

DURBAN UNIVERSITY OF TECHNOLOGY

**BUSINESS LEADERSHIP COMPETENCY FOR INNOVATIVE
STRATEGIES POST COVID-19 AMONG SMALL AND
MEDIUM ENTERPRISES IN GAUTENG PROVINCE, SOUTH
AFRICA**

FULUFHELO LINDELANI MUGIVHISA

20427057

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BUSINESS LEADERSHIP COMPETENCY FOR INNOVATIVE STRATEGIES POST COVID-19 AMONG SMALL AND MEDIUM ENTERPRISES IN GAUTENG PROVINCE, SOUTH AFRICA

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FULUFHELO LINDELANI MUGIVHISA

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APPROVED FOR FINAL SUBMISSION

Supervisor (Affiliation): _____(signature) Date: __16/06/2023_____

ABSTRACT

The COVID-19 pandemic brought many challenges to South African business leaders, such as optimising hybrid teams, attracting and retaining workers with needed capabilities, and making the most of scarce competencies. Current and complex challenges require leadership with the necessary skills. Besides COVID-19 challenges, business organisations and Small and Medium Enterprises (SMEs) must deal with economic downfall, social unrest, and corruption. Leadership plays an important role in ensuring business competitiveness amid these challenges. This study investigated the business leadership competency required for innovative strategies required post-COVID-19 among SMEs in Gauteng Province, South Africa. This involves identifying leadership competencies and proposing a framework for innovative leadership. A sample size of 384 respondents was drawn from owner/managers of SMEs in Gauteng Province. A mixed-method approach was adopted using both structured interviews and a closed-ended questionnaire through an online survey.

The results showed that most of the SMEs agreed that COVID-19 challenged SMEs with several difficulties. The research highlighted business leadership competencies for innovative strategies post-COVID-19. The main findings revealed that training and developing employees play a pivotal role in shaping and influencing business performance, which is critical to the success of a business and ensuring innovation. Furthermore, the survey results showed that most SME owners/managers prioritise the competency of setting targets, reviewing and improving financial performance. Results also indicated that adaptability, flexibility, and resilience are necessary to meet changing market conditions. Furthermore, the study highlighted the importance of building diverse and expansive networks. Additionally, findings show that SME Leaders must be willing to take calculated risks for the business to emerge successful.

Keywords: Leadership, leadership competencies, SMEs, business strategies, COVID-19, innovation

DECLARATION

I, the undersigned, Fulufhelo Lindelani Mugivhisa, do hereby declare that this dissertation submitted for the Degree of Master in Management Sciences: Business Administration in the Faculty of Management Sciences at the Durban University of Technology is solely the result of my original work. This work has not been submitted to any other institution of higher education for a degree award or other purposes. All the authors whose work contributed to this research study have been acknowledged accordingly, accurately cited and referred to in the references list.

This dissertation was conducted under the supervision of Dr Christiana Ogulu (Senior Lecturer).

The manuscript is entitled: Business leadership competency for innovative strategies post COVID-19 among small and medium enterprises in Gauteng Province, South Africa.

I, therefore, grant permission for this dissertation to be made accessible for inter-library lending, photocopying, and to any other interested organisations or students.

I hereby certify that the above statement is true and correct.

Signed:

Date: 16 /JULY/2023

Fulufhelo Lindelani Mugivhisa

BTech (DUT): Business Administration

APPROVED FOR SUBMISSION

Signed:

Date: 16/JULY/2023

Dr Christiana Ogulu

DBA: Business Administration

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DEDICATION

The study is dedicated to my family. Mr Lufuno Colbert Mugivhisa, my husband and best friend, my greatest support, comfort, and strongest motivation. You were there and encouraged me along the journey. My children, Tshedza and Mvuso Mugivhisa. You are true blessings from God. My parents, Mr Tshenuwani and Mrs Edith Masindi, for imparting and nurturing educational principles in me from a young age. I appreciate your continued confidence in me and your support and motivation since day one. My oldest brother, Shumani Masindi, and his wife, Penny supported me with my studies in whatever way they could. My late brother Maano Masindi may your soul continue to rest in peace. Moreover, I am confident that God, who began a good work in me, will continue his work until it is finally finished on the day Christ Jesus returns. (Philippians 1.6)

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CHAPTER 1: BACKGROUND AND OVERVIEW OF THE STUDY

1.1 INTRODUCTION

Leaders employ several competitive advantage strategies to survive a competitive, and volatile environment. For a business to thrive, one must have strategic competencies. The worldwide pandemic, the advancement of technology, changes in customer behaviour, and increased competition. Resource constraints, shortened product lifecycles, and evolving businesses are some factors that necessitate the development of innovative strategies and the necessary leadership competencies in organisations.

Sherwood (2018) explained leadership as the process of influencing the workforce of an organisation in a way that they voluntarily work to achieve of organisational goals and strategic goals. Leadership competencies are attributes that leaders need to navigate organisational change, drive business results, engage and retain top talent within organisations (Sherwood, 2018). Leadership competency has become critical to enhance organisational performance, reflecting how businesses perform and grow, particularly with increased competition from players in a similar industry. Leadership skills contribute to increased production, performance, and creativity, yielding expected results (Bisschoff, 2018).

The SMEs are independent businesses with assets, turnover, and employee numbers below a certain threshold. Each country defines the level of a business differently. In South Africa, micro enterprises can have a maximum of 10 employees. Small businesses employ between 10 and 50 people, while medium-sized businesses employ up to 250 people (Connetspace, 2023).

This chapter provides an overview of the study, discusses the background of the study, identifies the research problem, and states the study's aim and objectives.

1.2 DEFINITION OF CORE CONCEPTS AND TERMINOLOGY

1.2.1 Leadership

Leadership, according to Barney (2022) is the ability of an individual to motivate and guide followers or members of an organisation, society, or team. Moreover, leadership is associated with a person's title, seniority, or position in a hierarchy, and it is also a way of persuading people to work freely towards the attainment of group goals (Emeritus, 2022).

1.2.2 Leadership competencies

Leadership competencies are a leader's abilities and behaviours that contribute to outstanding performance. A competency-based approach to leadership can help organisations better identify and train their next generation of leaders (Frawley, Russell and Sherwood, 2020).

Awais and Rehman (2020) profess that the knowledge, skills, abilities, and behaviours contributing to individual and organisational success are called competencies.

Knowledge is the understanding that is acquired through research, or experience.

Applying knowledge or talent repeatedly results in competence.

1.2.3 Business-strategies

Chartered Management Institute (2019) attests that a business strategy lays out how a company aims to position itself, meet its short and long-term goals, and grow through time. It uses other critical business resources, such as the company's mission, vision, and values, to map out its path and achieve its objectives.

International Institute for Management Development (2022) profess that a business strategy guides decision-making processes towards improving the company's financial stability in an increasingly competitive environment and describes an organisation's plan of action for the achievement of its vision and objectives.

1.2.4 Small and medium-sized enterprises

Small and Medium-sized enterprises (SMEs) are businesses with sales, assets, or a specific number of employees that are less than a certain threshold. Every country has

its own way of describing a small or medium-sized firm. Some size requirements must be met, and the industry in which the firm operates is occasionally taken into consideration (Borbás, 2015).

Corporate Financial Institute (2022) asserts that in South Africa, a thorough definition of a SME is therefore an enterprise that includes one or more of the following characteristics: Less than 200 employees, turnover of less than R64 million per year, capital assets of less than R10 million and direct managerial participation by its owners.

1.2.5 Corona virus (COVID-19)

Coronavirus disease (COVID-19), according to the World Health Organization (2020), is a transmissible disease originating from the SARS-CoV-2 virus.

Dousari, Moghadam and Satarzadeh (2020) asserts that SARS-CoV-2 is a virus that spreads from person to person by droplets transmitted when an infected person coughs, talks, or sneezes.

1.2.6 Innovation

The systematic practice of inventing and promoting unique products and services for client adoption is innovation (Rajagopaul, Magwentshu and Kalidas, 2020).

Kozioł-Nadolna (2020) attests that implementing a new idea and providing value for consumers and stakeholders is what innovation is all about, and it begins with an idea that answers a market need and adds value.

1.3 BACKGROUND OF THE STUDY

SMEs are regarded as the primary drivers of economic growth in both developed and developing countries (Levenstein, 2020). City of Johannesburg [COJ] (2018) highlighted SMEs' role in reducing unemployment, poverty, and other societal issues. This study focused on business leadership competencies in the SME context.

This study acknowledged the challenges SMEs faced due to COVID-19, technological advancements, and economic downfall in Gauteng Province, South Africa. Lack of

leadership competencies has led to many business failures (Matangira and Mokoena, 2020). South Africa has seen major companies such as South African Express, Comair, Edcon, Phumelela, Busby, and others, file for the formal business rescue procedure or for bankruptcy (Levenstein, 2020). In view of the foregoing Levenstein (2020) argued that these numbers would rise throughout the years due to lack of preparedness among leaders and relevant competencies to deal with challenges. Working remotely seemed like an impossibility for many employers who primarily use the internet for their work (Matangira and Mokoena, 2020) before the world-wide lockdown. The arrival of COVID-19 meant that leaders must figure out practical ways to manage and lead even partially remote teams in advance.

With COVID-19 being a relatively new occurrence, developing and implementing advanced leadership competencies have not been thoroughly investigated (Ramlachan and Beharry-Ramraj, 2021). Beukman (2018) stated that well-known leadership competencies theories are based on Western philosophies. There is no conclusive evidence that these theories apply to the South African environment. As a result, this research aims to identify those business leadership competencies among South African SMEs following COVID-19.

1.4 PROBLEM STATEMENT

The Organisation for Economic Co-operation and Development [OECD] (2019) highlighted that South Africa has a high SME failure rate because most SME owners and managers lack sufficient professional skills to deal with challenges and crises such as COVID-19 (Levenstein, 2020).

Small Enterprise Development Agency [SEDA] (2020) affirmed that despite the growth in SME enterprises and employment growth in the year 2019, the sector continued to lose out compared to its larger counterparts in the trying economic conditions. The SMEs' share in the total turnover of all enterprises continued to decline to 38.2% in the year 2019 quarter 1, from 39.5% the previous year. Following that, the number of South African SMEs continued to decline during COVID-19 by 11% (or 289 000) in the year 2021 quarter 1, from 2.61 million to 2.33 million, demonstrating that the sector is still under pressure (SEDA, 2020).

The pandemic motivated leadership competency modification, forcing the private sector to review its skills (McKinsey Global Institute, 2021). For SMEs business leaders to create innovative growth, they must undergo a perspective change to adapt to substantial scope turnarounds (Vercueil, 2020).

Even before the COVID-19 pandemic, changing technologies and new working methods challenged leaders and employees. McKinsey Global Institute (2017) stated that 375 million personnel, or 14% of the global workforce, including leaders, would have to obtain new competencies by the year 2030 because of technology and artificial intelligence (AI). In a survey done by McKinsey Global Institute (2017), 87% of executive leaders said they were experiencing competency gaps or expected them within a few years. Nevertheless, less than half of the respondents understood how to address the problem.

1.5 AIM

The research aimed to investigate the business leadership competency required for innovative strategies post-COVID-19 among SMEs in Gauteng Province, South Africa.

1.6 RESEARCH OBJECTIVES

The research aims to

- I. Investigate the business leadership competency challenges facing owners of SMEs in Gauteng Province during the pandemic.
- II. Determine the current business leadership competencies of SME owners in Gauteng Province.
- III. Determine what leadership competencies are required post-COVID-19 by Gauteng Province SME leaders.
- IV. Propose a framework of business leadership competencies for strategic innovation.

