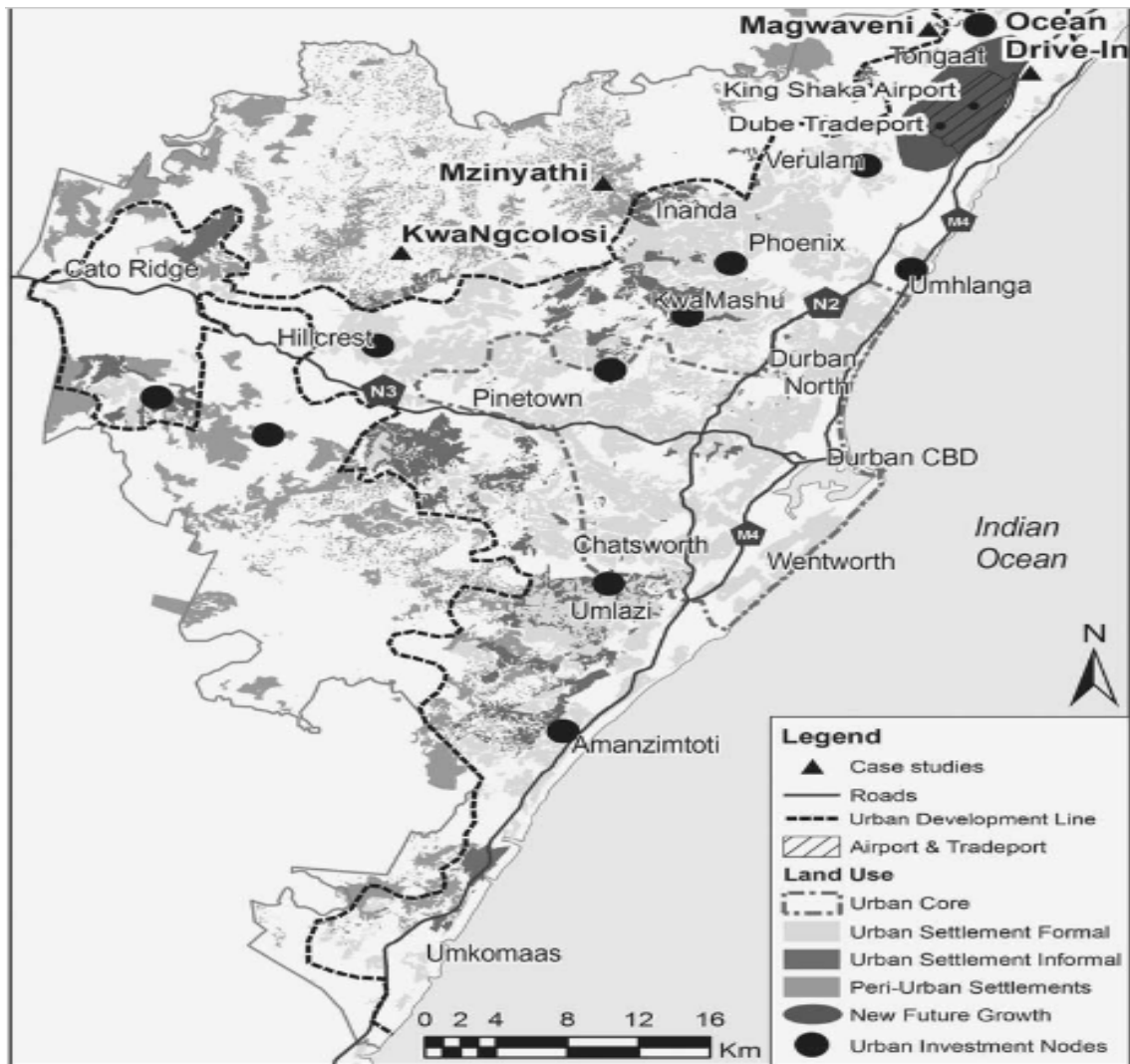


Figure 1.1: Map of Durban

Source: Scott (2015:492)

1.7.3 Sampling method

Non-probability sampling was used for this study. This is a method by which members of the population do not have a known chance of being chosen. This method was used because it gives a fair representation of the population. Convenience sampling was used to give the questionnaires to the SME owners or managers. The sample size was sixty respondents for questionnaire administration and twelve participants for interviews. This was due to budget and time constraints.

1.7.4 Measuring instrument

A questionnaire was used to collect quantitative data and a list of interview questions was used to collect qualitative data. The questionnaire and interview questions were developed based on the study's objectives, aim and the research problem. The questionnaire was divided into sections and both multiple-choice and Likert scale questions were used. The interview schedule was divided into two sections, with the first section on the company details as well as demographic questions and the second section had the research-aligned questions.

1.7.5 Data analysis

Quantitative data were analysed using Statistical Packages for the Social Sciences (SPSS) version 24.0. This software covers a broad range of statistical procedures that summarize data, for example calculating mean, standard deviation, moments and also determining whether there are significant variances between groups. Furthermore, it examines relationships by computing correlation, regression, multiple correlation or multiple regressions and also illustrates results through graphs (Gouda 2015:53). SPSS runs simply on common operating systems like Windows, Macintosh and Linux. SPSS was chosen because it is an advanced software, hence the results obtained from its use are more reliable. It is also user-friendly and has many functionalities that are beneficial to the researcher such as extracting and importing data in different file formats. According to Skuza (2013), the software package also has useful data-handling capabilities that can be used in the processing of multiple data types and varieties. On the other hand, qualitative data was analysed by thematic analysis using NVivo version 11. NVivo is very helpful in qualitative analysis because of the nature of the data that includes different formats. The software is useful in the management and organising of projects with many separate data sources to support more transparent and systematic approaches to coding. NVivo also lessens a great number of manual tasks and gives more time to discover tendencies, recognise themes and derive the appropriate conclusions (Bazeley and Jackson 2013:8). However, the disadvantage of using NVivo is that it can lead the researcher to be over-reliant on the software and overestimating its capabilities (Falling 2019:243). Hence, there is need for the researcher to understand that the software does not substitute one's interpretive capacities and that the researcher is the crucial instrument for analysis. In addition,

NVivo software is difficult to understand, which lengthens the time of learning and using the software in data analysis. The researcher attended workshops on the use of NVivo offered by the institution and this helped in understanding the software better. The other disadvantage of using NVivo is the exorbitant cost of purchasing the licence for the use of the software. The researcher used the software provided by the Durban University of Technology.

1.7.6 Significance of the study

The study sought to have a contribution to the existing body of knowledge regarding factors influencing the growth of SMEs in Durban. The findings of the study were intended to assist policy makers both at national and local government levels in Durban so that the SME sector would thrive in the region. In addition, the findings were intended to provide a deeper understanding of the factors that influence the growth of SMEs in the Durban area in particular and South Africa in general. The problem of factors influencing the growth of SMEs was worth studying because it revealed strategies could help SMEs grow and remain competitive which would be beneficial to the economy at large. Finally, the study also provided recommendations for future research in the area of factors influencing the growth of SMEs.

1.7.7 Delimitations/scope

The study was limited to SMEs around the Durban Metropolitan area. The Durban area was because it is one of the cities with the greatest economic hub in South Africa. The target population of the study was limited to only the owners or/ managers of SMEs. This was due to the nature of information needed for the study that required respondents that fully understand the nature of their businesses.

1.7.8 Validity

Validity is the ability of the measuring instrument to measure what it is supposed to measure (Leedy and Ormrod 2015:12). In this study, content validity was ensured by aligning the questions in the questionnaire to the objectives, aim and problem statement. Face validity was ensured by having the questionnaire checked by the supervisor before administering the questionnaire. In addition, a pre-testing of the questionnaire was done to see if the questions were understandable and there were

no errors. Pre-testing was done with a limited number of respondents and the errors that were found were corrected before the data collection procedure.

1.7.9 Reliability

Reliability is the degree of consistency on the measuring instrument (Saunders and Lewis 2017:243). Reliability was ensured by making sure that the questionnaire was written in a way that respondents understood. In addition, the use of the mixed methods approach also improved reliability because data was collected using different procedures.

1.7.10 Anonymity and confidentiality

Anonymity and confidentiality allude to the researcher's ability to safely guard the data collected from the sample population (Sekaran and Bougie 2016:53). The study ensured these by keeping the participants' information safely. The participants' information was stored in a secure place and will be destroyed after five years. Confidentiality was ensured by the use of code names instead of the participants' names or any information leading to the identification of participants.

1.7.11 Ethical consideration

The study followed all the ethical standards involved during research as stipulated by the institution. The participants were not forced to participate, thus consent was sought beforehand. The participants' anonymity and confidentiality were respected. Moreover, there was no harm to the participants due to the study.

1.8 Structure of Dissertation / Thesis Chapters

Chapter 1

Chapter One provided an introduction to the study, clearly stating the research aim, problem, literature review, research methodology and limitations of the study.

Chapter 2

This chapter reviews the literature relating to the factors influencing the growth of SMEs.

Chapter 3

Chapter 3 outlines the research methods/designs that were implemented, the sample and sample size, as well as the research instruments used in data collection.

Chapter 4

Chapter 4 focuses on describing the results as well as the analysis from the collected data.

Chapter 5

This chapter concludes the study and m recommendations of areas that needed more research.

1.9 Conclusion

The chapter presented an overview of the study and discussed the problem statement, aims and objectives and research questions, with the research methodology also presented. An outline of the different chapters of the study concluded the chapter. The following chapter is an in-depth review of relevant literature on factors that influence the growth of SMEs in the Durban Metropolitan area.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

The global economic environment has been facing a plethora of challenges in recent times and nations are struggling to find ways of stimulating their economies (Brown 2020:187). The problems stem from recurring economic recessions that are usually a result of the natural disasters affecting the earth as a whole. Countries are in a bid to support most of the programmes and projects that seek to improve their economies, and this includes SMEs. The World Bank Report (2017:8) pointed out that South Africa needs to support small and innovative companies through the provision of an atmosphere which is conducive for the entry and expansion of new firms. This chapter critically reviews the literature relating to the factors influencing the growth of SMEs.

2.2 Definition of SMEs

According to the Small Business Act 102 (1996:17), a SME is a small business that is separate and distinct. This includes cooperative enterprises and non-governmental organisations managed by one owner or more. In South Africa, the terms SMME and SME are used interchangeably. SMEs contribute much to global economic growth and job creation. Moreover, they are the backbone of economic development in developing countries. SMEs are defined differently depending on the role they play within the economy. The European Union defines SMEs in terms of employee size and turnover (Peprah 2016:5). This study will align its definition of SME with the Small Business Act of South Africa. The SME is a small business which is separate and distinct, and the entity might be registered or unregistered.

SMEs are operational in every economy all over the world, regardless of the size of the economy. This sector plays an active role in helping countries in improving their economies and improving the living standards of their people. The contribution by SMEs in various economies is illustrated in the diagram below:





	 Majority of businesses	 Create private sector jobs	 Meaningful share of the GDP	 Enable inclusive growth
EU	99.8%	68%	57%	30%
G2	99%	65%	46%	25%
SA	98.5%	25.8%	39%	38%
	SMEs' share of total no. of businesses	SMEs' share of private sector workforce	SMEs' share of national GDP	SMEs owned by women

Figure 2.1: SMEs' contribution to employment creation and economic growth

Source: Small business institute of South Africa (2020:23)

As illustrated in Figure 2.1 above, the SMEs have a huge role in the creation of employment as well as contributing to economic growth in developed and developing countries. The SME sector contributes to the economy, but it is difficult to get an accurate count of all the small businesses in South Africa because there is no accurate data that was compiled to account for formal and informal small businesses.

In consideration of the above mentioned definitions and discussions, SMEs are organisations which are bridging the gap being left by huge corporations in terms of employment creation and economic growth. The formation and growth of SMEs in all the various industries within the South African economy is helping the problem of unemployment which has marred the country's economy and social well being.

2.3 Emergence of SMEs in South Africa

2.3.1 SMEs before 1994

There is no clear literature on SMEs in the apartheid era because the government in the apartheid era was not in support of such initiatives (Bvuma and Marnewick 2020:1). Businesses were only to be operated formally by huge companies and the setting up of SMEs was prohibited by law. The government back then found huge companies to be the only ones capable of economic growth and providing employment. However, SMEs came into being in the 1970s and the early 1980s, when the government started the Institution of Small Businesses Development Corporation

(SBDC) in support of SMEs (Bvuma and Marnewick 2020:2). Thus, SMEs have always been in the government's policies and plans even before independence. This clearly shows that the government acknowledges the importance of SMEs in the economy hence the need to continue supporting such small businesses with favourable policies.

2.3.2 SMEs after 1994

The democratic government designed an inclusive policy framework for SMEs in 1995 and allowed them to participate in the economy (Tshuma 2022:). It was termed the National Strategy for the Development and Promotion (NSDP) of small businesses. In addition, the government also came up with the National Framework on Sustainable Development (NFSD) in 2008 (Bvuma and Marnewick 2020:3). The general role of the policies was to provide a conducive platform for SMEs' growth so that they would address income inequalities. Despite the presence of all the policies supporting development, the country of South Africa is still faced with various socio-economic challenges which include rising unemployment rates, high crime rates and increased levels of poverty (World Bank Group 2018:25). The government is providing a good environment for SMEs, but they still face numerous challenges that are preventing them from effective participation in the economy. Thus, SMEs are solving the social and economic ills in the country at a slower rate than desired. The National Development Plan is of the view that by 2030, SMEs will make a contribution of approximately sixty to eighty percent to GDP increase and help in creating ninety percent of the eleven million new jobs (Vuba 2019:1). However, South Africa's unemployment and poverty levels are still high, with the unemployment rate for the first quarter of 2021 at 32.6% (Stats SA 2021:1). This shows the expectations of the government for the SME sector, but small businesses are failing to meet the increased demand for employment.

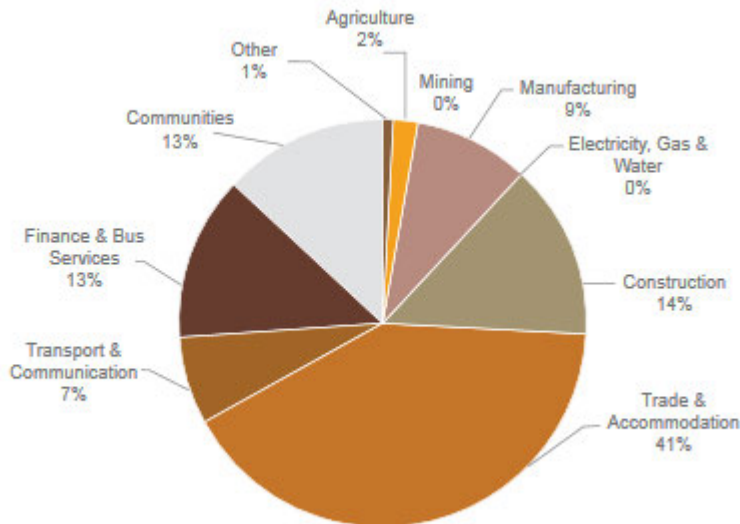
Therefore, SMEs in South Africa have numerous government departments and ministries that support them. However, the level of unemployment especially among the youth is outweighing the number of opportunities being created by the small businesses. Thus, it is imperative that the government provide more educative support especially among the youth in remote areas so that they are empowered and they can form their businesses and improve their own rural economies.

2.4 SMEs by their industries in South Africa

SMEs in South Africa operate in various industries which include retailing, wholesaling, agriculture, the services sector, construction, manufacturing, mining and tourism (SEDA 2019:17).

According to SEDA (2020:21), SMEs operate in six of the ten key economic sectors. The Trade and Accommodation sector contributes most of the SMEs in the economy, whilst the Mining and electricity, gas and water industries have no SMEs. The SMME sector is crucial for the development of the economy, leading to economic growth, and the sector is also the source of vast employment opportunities (Drakenstein Municipality 2020:8).

Therefore, it can be deduced that, SMEs are numerous in industries which are not capital intensive. Usually, the people who form SMEs have limited capital hence, they use the limited resources they have in supporting the business. This explains the low percentages in the mining as well as the electricity, gas and water industries which require huge capital to be operational. People have great business ideas that would be useful in such industries but they lack the capital to implement such ideas. According to SEDA (2019:18), the industries in which SMEs operate are illustrated in Figure 2 below.



Source: SEDA (2019:17)

Figure 2.2: Industries in which SMEs operate

2.5 Importance of SMEs in the South African economy

SMEs have been identified as drivers of growth in the economy of South Africa. Hence, small businesses have been pinpointed in the National Development Plan 2030 of South Africa to become the major creators of employment due to continued retrenchments by formal big companies (Maholwana 2019:1). In addition, SMEs are crucial in reducing poverty, promoting social stability, as well as empowering people. The importance of SMEs in the economy is further explained below.

2.5.1 Economic growth and development

SMEs play a vital role in improving the living standards of the people through their economic contribution. SMEs have an important role to play in improving the country's Gross Domestic Product through their contribution in the manufacturing of goods, as well as the provision of their services to consumers or other companies (Moyo 2019:35). In addition, SMEs are also consumers of other entities' products and hence act as a market for others. Thus, they contribute to boosting the sales of other companies through their demand.

2.5.2 Employment creation

In South Africa, SMEs also play a significant role in reducing the unemployment rate. According to Moola (2020:1), SMEs serve as one of the most vital employers in the South African labour market. Moola went on further to reveal that SMEs contribute about 20% of the Gross Domestic Product and employ approximately 47% of the total workforce. This sector, though small, contributes a substantial percentage of employment and hence, the government must give it its full support. The people employed in SMEs are motivated to start their own businesses because of the knowledge they gain from working closely with entrepreneurs within the SMEs, which this leads to the further growth of the SME sector. Fatoki (2018:4) pointed out that it is the SMEs that are creating employment whilst big corporations are shedding jobs as cost-cutting measures. Leboea (2017:51) concurs that SMEs play a major role in reducing unemployment because of their high labour absorptive ability. The Department of Small Business Development's 2020-2025 strategic plan concurred that the SMME sector is crucial to employment creation. According to Small Business Development (2020:21), a total of 10.8 million people were employed by the SMME sector in South Africa in the first quarter of 2019. This implied that the SMME sector provided about 66% of the jobs in the country. This clearly shows that there has been a shift in the labour market, whereby smaller businesses are the ones serving the larger part of the labour market.

2.5.3 Poverty alleviation

SMEs are usually started by people with low incomes or people who do not have any form of income (Abbasi, Wang and Abbasi 2017:40). SMEs make use of the resources within societies for the production of goods and services for the society. In addition, SMEs create employment for the members of the society, thereby reducing the number of unemployed in the given community. The support for SMEs by the government can also lead to infrastructure development in cases where SMEs are operating in remote areas. This has the effect of alleviating poverty in the country at large (Leboea 2017:51).

2.5.4 Social stability

The operation of SMEs gives opportunities for communities that were once underprivileged to empower themselves and improve their living standards (Naicker, Le Roux, Bruwer and Bruwer 2017:54). SMEs are usually formed by low and medium income earners, and this leads to wealth creation for the people who were once poverty-stricken. SMEs are a source of income to both owners and employees. Social stability is then guaranteed because of the government's support as well as the support offered by financial institutions, which leads to the success of SMEs (Leboea 2017:52).

2.5.5 Equity and Participation

One of the main goals of the government when the country obtained its freedom in 1994 was to develop and empower the societies that were once disadvantaged. Thus, the societies that were once segregated by the policies before 1994 are the ones that needed more help to develop. SMEs in such areas help in the empowerment of people and also allow the people to participate in economic development. Furthermore, SMEs would help to bridge the income inequality that was also brought about by segregation policies (Mamabolo 2017:35).

The discussion above shows that the SME sector is a huge part of the South African economy. These small businesses can be the solution to the ever increasing unemployment in the country. Self empowerment modules or subjects can be incorporated into the school curriculum to cultivate the business acumen within youth so that they will not rely on the jobs created by the government or the private sector but rather create their own employment thereby reducing the rampant youth unemployment. Furthermore, the SMEs are the gateway to poverty alleviation especially in the rural areas which are always neglected by the big corporations. Thus, SMEs can improve the rural economies significantly which would in turn improve the performance of the country's economy as whole.

2.6 Factors affecting the development of SMEs

Numerous entrepreneurs in South Africa conduct their business in the small businesses sector, but they encounter challenges that hinder the survival and growth of their businesses. The challenges faced by SME owners are discussed below.

2.6.1 Availability of funds

Finance is an important factor leading to the growth of SMEs. Bank financing is very important in supporting the growth of SMEs. However, banks hesitate to support or give grants and loans to SMEs and this might lead to most of them failing (Mbali, Ngibe and Celani 2019:2). Most SMEs find it difficult to get finance from banks because of poor credit ratings, hence most banks question their creditworthiness. In addition, most growing SMEs will either be unprofitable or just breaking even with zero or little profits, thus it is difficult for banks to offer them loans. Ayandibu, Ngobese, Ganiyu and Kaseerem (2019:1403) concur that financial resources are a challenge for SMEs. The demand for financial help is high when it comes to SMEs because of their need to develop and expand. However, SMEs are unable to source financial resources due to their risky profiles and lack of creditworthiness. In addition, SME owners and managers tend to face difficulties in finding information on the different sources of funding for SMEs and the criteria used to access these funds (Meyer and Meyer 2017:128). Therefore, local governments must be the linchpin that feeds information to the SMEs of any programmes that seek to fund the SMEs, which is carried out by SEDA.

Furthermore, SMEs have insufficient guarantees and they also lack collateral security, hence they cannot get loans (Peprah 2016:26). Banks find it difficult to finance SMEs despite the impact they make and how dominant they are. This can be attributed to the fact that most SMEs are family-owned and they cannot separate finances between business and family. Moyo (2019:36) points out that SMEs do not have collateral and financial records like financial statements which are a prerequisite for the application for loans from commercial banks and other providers of finance. The International Finance Corporation (2018:63) revealed that SMEs cannot access finance in the early stages of their life-cycles due to the lack of assets or a track record

of their revenue. The lack of start-up funds in the country impedes the success of SMEs.

SEDA (2016:7) supported that the lack of finance is a factor affecting the establishment and growth of SMEs. It further pointed out that SMMEs could not secure funds because of the lack of collateral; failure to produce a business plan that is acceptable to the institutions; and the absence of feasible business ideas.

Public financing is the means of finance in which the government assists by trying to fill the gap left by private finance. These assist SMEs that cannot get funding from private financing. The South African Department of Trade and Industry (DTI) has many programmes to support SMEs, including the Khula Enterprise Development Fund (Khula), National Youth Development Agency (NYDA), Small Enterprise Development Agency (SEDA) and Tsumisano Trust (Mpiti and Rambe 2016:437).

Loans are difficult for SME owners to obtain. However, several measures can be used to ease the impediments barring people from getting loans (Leboea 2017:5). Moreso, Mbali, Ngibe and Celani (2019:2) revealed that commercial banks and financial services providers can:

- Offer larger loans to repeat borrowers;
- put less emphasis on collateral and more on the capability of the client to pay by checking one's cash flow;
- Reduce the processing time for loans; and
- Improve their management information systems (MIS) which help in decision-making in the administration and management of loan portfolios.

2.6.2 Availability of support

The role of government in SMEs is mostly to create an enabling business environment and open access to markets, as well as and reduce policy-induced biases towards SMEs. The government also prevents the existence of constraining forces within the environment in which small businesses develop. It also promotes and gives support for SMEs, which intends to increase the number of enterprises in the economy by creating an environment that ensures growth and survival (Muriithi 2017:42). The South African government took a mandate to promote the development of SMEs by

setting up a full ministry that is dedicated to the development of SMEs (Maziriri 2018:31). The government's SME support programme can ensure that the businesses get continuous support in form of knowledge and expertise to ensure the growth of the businesses beyond the incubation and early survival stages (Bloese 2018:44). However, a lack of this support harms entrepreneurship development in a country as most entrepreneurs just have ideas without funds nor expertise in business.

The government has the role of putting in place policies that help in the enhancement of entrepreneurial activities in an economy. According to Ayandibu *et al.* (2019:1407), the government must create an environment that supports the establishment and growth of all businesses, regardless of the size. SEDA (2016:9) also suggested that inadequate support by the government, which is often depicted as government bureaucracy, is one of the major factors impacting SMEs. The government delays in the provision of permits and licences, which hinders most of the start-ups (Mxunyelwa and Vallabah 2017:5).

The government is always coming up with strategies that support the establishment as well as the growth of SMEs. According to Ayandibu and Houghton (2017:52), these strategies include Special Development Initiatives (SDI), the Accelerated Shared Growth Initiative South Africa (ASGISA), National Empowerment Fund (NEF) and Growth Employment and Redistribution Strategy (GEAR). The government's support is key in the development and growth of SMEs. These strategies bring policies that provide a conducive environment for the operations of SMEs, which in turn improves the country's economic growth. According to Kelly (2018:38), the government of South Africa is always concerned about the welfare of SMEs. Therefore, it assists individuals by giving them a structure for essential skills so that they can improve their operations. Nieuwenhuizen (2019:670) concurs that a well-thought-out framework is required for the interaction of the government and small business owners for this structure to provide them with the needed support. In addition, government support is usually denoted by government policies and establishments that support growth and development.

The Global Entrepreneurship Monitor (2016/17:44) revealed that a number of business start-ups believed that there are low levels of governmental support towards entrepreneurship. It further pointed out that government bureaucracy blocks the

formation and development of SMMEs. Bosma, Hill, Ionescu-Somers, Kelley, Levie and Tarnawa (2020:28) showed that the South African government is working hard to put in place policies that support entrepreneurial activity together with the growth of SMMEs. However, SME owners are of the view that such policies are ineffective, as depicted in the table that follows:

Table 2.1: Ratings for entrepreneurial framework conditions

The ratings for Entrepreneurial framework conditions in South Africa, 2015 – 2019 (weighted average, 0=highly insufficient, 9=highly sufficient)

Entrepreneurial framework conditions	2015	2016	2017	2018	2019
Financial environment and support	4.4	4.8	4.6	4.0	4.5
Concrete government policies related to entrepreneurship	4.6	5.3	4.5	3.5	4.3
Government policies: taxes and bureaucracy	3.4	3.0	3.6	2.7	4.0
Government entrepreneurship programmes	3.3	3.3	3.5	3.1	4.4
Entrepreneurship education (primary and secondary school level)	3.4	3.2	3.1	2.2	3.2
Entrepreneurship education (vocational, professional and tertiary level)	4.7	4.2	4.6	3.5	4.7
Research and development transfer	3.8	3.7	3.1	3.2	4.0
Access to professional and commercial infrastructure	5.4	5.7	5.0	4.4	5.0
Internal market dynamics	5.0	5.8	5.9	4.7	5.2
Burdens of internal markets	4.3	3.7	3.5	3.4	4.4
Access to physical infrastructure and services	6.6	6.4	5.8	5.1	6.7
Cultural and social norms	3.8	4.4	4.9	3.8	5.1

Source: Global Entrepreneurship Monitor South Africa (2020:27)

As shown in Table 2.1 above, there is no use in the formation of policies if they are not effective. There is need for the South African government to ensure that there is a correlation between the policy and its practicality because government policy only becomes profitable to the entrepreneurs when it is practical.

2.6.3 Accessibility of vital Information

The majority of SMEs find it difficult to access crucial information, which will contribute in the growth of their businesses (Makhitha, 2017:7). SMEs need to access information because such information gives the owners and managers competitive power which improves the way the businesses are run. Business information might be financial or non-financial help in the development of business ventures which are effective for SMEs. Ledwaba and Makgahlela (2017:32) pointed out that SMEs need crucial information consisting of the following, amongst others:

- New innovations and technology;
- Networking which results in business linkages and opportunities;
- Bodies that offer public incentives;
- Opportunities in the market, like opportunities for procurement;
- Changes in the market; and
- Business information such as taxes, registrations and tariffs.

SMEs must access vital information so that they can improve efficiency and productivity as well as the facilitation of the market (Gamage, Ekanayake, Abeyrathne, Prasanna, Jayasundara and Rajapakshe, 2020:79). Furthermore, Leboea (2017:52) points out that failure by SMEs to access business information results in the lack of development in SMEs. Therefore, they tend to lose the ability to provide employment and income opportunities in the urban and rural setups. According to the Drakstein Municipality SMME Support Plan (2020:12), local governments must serve as sources of the information needed by SMEs, and such information would facilitate the growth of the SMEs.

2.6.4 Accessing markets and being competent

SMEs usually find it difficult to compete with well-established firms on the market (Maziriri, 2018:39). Furthermore, SMEs lack funds to market and advertise their

products, which has a negative impact on their accessibility to markets. According to Masocha and Fatoki (2018:1264), it is vital for a business to market itself effectively as this improves its competitiveness, which can easily be translated into profitability.

Udriyah, Tham and Azam (2019:1421) pointed out that once a business improves its competitiveness, it is easier for such a business to access markets. Thus, SMEs need to offer quality products that meet or surpass customers' expectations and that also match the products offered by other competitors in the market as this would result in better access to the market.

2.6.5 Managerial Skills

Basic management knowledge is a prerequisite for the starting of an enterprise and even more knowledge is needed when it is growing. In most cases, the owners manage everything when starting a business. However, a crisis kicks in when the business grows and the manager lacks the required skills to keep the business going. Being a manager is not easy. Thus, there are managerial skills that one must possess in order to be able to work with people and manage resources effectively. Earlier studies revealed that managerial skills and knowledge are needed for success in commencing SMEs, and it gives small entrepreneurs the confidence to run businesses (Papulova and Mokros 2015; Muriithi 2017; Blose 2018).

Leboea (2017:53) iterated that there are various institutions like incubation programmes by SEDA which give advisory and training services to SMEs, but SME owners and managers still lack managerial skills. This is because the services lack the relevant skills needed by owners, which are business development or business growth activities (Muriithi 2017:40).

Moyo (2019:37) pointed out that managerial skills are a major factor that leads to the growth of SMEs. Management skills comprise one's ability to plan, lead, control, organise and motivate the employees regardless of the number of employees within the organisation. Management needs an individual to be responsible and to be in a position to manage the financial risks together with understanding all the regulations in one's area of operations, which includes the taxes to be paid.

The important managerial skills needed for SME start-ups and expansion include:

2.6.5.1 Creative thinking

The owners of SMEs must be creative thinkers, especially when it comes to innovation, decision-making and problem-solving. According to Tripathy (2018:4), there is a need for creative thinking at the various stages in the development of SMEs to ensure success. For instance, there is need for making decisions on which business to venture into, the number of employees to hire, whether to rent or buy property for operations, etc. There is need for the entrepreneur to be a creative thinker because when starting an enterprise, numerous problems may arise because one is venturing into something new that the individual would have not experienced before. Furthermore, there is need for the owner to be a creative thinker in order to solve the problems that might arise. The success of SMEs also relies on the innovativeness of the owners, which needs the owners to be creative thinkers (Butterfield 2017:18).

2.6.5.2 Communication skills

The owner of the SME is the person responsible for the communication of the vision and the goals of the organisation to stakeholders. Thus, the success of the execution of the goals depends on how well the goals would have been communicated to the employees. According to Paksoy, Soyer and Calik (2017:644), the manager is responsible for the management of the people such that they may work together towards a particular purpose productively and cooperatively. The ability to communicate effectively is taken to be one of the factors that enable the growth of the entity because of its ability to motivate and guide the employees towards the attainment of the SME's goals (Abdul 2018:27).

2.6.5.3 Risk taking

According to Abdul (2018:28), being a risk taker is one of the defining characteristics of being an entrepreneur. SME owners must be people who have the courage to venture into a business, irrespective of the risk involved in setting up the business.

In as much as the government knows that the SMEs are important, there are numerous factors affecting the formation as well as growth of the SMEs. The SMEs' development is hinged on the availability funds, support from the government, availability of markets and the skills possessed by the entrepreneur. Thus, it is imperative that there is

support given to everyone especially the entrepreneurs in remote parts of the country as these are usually marginalised. Provision of support such as funding and vital information on available opportunities would be a great stepping stone for most entrepreneurs and this would open doors for the development of the businesses which in turn lead to economic growth.

2.7 Training

According to Bhorat, Asmal, Lilenstein and Van Der Zee (2018:34), the owners of SMEs usually have low education levels, or do not have any form of education. Unlike large businesses, SMEs are usually started or managed by a person with the drive for entrepreneurship, rather than by only the educated ones (Mamabolo, Kerrin and Kele 2017:5). However, the establishment of a successful business usually needs particular skills like financial literacy, which can only be developed through education or other forms of training. The level of education one has equips the owner or manager with problem-solving skills and also helps in the growth of the organisation (Dixit and Sinha 2021:611). Entrepreneurship remains an underutilised weapon for economic growth because some the owners of SMEs lack skills and education. The government must provide some form of entrepreneurial training to the owners so that they can continue growing and improving their contribution to economic growth (Nuraini and Laksito, 2021:46).

According to the World Bank Report (2017:8), South Africa must nurture entrepreneurs and SMME owners through the provision of workshops and seminars that teach business management skills. In addition, there is need for the provision of a climate that supports the development and growth of new firms.

There are some entrepreneurs that have innate talent hence they can form their businesses but it would be difficult for them to maintain their profitability. Thus, it is crucial that there must be training on business management skills together with financial literacy skills so that entrepreneurs are better equipped in withstanding the challenges of operating businesses. Furthermore, this would give the businesses a chance to succeed and in the end grow into big businesses. It can be deduced that it is the lack of training that keeps a business as an SME for a long period of time without growth which would finally lead to failure.

2.8 Crime

Evidence from several studies (Gough, Tipple and Napier 2003; McDonald 2008; Cichello *et al.* 2011; Muriithi 2017; Tripathy 2018) revealed that the South African business environment is barring the starting and development of SMEs, specifically informal ones. Crime makes the atmosphere uncondusive for entrepreneurship and it makes it difficult for the SME owners whose businesses would have been violated to re-invest (Bhorat *et al.* 2018:34). Crime also bars SMEs from growing because of the great risk posed by acquiring better technologies or more advanced machinery in their operation, which could be stolen. SMEs would forgo the better equipment and keep their operations at levels that are less risky. Tripathy (2018:36) also points out that a high crime rate is also an impediment to SMEs' growth because suppliers will not be willing to operate in areas with high rates of crime. In addition, there are supply chain members who would not partner with a member who has high levels of risk. Thus, the benefits of some informal SMEs of being convenient and profitable may end up being eroded because of the high crime rate that might be in their area of operation.

Bhorat and Naidoo (2017:14) analysed the 2012 World Bank Diepsloot Enterprise Survey data and revealed that crime is found to be the biggest obstacle to business growth in the area. About 27 percent of the firms in Diepsloot were surveyed and they attested to this notion. Bhorat and Naidoo further concludd that crime is usually targeted at the better performing and established firms in the informal sector. This implies that as the SMEs begin to grow, they become low hanging fruits for criminals and this disturbs entrepreneurship. Therefore, there is no growth for SMEs because the firms disturbed by crime would be on the verge of becoming bigger and better as well as bringing substantial impact to the economy.

However, SEDA (2016:10) revealed that both formal and informal SMEs are affected equally by crime. The levels of crime force SMEs into channelling more funds towards security. This in turn inhibits the growth and development of the business because of the increased total costs. Furthermore, the confidence of entrepreneurs to venture into new businesses is thwarted by the level of crime (Tshuma 2022:5).

Therefore, the actual crime and the perception of crime by SME owners block the entrance as well as the expansion of firms because crime affects the entrepreneur's

decision to start up a business, or one's decision to improve and develop the present SME.

Yes, crime is rampant in some areas and it is a major barrier to the formation and development of SMEs. However, there are some areas which have low levels of crime but they have very low levels SMEs. This shows that absence of crime cannot improve the development of SMEs but rather empowerment through provision of funding as well as support to the entrepreneurs.

2.9 Corruption

According to Bhorat *et al.* (2018:18), corruption is one of the major factors barring the growth of SMEs. There is evidence that SMEs are faced with greater incidences of bribery when compared to bigger formal firms. Approximately 5 percent of the small firms, together with 4 percent of the medium-level entities, revealed that they had experienced a minimum of one bribe payment request in their operations, whereas this occurred in just 2 percent of the big firms (Bhorat *et al.* 2018:19).

According to a study by Chiromo and Nani (2019:656), small firms indicated that 34 percent of them had been in a situation where they were expected to pay bribes in order to get government contracts, whereas 39 percent of the medium enterprises also faced the same predicament. In addition, the study revealed that SMEs are expected to be corrupt in order to secure import licences, electricity connections and also water connections. Thus, SMEs usually incur increased costs due to corruption. Moreover, SMEs are disadvantaged by such costs as they act as an impediment to the development as well as the growth of these enterprises. The bigger companies can easily absorb such costs and benefit from them.

It can be deduced that this is the main reason behind most entrepreneurs have ideas which are not implemented. It might be difficult to get the needed funding or support. Thus, usually entrepreneurs will start up with their limited capital with the hope that they would get help on the way but in the end they would fail because of lack capital.

2.10 Interventions that can improve SME development

2.10.1 Regulatory modernisation

Regulatory red-tape limits SMEs' growth and creates a non-conducive environment for business development (Madelo 2019:34). Consequently, there is need for the government and local government authorities to put in place facilitation and communication mechanisms that do away with red-tape, as well as identifying all the blockages in communication (Wisuttisak and Panthamit 2018:14). In addition, SEDA must conduct consistent assessments in the environment in order to understand the needs of SMEs and their owners (entrepreneurs) in the country.

2.10.2 Small Business Support Service

Local government authorities can also provide support to SMEs in terms of information and guidance. According to the Drakenstein SMME Support Plan (2020:13), municipalities can provide SMEs with help on:

- Trends in the economy and opportunities in the market;
- Proper external sources of finance;
- Organisations and programmes that support SMEs;
- Information specific to the sectors in which the SMEs operate;
- Compliance with regulations, business support programmes by the government or municipality; and
- The resources that are available for SMEs.

2.10.3 SME support through Procurement

It is important for business owners and managers to know that the procurement function is one of the key levers for business growth (Chiromo and Nani 2019:37). Local governments can help SMEs through Enterprise and Supplier Development programmes which aim at enhancing the competitiveness of SMEs, helping them to access markets through the database of suppliers (Kenosi and van der Lingen 2021:196). In addition, local governments can forge partnerships with support organisations that would develop SMEs so that they can meet the supplier entry and contractual obligations for opportunities in procurement. Moreover, local governments

can also persuade established businesses with large contracts to partner with SMEs to support linkages in the value-chain, leading to business growth. The Drakenstein SMME Support Plan (2020:14) supports the view of aiding SMEs and pointed out that there is need for using the Preferential Procurement Policy to help capable SMEs. The Preferential Procurement Policy will prioritise SMEs as the favourable sources of the needed supplies.

2.10.4 Promotion of SME incubation and innovation

According to Madzivhandila and Musara (2020:259), there is need for the responsible authorities such as SEDA to promote and support SMEs through:

- The identification of opportunities that facilitate business incubation for the SMEs;
- The advertising of land or facilities which are under-utilised by municipalities so that such land can be used for business incubation via the Municipal Asset Transfer Regulation disposal programme; and
- Providing support organisations with vacant local government facilities that can be used temporarily as incubation hubs or SME development centres.

2.10.5 Supporting SMEs through Area Economic Development

Local governments or municipalities in South Africa have the mandate of improving their local areas economically. Thus, with Area Economic Development, municipalities give local entrepreneurs the opportunity to develop and be competitive. Area Economic Development calls for the economic inclusion of both formal and informal SMEs, which will lead to the growth of the economy (Madelo 2019:32). Local governments are involved in the identification of development programmes that aim at small businesses, then they facilitate the development of such businesses so that they grow.

Thus, the entrepreneurs for small businesses can be aided to overcome the hindrances to their business growth. However, the aid for the businesses must be localised to ensure that the help reaches every entrepreneur who is need. Furthermore, there is need for more help and support in the remote rural areas because that is where there is lack of information and thereby resulting in low growth.

Channelling more help in these areas would boost the rural economies which would provide employment and reduce rural unemployment by considerable margins. Thus, training, support and local area development should be focused on rural economies first.

2.11 SMEs post COVID-19

Rajagopal, Magwentshu and Kalidas (2020:2) pointed out that the global pandemic, COVID-19, would leave a notable trace on both huge businesses and SMMEs. The lockdown regulations harmed the already contracting South African economy. These enterprises were forced to reduce their expenditure by a significant proportion to ensure survival. According to a survey conducted by Sasfin and Sme.africa (2020) on 1000 SMEs in South Africa, it was predicted that approximately 60 percent of SMEs would be forced to shut down because of the pandemic.