1.7 RESEARCH QUESTIONS

- I. What are the business leadership competency challenges facing SMEs in Gauteng Province, South Africa during COVID-19?
- II. What are the current business leadership competencies of Gauteng Province, South Africa SMEs?
- III. What are the business leadership competencies required post-COVID-19 by Gauteng Province SMEs?
- IV. What leadership style can improve SME business leaders' competencies post-pandemic?

1.8 SIGNIFICANCE OF THE STUDY

SMEs in South Africa, particularly in Gauteng Province, have a high failure rate, and improving their success rate is crucial given the significance of their role in the socio-economic system. The study's findings will contribute to a greater understanding of, and focus on, leadership competencies for improving the performance of SMEs. The findings will be utilised by academics, government entities entrusted with promoting the growth and development of SMEs.

1.9 LITERATURE REVIEW

Despite extensive knowledge, definitions, explanations and theories about leadership in existing literature, the challenge of failing leadership continues (Northouse, Hill and Hickman, 2001).

The South African business environment poses challenges that are due to the speed of the fourth industrial revolution(4IR). Social and economic changes have driven some SMEs out of business and others towards some better ways of doing business, and this new normal requires an upgraded set of business leadership skills to manage teams in an organisation (Vercueil, 2020). The COVID-19 is a recent phenomenon for which its impact on leadership must be investigated in depth. Therefore, a gap was identified as previous works in literature do not address how leaders can prevent pandemic failures and prepare themselves for an occurrence of this magnitude by developing leadership competencies. There is a need to document lessons learned

and address challenges exposed by COVID-19 for businesses to counter the next pandemic when it occurs.

1.9.1 Competency challenges facing SME leaders during the COVID-19 pandemic.

The COVID-19 pandemic and government-imposed containment measures caused economic hardship worldwide, especially for small enterprises. In South Africa, the challenges of SMEs and their fate have been highlighted. Small Business Institute (2020) stated that even before the pandemic, there was an ongoing decline in the number of active small businesses and the number of entrepreneurs in the country.

Eggers (2020) stated that SMEs account for a large portion of enterprises in most parts of the world, contributing significantly to their country's economy and employment. Small businesses and the ambitions of their owners have greater potential for future sustainable growth. SMEs fuel market innovation and competitiveness and are the foundation of many prosperous economies.

In these situations, business leaders must work under stress, leading to unprecedented challenges. Koehn (2020) highlighted four well-defined competencies that business leaders lack during a crisis as accepting fear, providing roles and purpose, concentrating on learning, and focusing on the energy and emotions of individuals affected. Kalidas, Magwentshu and Rajagopaul (2020) advise that during a crisis, the leaders have weaknesses, characterised by poor communication, impatience, and inability to reverse decisions. In the same vein, they argued that owners/managers struggle to empower staff to lead and drive the business. SMEs often lack good performance management systems, defined daily operating models, along with leadership structures with clear responsibilities and roles.

According to Mustajab *et al.* (2020), communication skills, leveraging information technology, and time management, are competency challenges leaders were faced during COVID-19. By conducting virtual and digital communication, compared to direct communication, leaders may have a reduced level of trust but accept that communication skills are not limited to traditional communication. Training in virtual and digital communication skills is also required, which could influence the efficacy and productivity of leaders and the organisation. Business leaders have used advancements in information technology to improve communication and collaboration

inside their organisations. Communication over social media platforms like Facebook, WhatsApp Messenger, and Zoom, on the other hand, have proved challenging for SMEs. Leaders are yet to maximise the capability of information and technology, such as e-commerce.

Business leaders are challenged when it comes to time management at work. This issue arose since the lockdown required organisations to allow employees to work from home. This has forced the leaders of SMEs to decide to manage their organisations through scheduling work systems, and occasionally employees are subjected to the shifting system.

1.9.2 Current business leadership competencies of SME Owners

Leadership competencies or their combination differs from person to person and project to project, indicating the working environment and the individuals involved (Faruk, 2012). In accordance with Manning and Curtis (2019), effective leadership requires integrated competencies such as being able to create and lead a team, dispute resolution, investigate situations, mentor, and coach peers, implement employee engagement strategies, cultivate interpersonal relations and communicating effectively. Jasim (2019) proposed other competencies necessary for effective business leadership, and suggests that personality, beliefs, education, training, mentoring, coaching, consulting, as well as work experience contribute to effective leadership competencies.

Ngayo (2021) identifies five leadership competencies through the review of “traditional” leadership literature. These are adaptability, values, transformational ability, self-awareness and intellectual ability. Adaptability refers to leaders adapting their behaviour and leadership style to their situation and the people they oversee, who have different needs, feelings, experiences, and expertise.

Values describe the foundation upon which a leader bases their behaviour and decisions. Leaders are required to be results-oriented, and hard-working, place trust at the centre of their relationship with followers, prioritise the welfare of others and strive towards a better world for everyone.

The intellectual, conceptual, and innovative ability of a leader is reflected in their cognitive skills.

Transformational ability refers to a leader's capacity to effect societal change, display charisma with a vision and goal, and portray a heroic image. The ability to inspire people by assigning important tasks while offering an appealing vision to relate to is also part of transformational ability.

Self-awareness is associated with leaders understanding their needs, wants, expectations and drive. Leaders should be confident, tolerant of stress, and completely aware of the goals they are pursuing.

It is clear from the above that the extant literature has no consensus regarding what constitutes business leaders' competencies that influence and control the workforce of tomorrow.

1.9.3 Leadership competencies required post COVID-19

Yende (2021) notes that depending in traditional leadership and management skills is insufficient to survive volatile, unpredictable, complex, and ambiguous (VUCA) economies due to the pandemic. As a result, Dirani *et al.* (2020) suggest that the private sector could only flourish under a leader who provides vital role model and purpose, effective communication skills, leverages on technology and innovation, emotional intelligence, maintains organisational financial health, develops, and sustains market access strategies, improves team abilities and capabilities while also empowering leaderships as well as, promoting innovation and drives efficiency.

The COVID-19 pandemic accelerated technology trends such as remote work, which creates challenges for both businesses and employees in terms of information security, privacy, and labour legal issues (Xiao and Fan, 2020). Leaders, therefore, need to be prepared to manage and lead under such circumstances.

1.9.4 To propose a framework of business leadership competencies for strategic innovation.

SMEs face growing competition from emerging businesses implementing new business models, causing incumbents to lose competitiveness (Schiavi and Behr, 2018). Karl, Kuhnert, and Lewis (1987) stated that these incumbents must use

innovative business models or risk being forced out of business or losing profitability. Cortellazzo, Bruni and Zampieri (2019) stated that Burns differentiated two types of leadership, namely: transactional leadership and transformational leadership. Transformational leadership's qualities include generating conducive conditions for innovation and promoting follower creativity and motivation (Carreiro and Oliveira, 2019). Transformational leadership promotes organisational learning and flexibility (Darwish *et al.*, 2020).

In modern business world, companies must be more flexible, logical, creative, resilient, and inventive to deal with the competitive environment's evolving complexity, volatility, and unexpected rate of change (Schiuma *et al.*, 2022).

Organisations must deal with unexpected challenges, complicated environments, and unpredictable obstacles. A variety of factors and trends shape the current business ecosystem. Fast-evolving digital technologies are forcing breakthroughs and disruptive innovations. Firms must change their operations and behaviour to adapt to the changing business environment and thrive, converting challenges into opportunities for improvement and growth. Based on this perspective, businesses must produce, manage, apply tacit, explicit, and practical knowledge to encourage transformation and maintain competitiveness (Nonaka and Takeuchi, 2021).

As a result, this study adopted a transformational leadership style as this framework brings a connection that increases enthusiasm and integrity in both the leader and the groups of workers leading to business success.

1.10 RESEARCH METHODOLOGY

Research methodology is an approach to resolving a research problem and the discipline of how research is conducted methodically. It shows how the research questions and objectives were framed and how the results could be exhibited (Mishra and Alok, 2017). This study adopted mixed methods approach combining qualitative and quantitative research approaches to triangulate data to increase reliability, validity and knowledge beyond what either model might achieve independently (Creswell and Clark, 2007).

1.10.1 Target population

Malhotra and Feldmann (2014) define a target population as a collection of similar objects that holds the data looked out for by the researcher and about which conclusions are to be made. The target population was 855 356 SMEs in the Gauteng Province that operate in all sectors of the South African economy and various industries registered with the Department of Correctional Services.

1.10.2 Sampling and sample size

According to Zikmund (2012) sample size refers to elements included in the research study. The sample size was 384, as calculated in Appendix G using the Qualtrics tool. Qualtrics is a survey company with simple web-based survey tools, including determining the correct sample size.

1.10.3 Data collection

Data collection methods in qualitative and quantitative research include observations, verbal, or visual assessment, and individual or group interviews. The most frequently used methods are interviews and surveys (Stewart *et al.*, 2008). Data collection was achieved through questionnaires and interviews protocol. Interviews are the most direct method of collecting accurate and rich data on a particular phenomenon (Barret, 2018). According to du Plooy-Cilliers and Cronje (2014), a survey is advantageous as it is less expensive and less time-consuming.

1.10.4 Research instrument

The Multifactor Leadership Questionnaire Form 5X (MLQ) is the survey instrument used for assessment of current leadership competencies (Avolio and Bass, 2004). The questionnaires were administered to owner/managers of SMEs within the Gauteng Province. An e-link questionnaire was emailed to each of the participants. It took approximately 15 minutes to complete the questionnaire. The questionnaire design simulated a five-point Likert-scaled format using the following scale: Not at all — Once in a while — Sometimes — Fairly often — Frequently, if not always. This tests the participants' levels of agreement and disagreement on leadership competencies. Open-ended face-to-face Interviews were conducted with the owner of the

organisation. Interviews were completed in 30 minutes and held at the participants' places of preference, observing social distancing and any other COVID-19 protocol.

1.10.5 Pilot survey

The questionnaire was piloted with 30 participants to ensure its validity and reliability in gathering the required information, identifying and removing any vague and unnecessary questions, as well as making sure that the questionnaire was in line with the objectives of the research.

1.10.6 Data analysis

To facilitate data analysis, responses from completed questionnaires were tabulated and coded. Transcripts of interviewee audio recordings were created. The information was edited and captured for analysis. For quantitative data, Descriptive analysis was used to present the data. To ascertain the impact of the biographic variables on competencies and the performance of SMEs, inferential statistics, such as the ANOVA test, were used. Cronbach's alpha test was used to measure reliability and to determine the consistency of the answers from the questionnaire through the Statistical Packages for Social Sciences software (SPSS 26.0).

For qualitative data, content analysis was used to detect the presence of specific words, themes, concepts, and patterns. The researcher also used NVivo 12 coding to understand better slang, jargon, or other specialised indigenous words.

1.10.7 Ethical considerations

Respondent rights were detailed in an information letter provided before interviews and survey administration. Concerns of anonymity and confidentiality were addressed. Research ethics ensures that no one was hurt or experiences negative effects due to the study activity. The researcher committed to protect the individuals who participated by keeping the participants confidential. Prior the interview, the purpose of the research was explained, and the participants were asked to participate voluntarily with an allowance to withdraw the moment they felt uncomfortable.

1.11 STRUCTURE OF DISSERTATION

The dissertation has been divided into five chapters, which are as follows:

Chapter 1: Overview of the Study. The first chapter gives an overview of the study regarding its background, the research problem, the research aims and objectives, the importance of the study, the research methodologies, and techniques, and lastly, the structure of the dissertation.