The pandemic also led to the reduction in the demand for SMEs' products because of the affected purchasing power of the general populace who are the consumers (Rajagopal, Magwentshu and Kalidas 2020:5). Thus, SMEs would have to stop any plans to expand operations due to the reduced revenue from low sales. Rajagopal, Magwentshu and Kalidas further revealed that 40 to 60 percent of the SMEs with which they conducted their survey concurred that they expected to have losses of more than 5 percent in the present year because of the pandemic.

Yes, the COVID-19 and the respective national lockdown negatively impacted the small businesses but it also impacted several big companies in the same manner. Due to their size, the SMEs have a better chance of bouncing back into profitability and improve their operations. Furthermore, the retrenchments by big companies due to the pandemic gave entrepreneurs the chance to form, develop and concentrate on their businesses which made it easier for them to succeed. The experience they had from their previous jobs would come in handy in businesses which is advantageous. Thus, in as much as the pandemic negatively affected the business, it also had several benefits to the SMEs.

2.12 Ways to develop SMEs post COVID-19

There is need for the government to increase its support for SMEs in order to improve the performance of these SMEs. The government is at the heart of the SME ecosystem. According to Le, Nguyen, Ngo, Pham and Le (2020:3684), there are crucial areas that need government support in order to boost the performance and growth of SMEs in these difficult times, which are marred by COVID-19, namely:

2.12.1 Providing targeted and sector-specific support for SMEs now and post-crisis

The government can work hand-in-hand with SEDA and the Small Enterprise Finance Agency (SEFA) in the provision of interventions that are specific to a certain sector so that the SMEs can get back on track after the pandemic. For instance, there are some SMEs that would be requiring finance to start afresh and others that would be needing more sustained support. This support could be in the form of tax breaks or PAYE deferments, especially in moments when the pandemic is still rampant (Ojong-Ejoh, Angioha, Agba, Aniah, Salimon and Akintola 2021:273).

The government can also support specific sectors that improve the growth of the economy. For instance, they could support all the agriculture-centred SMEs that export products through the formation of an export office. This helps in the reduction of bottlenecks. On the other hand, the government can support SMEs in the manufacturing sector that have the potential to compete with large multinational firms. This would cut down the level of imported products and in the end promote local products, as well as improve the country's GDP (Rajagopal, Magwentshu and Kalidas 2020:9).

2.12.2 Improving innovation, research and development

The success of entrepreneurship is centred on innovation as a result of thorough research and development. For instance, in Malaysia, there is PlaTCOM Ventures which is a national commercialisation platform that aids entrepreneurs to convert their ideas into successful offerings on the market (Zeidy 2020:3). There is need for the identification and funding of SMEs which are innovative in South Africa because they

have the capability to positively influence the economy (Rajagopal, Magwentshu and Kalidas 2020:11).

2.12.3 Investing in the skills needed by SMEs now to mitigate the burden of COVID-19

The government must ensure that the SME owners have the necessary skills and are capable of managing their enterprises, even after the pandemic (Nuraini and Laksito 2021:47). They must equip the entrepreneurs with skills to rebuild and expand their businesses after the crisis. There is need for further training even if the owners have basic skills. For instance, there is need for training in aspects such as the management of limited financial resources. The government can also provide training for the sectors that were hit the hardest by COVID-19, like Tthe tourism sector, so that they can develop resilience strategies that help in the reconstruction of their businesses post the pandemic (Ojong-Ejoh *et al.* 2021:274).

2.12.4 Boosting the national entrepreneurship ecosystem

There is need for the government to promote a culture where SMEs are prioritised as the preferred suppliers of products in order to improve their growth (Drakstein Municipality SMME Support Plan 2020:12). The government can achieve this through the creation of programmes that strive to promote working with SMEs. They can also work to identify and bridge gaps in business enablement, which could hinder SME growth. Furthermore, the government can educate the SMEs' owners on the kind of support that is available at their disposal whether it is financial or otherwise. There are several SME owners who are not aware of the support that is available for them (Rajagopal, Magwentshu and Kalidas 2020:11).

The SME sector has been noted to be one of the most crucial sectors in the South African economy. The sector has provided jobs thereby curbing the high level of unemployment in the economy. It is necessary that the government channel a considerable amount of resources to this sector as it is a booming sector and it is contributing significantly in poverty alleviation.

2.13 Theoretical framework

According to Collins and Stockton (2018:4), a theoretical framework is the foundation upon which all the knowledge for a research study is built. In addition, Gehman *et al.* (2018:285) pointed out that a theoretical framework provides the basis for the literature review, research methodology and analysis. Therefore, it can be concluded that a theoretical framework comprises a particular theory or theories which bolster the researcher's viewpoints in relation to one's understanding and plan of research on the topic under question (Muthukrishna and Henrich 2019:223). The theoretical framework gives structure and supports the study's significance, aim, problem statement as well as the research questions. Hence, the researcher must understand the criteria for the application or development of a theory to be used in a study so that it is suitable, interpreted logically and it is in alignment with the research questions. The theories underpinning this study are the Resource Dependence theory and the theories of growth.

2.13.1 Resource Dependency theory

The Resource Dependence theory states that an enterprise's growth is based on resources from the environment (McNaughton and Cozzarin 2015:3). It emphasises the link between an enterprise and the resources required for operating. The general or basic concept of the theory is that an entity or organisation can be taken as an open system that relies on unforeseen events which arise in the external environment. The resources include employees, raw materials and financing for the enterprise. The theory also suggests that firms in their early stages of development are vulnerable to pressures from the external environment. For example, governments and their policies and regulations have direct effects on firms' opportunities to grow (Zheng, Singh and Mitchell 2015:1618). Thus for the SMEs to grow, their engagement with the external environment is inevitable. A study by Tarwirei (2015:31) showed that resources are important for SMEs and the easier the firm gets the resources, the easier the firm gets established and sustainable. The Resource Dependence theory is applicable to this study because SMEs need a favourable external environment for their survival. A harsh environment tends to disrupt growth, thus leading to the failure of most small businesses. The environment is not controlled by the SMEs and if it is unfavourable, then the firms will have stunted growth. Furthermore, Zehir, Findikli and Celtekliligil

(2019:162) echoed that SMEs need resources from the environment for them to be successful. Such resources include human resources, finance, equipment and knowledge of the industry, amongst others. The resources are controlled by the SME environment and the business has to adapt to the environment in order to be more efficient. Chen (2019:136) argues that the Resource Dependency theory specifies that there is a two-way relationship between organisations and their environment, thus there is no need for adapting.

According to Muchemwa, Padia and Callaghan (2016:498), the Resource Dependency theory shows why businesses have to adapt to the uncertain environment. The organisation can adapt its offerings, values and structures to prevent reliance on vital or limited external resources. Moreover, the firm can control the terms of trade through vertical integration or diversifying its alternative resource requirements.

Bretherton and Chaston (2005:276) also argued that organisations still have a considerable opportunity to adapt rationally and voluntarily to their respective environments. They went on further to note that the dependence on resources by organisations has to be managed so that it does not get to unfavourable levels. Schiel, Ellis, Erig, Henke and Kull (2015:136) supported this view by stating that businesses must forge relations with other entities because they do not own all the resources needed for their survival. This in turn cuts down the levels of uncertainty in acquiring resources from the environment since the business would have relations with organisations that have easy access to the resources they would need. The business' survival lies in its ability to acquire resources from the environment, hence collaborative relationships with other businesses would reduce uncertainty in acquiring resources.

Delke (2015:3) concurred that the Resource Dependency Theory is based on the core elements of uncertainty and dependency. Delke further pointed out that organisations rely on resources. This reliance on resources arises from the need of the organisation to survive in the environment within which it will be operating. The organisation sources its resources from the organisational environment and there are other organisations that also operate in this environment. The existence of numerous organisations in the environment leads to a situation where the resources needed by

one organisation are controlled by another entity. Thus, organisations with control over the resources needed by others would become more powerful and other entities will be dependent on them (Shehata, Salhin and El-Helaly 2017:4820).

Therefore, from the discussion above it can be deduced that the SMEs' success is tied on the resources at their disposal. Thus, it is crucial that resources are made available to the small businesses so that they can grow and improve their operations. Resources such as capital, labour, raw materials and information are necessary for the development of the small businesses.

2.13.2 Theories of growth

According to Ahmed, Saeed and Saeed (2015:1506), the growth of SMEs contribute immensely to the overall health of a country's economy. SMEs play an important role in creating employment, supporting innovation, generating competition and creating economic wealth for the country. In comparison to larger businesses, smaller and medium-sized businesses possess insignificant management, with low experience of industry proper training, and low educational background. SMEs are normally undiversified, one product-oriented firms, sometimes operating in new businesses with little previous track record and insufficient financial standings, and may have a new unproven product or service. Numerous theories and models have been developed to explain small businesses' growth, two of which are discussed below.

2.13.2.1 The Passive Learning model

According to Le (2009:6), the Passive Learning model specifies that as a business enters a certain industry, it does not know its full potential for growth. The business only begins to develop after it adapts to the industry, which is when it begins to learn about how to plough back its profits based on the amount of profits. Thus, the continuous updating of such learning will in the end lead to the firm expanding, which is the development of the business. The firm learns about its own efficiencies with time and this allows the firm to be established in the industry. Thus, SMEs need time to adjust to the sector they will be operating in before they begin to develop and expand.

Thus, in consideration of the passive learning model, the government must support new start ups with vital information so that these businesses are able to adapt and

grow in their trades. The information would be used effectively in the adaptation and expansion of the businesses.

2.13.2.2 The Human Capital model

According to El Shoubaki, Laguir and den Besten (2020:1109), business owners have management capabilities that will impact their success in their businesses. Human capital comprises the various knowledge and abilities that would have been amassed through education, training and job experience. Le (2009:6) pointed out that the growth of an SME is usually dependent on the human capital of the owner or the entrepreneur. Such abilities also include the owner's personal and leadership characteristics. This is because of the owner's centrality in the functionalities of such firms. Thus, the survival and growth of the SME is dependent on the entrepreneurial abilities and skills of the owner and the employees, if any. Hence, the SME owners must focus on developing themselves through acquiring managerial and leadership skills through various forms of training and education.

2.14 Conclusion

Chapter 2 has discussed the challenges faced by owners of SMEs which hinder the survival as well as the expansion of these businesses. The challenges include the lack of funds, lack of support, uneducated owners, high crime rate and the increased level of corruption in the country. In addition, various ways to improve the development of SMEs were highlighted. The most important remedy to the survival and growth of SMEs is the provision of both financial and non-financial support to such businesses by the government and the private sector. Therefore, ample support can make SMEs succeed in the presence of the COVID-19 pandemic. Chapter 3 will explain the study's methodology and the design of the study.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

The previous chapter provided a review of the literature relevant to the study. This chapter covers the research methodology used in this study. The chapter comprises a description of the methods and procedures used to collect data for the study. Therefore, the chapter covers the research design, sampling methods, data collection instruments, data analysis techniques, validity, reliability and delimitations of the study.

3.2 Research design

According to Sekaran and Bougie (2019:132), a research design is a plan of action that provides the researcher with direction and allows the researcher to have quality results. There are three types of research designs, namely qualitative, quantitative and mixed methods.

3.2.1 Qualitative research

Qualitative research involves exploring meaning through the use of words and non-numerical analyses. It focuses on the way people interpret and make sense of their experiences (Pandey and Pandey 2021:14). This strategy gives detailed information on the feelings, experiences and opinions of people. In addition, the researcher can be part of the study and interact with the respondents during the data collection process (Myers 2019:36). A qualitative researcher gathers non-numerical data and uses open-ended questions, with a limited number of people. This strategy is further explained as a tool for exploring and understanding the meaning or terms that a social group gives to a certain problem or phenomenon (Creswell 2014:4).

3.2.2 Quantitative research

Quantitative research is an objective process of using numerical data. This strategy focuses on the relationships between variables and analysis of patterns. It focuses on the causes and effects of things (Saunders and Lewis 2017:98). It further involves the use of structured questions whereby respondents have options to choose, and it can be used for a large target population (Burns and Bush 2014:146). When using quantitative research, it is easy to generalise the results because of the use of a large

population. Moreover, the analysis is quick, thus saving time (Carroll and Bailey 2016:78).

3.2.3 Mixed method research

Mixed method research is a method that includes both qualitative and quantitative methods in one study. This method offsets the disadvantages of both qualitative and quantitative methods (Saunders and Lewis 2017:99). A mixed approach design has both the method and methodology for conducting research that includes gathering, analysing and combining quantitative and qualitative research in the same study (Durand *et al.* 2014:56).

3.2.4 Research strategy for the study

The study employed a mixed methods approach because it provides a better understanding of the research problem by using both qualitative and quantitative methods. The mixed methods was best for this study because it allowed for the researcher to find detailed insights through the opinions of the entrepreneurs on the factors influencing growth of SMEs. In addition, the mixed methods allowed the researcher to reach out to a large number of respondents, quantitatively, with a structured, rigid and predetermined instrument which boosted the reliability and validity of the study.

3.3 Research strategy

The research design gives a structure to the study so that it addresses the study objectives and research questions (Neuman 2011:56). It describes the way data is collected and justifies the different types of data collection, information sources and sampling used for a study (Reham 2013:108). The different types are:

3.3.1 The Cross-sectional study

A cross-sectional study is when information is collected at a single point in time from the respondents. It is easy and less time-consuming to use. The only disadvantage of using this method is that it cannot measure any changes that might happen (Leedy and Ormrod 2014:194).

3.3.2 Descriptive research design

A descriptive study involves describing and observing the behaviour of the target population. This design highlights the level at which variables are related (Churchill *et al.* 2010:79). Descriptive research is an account of what is happening and it does not answer why it is happening (Sekaran and Bougie 2019:41).

3.3.3 Explanatory research design

The explanatory research design finds the links between the factors which connect to the problem of the study. It determines how and why things happen (Leedy and Ormrod 2015:87).

3.3.4 Exploratory research design

Exploratory research design explores the study's research questions but does not give conclusions to the problem. It is mostly used when a research problem is not well defined. Moreover, it gives an understanding of the problem and is used in cases of a new problem and where little research has been done (Saunders, Lewis and Thornhill 2012:38).

3.3.5 Research design for the study

The study used both a cross-sectional and descriptive research design. The cross-sectional design was used because it is easy and less time-consuming to use. However, the disadvantage of using this method is that it cannot measure any changes that might happen. In addition, the study used a descriptive design after closely looking at the study problem, objectives and aim.

3.4 Target population

A target population is a group of elements that the researcher is interested in (Peregrine 2018:49). The target population can be people, products or organisations that are related to the study problem or objectives (Harris, Holyfield, Jones, Ellis and Neal 2019:59). The researcher approached the Durban Chamber of Commerce in a quest to get the number of SMEs in Durban. The organisation could not give the information as it only shares with its members. However, previous studies by Mbali *et*

al (2019) revealed that the number of SMEs inconclusive whilst Mahohoma (2018) and Makuwe (2021) pointed out that there are approximately 700 SMEs in Durban as a whole. The target population for this study comprised of 700 SME owners or managers in Durban. The target population included both registered and unregistered SMEs. This is because there is a most SME start ups are done informally hence it takes time for them to be registered as they do not find this useful for instance, vendors outside Durban University of Technology.

3.5 Sample size

A sample size is that part of the target population that is selected for the purposes of collecting data (Saunders and Lewis 2017:102). It is usually small and representative of the target population. It is used to reduce the costs involved in using the whole population (Creswell 2014:89). According to Sekaran and Bougie (2019:295), a sample size that has more than 30 and less than 500 participants is suitable for most studies. The sample size for this study was sixty entrepreneurs for the administration of questionnaires. In addition, twelve entrepreneurs were selected for interviews. This was because of the limited budget and the researcher's time constraints.

3.6 Sampling

Sampling is a method of drawing conclusions about the whole population based on information from only a portion of the population (Saunders and Lewis 2017:78). It is a selection process of choosing those with the same characteristics as the target population for use in the study. Sampling allows the researcher to gather information from a small group and generalise it (Harris *et al.* 2019:60). There are two sampling methods, namely probability and non-probability.

3.6.1 Probability sampling

Probability sampling involves the random selection of samples, with every member having an equal chance of being selected (Sekaran and Bougie 2019:168). Probability sampling has representative samples and it is easy to generalise the findings (Etikan and Bala 2017:149). There are different types of probability sampling, namely:

- Simple random sampling

Simple random sampling entails the random selection of a sample from a sampling frame. Simple random sampling gives every respondent an equal chance of selection. It works best when the researcher has full confidence that the sampling frame is complete (Kumar 2014:67). However, this can be a disastrous technique if there are gaps in the sampling frame (Tille and Wilhelm 2017:180).

- Stratified cluster sampling

Stratified sampling helps to ensure that the sample matches the population if there are issues concerning the completeness of the sampling frame. The strata represent the divisions in the population. The sample will be drawn from each stratum in proportion to the gender balance in the population (Etikan and Bala 2017:150).

- Cluster random sampling

Cluster sampling is similar to stratified sampling in that the population is divided into groups. The groups for this technique are mostly smaller than strata. The clusters should be as heterogeneous as the population for this method to be effective (Mellenbergh 2019:14).

- Systematic sampling

Systematic sampling uses random numbers to pick a sample from the list. The sample size is divided by the population size and this sample fraction produces an n^{th} number for selection. This method is used when the population size is not known and the population elements arrive at a certain location over time (Maree 2020:43).

3.6.2 Non-probability sampling

Non-probability sampling is when respondents do not have an equal chance of being selected. The researcher uses their own judgement to select the respondents (Tille and Wihelm 2017:180). There are various types of non-probability sampling, namely:

- Snowball sampling

The snowball sampling method is used in cases where the population is hard to find. The researcher makes contact with one or more persons who belong to the population

and these are asked to provide information about other people in the population (Maree 2020:44).

- Convenience sampling

Convenience sampling is a method used when the population elements are selected based on their availability or convenience. This method is quick and cheap, but it does not give a representative sample (Yadav, Singh and Gupta, 2019:72).

- Quota sampling

The quota sampling method is used when the researcher first identifies categories of people that need to be in the sample and the number of quotas required. Convenience sampling is used until the required number of respondents is reached (Maree 2020:46).

- Purposive sampling

Purposive sampling is used when sampling is done with a specific purpose in mind. For example, the researcher is targeting a certain group of people. The researcher will first ask specific questions, for example the age of respondents, so that they get the required target population (Peregrine 2018:3).

3.6.3 Sampling technique for the study

The study made use of the convenience non-probability sampling technique. Convenience sampling was used to administer questionnaires to the SME owners or managers. Convenience sampling was the best to use because the researcher did not have any database with the names of SME owners. Therefore, he had to select those respondents that were closely accessible. This method was used because it made it quick and easy to select the respondents.

3.7 Measuring instrument

Measuring instruments are tools that are designed to collect data on a research topic. There are several measuring instruments, namely questionnaires, interview schedules, focus groups, observation, etc (Gray 2014:58). For this study, both questionnaires and interviews were used to collect data.

3.7.1 Questionnaire

A questionnaire is a structured schedule used to collect quantitative data. Questionnaires are convenient when collecting primary data (Krosnick 2018:440). In this study, a questionnaire is used to collect quantitative data. The questionnaire is divided into sections and both multiple-choice and Likert scale questions are used.

According to Durand and Chantler (2014:112) and Groenland and Dana (2019:23), the advantages and disadvantages of using questionnaires are:

3.7.1.1 Advantages

- Questionnaires are familiar and non-threatening to human beings;
- They have the potential to minimise bias as each question is presented uniformly throughout the questionnaire;
- Economical: saves resources such as time and money as data can be analysed statistically;
- Respondents' anonymity can be assured;
- Questionnaires reach respondents conveniently; and
- They are low cost, even when the target population is large and geographically widespread.

3.7.1.2 Disadvantages

- A menu of responses is restrictive and makes the whole questionnaire inflexible, thereby limiting a deeper analysis;
- Response rates can be very low if the questionnaire is poorly designed;
- The researcher has limited control over the questionnaire; and
- Questionnaires can be used only when respondents are educated and cooperative.

3.7.1.3 Questionnaire construction

According to Krosnick (2018:443), questionnaire construction is important to the success of the research study. Appropriate questionnaire construction allows the researcher to solve problems prior to questionnaire administration. Geuens and De

Pelsmacker (2017:89) state that there are five processes to be followed when designing a questionnaire, as illustrated in Figure 3.1 that follows.