Chapter 2: Literature Review. This chapter provides an overview of previous research on leadership competencies; Competency challenges facing SME leaders in the COVID-19 Pandemic; Current business leadership competencies of SME owners; Leadership competencies required post-COVID-19; and a framework of business leadership competencies for strategic innovation.

Chapter 3: Research Methodology. The following topics are covered in this chapter: research methodology; sampling size and technique used; data collection and recruitment process; research instrument, validity, and reliability of measuring instruments; methods for data analysis used in the research; limitations and ethical considerations.

Chapter 4: Presentation, Analysis and Discussion of Results. The study's findings are presented, analysed, and discussed in this chapter. For the quantitative data collected from the questionnaire responses, The findings are shown in tables, charts, and graphs making use of descriptive analysis. For qualitative data, content analysis was used to ascertain the existence of themes and common concepts.

Chapter 5: Review, Conclusion and Recommendations. The main findings of the study are summarised in this chapter, followed by conclusion and recommendations for improving the leadership competence of SMEs in the Gauteng region following COVID-19. Future research areas have been suggested.

1.12 CONCLUSION

The orientation and general overview of the dissertation were presented in this chapter. The research problems, questions, and objectives were defined. Key concepts were clarified. Furthermore, the relevance of the research, as well as the research method were thoroughly examined. The next chapter contains literature on current and post-COVID-19 leadership competencies for strategic innovation.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

In an increasingly economically connected, interdependent, and accountable world, there is an acknowledgement that the way leaders lead must change. Asikhia and Van Rensburg (2015) asserted that one of the challenges is that SMEs in South Africa lack leadership skills. Mhlongo (2021) affirmed that lacking business knowledge and leadership skills hinders long-term growth and harms SMEs' overall performance. If companies are to play their part in making progress towards sustainability, the quality of their leadership is critical, as commitment needs to start at the top (Faruk, 2012).

Literature related to improving SME leadership competency to deal with a crisis and sustain their businesses is limited (Ladzani, 2010). Therefore, a gap was identified as previous works in literature do not address how leaders can mitigate the failures caused by the pandemic and how they can prepare themselves to deal with a crisis of this nature through leadership competencies.

This research focuses on business leadership competency for innovative strategies post-COVID-19 among small and medium enterprises in Gauteng Province, the leadership's ability to respond to uncertainties and difficulties, and how the competency approach might be used to tackle the challenges of selected Gauteng Province SMEs after the pandemic.

The rest of the chapter is focused on the definition of SMEs, the historical perspectives of SMEs development initiatives, the importance of SMEs to the South African Economy, the definition of leadership competency, COVID-19 and its impact on SME leadership as well as the role of leadership competency in innovation.

2.2 DEFINING SMALL AND MEDIUM ENTERPRISES

The concept of SMEs differs from country to country and sector to sector, and there is no common definition although is often based on the number of employees and its turnover (Nkonoki, 2010).

In Europe, the common upper limit for identifying SMEs is 250 employees, whilst in some countries, SMEs represent a maximum of 200 employees. In contrast, the United States (US) considers SMEs to be companies with fewer than 500 people as per the Organisation for Economic Co-operation and Development [OECD] (OECD, 2005).

The European Union, on January 1, 2005, redefined SMEs using three categories. Firstly, medium-sized businesses must have between 50-249 employees and a turnover of not more than EUR 50 million. Secondly, Small businesses (10-49 employees) must have a maximum annual revenue of EUR 10 million and lastly, balance sheets for small and medium businesses, on the other hand, should not exceed EUR 50 million and EUR 10 million.

In South Africa, the official definition of a small enterprise as contained in the National Small Business Act 102 of 1996 defines a small business as “a separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more, which include its branches or subsidiaries, if any, is predominantly carried on in any sector or subsector of the economy” and “which can be classified as a micro, a very small, a small or a medium enterprise”. While the National Small Businesses Amendment Act (2003) specifies criteria for identifying SMEs, an initiative to revise the National Small Enterprises Act (2004) to include the additional requirements as indicated in Table 2.1 was put forward.

Table 2.1: Definition of Small and Medium Enterprises

Sector or sub-sector in accordance with the Standard Industry Classification	Size or class of enterprise	Total full-time equivalent of paid employees	Total annual turnover
Agriculture	Medium	51-250	<35,0 million
	Small	11-50	<17,0 million
	Micro	0-10	<7,0 million
Mining and Quarrying	Medium	51-250	<210,0 million
	Small	11-50	<50,0 million
	Micro	0-10	<15,0 million
Manufacturing	Medium	51-250	<170,0 million
	Small	11-50	<50,0 million
	Micro	0-10	<10,0 million
Electricity, Gas and Water	Medium	51-250	<180,0 million
	Small	11-50	<60,0 million
	Micro	0-10	<10,0 million
Construction	Medium	51-250	<170,0 million
	Small	11-50	<75,0 million
	Micro	0-10	<10,0 million
Retail, motor trade and repair services	Medium	51-250	<80,0 million
	Small	11-50	<25,0 million
	Micro	0-10	<7,5 million
Wholesale	Medium	51-250	<220,0 million
	Small	11-50	<80,0 million
	Micro	0-10	<20,0 million
Catering, Accommodation and other Trade	Medium	51-250	<40,0 million
	Small	11-50	<15,0 million
	Micro	0-10	<5,0 million
Transport, Storage and Communications	Medium	51-250	<140,0 million
	Small	11-50	<45,0 million
	Micro	0-10	<7,5 million
Finance and Business Services	Medium	51-250	<85,0 million
	Small	11-50	<35,0 million
	Micro	0-10	<7,5 million
Community, Social and Personal Services	Medium	51-250	<70,0 million
	Small	11-50	<22,0 million
	Micro	0-10	<5,0 million

Source: Government Gazette No.41970, (2018)

2.3 HISTORICAL PERSPECTIVES OF SMALL AND MEDIUM BUSINESS

DEVELOPMENT INITIATIVES

For European countries, the Small Business Act for Europe became the product of the political and economic circumstances in which it was created. The European Small Business Act and the United States of America Small Business Act of 1953 stated that their primary goal is to help small businesses promote competitive markets by preventing large companies from becoming oligopolies and monopolies and enhancing access to capital (Dilger, 2016). Small and medium-sized businesses form the economic backbone of Europe as they represent 99% of all companies in the European Union. The SMEs in Europe employ nearly 100 million people, accounting for over half of Europe's Growth Domestic Product (GDP) and contribute to every sector of the economy by adding value (European Union, 2022). As a result, SMEs are critical to the European Union's (EU) dual transitions to sustainable and digitally driven economy. SMEs are essential for Europe's competitiveness, return on investment, industrial ecosystems, economic independence, and resilience to shocks (Nachmias and Hubschmid-Vierheilig, 2021).

In South Africa, the discussion paper *Strategies for the Development of an integrated policy and support programme for small, medium firms* was released by the Department of Trade and Industry (DTI) in October of the year 1994. Following that, in March of the year 1995, the *White Paper on the National Strategy for the Development and Promotion of Small Business in South Africa* was produced (Ladzani, 2010). The two documents were crucial in removing historical limitations on the growth of small businesses. Even in well-functioning market economies, the South African White Paper on National Strategy for the Development and Promotion of Small Business (1995) recognises that small businesses face various challenges compared to big businesses worldwide. Ladzani (2010) advocates that these limits mostly relate to acquiring skills and leadership knowledge.

2.4 THE IMPORTANCE OF SMEs TO THE SOUTH AFRICAN ECONOMY

SMEs are increasingly important contributors to global economic growth and development (Reddy, 2007). Although most organisations are small, their value to developed and developing economies and society cannot be overstated (Ndweni *et al.*, 2019). World Trade Organisation [WTO] (2019) mentioned SMEs contribute over 90% of the business population, 60-70% of employment, and 55% of GDP in industrialised economies. As a result, SMEs are not only important contributors to the economy, but they are the economy. The importance of SMEs in the world, in developing economies such as South Africa, cannot be underestimated, as they act as a pathway for job creation, poverty relief, and innovation magnets (Ndweni *et al.*, 2019).

Cooperative Governance and Traditional Affairs [COGTA] (2021) stated that despite its relatively small geographical area of 18 176 km², Gauteng Province is home to nearly 5.5 million people. It is the headquarters of the majority of large multinational companies and also benefits from high migration patterns, thereby encouraging the investment of capital in in SME.

Many SMEs continue to encounter significant barriers to entry into the business sector, and those that succeed either struggle to thrive or fail (Morina and Gashi, 2016). The high unemployment rate in Gauteng, reported by Statistics South Africa in 2016, and the low entrepreneurial activity in South Africa by Herrington, Kew and Mwangi (2017) provide various opportunities for SME leaders to develop long-term solutions. Burns and Dewhurst (2016) affirmed that significant economic contributions have pushed governments worldwide to financially promote the establishment of small businesses in small economies over the years.

There are various factors showing SMEs' contribution to the economy.

2.4.1 The Gross Domestic Product (GDP)

The importance of SMEs in South Africa is measured by their contribution to the country's Gross Domestic Product (GDP). Even though SMEs contribute just 25% of capital formation as opposed to large organisations, it is clear that they play a significant socioeconomic role in the country (Kibuuka and Tustin, 2019).

Statistics South Africa [StatsSA] (2016) argues that if Gauteng Province decided to split and become a nation of its own, it would rank among the top 10 in Africa. Its economy was the seventh largest in Africa in 2016, overtaking heavyweights like Kenya and Tanzania. The website Cogta gov (www.cogta.gov.za) (2021) described Gauteng Province as the country's central hub, is the largest contributor to gross domestic product, generating up to 15% of South Africa's wealth and roughly 44% of Gauteng Province's economic output. Over the previous decade, the Province's remarkable economic growth has clearly been a primary driver of the economy's performance nationwide. It has consistently outperformed the other provinces' economic performance, making it the country's economic hub (COGTA, 2021). In line with Stats SA's annual statistics survey for 2019, SMEs generated around 22% of total business turnover in South Africa. That is R2.3 trillion out of a total of R10.5 trillion (StatsSA, 2019).

2.4.2 Achieving inclusive, sustainable economic growth.

Before to the COVID-19 pandemic, statistics indicate that the SME sector was starting to grow. Most of the positive indicators can be found in official statistics, especially those in the SME Quarterly report published by the Small Enterprise Development Agency (SEDA). Adding the number of employers and self-employed people from Statistics South Africa's Quarterly Labour Force Survey, from more than 2.6 million SMEs that SEDA counted in the first quarter of 2020, SEDA (2020) estimated that, 66.9% categorised as informal, 28.9% categorised as formal. It also noted that black people owned 74.8% (or approximately 565,000) of formal SMEs.

Over a period of three and a half years, the number of SMEs went up by 11.6 percent, from 2,343,058 in the last three months of 2016 to 2,614,063 in the first quarter of 2020. The formal SME sector increased more than the informal SME sector, at 14.8% versus 9.7%.

2.4.3 Sustainable economic growth

Figure 2.1 shows that formal small businesses contributed 22% of annual sales generated by the formal sector in 2019 (32% if medium-sized organisations are

included) (StatsSA, 2019). This is more than double the revenue they generated in 2013. However, the formal SME sector's relative size has remained stable over the last five or six years, hovering around or above 20% (SEDA, 2020). Because of its solid economic foundation and structure, Gauteng Province has constantly grown faster than the rest of the country. Gauteng Province's economic output increased by 92% since 1996. All sectors have grown (COGTA, 2021).

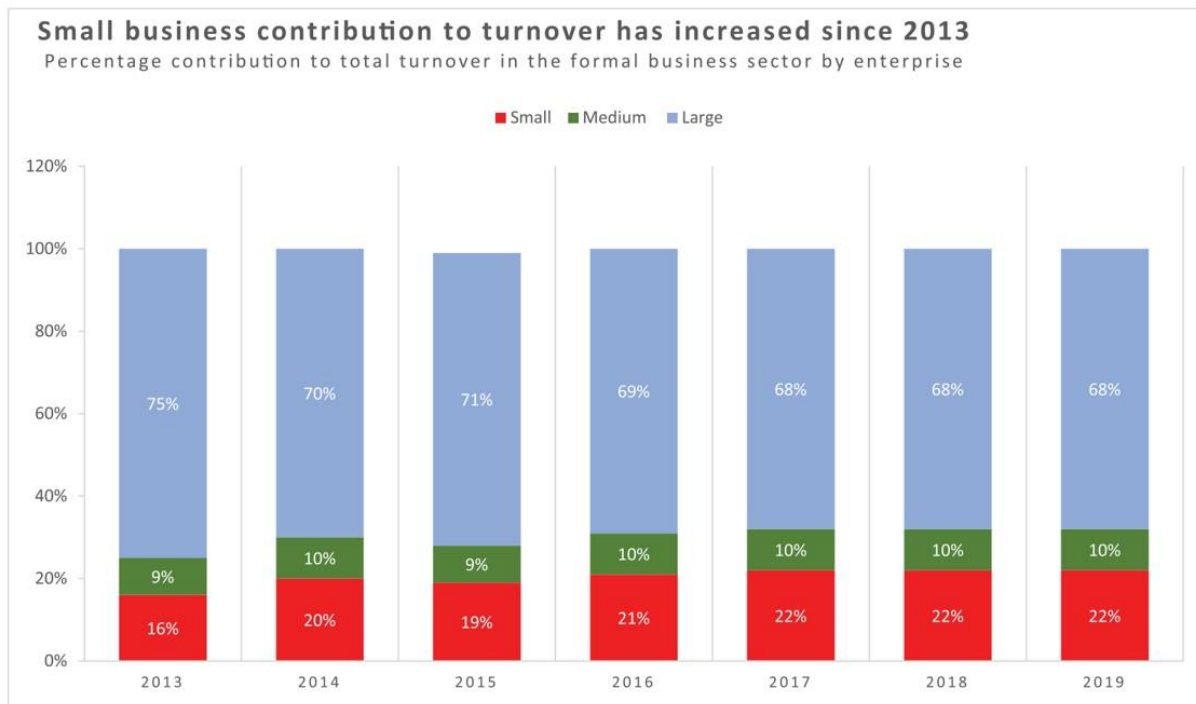


Figure 2.1: SME Contribution to the South African Economy

Source: (Annual Financial Statistics (AFS), 2019)

2.4.4 Employment rate

Evidence shows that SMEs play a critical role in economies worldwide, making them key job creators in developing countries than in developed countries (Harduth, 2019). Unemployment is one of the pressing issues attracting more attention in South Africa, with slightly more than 35% of the population unemployed (Lekhanya, 2015).

In 2019, South African SMEs created over 10 million jobs (Harduth, 2019). Employment in all SMEs increased by 22.2% in over three years, from 9,683,639

employees in 2016 to 11,830,042 jobs in 2019, before the effect of the COVID-19 outbreak (StatsSA, 2021). The OECD (2019) asserts that SMEs account for over 99% of all businesses in the European Union. This sector employs between 60 and 70% of the workforce.

2.4.5 Economic development

Entrepreneurial activities support and drive competitive innovation, industry creativity, the expansion and improvement of modern economies (Carlsson *et al.*, 2013). According to Government Enterprise Propeller [GEP] (2017), 20% of the South African population resides in Gauteng Province, which is regarded as a booming market for entrepreneurs to start businesses. Despite the challenges of uneven global growth and electricity supply constraints, Gauteng Province has implemented interventions to ensure the continued economic development of SMEs. Among these are improvements to service delivery, processing job-creating investments and establishing SME Hubs (COGTA, 2021). SMEs are the engine that drives economic advancement (Santarelli and Vivarelli, 2007). They establish new markets, including exports, which enable the constant renewal of stagnant industries and provide economic diversity, contributing to economic development. Though SMEs are important in driving economic development, the Global Entrepreneurship Monitor study (2001-2010) by Kelley, Bosma and Amorós (2011) stated that SMEs in South Africa have poor leadership skills as a result of poor education and training. Due to this, failure rate is high, with South Africa's SME survival percentage being among the lowest in the world (Ahiawodzi and Adade, 2012).

2.4.6 Economic flexibility

Flexibility is one of the most crucial attributes associated with SMEs, and their ability to survive is commonly linked to their flexibility and fast responsiveness to environmental change (Storey, 1994). Despite the fact that changes in the environment are vastly complicated and that solutions to some aspects may be simpler than others, SMEs are believed to be far more adaptable compared to large enterprises (Storey and Cressy, 1996).

SMEs are flexible and can change with the times. In essence, if the environment changes, SMEs will experience less adaptation costs; demand fluctuates, consumers

demand different types of products, prices change, new production technologies are developed. Unlike big organisations, SMEs can easily introduce new services and launch new products during a crisis, and they can adapt to new conditions faster and cheaper due to their flexibility (Sak and Taymaz, 2004).

SMEs can manufacture smaller quantities quicker, which puts larger firms under competitive pressure to increase productivity and boost financial flexibility (Gibbon, 2004).

2.4.7 Innovation and technology transfer

E-commerce is described as the production, distribution, sale, and delivery of products and services using telecommunications techniques (OECD, 2019). Through service innovation, digital transformation enables SMEs to improve their competitiveness in both local and worldwide markets. SMEs greatly contribute to improving and applying new technologies because of their innovative and flexible structures (Erdin and Ozkaya, 2020). One significant contribution SMEs make is generating innovation in the manufacturing process, which consumers value (Morina and Gashi, 2016).

Alqam and Saqib (2020) professed that the Fourth Industrial Revolution (4IR) provides a once-in-a-lifetime opportunity for developing countries to achieve high levels of prosperity through potential growth and to increase demand for new services that can stimulate entrepreneurship and create new jobs (Kamaruzaman *et al.*, 2019). The merger of information and communication technologies, such as 4IR technology, into the production process, benefits SMEs in realising their competitive potential. The 4IR opens a world of microtransactions in which blockchain technology will likely improve payment and logistics through trustworthy relationships with suppliers (Menon and Fink, 2019; Adegbite and Govender, 2021). Technology has improved access to information and communication, reducing costs (Mirkes, Sarasola and Jarmai, 2019).

2.4.8 Crisis or hardship

SMEs are essential during crises such as recession, natural catastrophes like COVID-19, conflict, and depression. Because SMEs are resilient, people rely on them for innovative methods to generate revenue to deal with these shocks (Gurol and Atsan, 2006).

Pal, Westerlind and Torstensson (2013) argued that SMEs generally face the liability of their small size. While crises and disasters create more resource availability, it also creates liquidity issues for SMEs. Customers scale down, and funders become extra careful with their investments. At the same time, a crisis might create business opportunities that can be maximised through intelligent and aggressive approaches (Eggers, 2020).

SMEs' adaptability is essential for overcoming internal and external factors affecting their performance (Mmbengeni, Mavhungu and John, 2021).

2.5 DEFINING LEADERSHIP AND LEADERSHIP COMPETENCIES

2.5.1 Leadership

Lara (2017) noted leadership as the art of persuading people to work to achieve organisational goals and objectives while maintaining high self-confidence. The author further argued that leadership is typically viewed as the most visible aspect of management because it deals with people and involves commanding, guiding, inspiring, initiating, and activating managerial functions.

Fawcett, Jones, and Fawcett (2012) affirmed that leadership involves not just the development of work principles but also the determination to go extra mile with great confidence. The authors added that in policymaking, leadership also entails using authority, personal expertise, and wisdom. Furthermore, leadership is linked to a leader's ability to attract the voluntary engagement of employees to achieve organisational goals (Duan, Liu and Che, 2018).

2.5.2 Leadership competencies

Leadership competencies are attributes that include beliefs, character, motives behaviours, traits, values, style, conduct, and capabilities that leaders need to navigate organisational change, drive business results, and engage and retain top talent within organisations (Frawley, Russell and Sherwood, 2020). They further professed that leadership competency has become critical to enhancing organisational performance,

and this reflects how businesses perform and grow, particularly with increased competition from players inside a similar industry.

Fatoki and Smit (2014) state that managerial competency is essential for long-term business growth therefore, managerial incompetence has been identified as a catalyst for the premature liquidation of small businesses in developing countries, which is also true for South African SMEs.

2.5.3 South African approach towards leadership transformation

Before South Africa's democratic transition in the year 1994, the apartheid regime systematically prevented Africans, Indians, and coloureds from participating in the country's economy (Franklin, 2017). The South African government passed the Broad-Based Black Economic Empowerment (B-BBEE) Act 53 of 2003 (the BEE Act) in 2003 to rectify the inequalities experienced by black South African citizens caused by the apartheid regime (Franklin, 2017).

A special B-BBEE unit was created to ensure the South African economy is restructured through equity, empowerment policies and strategic interventions. This was done to enable the black people's significant participation, including women and members of rural or developing areas in the larger economy in a manner that positively impacts economic development, income redistribution, employment, and structural change Department of Trade and Industry [DTI] (DTI, 2007).

One of the purposes of introducing B-BBEE is to substantially change the racial profile of company owners, managers and skills development (Franklin, 2017). According to Treasury (1998), Public Procurement was also introduced to increase employment rate. Public contracts can help people with difficulty finding work enter the job market, resulting in improved skills supply. Given South Africa's diversity, fair and equal representation is important to ensure that all citizens can access employment opportunities. OECD (2009) affirmed that one of the principles for integrity in Public Procurement is that governments should make the necessary investments in public procurement and offer adequate incentives to attract competent officials. They should also regularly update officials' knowledge and skills to reflect regulatory, management and technological evolutions.

South Africa's unique diversity and complexity compel the need to search for ways to develop skills beyond known traditional approaches. The Centre for Creative Leadership white paper states that the need for effective leadership is high in Africa, and by strengthening leadership skills, leaders could improve their business results and competitive edge for sustainable growth and prosperity (Eckert and Rweyongoza, 2015).

2.6 COVID-19 AND ITS IMPACT ON SMEs LEADERSHIP

On December 31, 2019, The World Health Organisation (WHO) received notification that cases of pneumonia from unidentified origin had been detected in Wuhan City, China. On January 7, 2020, Chinese officials uncovered newly identified coronavirus (COVID-19/SARS-CoV-2) on January 7, 2020 (Tǎlu and Nazarov, 2020).

WHO announced on March 11, 2020, that the Coronavirus (COVID-19) was now considered a worldwide pandemic. The breakout of COVID-19 is seen as one of history's turning points, according to Dirani *et al.* (2020), since it is altering well-known economic, political, and social standards and initiating an emergent human era. In response, countries pursued an isolationist policy by closing borders and acting rapidly by restricting economic activity, isolating domestic populations, and preventing physical contact between individuals (Gopinath, 2020). The result of the isolation was establishing and operating an enterprise-wide through the digitisation of work, with flexible working styles suited to respond to the COVID-19 crisis (Talu and Nazarov, 2020).