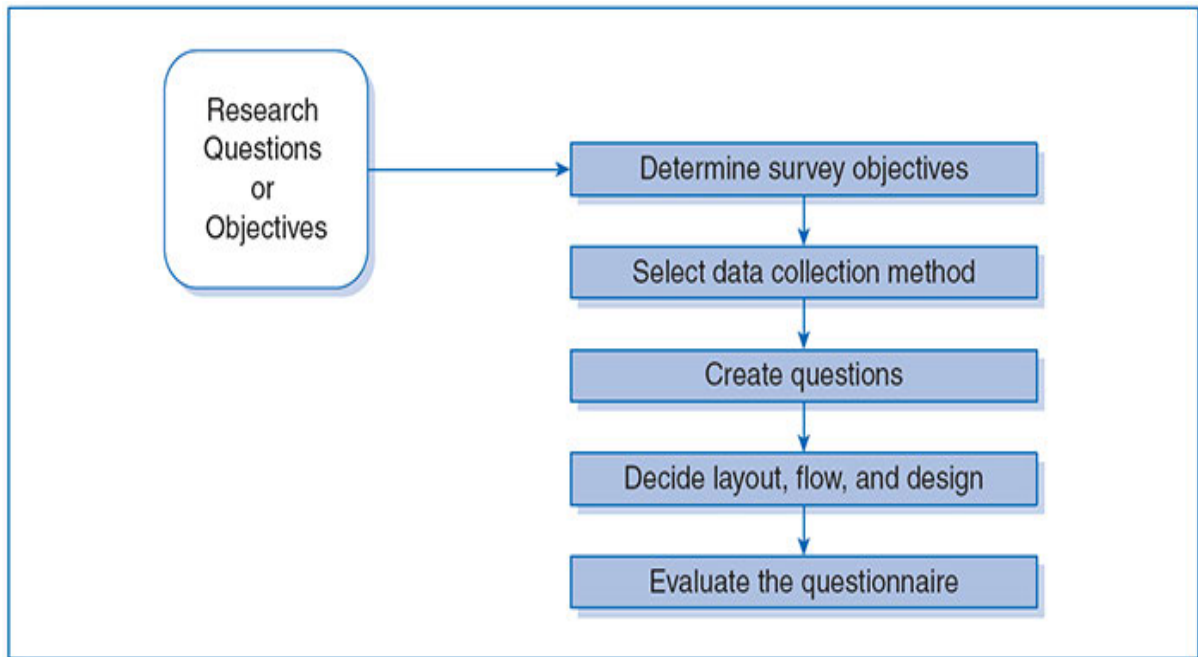


Figure 3.1: Questionnaire design process

Source: Frazer and Lawley (2017:89)

3.7.2 Interviews

For qualitative data, a list of interview questions was used. Interview questions allow respondents to give their feelings, opinions and experiences. Moreover, the researcher allows the respondents to use their own words when answering the questions. The questionnaire and interview questions were developed based on the study's objectives, aim and the research problem. The interview was divided into two sections, with the first section focusing on the company details and biography questions, whilst the second section comprises the research-aligned questions.

Roulston and Choi (2018:73) describe the advantages and disadvantages of using interviews as follows:

3.7.2.1 Advantages

- Can establish rapport and motivate respondents;

- Can clarify questions and the researcher can also add new questions during the interview;
- The researcher can read non-verbal cues during the interview; and
- The researcher can use visual aids to clarify things.

3.7.2.2 Disadvantages

- Takes a lot of time;
- High costs, especially when covering a wide area;
- Respondents may be concerned about confidentiality and thus may lie during the interview; and
- There is need for training of the interviewers.

3.8 Data analysis

Once data has been gathered by the researcher, there is need for the analysis of data in order to find suitable information which answers the study's research questions. Data analysis is the process of entering raw data into a data matrix to get information that can be used to address the study objectives (Fritz and Vandermause 2018:1641). This study used a mixed methods approach, so it used both qualitative and quantitative data analysis methods.

3.8.1 Quantitative data analysis

Quantitative data were analysed using SPSS version 24.0. This software covers a broad range of statistical procedures that summarize data, for example calculating the mean, standard deviation, moments and also determining whether there are significant variances between groups, for example t-test, z-test and also examining relationships by computing correlation, regression, multiple correlation or multiple regressions, as well as illustrating results through graphs (Gouda 2015:32). SPSS runs simply on common operating systems like Windows, Macintosh and Linux. SPSS is chosen because it is an advanced software. Hence the results obtained from its use are more reliable. It is also user-friendly and has many functionalities that are beneficial to the researcher, such as extracting and importing data in different file formats. According to Mood and Morrow (2017:45), the software package also has useful data-handling capabilities that can be used in the processing of multiple data types and varieties.

3.8.2 Qualitative data analysis

The qualitative data was analysed by thematic analysis using NVivo version 11. NVivo is very helpful in qualitative analysis because of the nature of data that includes different formats. The software is useful in the management and organising of projects with many separate data sources to support more transparent and systematic approaches to coding. NVivo also lessens a great number of manual tasks and gives more time to discover tendencies, recognise themes and derive the appropriate conclusions (Gaber 2020:8).

3.9 Pre-testing

Pre-testing the research instrument is vital as it allows the researcher to see if there are problems before it is administered to a large sample. Pre-testing is done with a limited number of people from the target population. Pre-testing helps refine the research instruments. Moreover, it helps eliminate problems and errors before conducting the main study (Ikart 2019:145). For this study, pre-testing was conducted using five managers or owners of SMEs operating as grocery wholesalers in Durban who were not part of the study.

3.10 Validity

Validity is the ability of the measuring instrument to measure what it is supposed to measure (Leedy and Ormrod 2015:12). There are various forms of validity, as explained below:

- Content validity

Content validity is how the questionnaire is representative (Hayashi, Abib and Hoppen, 2019:102). In this study, content validity was ensured by making sure that questions in the questionnaire are related to the objectives, aim and problem statement.

- Face validity

Face validity establishes if the research instrument measures the things it appears to be measuring (Sekeran and Bougie 2019:68). In this study, face validity was ensured by having the questionnaire checked by the supervisor before administering it. In addition, a pre-testing of the questionnaire was done to see if the questions are

understandable and there are no errors. P-testing was done with a limited number and any errors corrected before data is collected.

- Criterion validity

Criterion validity is the extent to which the instrument relates to other similar indicator concepts (Mohajan 2017:62). In this study, this was ensured by looking at other instruments at the measuring instrument forming stage.

3.11 Reliability

Reliability is the degree of consistency of the measuring instrument (Srinivasan and Lohith 2017: 47). According to Maxwell (2017:120), reliability is the extent to which a measuring instrument gives the same results if repeated in another study. Reliability was ensured by making sure that the questionnaire is written in a way that respondents understand. This was done by consulting several peers as well as the supervisor. Reliability was calculated using Cronbach's coefficient alpha.

3.12 Credibility

Credibility involves establishing that the results of a qualitative study are credible from the perspective of the respondents in the study. Since the qualitative researcher aims to describe the interest from the respondents' eyes, the respondents are the only ones who can judge the credibility of the results (Moon, Brewer, Januchowski-Hartley, Adams and Blackman 2016:123).

3.13 Transferability

Transferability is the degree to which the results of qualitative research can be transferred to other contexts or settings. Therefore, it is crucial that researchers clearly state the extent to which findings may or may not be relevant to other contexts (Babbie 2016:35). Findings for this study will be relevant in other contexts.

3.14 Dependability

Dependability is the consistency and reliability of the research results. It also refers to the degree to which the research processes are documented, allowing an outside reader to understand and critique the research processes (Maree 2020:49). The

researcher tested the instrument so that outside readers will be able to understand the findings of the study.

3.15 Confirmability

Confirmability is the degree to which results can be confirmed by others. The researcher can write procedures for checking and re-checking the data throughout the study (Moon *et al.* 2016:34). The researcher provided procedures for checking the data for the study.

3.16 Anonymity and confidentiality

Anonymity and confidentiality is the researcher's ability to safe-guard the data collected from the sample population (Sekaran and Bougie 2016:53). The study ensured these by keeping the participants' information safely. The participants' information will be stored in a secure place and will be destroyed after five years. Confidentiality will be ensured by the use of code names instead of the participants' names or any information leading to the identification of participants.

3.17 Ethical consideration

Ethical practices allow researchers to be ethical and respect their respondents. A researcher needs to be ethical when conducting research (Kumar 2018:16). The study followed all the ethical standards involved during research. Ethical clearance to conduct the study was obtained from the Durban University of Technology. The participants were not forced to participate, thus consent was sought beforehand, and if need be at any other time as well. The participants' anonymity and confidentiality were respected. There was no harm to the participants due to the study.

3.18 Delimitations/scope

The study will be limited to SMEs in the Durban Metropolitan area.

3.19 Limitations

- The study only focused on SMEs around Durban. Hence, the results might not show a true reflection of the South African SME industry.

- Due to cost and time constraints, this study was limited to only owners/managers based in Durban.
- The target population of the study (SMEs) cannot be a true reflection of large businesses.

3.20 Conclusion

This chapter presented an overview of the methodology and processes used in the study. It discussed the research strategy, design and ways used in the study. In addition, this chapter explored the sampling techniques, data collection and data analysis methods employed in this study. Aspects of validity, reliability, anonymity and ethics were also discussed in this chapter showing clearly how they were addressed. The next chapter will describe the results obtained from the data gathered.

CHAPTER 4: ANALYSIS OF DATA, PRESENTATION OF RESULTS AND DISCUSSION OF FINDINGS

4.1 Introduction

This chapter focuses on the analysis of data, presentation of the study's results and discussion of the findings. The study adopted a mixed methods approach. Hence, both a questionnaire and structured interview questions were used as instruments for primary data collection. Therefore, the chapter is divided into two main sections: the qualitative analysis where the common themes have been identified and discussed and the quantitative, whereby data has been analysed using statistical processing techniques and the results discussed.

4.2 Qualitative analysis

A qualitative design was conducted on twelve entrepreneurs of small businesses in Durban to find the factors affecting the growth of their businesses. The demographics of participants, together with the presentation of findings, are outlined below.

4.2.1 Demographics of Participants

As specified in the methodology of the study, twelve participants were interviewed, and the demographics are outlined below. The participants were asked about their age group, education level, the sector in which they are operating and the duration they have been in operation.

4.2.2 Age group

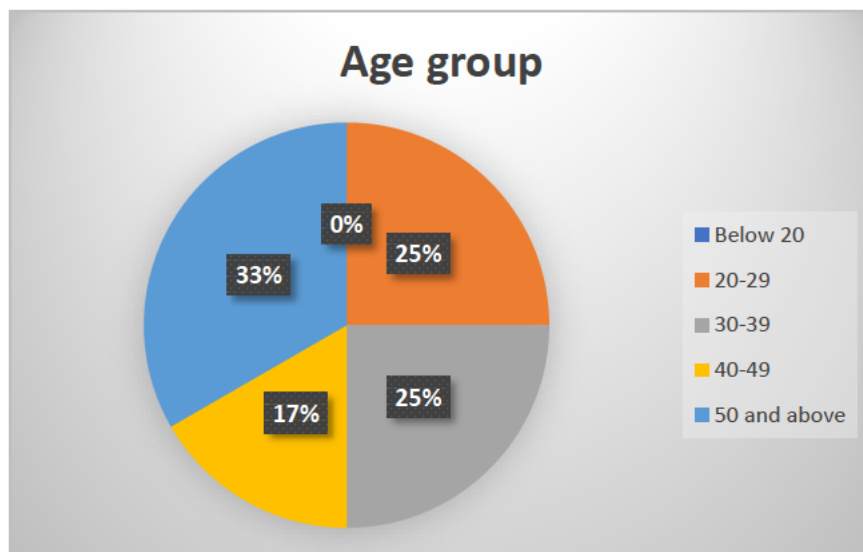


Figure 4.1: Respondents' age groups

Figure 4.1 illustrates that the majority of Respondents were in the 50 years and above age category. The 30-39 year age group and the 20-29 group contributed 25% each. The 40-49 age group were 17%, whilst there was no one below 20 years old. Thus, the results might not include views that are relevant to teenagers who are in business.

4.2.3 Level of education

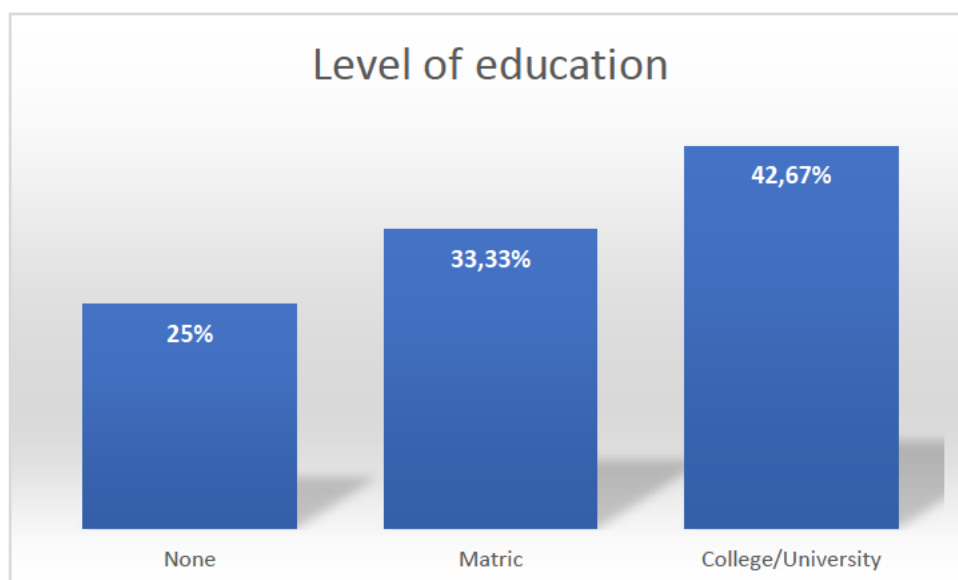


Figure 4.1: Level of education

Figure 4.2 above shows that 42.67% of the respondents have a college certificate or a university degree, 33.33% completed their matric and 25% did not have any qualification. This shows that the majority of the respondents had a form of qualification. This could imply that the responses gathered would have been from an informed source.

4.2.4 Sector of operation

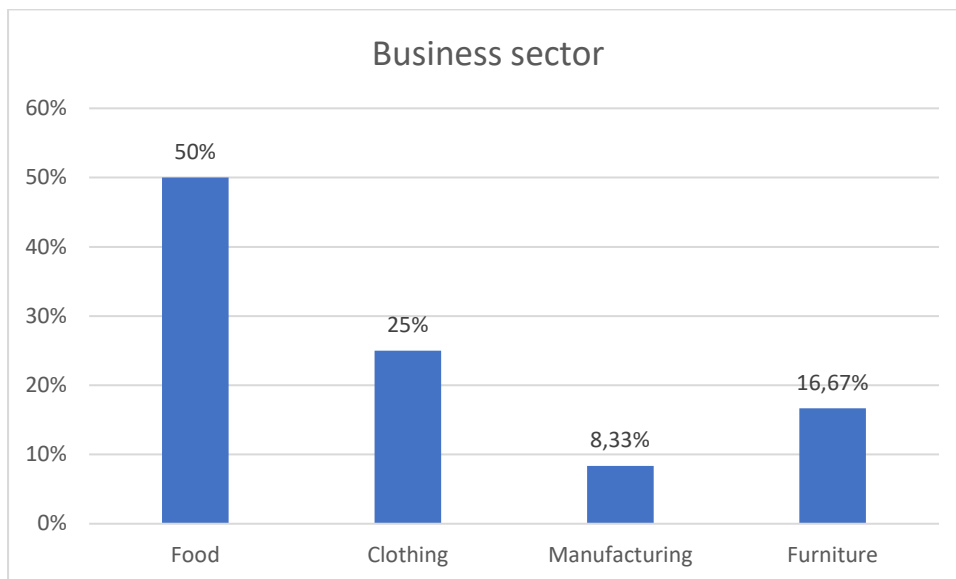


Figure 4.3: Sector of operation

The diagram above illustrates that most of the interviewed participants, 50%, were operating in the food sector. The clothing sector contributed 25% of the participants, 16.67% were in the furniture business, whilst only 8.33% were in the manufacturing business. This could imply that there are more food businesses operating in Durban.

4.2.5 Average years in business

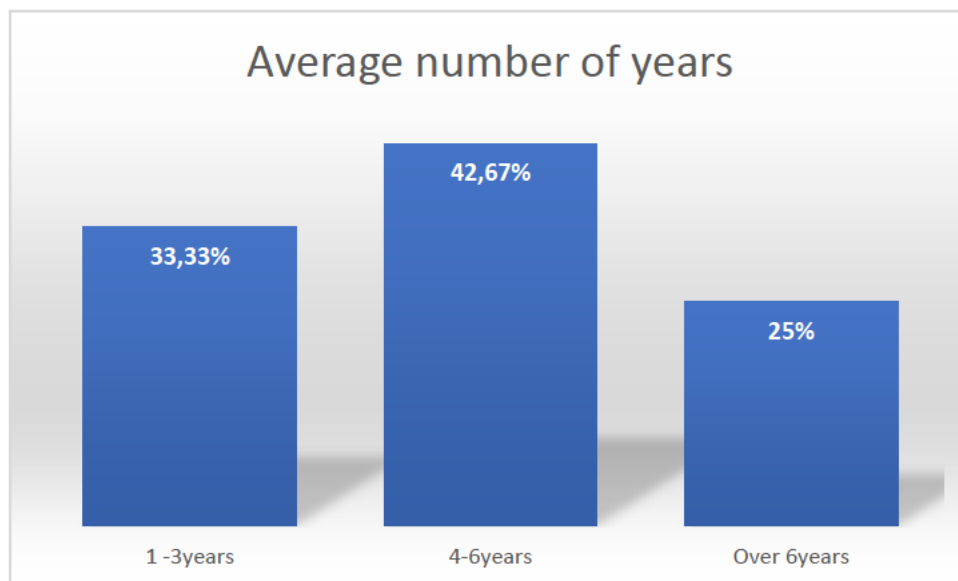


Figure 4.4: Number of years in business

As illustrated in Figure 4.4 above, the results revealed that 42.67% had been in business for 4-6 years, 33.33% had been in business for a period between 1-3 years and 25% were in business for over 6 years. The results showed that majority were start ups between 1-6 years of operation.

4.3 Presentation of findings

Interviews were conducted with the desire to meet the research objectives as well as answer the research questions. This led to the emergence of various themes, which include the effect of entrepreneurial skills on growth; the effect of support and training on the growth of SMEs; the effect of managerial skills on business growth; government policies and the growth of businesses, as well as the availability of capital and its influence on SME growth. These themes are discussed in detail below.

4.3.1 Theme 1: Entrepreneurial skills and the growth of SMEs

Entrepreneurial skills allow the owner of a business to be creative in the ever-changing business environment. The SME owner requires persistence for their business to grow because the business tends to face challenges during the early stages of development until it adapts to the environment and becomes profitable. Hence, the results show

that various Respondents acknowledge the need for entrepreneurial skills in SME business growth.

Respondent 1 commented that:

The COVID-19 pandemic brought about a turbulent environment for all businesses and even more problems to small businesses like mine. Times like these require you as an entrepreneur to be creative and find solutions to keep the business profitable.

Respondent 4 was also of the same view, saying that:

The growth of the business requires the business to find new ways of conducting business operations. These new ways will help the business in competing with the well-known companies as well as with fellow small businesses.

In addition, the Respondents also commented on the need for being persistent. This was laid bare by **Respondent 2**, who stated:

A business is like a baby that needs nurturing especially in the early stages. You cannot give up on a baby because of the illnesses that might attack at a tender age. You have to face the challenges head-on and continue with operations and in the end, the business will be stable, and it will grow.

The need for persistence by the business owner was also supported by **Respondent 3** who stated that:

Businesses conducted by us entrepreneurs of small enterprises are quite tricky because, unlike the big corporations, we face numerous challenges now and again. For instance, in the recent one, the COVID-19 pandemic, most of the small enterprises had to stop operations. As entrepreneurs, we have to keep pressing so that the business grows. There is a need for us to be strong and keep pushing in the midst of all the challenges which are usually more in the first years of commencing operations.

Respondent 5 also showed that the owner is the face of the company and he or she may face criticisms and tough environmental conditions, but it takes courage to keep going. **Respondent 5** said that:

The growth of the small business is grounded on me as the entrepreneur to keep holding on. There are challenges which we face in our operations that need us to have the strength and courage to face them and keep going or else the business will fail. Persistence is a factor that is needed in us as entrepreneurs, and it gives the business an opportunity to succeed and grow.