It is impossible to predict how or what the new and emerging world will look like with economic, social, and health systems on the verge of collapse. However, it is vital to remember that current leadership decisions determine the world's shape (Chen and Sriphon, 2021). Organisational leaders are now counted upon to guide their organisations and employees through this economic system collapse. As a result, governments and communities are in crisis, but businesses are too, and they seek guidance from their leaders (Dirani *et al.*, 2020). However, what leaders thought they knew and understood about the order of systems is crumbling Wang (2016); as such, leaders may experience a breakdown or a breakthrough in their responses (Stefan and Nazarov, 2020). Now is the ideal time for true, honest leaders to help organisations

and their people to overcome their fears and limitations to develop and increase their performance.

2.6.1 Competency challenges facing SME leaders during COVID-19

Competence is a requirement for success in any organisation, and without the necessary competencies, small business owners/managers cannot run their businesses sustainably and profitably (Bezuidenhout and Nenungwi, 2012). According to research based on the success determinants of SMEs in Gauteng Province, South Africa, small business owners/managers do not have the technical and management skills necessary to ensure the enterprise's success (Rogerson, 2001). In current situations, business leaders must work under stress, leading to remarkable challenges. Researchers have examined a range of crises and their environmental factors; however, information regarding organisational consequences and leadership difficulties resulting from certain types of threats, such as COVID-19, is not available (Fernandez and Shaw, 2020).

Employee morale is poor; during COVID-19, jobs are threatened by unemployment, and employees have difficulties because they were unprepared to adjust to the new conditions (Dirani *et al.*, 2020). Leading an organisation through a crisis is hard since the leader's role and influence become increasingly important in times of change. In these situations, businesses are in crisis mode and attempting to service their customers' basic needs while ensuring their staff's safety and well-being in a hostile environment (Rajagopaul, Magwentshu, and Kalidas, 2020).

Mustajab *et al.* (2020) described leaders' competency challenges during COVID-19.

2.6.1.1 Communication skills

There is no denying that barriers and obstacles prevent the communication process from proceeding as usual. Since COVID-19 pandemic, communication between leaders and employees within an organisation changed to online communication (Sani, Abu and Kaddas, 2021).

Leaders must constantly develop self-competence in the use of the latest communication technologies by acquiring the skills, attitudes, and characteristics required for them to be able to cope with any challenges that may arise so that the

communication process can always be implemented effectively in any situation (Kapur, 2018).

The most difficult task for a business to accomplish amid a crisis is earning back the trust of its consumers, suppliers, and employees. Employees, business partners, and consumers are more likely to trust an organisation when its leaders communicate effectively and regularly through dedicated communication methods (Luthra and Dahiya, 2015).

2.6.1.2 Social media ethics and information technology skills

With the advancement of technology and information, communication now has many options and leaders have taken advantage of this advancement. However, communication through mediation in social media such as Facebook, X, WhatsApp Messenger, and Zoom Meeting must adhere to the relevant ethics and communication rules (Capogna, Figus and Mustica, 2018). Communication through social media is different from direct communication in that leaders cannot speak freely because many people will certainly see the conversation and have limited sentences to convey the purpose. The SME Leaders are challenged to communicate effectively using social media and physical distance (Wahab and Hussein, 2020).

Van Wart *et al.* (2019) proposed that leaders in the digital age must have skills in using information technology, as most SME business leaders claim that they must still learn a lot about technology applications. Mustajab *et al.* (2020) supported this by advising that leadership and motivating skills are required in the digital age, and they should be balanced with emotional intelligence as its control function.

2.6.1.3 Time management

Leaders must also prepare to adapt to any situation in an ever-changing world, given that the importance of completing tasks efficiently and accurately on time cannot be overemphasised (Sani, Abu and Kaddas, 2021).

Wahab and Hussein (2020) professed that business leaders have difficulty managing work time due to the lockdown, which forced firms to allow staff to work from home. This has led SME executives to make the option to manage their businesses using

work scheduling systems, and employees are sometimes exposed to the shifting system.

2.6.1.4 Adaptation of an organisation's culture

Organisational culture and characteristics become a guideline for achieving goals. However, current circumstances force many organisations to abandon their goal oriented standards in favour of procedures that can save their establishment during a crisis (Wahab and Hussein, 2020). Many firms must adjust to the new organisational culture regarding managing the division of labour, customer management, and leadership (Znaidi and Sabir, 2019).

As challenging as it is, SME Leaders must adapt and learn their organisations, deal with changes, paying special attention to managing people and the organisation's wheels (Mustajab *et al.*, 2020). Even though adaptation to a new culture takes time to build up productivity, most leaders agree that they must adopt the new organisation's culture (Mustajab *et al.*, 2020).

2.6.1.5 Trust

In the current VUCA world, leaders must be constantly prepared and sensitive to the aforementioned dynamics. When something unexpected occurs, leaders must adapt to sudden changes, improve decision-making processes, and be creative and trustworthy (Drucker, 2017). To lead effectively in times of disruption, one must develop leadership trust in difficult situations (Funck, 2020). DeRosa *et al.* (2004) asserted that leaders of SMEs believe that maintaining trust aims to keep employees' productivity up by motivating them even if their performance is not perfect. People undergo psychological transformations to adjust their mindsets, behaviours, and culture to harsh realities and business processes. Funck (2020) proposed that leaders should establish an emotional connection with their followers, demonstrate resilience, compassion, and establish trust.

2.6.2 Current business leadership competencies of SME owners

Leadership competencies are the strengths and abilities individuals demonstrate that help them to oversee processes, guide initiatives and steer employees toward achieving goals (Hollenbeck, McCall Jr. and Silzer, 2006). Without skills, it is difficult

for a company to be innovative, and these competencies are important in determining the performance and survival of SMEs (Botha, Van Vuuren and Kunene, 2015).

PricewaterhouseCoopers [PWC] (2013) pointed out that the environment in which owners/managers of SMEs operate in, is characterised by fast, competitive, regulatory, and technological advancements that differ from the business environment of previous years, a competence approach is, therefore, suitable for the current research.

In a study conducted by Baicher (2005) to determine the leadership characteristics of highly successful entrepreneurs in South Africa, authors and business leaders have these competencies in common: Integrity, Honesty, Respect, Equality, Vision, Trust, Empowerment, and Teamwork. The competencies listed above are key criteria for validating leadership competency models. Manning and Kunkel (2019) also asserted that effective leadership requires integrated competencies, including the capacity to build and direct a team, manage disputes, mentor, and coach colleagues, implement workforce engagement strategies, have confidence and direction, assess circumstances, communicate effectively, and improve interpersonal relationships.

The greater the level of superiority in leadership competency maintained by the owners of the newly formed organisation, the higher the chances of it surviving and succeeding (Fatoki and Smit, 2014). The authors further argued that poor leadership was the main cause of business failure; whether the reasons reflect as poor marketing or crisis management capabilities, they may be prevented with great leadership. Other researchers, such as Crook *et al.* (2016), acknowledge that the relationship between leadership competencies and business performance continues to be an area of concern in literature.

2.6.3 Leadership competencies required post COVID-19

According to Ladzani (2010), there is a need to accelerate efforts to strengthen the human capital of SMEs' owners and managers, particularly in leadership and strategic planning. This needs collaboration between the government and large organisations to establish an environment that fosters SME growth.

Yende (2021) argues that traditional skills may no longer be sufficient to weather an increasingly VUCA world buffeted by the pandemic. Dirani *et al.* (2020) suggest that the private sector will only flourish under a competent leader during the pandemic.

Awais and Rehman (2020) put forward these 9 roles a leader can assume during a crisis such as COVID-19.

2.6.3.1 Role 1 – Sense maker

Employees rely on their leaders for direction in daily tasks, especially during struggles and disasters. Employees want their leaders to help them understand what is going on. Pye (2005) proposed that one way to think about what leaders do is to limit the variety of opinions to any action that differs from the current definition. Colville and Murphy (2006) claimed that all leaders are put to the test by events that occur, and it is up to them to figure out what they make of the circumstance and what others make of it, as well as what they do as a result. Leaders must react quickly to changing circumstances and use the reflection-in-action strategy (Dirani *et al.*, 2020). As a person with a significant social impact on those around them, a leader must be able to make quick judgments to respond effectively to a crisis.

2.6.3.2 Role 2 – Innovative communication

Due to COVID-19, most organisations faced communication challenges. Bogusky-Halper (2020) maintains that showing empathy for subordinates, being visible and leading by example are some practical strategies leaders may use to improve communication during COVID-19.

Awais and Rehman (2020) attested that during the COVID-19 pandemic, the top six reactions were: leaders communicated with honesty and openness; remain calm and lead by example; assisted employees in ensuring safety and health; be truthful; checked-in and cared; and were clear and straightforward. The majority of large organisations did an excellent job of articulating COVID-19's problems. Official websites have posted statements about how they responded to COVID-19, not just for the sake of their employees but also for the safety of their customers (Bogusky-Halper, 2020). The question is, are SMEs also faring well?

2.6.3.3 Role 3 – Insures leverage on technology.

Digitisation is changing the nature of work and transforming the nature of teamwork and has important leadership implications. Leaders who can overcome the difficulties of digital transformation and facilitate collaboration to develop core skills and gain a competitive edge are needed in businesses (Dirani *et al.*, 2020). Thanks to digital platforms and modern technologies, as SMEs can expand their reach and effectiveness at lower costs despite their size disadvantage as opposed to larger enterprises (Li, Ghosh and Nachmias, 2020).

Rajagopaul, Magwentshu and Kalidas (2020) showed that SMEs could leverage a Virtual Private Network (VPN) to transition their systems to a custom-built platform that could be easily modified as their needs change. Leveraging means that SMEs should be more responsive amid enormous market uncertainty and disruption of operations because of their robust technology infrastructure (Rajagopaul, Magwentshu and Kalidas, 2020). Working from different locations has become possible due to technological advancements. Li, Ghosh and Nachmias (2020) affirm that SME leaders must assist their staff in exploring and implementing the most relevant, cost-effective, and versatile technological advancements to support learning and networking demands.

2.6.3.4 Role 4 – Emotional stability and employee well-being

After the pandemic, leaders will be relied on to assist employees with various emotional and personal challenges. Leaders must be able to identify each person's challenges and offer advice on how to conquer them. Rocco and Shuck (2020) proposed that leaders and organisations need to provide a secure environment for workers to lament and express their frustrations. Farnia and Nafukho (2016) advocate that leaders must facilitate remote communication between employees and themselves in defining goals and celebrating an accomplishment, as employees may find it difficult to distinguish between work and personal issues. COVID-19 affects all employees differently, causing them to react differently and therefore need emotional support from leaders (Awais and Rehman, 2020). To reduce worry and panic, managers must develop new ways to deliver information to employees in an accurate and up-to-date controlled manner.

2.6.3.5 Role 5 – Maintains organisational financial wealth.

Leaders must play a critical role in crises, not just for their employees but also for the organisation. Maintaining financial wealth allows SME owners to send a powerful message to their employees (Rajagopaul *et al.*, 2020). Saving money and avoiding financial hardship can help save jobs and prevent layoffs and pay cuts. Employees could be stressed due to financial issues, which impacts productivity (Mitsakis, 2019). Leaders have a critical role in developing cost-cutting strategies that keep organisations afloat. Employees may support a leader's cost-cutting decisions when facts are presented and alternatives available that do not jeopardise employee wellbeing (Dirani *et al.*, 2020). Managers and Owners can ensure that employees are informed of the company's financial situation through innovative communication. This can positively impact employees when they know why access to important resources is restricted (Mitsakis, 2019).

2.6.3.6 Role 6 – Develop clearer market access strategies.

The SMEs can implement a more organised and comprehensive marketing plan to increase their market share and reduce the danger of concentrating solely on one to three major customers (Rajagopaul *et al.*, 2020). Awais and Rehman (2020) indicated that an SME could quickly assess market conditions to identify places where their products would be in high demand and move their attention to the new target markets to sustain local alternative demand.

Rajagopaul *et al.* (2020) claimed that SMEs' market entry strategies allow them to concentrate on their core business model, such as using the distinctive specialised offering to enter new markets. Entering strategy could help SMEs to prioritise limited business growth opportunities and investment resources more efficiently.

2.6.3.7 Role 7 – Develop team skills and capabilities and empower leadership.

Li, Ghosh and Nachmias (2020) advocated that fast-growing SMEs may struggle to expand their operations, especially if the founders are still involved. SME owners can generate additional capacity in senior leadership by investing in capacity building and focusing on growth strategy (Rajagopaul, Magwentshu and Kalidas, 2020). They also found that assigning tasks and responsibilities to experienced staff members freed up

the leadership team, enabling them to focus on bringing new business and implementing continuity plans.

2.6.3.8 Role 8 – Promotes innovation and drives efficiency.

Gopinath (2020) discovered that most SMEs place a high priority on increasing sales and controlling cash flow. The SMEs that focus on operational improvements can boost their competitiveness, increase sales and expand their capacity (Ramlachan and Beharry-Ramraj, 2021). A manufacturing SME employs basic visualisation tools like management boards to improve operations (Ravazzani, 2015). They achieved a 25% decrease in waste by tracking jobs in progress and using Key Performance Indicators (KPIs). The main motivators were enhanced teamwork to concentrate efforts on eliminating errors. This corroborates their finding that innovation can be encouraged while also being effective (Ravazzani, 2015).

2.6.3.9 Role 9 – Competitive aggressiveness

Competitive aggressiveness is a deliberate intensity level in claiming a market share. The goal is to outperform competitors in the market and obtain a competitive advantage by launching a strong retaliation against competitors (Lumpkin and Dess, 2001; Rauch *et al.*, 2009). Covin and Wales (2012) suggested that leaders should take responsibility for aggressive attitudes toward competitors with the overall goal of gaining a larger market.

Nando's, a restaurant chain, aggressively entered the market amid giants like Kentucky Fried Chicken (KFC) and Wimpy and has grown to become a successful South African-born brand with internationalised products and services with good leadership (Maumbe, 2012). Covin and Wales (2012) discovered that SMEs in the manufacturing industry flourished in a hostile environment due to their use of competitive aggressiveness methods.

Table 2.2: The differences in the best leadership competencies needed during normal

Leadership competencies during normal circumstances	Leadership competencies during the crisis circumstances
Ability to form and lead a team	Sense Maker
coach and encourage colleagues	Innovative Communication
Communicate effectively	Insurers leverage Technology
Manage conflicts	Ensures Emotional stability and Employee Well-being
Implement employee involvement strategies.	Maintains Organisational financial wealth
Interpersonal relations	Develop clearer market access strategies.
Analyse situations	Improve teamwork and competencies while empowering leadership.
Self-awareness and direction	Promotes innovation and drives efficiency
Coaching, consulting	Competitive aggressiveness

Source: (Dirani et al., 2020; Rajagopaul, Magwentshu and Kalidas, 2020)

2.6.4 A Framework of business leadership competencies for strategic innovation

A leadership style symbolises a leader's characteristics while coordinating, directing, managing, and overseeing individual groups. These leaders encourage others to perform and innovate (Cherry and Morin, 2021). They further stated that Kurt Lewin, a psychologist, led a team of researchers in 1939 to identify types of leadership, namely, authoritarian, participative and delegative. In contrast, further research has recognised more kinds of leadership, including best known transactional and transformational leadership, developed late in the year 1978 by Burns and later expanded upon by researcher Bass in the year 1985.

Karl, Kuhnert and Lewis (1987) stated that Burns differentiated two types of leadership: transactional and transformational. Transactional leadership refers to the regular leadership practices which focus on the exchanges between the leader and his or her

teams. Bass (1985) described transformational leadership as the process in which a person engages with his or her workforce to promote motivation and morality in both the leader and the followers.

This study adopted a transformational leadership style as this framework brings a connection that increases enthusiasm and integrity in both the leader and the groups of workers leading to business success.

Unlike other leadership styles, transformational leadership has a stronger impact on employee performance, resulting in improved business performance (Aziz *et al.*, 2013). A study of 406 Taiwanese SMEs found that transformational leadership is more closely linked to success than transactional and inactive leadership styles (Chung-Wen, 2008). This shows that the trusting environment provided by transformational leaders encourages people to go above and beyond what is required, resulting in improved business performance. Engelen *et al.* (2013) identified a correlation between employee job satisfaction and organisational transformational leadership and found that transformational leadership increases a company's performance, with the CEO playing a key role in reaching that performance.

Employees desire to put forth an extra effort to have feelings of contentment with supervisors and are all influenced by the transformational leadership style (Bronkhorst *et al.*, 2015). The transformational leadership style includes idealised impacts, influence, rational speediness, and attentiveness. It has been generally prescribed as a high method for dealing with change and demands that employees show keen interest and ability to participate in the process. In addition, Walumbwa and Lawler (2003) found that implementing a transformational leadership style improves organisational commitment and job satisfaction.

It is clear from the above that different traits distinguish transformative leaders, and they challenge staff to accept innovative solutions to the difficulties and question the current status quo using intellectual stimulation. This study adds to the current body of knowledge by determining whether the proposed leadership framework can help improve SME business leader competencies post-pandemic. Business performance, individuals and teams have all been proven to benefit from transformational leadership (Wang *et al.*, 2011).

2.7 ROLE OF LEADERSHIP COMPETENCY IN INNOVATION

The inability of SMEs leaders to generate innovative ideas to support and promote business ventures poses a significant risk to the long-term effectiveness of South African SMEs, particularly because these firms are highly regarded and trusted to bring about economic stability in the country (Chimucheka and Mandipaka, 2015).

Innovation is a key driver of organisational success which is influenced by the knowledge and skills a leader has developed (Zhang, Wang and Yang, 2020). Leaders must be accountable for innovation since they are the ones who make it happen within their organisations. Awais and Rehman (2020) affirm that most leaders lack this understanding, so they cannot stimulate innovation within their firms. When leaders have the necessary skills to drive creativity and innovation, people feel inspired, allowing an organisation to achieve its goals (Gumusluoglu and Ilsev, 2009). Business leaders must invest in human capital by providing relevant training and development to encourage innovativeness and managerial competencies (Ncube and Chumucheka, 2019).

Hayton (2015) proposed that innovative leadership training is required to keep up with the needs of any business and its employees. Abbas *et al.* (2020), contend that leadership training can develop innovation skills and is critical to the business' success. Furthermore, O'Regan, Stainer and Sims (2010) have shown that innovative leadership training can have a long-term impact on the performance and sustainability of SMEs.

Without leadership training, SMEs will struggle to be innovative and sustainable (Peters, 2019). Therefore, it is critical that innovative leadership, training and development become a culture embedded within SMEs and that training is tailored specifically to the demand for instilling innovation skills (Leitch, McMullan and Harrison, 2009). Furthermore, a consciously innovative mindset stimulates proactive thinking required for innovation and long-term growth in SMEs.

2.7.1 The influence of innovation on SME performance and growth

2.7.1.1 Business performance through innovation

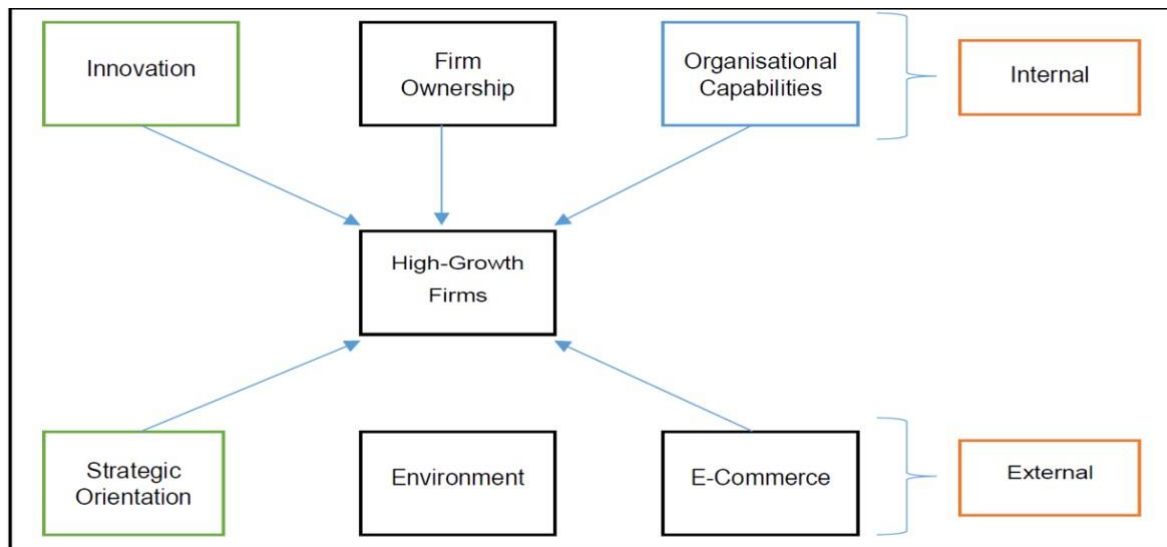
It has been acknowledged that innovation is the primary source of business competition, stated Ismail (2016) and for SMEs. Usually, research on innovation focuses on two key problems namely; innovation's antecedent variable and the impact of innovation on company performance (Christopher, McDermott and Prajogo, 2012). SMEs are more likely to focus on progressive rather than radical innovation (Ismail and Ghozali, 2015). Innovation amongst SMEs is an active response to its main competitor by implementing new ways of doing things, such as process innovation (Wang, Pauleen and Zhang, 2016). SMEs have a passion for doing, attempting, and solving problems in new ways, and motivating employees to do the same to perform better than their competitors (Christopher, McDermott and Prajogo, 2012).

SMEs with a higher rate of innovation will also perform more effectively. Hyvonen and Tuominen (2006) and Wang (2016) found that strong customer and supply chain relationships and innovative technological skills are important predictors of effective economic performance. Creative thinking serves as the catalyst for good business performance and should thus be viewed as an investment rather than an expense (Soteriades, 2012).

2.7.1.2 Innovation as a growth driver for SMEs

The following section discusses the drivers of growth in SMEs and the impact of these factors on SME sustainability. The contributing drivers are identified as critical to high growth firms (O'Regan, Stainer and Sims, 2010).

Figure 2.2 demonstrates how various factors impact high business growth. According to O'Regan et al. (2006), these drivers are classified as internal environmental factors depending on their source.



Source: Drivers of strategic growth (O'Regan *et al.*, 2006)

Figure 2.2: Drivers of Growth

Innovation is the most important factor in maintaining a business's position in a globalised economy and competitive environment, hence critical to SME growth (Ismali *et al.*, 2014; Akis, 2015).