Respondent 8 also supported that there is a need for SME owners to have the entrepreneurial skill of persistence because of the difficulties they face in their operations. **Respondent 8** stated that:

When you start a business, you have to develop a thick skin because you will constantly face challenges. The more you overcome those challenges, the greater the experience you get in the industry and the bigger the business grows.

Hence, the results are all in support of the notion that entrepreneurial skills are crucial for the growth of SMEs. Businesses are faced with various challenges like the COVID-19 pandemic that affected all economies across the globe in 2020. Such challenges affect all businesses, but SMEs are likely to be affected more because of their size. Thus, there is a need for the owner to possess entrepreneurial skills like creative thinking and persistence so that the business can grow, regardless of the various challenges.

4.3.2 Theme 2: The influence of support and training on the growth of SMEs

Training and support can be helpful in the growth of SMEs because the majority of business owners will be venturing into those businesses without prior knowledge about those industries or business. Therefore, training and support would allow the owners to amass the knowledge that would help in the development of their businesses, which in turn leads to growth.

Respondent 2 stated that:

Small businesses operate in a very complex environment that has big players. There is need for support from the authorities and training go a long way in helping small businesses to grow.

Respondent 5 also showed the need for support within the SME sector by commenting that:

There is need for offering more support to small businesses so that they can be more competitive. We also need training so that we are aware of all the government policies and support that help us grow.

Respondent 3 also noted that small businesses operate in a competitive environment, and they require support for survival. **Respondent 3's** words were:

The business we conduct faces stiff competition from these big companies. I feel that the government is not doing enough to support us. Support can improve our profitability because it allows us to be more competitive.

Respondent 8 also referred to the need for support by showing that small businesses are fragile. Hence it is important that they are supported as this enables them to grow. The Respondent stated that:

Children need support from parents to become responsible adults. This is the same with small business, there is need for training and support provided by the responsible authorities to allow for sustainable growth of the businesses.

In addition, the results reveal that business owners require training which helps them to grow. According to **Respondent 10**:

Training equips the owners of small businesses with the knowledge of how to adapt to the environment they operate in. The adaptation to the environment makes it easier for business growth.

Respondent 12 seconded Respondent 10 by stating that:

Training and support given by the government is crucial for our small businesses. Sometimes large companies use their money to lure customers and get all the tenders. Thus, there is need for training so that we can also be

competitive and also support so that we can get the same privileges of getting tenders as those big companies.

The results show that the majority of Respondents were of the view that training and support is vital for the growth of small businesses. Thus, business owners require the responsible authorities to offer support to SME owners from the moment they commence their businesses to when they are fully grown and able to function on their own and face competition from big companies.

4.3.3 Theme 3: The effects of managerial skills on business growth

Usually, the possession of managerial skills is handy in business growth. Managerial skills can be acquired by studying or through training and mentoring by someone who has the skills. According to Blose (2018:33), management skills allow the manager or owner of the business to efficiently allocate resources such as funds and human resources and this leads to business growth. The participants were asked the question: “In your view, do managerial skills have an effect on the growth of the business?” The participants had different views on the question. **Respondent 1** stated that:

It takes good managerial skills for a business to grow. The business environment can change abruptly, and this requires good management skills to grow in these changing environments.

Respondent 10 was in support of the importance of managerial skills in business skills and thereby responded by saying:

The ability to lead in the company as well as the proper allocation of resources can aid in the growth of small business. It is the lack of managerial skills that lead to mismanagement of funds and all the business resources.

Furthermore, the results also reveal that **Respondent 8** concurred that managerial skills are vital for the growth of SME businesses. **Respondent 8** stated that:

Some of the failures in small businesses are caused by lack of managerial skills. I believe that if all the business owners and managers had the appropriate

management skills then every business would grow and shine among the big companies.

On the other hand, **Respondent 3** had a different view and believed that the circumstances one is exposed to can push a person into having good business.

Respondent 3 mentioned that:

Most of us business owners were forced to venture into business because of the need to provide for our families. We do not have any managerial skills, but it is the need for survival that keeps us going. The fear of seeing your children sleeping on an empty stomach gives you the drive to keep the business thriving in the midst of all the obstacles. Managerial skills or not, the business can grow.

In the same vein, **Respondent 11** stated that:

Our forefathers never went to school, yet they were operating businesses in rural areas. I remember, my grandfather was the first to buy a car in our area because his business was blooming. It does not matter for one to possess managerial skills but rather the determination to keep going forward.

Generally, the results show that there are participants who believe that there is a link between managerial skills and business growth. Such participants believe that every business owner or manager has to possess these skills because they are beneficial in that they help the business to survive in the early stages of the business and they also aid in the business' development, which leads to growth. However, other participants were against the view that managerial skills are helpful in the growth of businesses. They believe that operating a business is either an inborn skill or one is pushed into doing it by circumstances like unemployment.

4.3.4 Theme 4: Government policies and the growth of businesses

Government policies are vital for the growth of small businesses within an economy. The environment operated in by organisations is very dynamic and it takes support from the government through favourable policies for small businesses to survive and grow. SMEs face stiff competition both locally and internationally. Therefore, policies can aid in the growth of the business so that they match such competition. The results

from the collected data are in support of this view. Respondent 2, Respondent 5 and Respondent 11 were in support of the view that government policies help in the survival as well as the development of SMEs.

Respondent 2 said that:

Small business cannot thrive in environments where there is lots of competition from the large companies. The small businesses need the government to put policies that are in favour of such businesses to promote growth.

In addition, **Respondent 5** concurred with the issue of competition against large entities by stating that:

It is unjust for small business to compete against large organisations because they will always fail. There is need for government policies that will help with the growth of the businesses in an environment that has big companies.

Respondent 11 echoed the same sentiment by stating that:

Government policies which favour SME formation protect small businesses from intense competition and they also provide a conducive environment for the business to thrive which in turn results in growth

Furthermore, the results also revealed that government policies help in the growth of SMEs because they motivate business owners into finding ways that allow their businesses to grow. The policies also provide an environment that allows for the growth of SMEs. This was evident in **Respondent 9's** response:

Starting a business is the most difficult task and if there are government policies that favour small business formation then small business owners like me can easily get on our feet which would result in growth.

Respondent 8, in support of this view, also stated that:

Government policies which favour the development of SMEs are vital because business owners will be motivated to be more creative and find ways of expanding their business because they know that they have the government's support.

Finally, **Respondent 7** focussed on the importance of SMEs in combating unemployment and pinpointed the need for policies that allow for the growth of such businesses by stating that:

Small businesses are contributing to the economy by reducing unemployment. The government must help by putting in place policies that allow for the growth of businesses. Policies that allow small businesses to get tenders can go a long way in improving the growth of businesses.

The results revealed that government policies that are in favour of the SMEs are crucial for the growth of businesses. The participants showed that government policies provide an environment that allows them to grow because they open small businesses' access to markets as well as to finding cheaper suppliers. In addition, the results revealed that favourable government policies also give small businesses the opportunity and power to compete with the large organisations that are leaders in the industries they will be operating in.

4.3.5 Theme 5: Availability of capital

The availability of funds can allow a business to purchase highly advanced machinery or even install highly advanced technologies that can improve a business' efficiency and productivity. This implies that growth is easily attainable if the business has the financial means to develop.

Respondent 1 stated that:

I got money to start my business from family and friends. I had to get loans from these people several times because it failed a couple of times, so I had to start over and over again. If I did not have such people in my life, then I would never have been able to be a business owner.

Respondent 3 was in support of the view and stated that:

I started my business by acquiring a loan from Ithala bank. I only had the idea of starting a business but I had no funds to commence operation. The availability of capital is a barrier for most people to start businesses as well as

to grow. As of now, I have great ideas that can make my business grow but I do not have enough capital for such big growth.

Respondent 4 stated that:

I started my business from my personal savings. I always had the dream of being my own boss. I always saved money because I wanted to be a business owner. I could have been a business owner a long time ago, but I had insufficient capital to start the business. Therefore, I had to wait till the capital was enough to implement the ideas that I had.

The results reveal that the lack of capital is hindering many people from starting or growing their businesses. Some people do not have the needed collateral to acquire loans from banks and others lack information about the available loans. Hence, the availability of capital is one of the major issues barring SMEs from growing.

4.4 Discussion of findings

The research study had a focus on the factors influencing the growth of SMEs in Durban. The objectives of the study included ascertaining whether the possession of entrepreneurial skills affects the growth of SMEs; evaluating whether the availability of support and training in business affects the performance of SMEs; evaluating whether managerial skills are relevant for the growth and expansion of SMEs; determining the importance of government policies in the formation of SMEs; and establishing if the availability of capital affects the growth of SMEs.

The results clearly show that the Respondents are of the view that entrepreneurial skills play an important part in the growth of SMEs. The Respondents were of the view that the growth of these small businesses requires creative thinking as well as persistence because of the turbulent environment in which they operate. In addition, the Respondents also noted the issue of entrepreneurial skills to be vital, especially in the early days of the business because it will be fragile hence the business requires the skills to grow and be competitive. Butterfield (2017:18) supported this view, positing that the success of SMEs also relies on the innovativeness of the owners, which needs the owners to be creative thinkers. A study by Blose (2018:33) seconded this view, postulating that small business owners need to have creative and innovative

minds which are persistent in the generation of new ideas or techniques so that they can withstand the pressures brought by the business environment. However, a study by Chavez (2016:28) pointed out that it was difficult to show that there is a relationship between entrepreneurial skills and the growth of SMEs. Instead, the author suggested that the growth of SMEs is a result of a combination of factors, and entrepreneurial skills are just part of the whole. Thus, it can be deduced that entrepreneurial skills are an important part of SMEs' growth because they help business owners with the relevant ideas that can allow growth. The creative ability of the business owner can aid in improvements in the business that lead to increased profitability, which leads to growth.

The results presented showed that Respondents concurred that training and support are vital components for promoting the growth of small businesses. The findings are in line with findings from a study by Naicker (2017:52) which established the necessity of support in the growth of small businesses. In addition, Muriithi (2017:42) stated that the government's support provides a conducive environment for the growth of SMEs by curbing all the constraining forces that may hinder the progress of small businesses. Therefore, the move by the South African government of setting up SEDA is crucial for the growth of these small businesses. The government ensures that small businesses acquire all the knowledge and expertise they require, regardless of the stage of development of the business. Bosma *et al.* (2020:28) had the same view, stating that the South African government is working hard to put in place policies that support entrepreneurial activity together with the growth of SMEs.

In addition, the results revealed that support in the form of training is helpful for the growth of SMEs. The Respondents acknowledged that training equips them with various forms of information that help them in being competitive, which leads to growth. According to the Drakstein Municipality SMME Support Plan (2020:11), local governments must serve as sources of the information needed by the SMEs and such information would facilitate the growth of these SMEs. Gamage *et al.* (2020) supported this view by positing that SMEs must access vital information from the responsible authorities so that they can improve efficiency and productivity as well as facilitation of the market. Leboa (2017:52) concurred, revealing that the failure by SMEs to access business information results in the lack of development in SMEs and they tend to lose

the ability to provide employment and income opportunities in the urban and rural setups.

The South African government understands how crucial it is to support SMEs operating in the economy. This is clear from the financial and non-financial assistance they provide to SMEs in South Africa, with examples including BEE codes, tax breaks for business owners, and networking programs (Van Staden 2022:458). According to Naicker *et al.* (2017:54), government interventions have helped SMEs grow, which has ultimately improved their turnover.

The results presented also show that the majority of Respondents were of the view that managerial skills influence the growth of small businesses. Basic management skills are crucial for the starting of an enterprise and even more skills can be useful when the business is stagnant. Moyo (2019:37) pointed out that managerial skills are a major factor that leads to the growth of SMEs. Management skills comprise one's ability to plan, lead, control and motivate employees regardless of the number of employees within the organisation. Management needs one to be responsible and be in a position to manage financial risks, together with understanding all the regulations in one's area of operations, which includes the taxes to be paid.

However, the results presented also showed that some Respondents did not find managerial skills to be a factor affecting the growth of SMEs. This is in line with a study conducted by Darling (2011:22), which pointed out that the majority of managers (65%) in the study did not possess any management skills but rather used natural entrepreneurial skills. Blose (2018:33) pointed out that natural entrepreneurial skills include risk-taking, innovativeness, proactive personality, generalised self-efficacy, stress tolerance, the need for autonomy and the need for achievement. Thus, such authors were of the view that managerial skills on their own cannot guarantee the growth of small businesses. Instead, it is a combination of skills that leads to business growth.

The results presented also revealed that government policies in favour of or supporting SMEs are crucial for the growth of small businesses. Government policies pave a way for small business to grow by creating a conducive environment for development. The creation of efficient policies that assist business owners in starting up and expanding

their businesses has not been a major accomplishment of South Africa's small business laws (Le *et al.* 2020:212). The 1995 White Paper noted that black entrepreneurs were the most marginalized group under apartheid, hence the government has placed a major emphasis on assisting them (Le 2018). The Preferential Procurement Policy Framework Act of 2000 and the Black Economic Empowerment (BEE) codes of good conduct are two policies that have been designed to assist small company owners and help more black people to participate in the economy (Timm 2011:7). Additionally, virtually little is known about many of the government's support programs. A large part of this is due to the government's lack of integrated small-company initiatives and a convoluted government support infrastructure, which affects both business owners and government personnel. Simply put, there are too many government agencies attempting to help business owners, and these agencies are dispersed across two separate departments, confusing government employees (Le 2018). Additionally, the nation's BEE legislation has served as a barrier to the launch of successful black entrepreneurs. The government should re-write the BEE legislation to support and encourage black entrepreneurs who want to launch or grow their own businesses, rather than rewarding those who want to acquire a piece of an already-existing company to actively encourage business owners to avoid engaging in such rent-seeking behaviour (Timm 2011:8).

The results show that the availability of capital has a great effect on the growth of SMEs. This is because it takes funds to implement efficient measures that lead to growth. Blose (2018:41) showed that small business growth is negatively impacted by the lack of funds because most of the businesses' and the owners' lack collateral security to acquire loans. Ayandibu *et al.* (2019:1403) concur that financial resources are a challenge for SMEs. The demand for financial help is high when it comes to SMEs because of their need to develop and expand. However, SMEs are unable to source financial resources due to their risk profiles and lack of creditworthiness. In addition, SME owners and managers tend to face difficulties in finding information on the different sources of funding for SMEs and the criteria used to access these funds (Meyer and Meyer 2017:128). Moreso and Blose (2018:41) went on to point out that the conservative nature of South African banks tends to offer loans to SMEs that are in the later stages of development, rather than the ones who are in their early stages and are desperately in need of growth. Thus, it is easier for well-established

businesses to expand rather than small start-ups that are desperately in need of growth and development.

4.5 Quantitative Research

Questionnaires were distributed to 60 small-business owners in Durban and the results attained from the data gathering are presented below. The questionnaires were distributed to business owners who were both available or who had the time to complete the questions, as well as being literate to understand the questions.

4.5.1 Response rate

The term 'representativeness' in research describes how accurately the sample used in the questionnaire research relates to the target population (Bloose 2018:63). Weighting the sample size portions to represent the larger population is one strategy for addressing the issue of a lack of representativeness.

Table 4.1: Response rate

	Number of Respondents	Percentage
Targeted Respondents	60	100%
Retrieved questionnaires	60	100%
Useable	60	100%
Unusable questionnaires	0	0%

4.5.2 Reliability test

Reliability is defined by Neuendorf (2019:34) as the rate at which the measuring instrument replicates the same results after repeated trials. The author further suggests that without first establishing reliability, content analysis is futile. For this study, the researcher made use of Cronbach's Alpha to measure the reliability of the questionnaire. A reliability coefficient of 0.70 or higher is considered as "acceptable" for a newly developed construct (Frost *et al.* 2007). The table below reflects the Cronbach's alpha score for the items that constituted the questionnaire.

Table 4.2: Reliability test results of questionnaire

Cronbach's Alpha	0.863668813
Split-Half (odd-even) Correlation	0.789861035
Spearman-Brown Prophecy	0.882594816
Mean for Test	83.38333333
Standard Deviation for Test	10.8644553
KR21	2.867374273
KR20	3.109402212

4.5.3 Section A

The research instrument specified that Section A was meant to gather data on the Respondents' general information. This general information comprised the Respondents' gender, age, race and the level of education attained. In addition, the section captured data on whether the businesses are registered, the time for which the business has been operational, and the sector in which the business operates.

4.5.3.1 Gender

Figure 4.5 illustrates that 37% of the Respondents were male, while 63% were female. Hence, most of the Respondents were female.

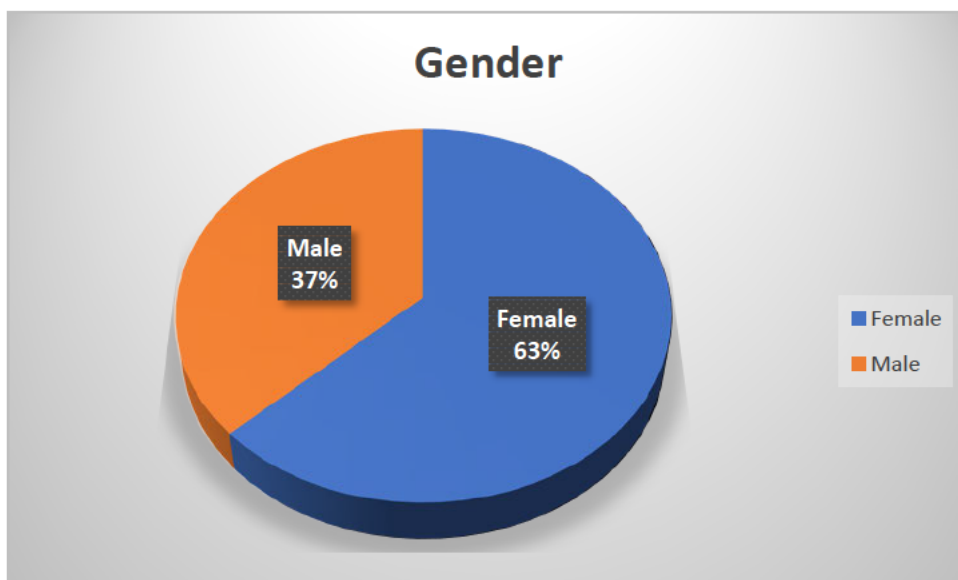


Figure 4.5: Gender of Respondents

4.5.3.2 Age of Respondents

Figure 4.6 below reveals that 4% of the Respondents were below the age of 20 years. A further 58% of the Respondents were in the 20-29 years age group, 23% were in the 30-39 years age group, 15% were in the 40-49 age group and none were in the above 50 years age group. Thus, the 20-29 years age group was the most represented, while the above 50 years group failed to have any representation from the Respondents.

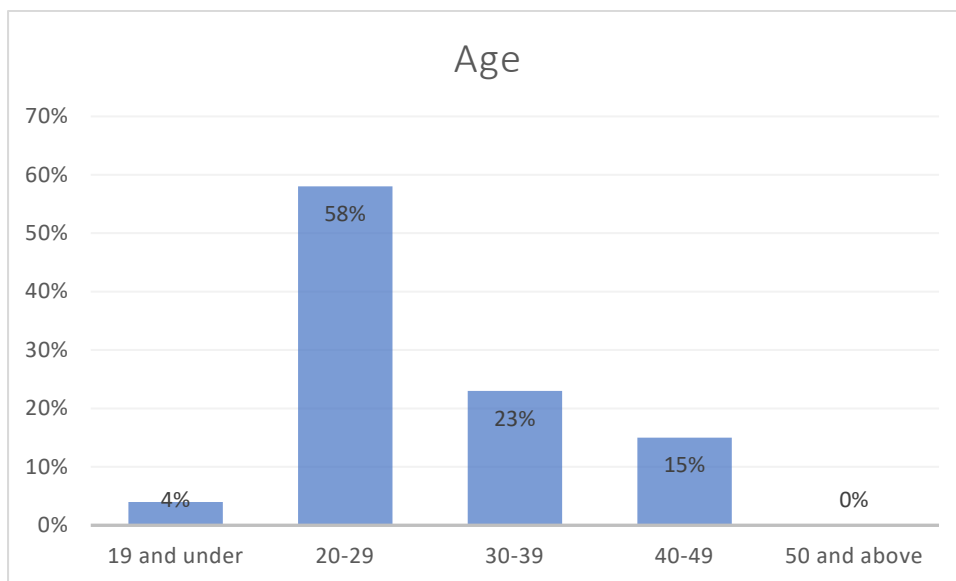


Figure 4.6: Age of Respondents

4.5.3.3 Race of Respondents

Figure 4.7 below illustrates the racial composition of the Respondents. The majority of Respondents, 66%, were Africans; 10% were Indian; 17% were Whites; and the least proportion of the Respondents, 7%, were Mixed race/ Coloureds. Therefore, all the racial groups found in Durban were represented.

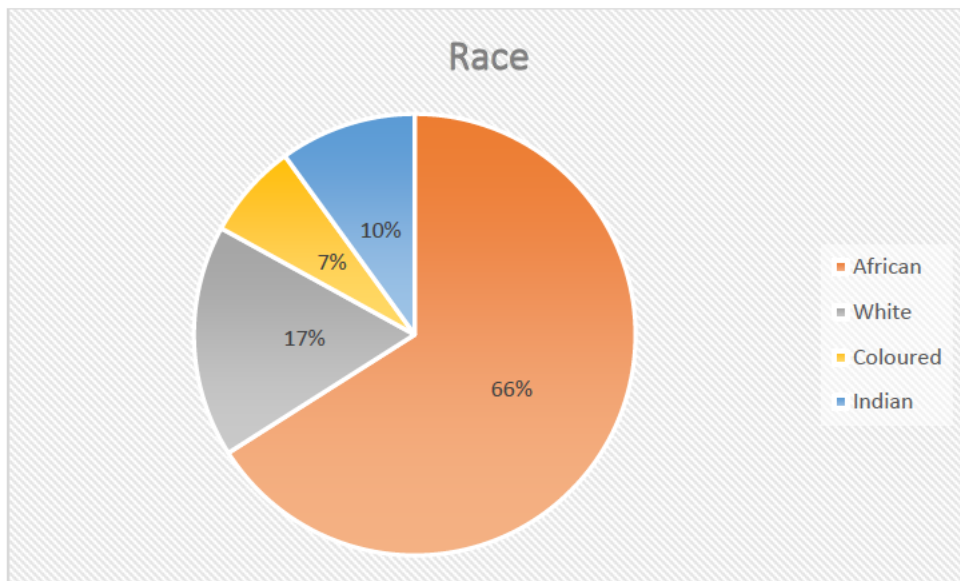


Figure 4.7: Race of Respondents

4.5.3.4 Education level

The diagram below illustrates that only 10% of the Respondents had not completed any form of education. In addition, 20% of the Respondents have matric certificates and 70% have a college or university qualification.

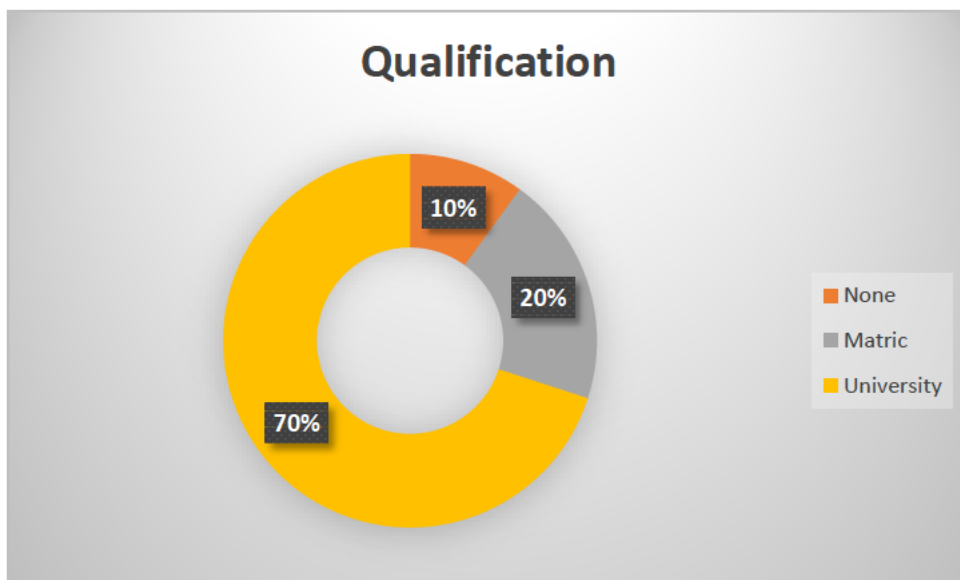


Figure 4.8: Education level

4.5.3.5 Business registration

Figure 4.9 below shows that the majority of the Respondents, which is 63%, were operating registered businesses; whilst 37% were operating unregistered businesses.



Figure 4.9: Business registration

4.5.3.6 Length of business operation

Figure 4.10 shows that most of the businesses, 56%, were in operation for less than 2 years. A further 30% of the businesses were in operation for a period between 2-5 years, while 14% were in business for more than 5 years.

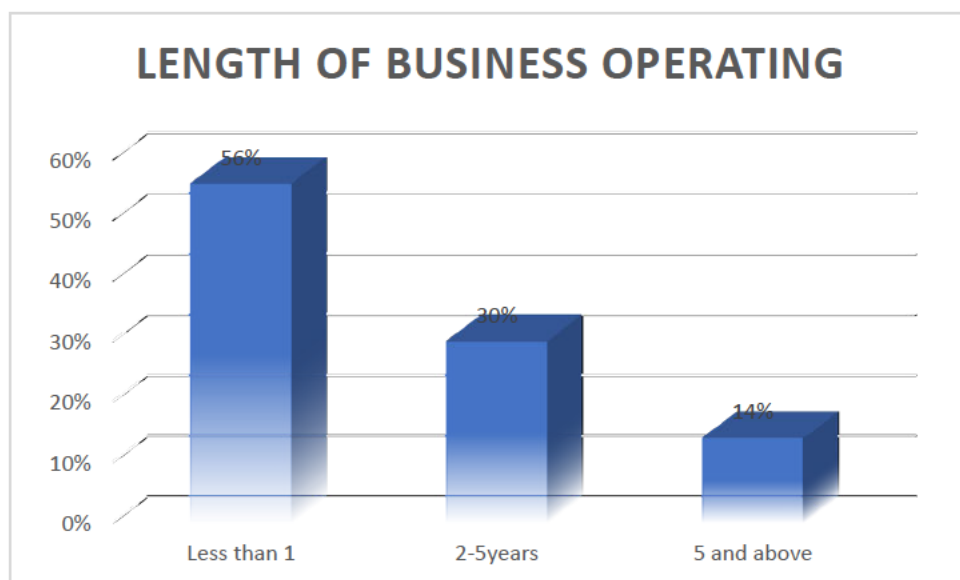


Figure 4.10: Length of business operations

4.5.3.7 Area business is operating in

Figure 4.11 below illustrates that 45% of the small businesses were in the food sector; 37% were operating in the clothing sector; 15% were in manufacturing; 13% were

involved in the provision of services; 8% were in the business of doing some form of repairs, while 8% were in the furniture sector.

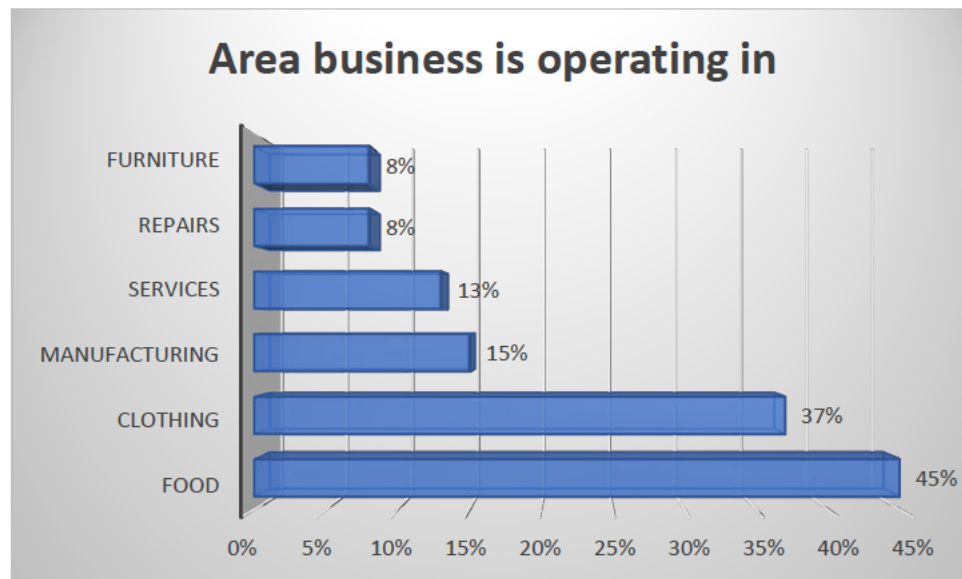


Figure 4.11: Area business is operating in

4.5.4 Section B

4.5.4.1 Entrepreneurial skills

Possessing entrepreneurial skills usually gives an individual an advantage and it pushes one to excel because of the vast knowledge one has. Entrepreneurial skills include critical thinking skills, creativity, good communication skills, and risk-taking. Figure 4.12 below illustrates that the majority of Respondents were of the view that entrepreneurial skills are vital for the growth of small businesses. The Respondents' views on the importance of possessing various entrepreneurial skills are discussed below.

4.5.4.2 The critical thinking skills I possess led to the growth of the business

As illustrated in Figure 4.12, 48% strongly agreed, 27% agreed, 15% were neutral and only 1% disagreed with the view that their critical thinking skills helped in the growth of their businesses. Thus, the majority of the Respondents agreed that critical thinking skills are crucial for SMEs to grow. This is in line with the reviewed literature which indicated that there is a need for the entrepreneur to be a critical thinker because when starting an enterprise, numerous problems may arise. There is a need for the owner

to be a critical thinker in order to solve the problems that might arise. The success of SMEs also relies on the innovativeness of the owners, which needs the owners to be critical and creative thinkers (Butterfield 2017:18).

4.5.4.3 Good communication skills lead to the development of the business

The majority of the Respondents, 92%, agreed that good communication skills were helpful for the development of small businesses. However, 7% of the Respondents were neutral and a further 1% disagreed with the importance of good communication skills in business growth. The views of the majority of the Respondents concur with Abdul (2018:27), who pointed out that the ability to communicate effectively is taken to be one of the factors that enables the growth of the entity. This is because of the ability of good communication skills to motivate and guide employees towards the attainment of the SME's goals.

4.5.4.4 Ethical behaviour makes the business develop

The diagram illustrated that 24% of the Respondents strongly agreed, 45% agreed, 13% were neutral, whilst 10% disagreed and 8% strongly disagreed that conducting the business ethically leads to its development. This concurs with the reviewed literature, which revealed that some SMEs are failing because of a failure to pay bribes and conducting corrupt activities. Hence, if every business was ethical, then there would be equality and small businesses would thrive. However, most business owners nowadays believe that the success of a business lies in knowing someone in higher offices or paying off bribes to get favours, just as part of the Respondents were of the view that conducting businesses unethically leads to success.

4.5.4.5 Creativity leads to the growth of the business

A majority of the Respondents (88%) were in agreement with the view that the creativity of the owner or the manager of the SME led to the growth of the business whilst 4% disagreed and 8% were neutral. Tripathy (2018:4) asserts that there is a need for creative thinking at the various stages of the development of SMEs to ensure success. Butterfield (2017:18) concurred by stating that the success of SMEs relies on the innovativeness of the owners, which needs the owners to be creative thinkers.

4.5.4.6 The ability to take risks affects business growth

Figure 4.12 shows that 84% of the Respondents agreed that SMEs' growth requires the owner or manager to be a risk-taker, whilst 8% disagreed and a further 8% were neutral. Starting a business means that the owner is venturing into something that has never been explored before, hence it is similar to experimenting. This requires one to be a risk-taker. According to Abdul (2018:28), being a risk-taker is one of the defining characteristics of being an entrepreneur. SME owners must be people who dare to venture into a business irrespective of the risk involved in setting up the business.

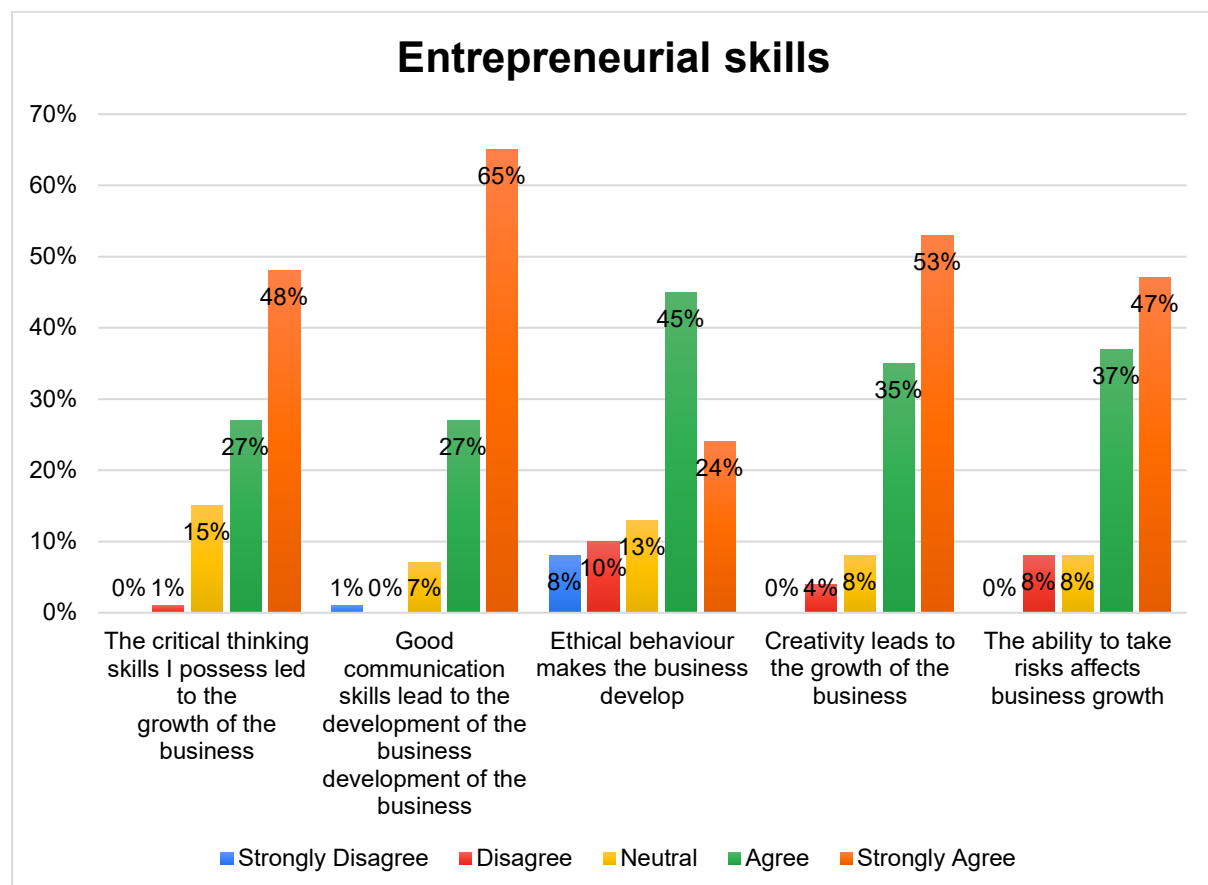


Figure 4.12: Entrepreneurial skills

4.5.5 Support and training

The support and training of entrepreneurs equips them with vast information that is helpful for the development of their businesses. This information can be useful in finding markets, as well as finding better production methods.

4.5.5.1 Government Support has an effect on the growth of the business

The diagram illustrates that a majority of the Respondents (63%) agreed that government support affected the growth of their businesses, whilst 20% disagreed and 17% were neutral. The role of government in SMEs is mostly to create an enabling business environment and open access to markets, as well as reduce policy-induced biases towards SMEs. It also promotes and gives support for SMEs, which aim, to increase the number of enterprises, and which creates an environment that ensures growth and survival (Muriithi, 2017:42). In addition, the support can be from other parties other than the government, like non-governmental organisations which seek the development of the economy and employment (Ayandibu *et al.* 2019:1407).

4.5.5.2 Training of managers or owners leads to business growth

The findings presented in Figure 4.13 revealed that 85% of the Respondents agreed with the view that training the owners and managers of SMEs leads to the growth of the business; whilst 12% disagreed and 3% were neutral. A study by Bhorat *et al.* (2018:34) revealed that the establishment of a successful business usually needs particular skills and such skills can only be developed through education or other forms of training. The information amassed by owners and managers through training improves problem-solving skills and also helps in the growth of the organisation.

4.5.5.3 Workshops and seminars on running businesses by private organisations affect business development

The results presented show that 77% of the Respondents agreed that workshops and seminars on running businesses held by private organisations have a positive effect on business development. On the other hand, 13% disagreed and 10% were neutral. Workshops and seminars provide entrepreneurs with vital information that can help them grow. The majority of SMEs find it difficult to access crucial information which will contribute to the growth and expansion of their businesses (Makhitha 2017:7). SMEs need to access information because such information gives the owners and managers competitive power, which improves the way their businesses are run. Hence, the seminars and workshops help in providing SMEs owners and managers with the information that helps them grow.

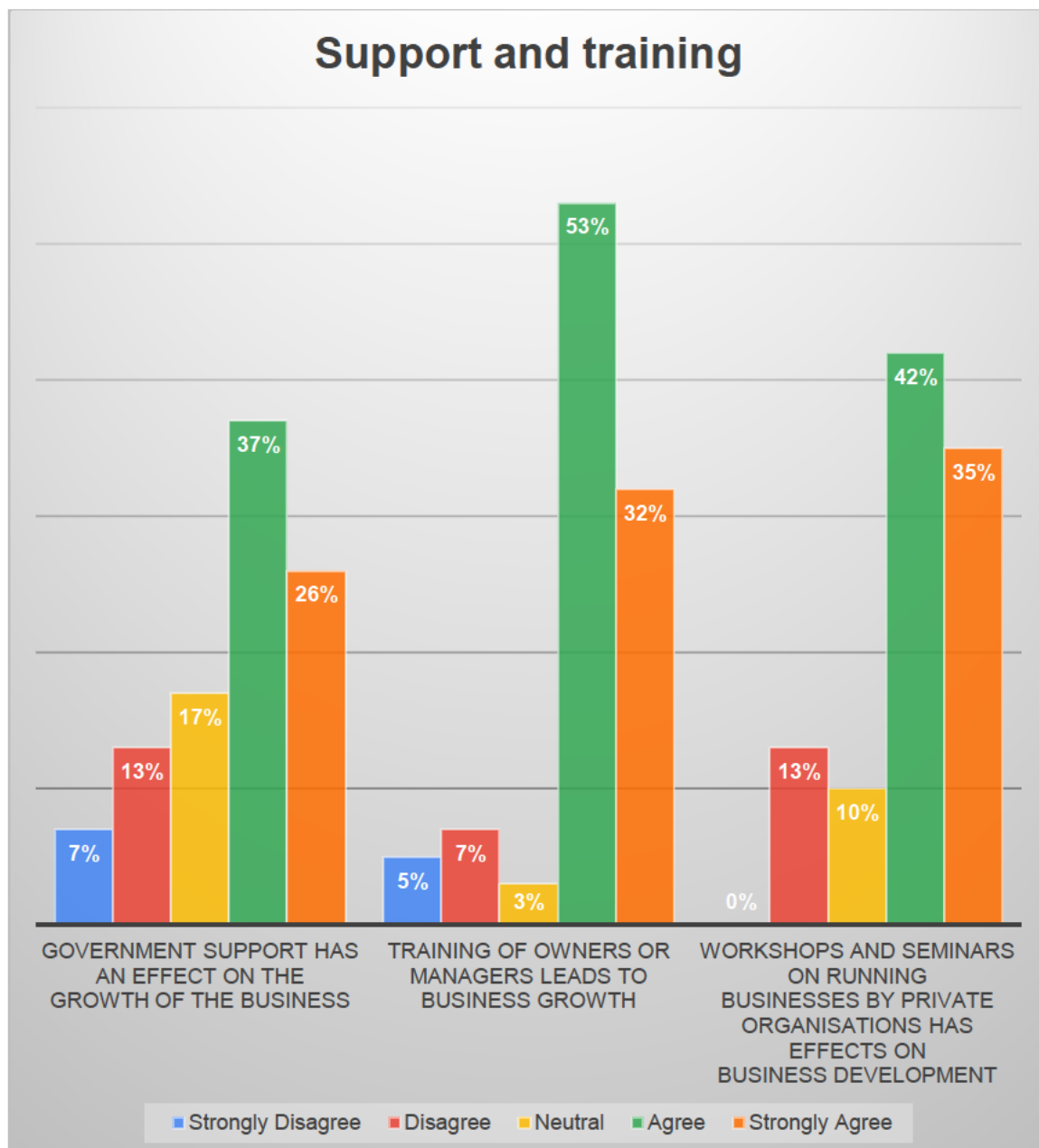


Figure 4.13: Support and training

4.5.6 Managerial skills

4.5.6.1 Good planning is relevant for business growth

Almost all the Respondents (92%) agreed that good planning is relevant for business growth, whilst only 3% disagreed and 5% were neutral. This is supported by Moyo (2019:37) who pointed out that managerial skills are a major factor that leads to the growth of SMEs. Management skills comprise one's ability to plan, lead, control and motivate employees regardless of the number of employees within the organisation.