Burpitt and Bigoness (1997) studied how leader behaviour influences team innovation. The study included surveys of 20 organisations and case studies of 9 organisations, it examined the relations between team innovation and behaviours that empower leaders, and they discovered that empowered teams were more innovative than less empowered teams by their leaders. Their research identified a set of supervisory behaviours that promote organisational innovation. These behaviours include giving the team independence in developing problem solutions, allowing team members to meet with clients, providing early participation in the initial planning stages of projects, involvement throughout the project's life cycle, and giving the team a significant role in the overall project design. It is clear from the above that leadership is a determinant of organisational innovation behaviour.

Dereli (2015) agrees that for a business to survive amid global competition, maintain competitiveness, be sustainable, and contribute to GDP, it must view innovation as a driving tool. According to the framework developed by O'Regan, Stainer and Sims (2010), no business can thrive without innovation, especially if the business intends to grow (Goldschmid, 2016). Moreover, Pisano (2015) contends that without an

innovation strategy and competencies, a business cannot reap the benefits of innovation because various segments within it may start pulling in opposite directions, resulting in recourses and time waste. SMEs that avoid innovation, according to Akis (2015), lack the vision to find ways to reduce costs, increase profit margins, and establish the growth that every organisation aims to accomplish and sustain.

2.8 CONCLUSION

This Chapter provided a detailed literature review, highlighting pertinent issues relevant to business leadership competencies for innovative strategies post-COVID-19 among SMEs. As per the relevant literature reviewed, SMEs significantly contribute to the gross domestic product, job creation, innovation, and economic growth.

Leadership and leadership competencies were defined. Leadership challenges SMEs face during a crisis have been brought to the fore, along with competencies required post-COVID-19 for SME leaders to emerge successful. It is also clear that leadership competencies influence the performance of SMEs, as evidenced by the findings of several cited studies. Furthermore, it has been acknowledged that innovation, training, and development are critical requirements for the growth of SMEs.

The next chapter discusses the research methodology pertaining to this research.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 INTRODUCTION

This study investigated the business leadership competency required for innovative strategies post-COVID-19 among SMEs in Gauteng Province, South Africa. The study also aims to broaden understanding of how a competency-based approach to leadership can address the complex challenges SME leaders face following COVID-19. It achieves this by exploring the application of leadership competencies in responding to the various uncertainties, problems, and opportunities in the SME world.

The leadership competency approach can improve SME success rates and the effectiveness of innovative organisational strategies. This research investigated the competencies leaders can use to deal with the business complexities in the SME world beyond COVID-19.

This chapter discusses the methodology and research design used in the study. It then specifies the target population, sampling techniques, and sample size. Following that, the Chapter discusses data collection instruments, data collection procedures, and data analysis methods. The chapter concludes with the sections on reliability, validity, limitations, and ethical considerations sections.

3.2 RESEARCH METHODOLOGY

Research methodology is an approach to resolving a research problem and the discipline of how research is conducted methodically. It shows how the research questions and objectives were framed and how the results will be exhibited (Mishra and Alok, 2022). Kumar (2018) described various research techniques as a systematic configuration of the research process, including decisions made by the researcher regarding data collection and evaluation to answer research questions. As a result, a research approach must be simplified within the scope of the research and the problem being addressed by the researcher. Rahman (2020) attests that the research method can influence the study's outcome positively or negatively based on its suitability. Suitable research methods must achieve the research objectives and answer the

questions. A well-structured research method yields reliable and transparent results (Rahman, 2020).

This study adopted a mixed methods approach, focusing on the convergent parallel mixed methods design, which involves both quantitative and qualitative data being collected simultaneously and analysed separately. After both analyses are complete, overall conclusions are drawn. Mixed methods research has been defined as a model of inquiry combining qualitative and quantitative research models so that evidence may be mixed, and knowledge is increased meaningfully than either model could achieve alone (Lee, 2019). The use of mixed-method research provides strengths that offset the weakness of both quantitative and qualitative research (Magano *et al.*, 2020). They also stated that quantitative research is frail in understanding the context or setting in which people behave, which qualitative research is good at.

On the other hand, Qualitative study is seen as lacking due to the possibility of biased interpretations made by the investigator and the struggle to generalise findings to a large group. Magano *et al.* (2020) further argued that by using both research methods, the strengths of each approach can make up for the weaknesses of the other. The mixed method study in this research aimed to ascertain the leadership competencies currently utilised by owners/managers of SMEs and identify leadership competencies for innovative strategies post-COVID-19. The research also identified the preferred leadership framework to avoid future business failures.

Dawadi, Shrestha and Giri (2021) assert that using mixed-methods research allows researchers to answer research questions with sufficient depth and helps generalise findings and implications of the investigated issues to the entire population. Nonetheless, more emphasis was placed on qualitative research methodology because it is more appropriate when the main objective is to study organisational phenomena.

The quantitative approach enables a researcher to collect data from many participants, increasing the possibility of generalising the results to a larger population. The approach allowed the researcher to collect data from SMEs across a wide geographical spread using surveys in less time, and it also remedied some financial pressures associated with, for example, travelling to business premises to conduct

face-to-face interviews due to a large number of respondents. Indeed, it has proven to be a beneficial research strategy, as it has increased flexibility for the participating SMEs.

The qualitative method, on the other hand, gives greater understanding of the problem under research while honouring the views of the participants. According to Bryman and Bell (2015), mixed methods researchers analyse and interpret research so that the two components are mutually enlightening, especially when these two approaches are combined. Furthermore, Magano *et al.* (2020) argue that using mixed methodology in management and business research is advantageous due to the increased exposure to numerous data forms and differences in data analysis approaches. The mixed methods strategy reduces the drawbacks of their separate application. The mixed methods approach assisted in developing a deeper understanding of leadership competencies. These identified competencies became necessary for the development of a framework. Instead of relying on literature to determine competencies, the results of a qualitative approach provided these answers.

3.3 TARGET POPULATION

The total number of subjects who meet the study requirements and display a wide range of characteristics is referred to as the target population (Thomas, Li and Pencina, 2020). Stratton (2021) affirms that the target population is the total of all elements from which a sample is drawn. The target population for this study was 855,356 SMEs. These consisted of SMEs operating in Gauteng Province in all sectors of the South African economy in different industries registered with the Department of Correctional Services. The industries represented by these SMEs ranged from agriculture, mining and quarrying, manufacturing, wholesale trade, gas, and water construction, retail and auto trade, storage, repair services, catering, lodging, and other trades to transport, and communications, electricity, community, finance and business services, and social and personal services.

The researcher chose Gauteng Province because of its greater proportion of small and medium enterprises (SMEs). Gauteng Province is the largest contributor to national

growth, contributing 33.9% of the Gross Domestic Product (StatsSA, 2021). The firms were grouped according to the National Small Business Amendment Act of 2019, section 1 (National Small Business Act 102 of 1996) as follows; Small (11 to 50 Employees) and Medium (51 to 250 Employees).

3.4 DATA COLLECTION AND RECRUITMENT PROCESS

In qualitative and quantitative research, data collection includes individual or group interviews, observations, and verbal or visual analysis. The most common methods used are interviews and surveys (Barret, 2018). The most effective method to obtain detailed data on a given phenomenon is through interviews (Barret, 2018). According to Du Plooy-Cilliers (2014), a survey is advantageous as it is inexpensive and less time-consuming.

This study made use of questionnaires and interview protocols to gather data. The researcher used the Department of Correctional Services to seek permission from respondents. The Department provided the researcher with the list of registered SMEs. The interviewees were contacted telephonically for consent, and interview arrangements were made. Participants signed a consent letter before the commencement of the interview. For the survey, an e-link was sent through email with the first page as the consent letter to the respondents.

3.5 SAMPLING AND SAMPLE SIZE

According to Braun and Clarke (2021) sample size refers to the number of elements included in the research study. They further defined sampling as selecting suitable individuals, events, or entities to represent the population chosen for the study, in this case, it is SMEs in the Gauteng Province. By utilising samples, researchers can obtain more detailed information, save time and money, and access data that might not be available (Goertzen, 2017).

This study adopted a convenience sampling method for quantitative data. Convenience sampling is a type of nonprobability sampling where individuals are chosen because they are accessible source information for researchers (Stratton, 2021). It was deemed more appropriate to get a bigger sample in order to achieve the

needed minimum data threshold. Researchers can use convenience sampling to select individuals within the population who are difficult to find (Bhardwaj, 2019). For the respondents interviewed for this study, snowball sampling was used. With this sampling technique, the researcher makes contact with just a few people who are relevant to the study problem. In a study by Fatoki (2018) the technique was used to identify owner/managers of SMEs in South Africa.

The sample size for this study was 384, calculated using the Qualtrics tool. Qualtrics is a survey company with simple web-based survey tools, including determining the correct sample size. Silipigni and Radfor (2017) stated that the sample would be selected at a 95% confidence level with a 5% margin of error.

The sample size of 384 was deemed appropriate, average, and large enough to represent the SMEs in Gauteng Province. About 374 managers participated in the survey, and open-ended face-to-face interviews were conducted with 10 owners of SMEs. Participants kept being added until the data were saturated. In qualitative research, saturation is the cornerstone of scientific rigour in determining sample sizes. Hennink and Kaiser (2022) identified studies that assessed saturation in qualitative research and documented approaches to evaluating saturation. Findings showed that saturation could be achieved in a limited number of interviews, particularly in research with consistent study populations and clearly defined objectives.

The inclusion criteria for both qualitative and quantitative models were that owners/managers must reside in the Gauteng Province and operate a formal business from either Johannesburg, Ekurhuleni, or Tshwane. The business must be in operation for at least one year. These were SMEs within Gauteng Province, enterprises with no fewer than 20 and no more than 250 employees. The criteria for interviewees were owners/managers with at least five years of experience in executive positions and decision-making capacity. Exclusions were informal SMEs not registered with Companies and the Intellectual Property Commission. Table 3.1 shows how targeted respondents (384 in total) were divided into small (11 to 50 employees) and medium businesses (51 to 250 employees). Thompson and Strickland (2003) support the inspiration for choosing owners/managers. They indicate that the organisation's owner is the most noticeable and essential strategic manager (Wheelen *et al.*, 2017).

Table 3.1 Inclusion Criteria

City	11-50 Employees(Small)	51-250 Employees(Medium)
Tshwane Metropolitan	52	52
Johannesburg Metropolitan	80	80
Ekurhuleni Metropolitan	60	60
TOTAL	192	192
Grand Total	384	

Source: Researcher's own compilation.

3.6 RESEARCH INSTRUMENT

Researchers use a questionnaire to collect required structured and semi-structured data from respondents in a standardised way (Hamed, 2016). A structured questionnaire was adopted. The questionnaire had two sections. Demographic information and Leadership competencies, consisting of thirty closed-ended questions. Demographic information included industry type, position at work, ethnic group, and gender.

The questionnaire was administered to owner/managers of SMEs within the Gauteng region. An e-link questionnaire was sent by email to the participants. The questionnaire design simulated a five-point Likert-scaled format using the following scale: Not at all — Once in a while — Sometimes — Fairly often — Frequently, if not always. Open-ended face-to-face interviews were conducted with the owner of the SMEs. Interviews were held at the participants' offices and/or places of preference, observing social distancing and any other COVID-19 protocol.

3.6.1 Questionnaire administration

Questionnaires are the most used data collection methods in research (Mohanty, Radhakrishnan and Jain, 2020). A questionnaire is a set of research or survey questions intended to gather detailed information from respondents. The questionnaire meets four fundamental goals: (1) gathering relevant data; (2) making data comparable; (3) reducing bias in formulating and asking questions, and (4) making questions interesting and varied (Mohanty, Radhakrishnan and Jain, 2020).