The managerial skill of planning gives the business a sense of direction and sets up the business' goals and objectives.

4.5.6.2 Coordination of the business so that it works as a unified whole makes the business grow

Figure 4.14 illustrates that 77% of the Respondents were in agreement with the view that the ability of the owner or manager to coordinate the business so that it works as a unified whole makes the business grow. However, 3% of the Respondents disagreed and 20% were neutral. According to Blose (2018:29), coordination as a managerial skill enables the manager to ensure that the different departments within the organisation work together towards a common goal, which is profitability. Xuan, Thu and Anh (2020:867) concur, postulating that coordination prevents organisational departments from working as single units, but rather sharing ideas to improve efficiency in their operations.

4.5.6.3 Directing and delegating makes the business grow

As shown in Figure 4.14, the majority of Respondents (83%) agreed that directing and delegating makes the business grow. On the other hand, 10% disagreed and 7% were neutral. Alefari, Almani and Salonitis (2020:224) pointed out that both directing and delegation are crucial for business growth because employees can perform their tasks without close supervision. When employees are given the power to work on their own and to make decisions, they become more efficient because they feel valued.

4.5.6.4 Organising that follows the set plans leads to business growth

The majority of Respondents (83%) agreed that business growth results from proper organisation which follows the set plans, whilst 4% disagreed and 13% were neutral. Griffin (2021:13) pointed out that organising is one of the crucial managerial skills needed by any manager. It is through the organising function that the manager can put in place a proper organisational structure as well as allocate organisational resources in a way that ensures that the objectives are met. Ahmad and Ahmad (2018:13) also support this view by suggesting that organising ensures that all the plans made by the manager are implemented and executed to meet the goals of the organisation.

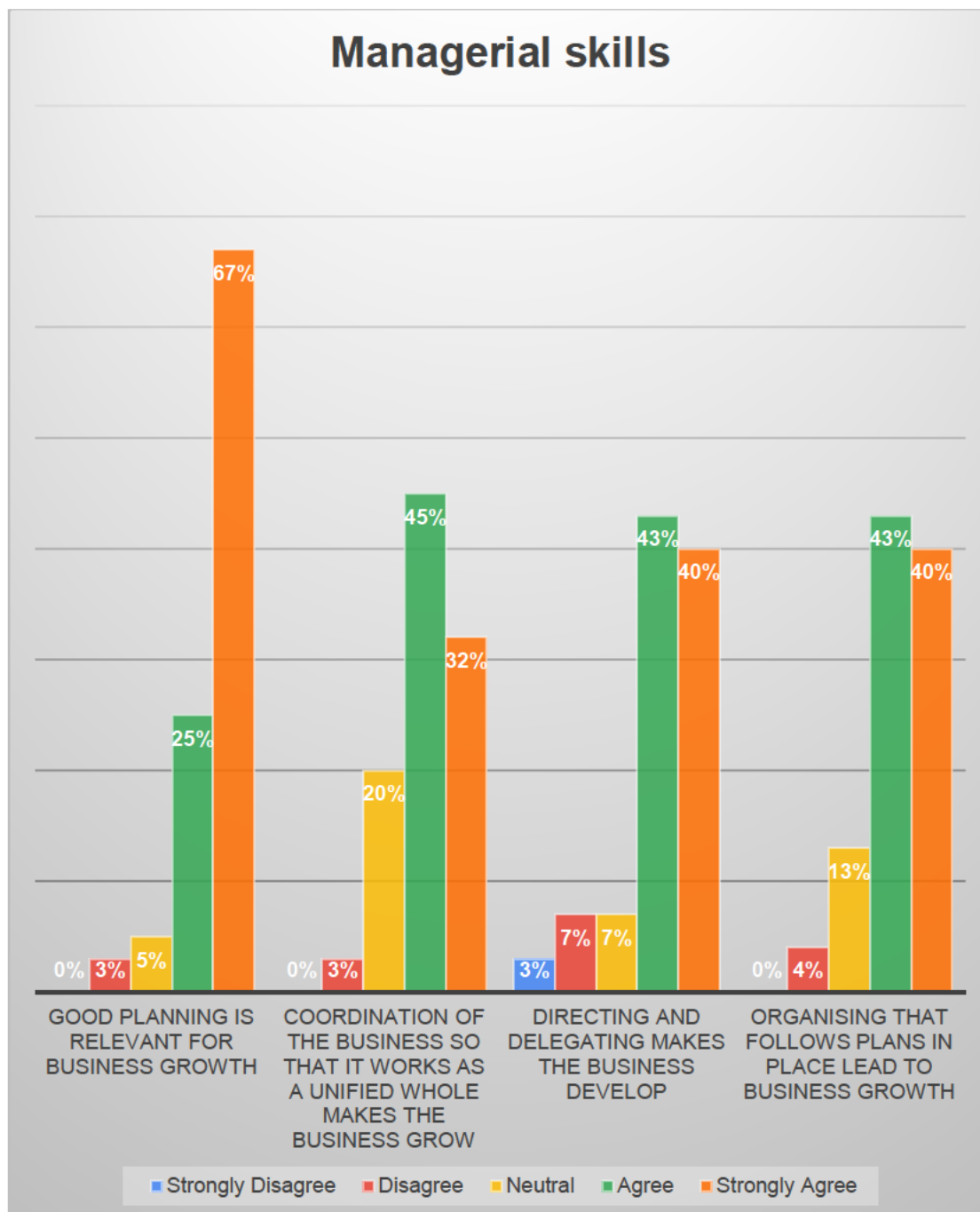


Figure 4.14: Managerial Skills

4.5.7 Government policies

4.5.7.1 The existence of the SMME sector (SEDA) makes it easier to start a business

Figure 4.15 illustrates that 68% of the Respondents agreed that the existence of the SMME sector in South Africa makes it easier to start a business, whilst 14% disagreed

and a further 18% were neutral. Madichie, Mpiti and Rambe (2018:37) revealed that SEDA, as an agency of the Department of Trade and Industry, supports business start-ups by offering capital or training. The presence of SEDA is important to small businesses because it equips entrepreneurs with the needed skills to thrive in competitive environments. Litheko (2021:260) concurs by revealing that SEDA provides entrepreneurs with short entrepreneurial training courses that equip them with the skills for development and sustainability, which boosts their performance. Training courses equip entrepreneurs with skills like marketing their businesses, as well as the preparation of business plans and the maintenance of accounting records.

4.5.7.2 Government policy on business registration affects the formation of businesses

The majority of Respondents (75%) agreed that government policy on the registration of businesses affects the formation thereof. However, 14% disagreed and 11% were neutral. A study by Bushe (2019:6) revealed that government policies on businesses are usually beneficial to big organisations because they are the ones that are usually consulted in most policy negotiations. Thus, small businesses are there to accept and comply with the set policies for an industry or businesses in general.

4.5.7.3 Taxation of small businesses affects their growth

As illustrated in Figure 4.15, the majority of Respondents (85%) were of the view that the taxation of small businesses affects their growth; whilst 7% disagreed and 8% were neutral. A study by Darnihamedani, Block, Hessel and Simonyan (2018:357) revealed that taxation is discouraging to entrepreneurs because they are of the view that their profits will be eroded by taxes. In addition, corporate taxes impede the growth of small businesses because it reduces the retained earnings of the enterprise which would have been ploughed back into the business (Blose 2018:39). Furthermore, Wadesango, Mwandambira, Mhaka and Wadesango (2018:2) concurred by pointing out that small business owners are reluctant to register their businesses because they do not want to lose a portion of their profits through taxes.

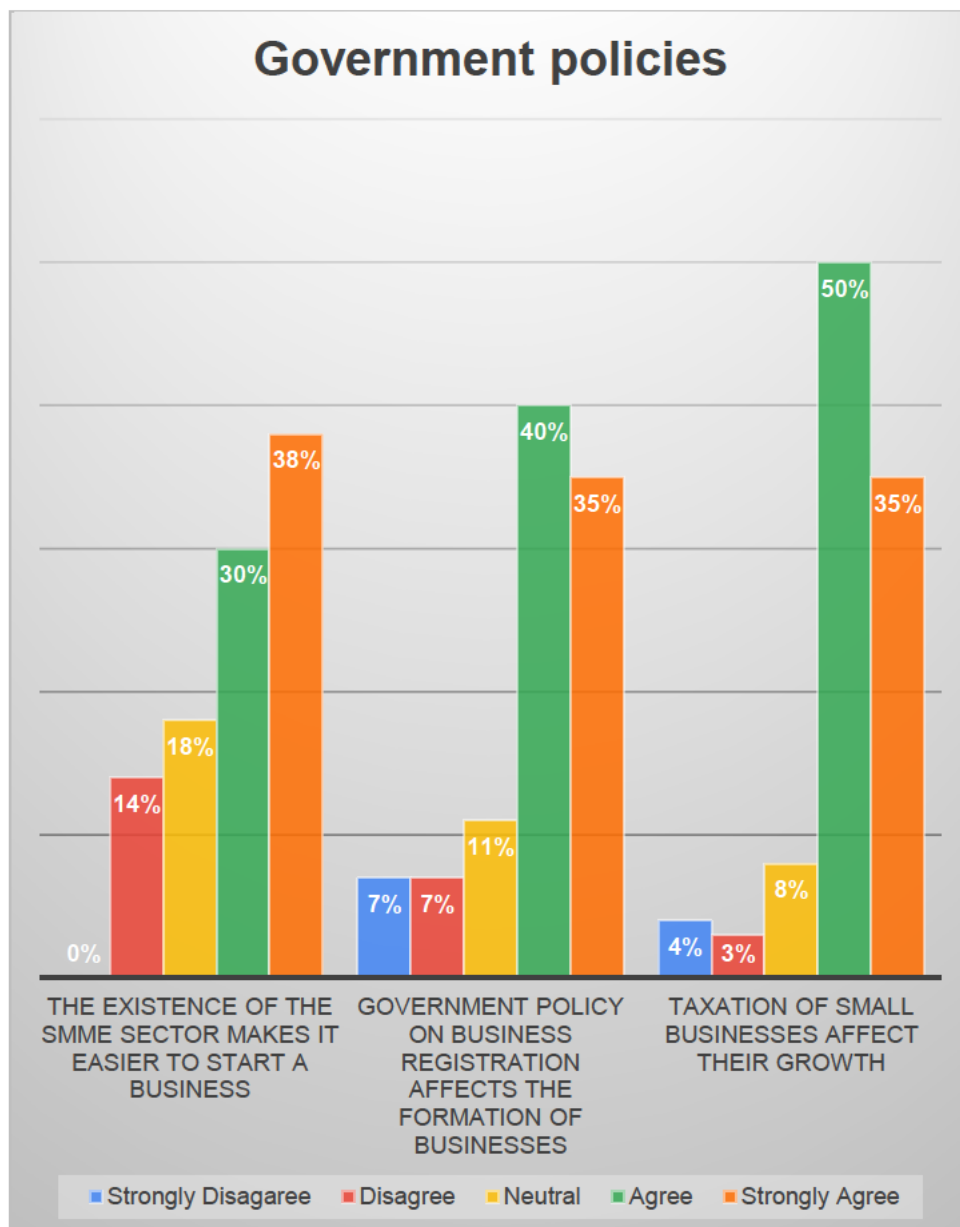


Figure 4.15: Government Policies

4.5.8 Availability of capital

4.5.8.1 The process of acquiring loans has an effect on business growth

Figure 4.16 shows that 90% of the Respondents agreed that the length of the process of loan acquisition has an effect on business growth, whilst none of the Respondents disagreed and 10% were neutral. According to Ratnawati (2020:70), the availability of funds is the main factor that determines the growth of the business. The longer it takes for a business to get funding, the longer it takes for the business to grow. Yudaruddin (2020:23) concurred by stating that when small businesses have adequate capital,

they can easily grow because they can improve their productivity and increase output. Generally, businesses can use acquired loans to obtain more advanced machinery and technology, which in turn leads to the growth of the business.

4.5.8.2 The ease of getting an external source of capital affects business growth

A majority of the Respondents (88%) agreed that the ease of getting an external source of capital affects business growth. Sohilauw (2018:95) revealed that capital helps businesses to conduct their day-to-day operations and the availability of capital positively affects the business. In addition, Xuan (2020:23) suggested that businesses that easily acquire investment capital can easily develop and become more competitive, productive and more efficient. The ease of accessing funds by a business is an important growth tool for a business and it can be used in the pursuit of opportunities for the growth and development of small businesses (Ratnawati 2020:71).

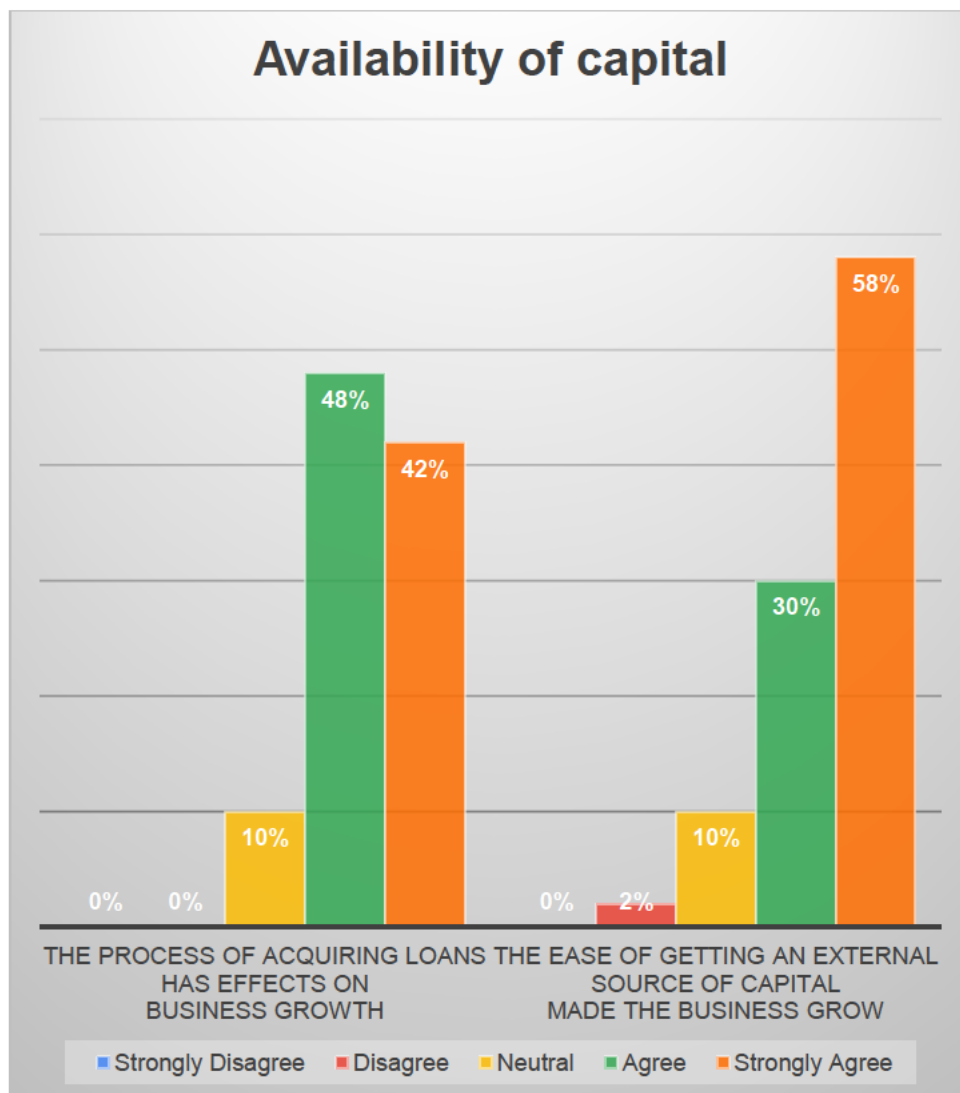


Figure 4.16: Availability of capital

4.6 Chi-square test

Table 4.3: Chi-square tests

Questions	Good communication skills lead to the development of the business	Coordination of the business so that it works as a unified whole makes the business grow	Training of owners or managers leads to business growth	Taxation of small businesses affects their growth	The ease of getting an external source of capital made the business grow
The critical thinking skills I possess led to the growth of the business	0.0452*	0.569	0.201*	0.301	0.248
Good planning is relevant for business growth	0.015*	0.0017*	0.035*	0.790	0.675
Government support has an effect on the growth of the business	0.454	0.268	0.0698	0.046*	0.018*
Government policy on business registration affects the formation of businesses	0.001*	0.740	0.238	0.7975	0.087
The process of acquiring loans has effects on business growth	0.002*	0.321	0.464	0.532	0.1142

The traditional approach to reporting study results requires a statement of their statistical significance. Chi-square test p-values are generated from test statistics, where significant results are indicated by values of ($p \leq 0.05$). A Chi-square test was performed on the study results to determine whether any statistically significant relationships exist between variables (rows vs columns).

A significant relationship was found to exist between 'the critical thinking skills I possess led to the growth of the business' and 'good communication skills lead to the development of the business' ($p=0.0452$). This shows that having sound critical thinking skills complemented by good communication skills make the entrepreneur find and utilise opportunities for the growth of the business.

It emerged that there was a significant relationship between 'good planning is relevant for business growth' and 'coordination of the business so that it works as a unified whole makes the business grow', with a result of ($p=0.0017$). This suggests that when the management or owners strategically plan for the business successfully, then it is easy for them to organise their resources for more productive and efficient operations. Thus, planning and coordination can lead to the growth of businesses.

There was no significant relationship between 'government support has an effect on the growth of the business' and 'training of owners or managers leads to business growth' ($p=0.0698$). This implies that government support and training do not have a relationship when it comes to the growth of SMEs.

The results also showed that there was no significant relationship between 'government policy on business registration affects the formation of businesses' and 'taxation of small businesses affects their growth' ($p=0.7975$). This means that the policies put in place by the government regarding business formation do not have anything to do with the amount of taxes charged to small businesses. Furthermore, the results show that there was no significant value between 'the process of acquiring loans has effects on business growth' and 'the ease of getting an external source of capital made the business grow' ($p=0.11420$).

4.7 Correlation

Abi-variate correlation was performed on data obtained for the study. Positive values indicated a directly proportional relationship between variables, and negative values indicated inverse relationships. The results are attached as part of the Appendices.

A moderately positive correlation was found between the 'critical thinking skills I possess led to the growth of the business' and 'good communication skills lead to the development of the business', with the results $r=0.364$. This shows that an entrepreneur who has great critical thinking skills can easily communicate with employees and customers, leading to growth. Furthermore, there was a moderately positive correlation between 'the critical thinking skills I possess led to the growth of the business', and 'the ability to take risks affects business growth', with the results $r=0.3741$. This indicated that possessing skills affects SMEs' growth.

There was a positive correlation between 'the critical thinking skills I possess led to the growth of the business' and 'coordination of the business so that it works as a unified whole makes the business grow', with the results $r=0.591$. Moreover, a positive correlation exists between 'the critical thinking skills I possess led to the growth of the business' and 'directing and delegating makes the business develop' with the results $r=0.564$. Furthermore, the results showed a positive correlation between 'the critical thinking skills I possess led to the growth of the business' and 'organising that follows plans in place leads to business growth', with the results $r=0.570$. This showed that critical skills are important in enhancing managerial skills.

A positive correlation was found between 'workshops and seminars on running businesses by private organisations has effects on business development' and 'training of owners or managers leads to business growth', with the results $r=0.695$. This indicates that support and training affect SMEs' performance. Thus, workshops and seminars are important for business development.

There was a positive correlation between 'government policy on business registration affects the formation of businesses' and 'taxation of small businesses affects their growth', with the results $r=0.383$. This indicates that government policies and taxation influence business growth.

A positive correlation was found between 'the process of acquiring loans has effects on business growth' and 'the ease of getting an external source of capital made the business grow', with the results $r=0.727$. This indicates that the availability of funding has an impact on business growth

4.8 Conclusion

This chapter presented the results and findings for the study. The quantitative results were obtained using questionnaires administered to SMEs in Durban. On the other hand, the qualitative results were obtained from the interviews conducted with the small business owners. The study results from the descriptive statistics showed that many Respondents were Africans and in terms of ages, the majority were between 20-29 years old. There were more female Respondents compared to males. The results also showed that the majority of the Respondents had their businesses operating for less than 1 year. In addition, the majority of the Respondents' businesses were in the food industry.

Chi-square tests and correlation analysis were carried out on the data gathered. The results showed both significant and non-significant relationships between variables in the study. These results showed that there was a significant relationship between 'good planning is relevant for business growth' and 'coordination of the business so that it works as a unified whole makes the business grow'. In addition, there was a significant relationship between 'the critical thinking skills I possess led to the growth of the business' and 'good communication skills lead to the development of the business'.

The next chapter provides the conclusions and recommendations.

CHAPTER 5: CONCLUSION AND RECOMMENDATION

5.1 Introduction

The previous chapter analysed the findings of the study. This chapter presents conclusions regarding these findings and makes further study recommendations. Growth is crucial for small businesses because it allows them to survive in a tough business environment, as well as ensures the creation of employment opportunities. The study was aimed at investigating the factors affecting the growth of SMEs in Durban.

5.2 Summary of the study

Chapter 1 introduced the study. The study aimed to investigate factors influencing the growth of Small and Medium Enterprises in the Durban Metropolitan Area. The study objectives were to ascertain whether the possession of entrepreneurial skills affects the growth of SMEs; evaluate whether the availability of support and training in business affects the performance of SMEs; evaluate whether managerial skills are relevant for the growth of SMEs; determine the importance of government policies that favour the formation of SMEs; and to establish if the availability of capital affects the growth of SMEs. The first chapter provided the background and problem statement for the study.

Chapter 2 covered the literature review for the study. The chapter discussed the challenges being faced by owners of SMEs which hinder the survival as well as the expansion of these businesses. These challenges include the lack of funds, lack of support, uneducated owners, high crime rate and the increased level of corruption in the country. In addition, various ways to improve the development of SMEs were highlighted. The most important remedy to the survival and growth of SMEs is the provision of both financial and non-financial support to such businesses by the government and the private sector. Therefore, ample support can make SMEs succeed in the presence of the COVID-19 pandemic.

The chapter further discussed the theoretical framework. The theoretical underpinning for this study was the Resource Dependency theory and the theories of growth. The Resource Dependency theory emphasizes the link between the enterprise and the

resources required for operations. The theory's main elements are uncertainty and dependency. An organisation relies on resources to survive in the business environment. This also applies to SMEs as they rely on resources for their growth. Theories of growth state that SMEs play an important role in creating employment, supporting innovation, generating competition and creating economic wealth for the country. In comparison to larger businesses, smaller and medium-sized businesses possess insignificant management with low experience in industry, no proper training, and poor educational backgrounds.

Chapter 3 explained the study's methodology and design of the study. The study employed a mixed method approach because it provides a better understanding of the research problem by using both qualitative and quantitative methods. The study used both a cross-sectional and descriptive research design. The cross-sectional design was used because it is easy and less time-consuming to use. However, this method cannot measure any changes that might happen. In addition, the study used a descriptive design after closely looking at the study problem, objectives and aim. The target population for this study comprised SME owners in Durban, both registered and unregistered. The sample size was 60 SMEs for the quantitative research and 12 for in-depth interviews. Non-probability sampling was used in this study and convenience sampling was used. Convenience sampling was used to give the questionnaires to the SMEs owners or managers and select Respondents for the interviews. This method was used because it is quick and easy to select the Respondents. For data analysis, both qualitative and quantitative data analysis methods were applied in this study. Quantitative data were analysed using SPSS and qualitative data using Nvivo.

Chapter 4 presented and discussed the results. The main findings of the study were that many Respondents were Africans and in terms of age, the majority were between 20-29 years old. There were more female Respondents compared to males. The results also showed that the majority of the Respondents had their businesses operating for less than 1 year. In addition, the majority of the Respondents' businesses were in the food industry. The chapter also presented section analysis results, chi-square test results and correlation analysis results.

5.3 Attainment of the study objectives

5.3.1 To ascertain whether the possession of entrepreneurial skills affects the growth of SMEs

The majority of Respondents were of the view that entrepreneurial skills are vital for the growth of small businesses. The results showed that entrepreneurial skills like creative thinking, critical thinking and good communication skills are important for the development of small businesses. It was deduced that entrepreneurial skills are helpful because businesses operate in a dynamic environment with intense competition. Therefore, entrepreneurial skills help business owners as well as management with business skills that are crucial for the growth of businesses. This in line with a study conducted by Blose (2018) on factors hindering the growth of SMMEs in Msunduzi Municipality, which found the lack of entrepreneurial skills as a major inhibitor of growth.

Generally, the study found that entrepreneurial skills are an important aspect for business owners. These skills are crucial in ensuring that the small business survives and allows for the development of the business since the business adapts to the environment.

5.3.2 To evaluate whether the availability of support and training in business affects the performance of SMEs

The results showed that support and training affect the growth of businesses. The interviews revealed that a majority of business owners lack sound business knowledge. Thus, support and training equip them with the necessary knowledge on business, which helps their businesses to develop. In addition, the results revealed that support can also be in the form of funding, which is what most entrepreneurs are lacking. Entrepreneurs do not have sufficient funds to develop their businesses, resulting in stagnancy which will eventually lead to the failure of the business. Therefore, the study deduced that training and support are both crucial for the growth of small businesses. Support and training give business owners relevant information and skills which foster growth in their businesses.

5.3.3 To evaluate whether managerial skills are relevant for the growth of SMEs

Managerial skills, which include planning, coordinating, directing and organising, have an influence on the growth of SMEs. The results reveal that management skills are critical in the day-to-day running of the business. These skills also aid the management in the efficient allocation of business resources, which in turn leads to growth. The chi-square results showed a significant relationship between 'good planning is relevant for business growth' and 'coordination of the business so that it works as a unified whole makes the business grow'. This implies that there is a link between the various managerial skills and the entrepreneur who possesses these managerial skills has a higher chance of succeeding and developing the business.

5.3.4 To determine the importance of government policies that favour the formation of SMEs

The results showed that having an SMME sector makes it easier for a business to start. In addition, government policies available in terms of the registration of businesses affect the formation of businesses. Government policies are crucial in helping small businesses grow because they provide an environment for them to thrive. Additionally, the study also found that government policies provide small businesses with opportunities that make them more competitive and help them adapt to the operating environment. Therefore, government policies promote the growth of SMEs because they give SMEs a competitive edge and push SMEs to grow.

5.3.5 To establish if the availability of capital affects the growth and expansion of SMEs

The results showed that the majority of Respondents agreed that the process of getting loans affects the growth of businesses. Furthermore, the ease of getting external funding affects business growth. The results also showed a positive correlation between the 'process of getting loans affects the growth of the business' and 'ease of getting external funding affects business growth'. This shows that the availability of capital affects the growth and expansion of SMEs. Generally, small businesses require capital for investments that enable growth, such as technological improvements or marketing the business. Therefore, the availability of capital is critical for the growth of SMEs.

5.4 Recommendations

5.4.1 Support

It is proposed that the various spheres of the government, non-governmental organisations as well as private organisations offer support to small businesses to allow them to grow. The government must come up with policies that foster the growth of the small businesses, whilst other players must mentor these business owners, especially in their start-ups, to ensure survival as well as growth. In addition, the most important part of support is through funding because any form of growth requires substantial investments.

5.4.2 Training

It is suggested that small business owners and managers must be provided with training. Usually, entrepreneurs will be venturing into new business environments with very low or without experience in those fields or sectors. Hence, training can aid in equipping them with the needed information about the business environments they will be operating in. In addition, training can help them boost their knowledge of vital business skills like strategic management, marketing management and record keeping. Such skills are crucial for the development of the business and allows the business to be competitive.

5.4.3 Incentives to encourage registration

It is recommended that small businesses must be given some form of encouragement for them to register their businesses. The high number of unregistered small businesses is difficult for the government to monitor and difficult to help them grow. Thus, incentives such as offering low-interest loans to registered small businesses can lure entrepreneurs into registering their businesses. Registered businesses are easily monitored, and they can easily get help when they are in need.

5.4.4 Funding

It is recommended that more funding options must be provided for small business owners. Some entrepreneurs have brilliant business ideas, but they do not have enough funds to get ample resources for their growth. Small businesses are currently

employing a significant proportion of the population. Hence they must be offered more streams of funding to foster the development. In addition, commercial banks and other private financial institutions must find other prerequisites for offering loans, other than collateral security, since most entrepreneurs do not have the funds. They could rather get a portion of the business where they see the potential for growth rather than the collateral.

5.4.5 Easy processes to get funding for businesses in rural areas

It is proposed that small businesses in rural areas and remote areas be given priority in terms of funding. These businesses desire the development of rural and remote areas, and thus require more support and funds for the development of the areas. In addition, the businesses will be employing local people, thereby reducing various social ills like poverty. This calls for more support through funding. The growth of such businesses will lure other investors and other businesses into the areas, which in turn would lead to the development of the areas, as well as the growth of the economy through an increased Gross Domestic Product.

5.5 Recommendations for future studies

The study came up with propositions that can be conducted in the future to improve small businesses and boost the economy. A study can be done to assess the factors which impede SMEs from registering their businesses. In addition, a similar study can be conducted in other provinces to find out whether small businesses are encountering similar problems across the country. Furthermore, the study can also be done targeting a different population. Finally, future research can also focus on the causes of the failure of registered businesses only.

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APPENDICES

Appendix 1: Consent form questionnaire



Faculty of Management Sciences

Department of Entrepreneurial Studies and Management

16 January 2022

Dear Participant,

My name is Farai Makasi and I am a presently registered student with the Faculty of Management Sciences at the Durban University of Technology (DUT). In order to obtain a degree in masters of management sciences qualification, I have to complete a dissertation. I am conducting a study on the factors influencing the growth of Small and Medium Enterprises in the Durban Metropolitan Area, South Africa.

The following questionnaire will require approximately ten minutes to be completed. There is no compensation for responding and there is no known risk associated with answering the questionnaire. In order to ensure that all information will remain confidential and anonymous, names are not required. So, please answer all questions as honest as possible and return the completed questionnaires

Thank you for taking the time to assist me in my educational endeavours. The data collected will only be used for my research purposes. Your participation is of value to me as the completed questionnaires will assist me in furthering my research. All your time and effort spent towards this research is highly appreciated.

Yours Sincerely,

Farai H Makasi

21143338@dut4life.ac.za

Researcher 065 9830 428

Professor Gift Mheta

Supervisor 031 373 3006

giftm@dut.ac.za

Appendix 2: Consent form interviews



Faculty of Management Sciences

Department of Entrepreneurial Studies and Management

30 January 2022

Dear Participant,

My name is Farai Makasi and I am a presently registered student with the Faculty of Management Sciences at the Durban University of Technology (DUT). In order to obtain a degree in masters of management sciences qualification, I have to complete a dissertation. I am conducting an investigation on the factors influencing the growth and expansion of Small and Medium Enterprises in the Durban Metropolitan Area, South Africa.

I have to conduct in-depth interviews with the participants who are owners or managers of Small and Medium Enterprises in the city of Durban. Therefore, I kindly request you to partake and contribute to this research taking only 30 minutes of your time to sit down for a brief interview. All the data collected in this study will exclusively be used for research purposes and confidentiality is assured.

Should you not understand any question or have any queries, please do not hesitate to indicate and ask me. My supervisor can also be contacted on 031 373 6735 should you need to make any further enquiry. All your time and effort spent towards this research is highly appreciated.

Yours Sincerely,

Farai H Makasi

21143338@dut4life.ac.za

Researcher 065 9830 428

Professor Gift Mheta

Supervisor 031 373 3006

giftm@dut.ac.za

Appendix 3: Questionnaire Please select your option with an X

Section A

1. Please indicate your gender

Female ☐ Male ☐

2. Please indicate your age

19 and under	20-29	30-39	40-49	50 and above
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. What is your race?

African ☐ White ☐ ☐ed ☐an

4. Which is your highest level of education?

None ☐ Matric ☐ University/ College ☐

5. Is your business registered?

Yes ☐ No ☐

6. How long has your business been operational?

1-3years ☐ 3-5years ☐ 5years and above ☐

7. Which area is your business operating in?

Food	<input type="checkbox"/>
Clothing	<input type="checkbox"/>
Manufacturing	<input type="checkbox"/>
Services	<input type="checkbox"/>
Repairs	<input type="checkbox"/>
Furniture	<input type="checkbox"/>

Section B

Please select the answer that apply to your business with an X

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Entrepreneurial Skills					
8. The critical thinking skills I possess led to the growth of the business					
9. Good communication skills lead to the development of the business					
10. Ethical behaviour makes the business develop					

11.Creativity leads to the growth of the business					
12.The ability to take risks affects business growth					
Support and Training					
13.Government support has an effect on the growth of the business					
14.Training of owners or managers leads to business growth					
15.Workshops and seminars on running businesses by private organisations has effects on business development					
Managerial Skills					
16.Good planning is relevant for business growth					
17.Coordination of the business so that it works as a unified whole makes the business grow					
18.Directing and delegating makes the business develop					
19.Organising that follows plans in place lead to business growth					
Government Policies					
20.The existence of the SMME sector makes it easier to start a business					
21.Government policy on business registration affects the formation of businesses					
22.Taxation of small businesses affect their growth					
Availability of Capital					
23.The process of acquiring loans has effects on business growth					
24.The ease of getting an external source of capital made the business grow					

Thank you for your time

Appendix 4: Interview Schedule

1. How old are you?
2. What is the highest level of education you achieved?
3. What business are you conducting?
4. How long has your business been in operation?
5. How did entrepreneurial skills like creative thinking and the ability to keep going in the face of hardships help in the growth of your business?
6. What is your view on whether support and training enhance the development and growth of SMEs?
7. In your view, do managerial skills have an effect on the growth of the business?
8. How do government policies that favour the formation of SMEs like the SMME sector have an effect on the growth and development of business?
9. How did you finance the business?

Appendix 5: Ethical Clearance



MANAGEMENT SCIENCES: FACULTY RESEARCH ETHICS COMMITTEE (FREC)

3 March 2020

Student Name: **Mr FH Makasi**

Student No: 21143338

Dear Mr FH Makasi

MASTER OF MANAGEMENT SCIENCES: BUSINESS ADMINISTRATION

TITLE: Factors influencing the growth of SMEs In Durban

Please be advised that the FREC Committee has reviewed your proposal and the following decision was made: **Approved – Ethics Level 2**

Date of FRC Approval: 3rd March 2020

Approval has been granted for a period of two years from the above FRC date, after which you are required to apply for safety monitoring and annual recertification. Please use the form located at the Faculty. This form must be submitted to the FREC at least 3 months before the ethics approval for the study expires.

Any adverse events [serious or minor] which occur in connection with this study and/or which may alter its ethical consideration must be reported to the FREC according to the FREC SOP's. Please note that ANY amendments in the approved proposal require the approval of the FREC as outlined in the FREC SOP's.

Yours sincerely

Prof JP Govender
Chairperson: Faculty Research Ethics Committee

Appendix 6: Ethical certificate

	Zertifikat Certificat	Certificado Certificate
Promouvoir les plus hauts standards éthiques dans la protection des participants à la recherche biomédicale Promoting the highest ethical standards in the protection of biomedical research participants		
Certificat de formation - Training Certificate		
Ce document atteste que - this document certifies that		
	Farai Makasi	
a complété avec succès - has successfully completed		
Introduction to Research Ethics		
du programme de formation TRREE en évaluation éthique de la recherche of the TRREE training programme in research ethics evaluation		
Release Date: 2021/04/21 CID : 050CPyAd4		
Professeur Dominique Sprumont Coordinateur TRREE Coordinator		
	Foederatio Pharmaceutica Helvetiae	 Programmes de formation continue Continuing Education Programs
Programmes de formation postgraduée et continue		
Ce programme est soutenu par - This program is supported by : European and Developing Countries Clinical Trials Partnership (EDCTP) (www.edctp.org) - Swiss National Science Foundation (www.snf.ch) - Canadian Institutes of Health Research (http://www.cihr-irsc.gc.ca/fr/2001.html) - Swiss Academy of Medical Sciences (SAMS/ASSM/SAMW) (www.samsw.ch) - Commission for Research Partnerships with Developing Countries (www.hfpe.ch)		

Annexure 7: Language Editor's Report

EDITOR'S LETTER

Researchers Beyond-Borders (PTY)
Umhlanga, Durban
South Africa
29 November 2022

To whom it may concern

Editing of Masters Dissertation: Farai Humbrosi Makasi (Student number - 21143338)

Title: Factors influencing the growth of small and medium enterprises in Durban.

This letter serves as confirmation that the aforementioned dissertation has been language edited.
Any queries may be directed to the author of this letter.



Regards

Maleni Pillay
Researchers Beyond-Borders
consult@researchersbeyondborders.com
www.researchersbeyondborders.com

Annexure 8: Correlation results

	g skills I possess led to the	ad to the	makes the	the grow	risks affect	effect on	anagers	ley private	o relevant fo	works as a	ing makes	ans in place	ctor make	istration	usinesses	ans has	e source of
The critica	1																
Good com	0,443039	1															
Ethical be	0,332568	0,17019	1														
Creativity	0,427356	0,330025	0,364441	1													
The ability	0,374151	0,049359	0,286306	0,399338	1												
Governme	0,276256	0,112567	0,158337	0,221511	0,231478	1											
Training o	0,281099	0,109662	0,182434	0,332718	0,029056	-0,00523	1										
Workshop	0,324656	0,283954	0,098807	0,236082	0,127568	0,098029	0,695415	1									
Good plan	0,498028	0,32234	0,289596	0,542679	0,370612	0,097032	0,341881	0,314945	1								
Coordinat	0,591746	0,25516	0,456961	0,502761	0,483529	0,399411	0,31407	0,227836	0,37462	1							
Directing	0,564124	0,224618	0,431952	0,450307	0,524435	0,49591	0,098464	0,281966	0,499987	0,571993	1						
Organisin	0,570254	0,430438	0,235368	0,363293	0,423588	0,31489	0,41995	0,589506	0,500151	0,559918	0,691422	1					
The existe	0,245701	-0,05739	0,029851	0,125159	0,293136	0,302439	0,460868	0,320421	0,092265	0,585353	0,217897	0,356193	1				
Governme	0,67733	0,326586	0,526398	0,322761	0,353277	0,40295	0,165137	0,275276	0,395024	0,725603	0,713704	0,479509	0,281324	1			
Taxation c	0,257501	0,123353	-0,09914	0,352488	0,126693	0,288566	0,250379	0,411042	0,440632	0,325369	0,48761	0,397331	0,170646	0,383726	1		
The proce	0,348951	0,24651	0,173784	0,572508	0,439391	0,567535	0,217525	0,384742	0,461609	0,541885	0,595599	0,518418	0,262996	0,42364	0,568406	1	
The ease	0,42205	0,283389	0,19935	0,395923	0,471652	0,332156	0,23152	0,29282	0,504688	0,438078	0,554793	0,643053	0,272815	0,385734	0,334515	0,727957	1

Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Annexure 9: TURNITIN Report

Factors influencing the growth of Small and Medium Enterprises in Durban

ORIGINALITY REPORT

9%	8%	3%	4%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	Submitted to Mancosa Student Paper	1%
2	www.scribd.com Internet Source	1%
3	www.usb.ac.za Internet Source	1%
4	researchspace.ukzn.ac.za Internet Source	1%
5	sujo-old.usindh.edu.pk Internet Source	<1%
6	hdl.handle.net Internet Source	<1%
7	uir.unisa.ac.za Internet Source	<1%
8	Submitted to Stadio Holdings Student Paper	<1%
9	Submitted to Pacific University Student Paper	<1%