Questionnaires can be simultaneously emailed to all participants individually, allowing for standardised completion conditions (Ngibe and Lekhanya, 2020). An e-link was sent through email to the prospective respondents for the survey. The e-link was sent to the respondents with the consent letter as the first page for approval.

The researcher contacted the interviewees telephonically for consent before scheduling the interviews. Interviews were then scheduled and conducted after the respondents gave their consent. The respondents signed a consent letter before the commencement of the interview.

3.6.2 Individual interviews with Senior Executives

The semi-structured interview is a qualitative research technique combining open questions that promote discussion and the interviewer's flexibility to dig deeper into specific themes or responses. Unlike a structured questionnaire, a semi-structured interview does not restrict respondents to pre-determined responses. Semi-structured interviews are utilised to understand more about the effectiveness of strategies and how they might be improved (Adeoye-Olatunde and Olenik, 2021).

Face-to-face semi-structured interviews were conducted with the owners of SMEs and audio recorded.

Self-developed open-ended and targeted questions pertaining to leadership competencies were prepared to facilitate the interviews. The questions were designed so that owners and managers could concentrate on specific leadership competencies. This helped in keeping the interactions focused. The researcher carefully worded the questions in a rigid flow that did not allow for significant deviation, ensuring consistency of interview administration among participants. Biased wording, personalisation of questions, and unsupported questions were avoided to eliminate inconsistencies in research results. The self-developed interview questions were set out in Appendix F– Open-ended interview questions with executives.

3.7 DATA ANALYSIS

In research, Scholars use data analysis to narrow down data to a story and analyse it to get conclusions (LeCompte and Schensul, 2018). The data scrutiny process helps reduce a large amount of data into smaller fragments which make sense.

When the researcher completed data collection, the next step in the analysis process was to convert this 'raw' data into a Word document that would enable the researcher to code and analyse the data fully. This is called transcription, which is a process of converting audio and video data into a written document.

It is critical that the data be correct, complete, and suitable for further analysis (Sekaran and Bougie, 2019). Inappropriate statistical methods or modelling techniques can result in incorrect interpretations. As a result, the research problem and questions may still need to be answered. The researcher's task is incomplete if the study objectives are not met. The researcher organised data before applying various descriptive and inferential statistics tools to explain the data and draw conclusions. According to Kemp *et al.* (2018) descriptive analytics is a type of data analysis used to convert raw data into useful and meaningful information that is easy to understand, interpret, and re-arrange. Descriptive analytics is also useful for summarising population or sample information. Tables, graphs, and charts were used as descriptive statistical tools in this study.

Inferential statistics are statistical methods used to draw conclusions and probe the characteristics of a population based on sample data (Amrhein *et al.*, 2018). This study used inferential statistics to examine the relationships between leadership competencies and SMEs' overall performance through ANOVA tests. The analysis of variance (ANOVA) is a statistical test that uses variance to determine if there is a statistically significant difference between two or more category groups (Simkus, 2023). In regression research, analysts use ANOVA to examine the impact of independent factors on the dependent variable.

The ANOVA tests are used when there are numerous independent samples comparing two or more groups of cases in a single variable. This is in agreement with Creswell *et al.*'s (2016) analysis of variance, which is used when more than two independent groups must be evaluated on just one quantitative measure. The t- and z-tests

introduced during the 20th century were utilised for statistical analysis until 1918, when Ronald Fisher invented the analysis of variance approach. ANOVA, commonly known as the Fisher analysis of variance, is an extension of the t- and z-tests (Simkus, 2023).

The level of significance used for the ANOVA tests was 0.05 at a 5% level of confidence. The null hypothesis indicated that there is no significant difference in mean leadership competency caused by the particular component of competency. The alternative hypothesis was that there is a significant mean difference related to competency.

Content analysis was also used for this study. LeCompte and Schensul (2018) assert that content analysis is widely accepted and the most frequently employed technique for data analysis in qualitative research methodology. It is a research tool used to determine the presence of certain words, themes, or concepts, and it can also be used to identify patterns in recorded communication.

The researcher used NVivo 12 software to analyse qualitative data obtained using content-determining themes and concepts. NVivo coding is a type of qualitative data analysis that puts emphasis on the original words spoken by the participants (Manning, 2017). Researchers from other qualitative traditions use NVivo coding to understand better the slang, jargon, or other specialised indigenous words used in a particular culture (Manning, 2017). The researcher believes a systematic approach is necessary to ensure that qualitative data analysis is carried out diligently. NVivo provided a good framework because the researcher could keep track of review transcripts as they were imported into the project, see how far researchers have progressed with the coding, and make notes of emerging ideas as coding continued.

For the quantitative data collected, this study made use of descriptive analysis. Rawart (2021) asserts that descriptive analysis is most effective way for gathering information that define relationships as natural and portrays the world as it is. This helped the researcher determine the relationships managers have with their teams, the differences between groups, and their skills, and to draw conclusions about the real world of SMEs in Gauteng Province. The software used to analyse quantitative data was SPSS which is a commercially distributed software suite for data management and statistical analysis. The tool analyses data collected from respondents as well as

converts information into diagrams and other formats, interpret and store them for future use (Makunga, 2019). Descriptive statistical analysis was performed on all sections of the survey. The information is presented in table format for easy reference.

3.7.1 The Multifactor Leadership Questionnaire (MLQ)

The Multifactor Leadership Questionnaire is the standard instrument for assessing transformational and transactional leadership behaviour (Avolio and Bass, 2004). The Multi-factor Leadership Questionnaire ("MLQ") was presented as developed by Bass (1985) and set out in Appendix D. The MLQ, as a valid and reliable measuring tool, is the standard instrument for assessing transformational and transactional leader behaviour. It has been used extensively in research by researchers such as Mazoredze (2020) (The Impact of Transformational Leadership on Business Model Innovation) and Makunga, (2019) (Leadership Competencies for Effective Information Technology Projects Execution in a Company in the western cape province of South Africa). This instrument was chosen because this is the most observed leadership typology in SMEs.

3.8 VALIDITY AND RELIABILITY OF MEASURING INSTRUMENTS

Reliability is about ensuring that questions asked to all participants are the same within their specific context, ensuring neutrality to enable the study to collect consistent information (Saunders *et al.*, 2019). If the research study requires the researcher to collect primary data, developing an instrument is one of the most important tasks that awaits. This can be a time-consuming process with several important issues. One of the most important aspects of instrument development is pilot testing to ensure its validity and reliability (Saunders *et al.*, 2019). The researcher conducted pilot testing with 30 participants, and the results revealed no inconsistencies. The instrument proved to be reliable. It displayed a summary of total responses, the number of completed questionnaires, the average time each respondent took to complete the questionnaire, and the completion rate.

For the quantitative data collected, Statistical Package for Social Science software (SPSS 26.0) was used by running Cronbach's alpha tests to measure reliability and to determine the consistency of the answers from the questionnaire used in the study (Bonett and Wright, 2015).

Korstjens and Moser (2018) assert that qualitative analysis requires the researcher to prove that the findings are credible, which is done through validation. Korstjens and Moser (2018) further reiterated that the researcher could ensure validity by asking questions to as many respondents as possible until the researcher is satisfied that there will be no different responses and that the results align with recognised theories. Qualitative data were validated through the respondent validation technique (member validation). This is a process whereby the researcher presents study findings to the individuals who were investigated in order to ensure that the researcher accurately understood their social environment (Bryman and Bell, 2017). The aim is to seek corroboration or disapproval of the findings.

3.8.1 Pilot test

A pilot test is carried out to detect errors in instrumentation (Cooper and Schindler, 2018). Pre-testing the instruments allows for improvement before the final test. Similarly, Saunders *et al.* (2019) stated that a questionnaire should be pilot tested with respondents comparable to those who would complete it before being used for collecting data. The goal of the pilot test is to make the questionnaire perfect so that respondents can complete it with ease and record the data. The pilot test was conducted on 30 SME leaders. The responses received were considered, and the results revealed no inconsistencies. All participants were asked the same questions and responded with no difficulties. No errors were found.

3.9 LIMITATIONS

The limitations of a study are constraints of an investigation or defects and weaknesses, which could result from the unavailability of resources, a small sample size, or inaccurate methodology (Lee, 2020). The sample was drawn from formally registered SMEs contributes to research limitations. The feedback provided by entrepreneurs regarding their businesses could not be generalised holistically to all businesses across the Gauteng Province. This is due to the sampling and sample size of the participants. The researcher made use of a standardised questionnaire for collecting data. Standardised questionnaires limit the respondent's ability to provide more information, increasing the insight gathered from the study (Saunders *et al.*, 2019).

3.10 ETHICAL CONSIDERATIONS

Research ethics are regulations that guide researchers to conduct research without double-dealing (Lee, 2020). The assurance of human subjects using suitable moral standards is essential in all research studies. According to the Council for Scientific and Industrial Research (CSIR) research ethics principles (2020), are about "protection of confidential communications, such as papers, personnel records, and patient records. The right of the participants to privacy and confidentiality must be protected". The respondents were informed that their identity would be kept anonymous and their information confidential. All the respondents were requested to complete an informed consent form. However, informed consent is more than just a signed form; it is a process in which the participants understand the research and its risks, and it is thoroughly described in the Durban University of Technology [DUT] (2020) research ethics policy document. Participants were enlightened that there would be no immediate risks or benefits associated with completing the survey. Additionally, permission forms explained that participation was entirely voluntary, there was no fee, and the only authorised use of the results was for academic purposes. All electronic documents and recordings will be stored in a password-protected folder for five years. After that, it will be deleted from the relevant storage locations. The participants were aware of the research goals, purpose, voluntary participation, and their ability to withdraw participation without having to provide reasons at any stage.

3.11 CONCLUSION

This chapter detailed the research methodology, design, data collection, and analysis techniques. The sample selection of 384 SMEs was justified, clearly explained, and illustrated. Additionally, the instruments used, such as questionnaires and semi-structured interviews, were explained. While acknowledging the importance of reliability and validity, the chapter clarified that data were collected, and evaluated and that research rigour compensated for the non-replicability of qualitative research. Data were collected and analysed quantitatively and qualitatively, using a questionnaire and semi-structured interviews. The following chapter delves into an in-depth quantitative and qualitative analysis of the data collected, leading to a detailed discussion of the findings.

CHAPTER 4: RESULTS AND DISCUSSION

4.1 INTRODUCTION

Chapter three discussed the research methodology to justify how the data collection was conducted. The chapter also paved the way regarding how the collected data would be analysed using various steps. This section will respond to the study objectives outlined in the first chapter using the data collected. SPSS version 26.0 and NVivo 12 were the primary Quantitative and Qualitative data analysis tools.

Descriptive statistics formed an integral part of a research study to present the data. Inferential statistics in a one-way ANOVA test were utilised to test relationships between leadership competencies and SMEs' overall performance. According to Harms and Lakens (2018), Chi-square test values, z-tests, t-tests, ANOVA tests, and *F*-tests are all inferential techniques that are evaluated using *p*-values. The standard way of presenting data involves a statistical significance statement. A test statistic generates a *p*-value, with a significant result represented by " $p < 0.05$ ". Based on the study questionnaire, competencies were grouped into eight categories and a one-way ANOVA test was conducted to test the significance of variables.

Cronbach's alpha was used to assess the reliability and validity of the questionnaire because the questions were closed-ended and contained binary and 5-point Likert scale questions.

4.2 PARTICIPANT'S RESPONSE RATE

The researcher distributed 374 questionnaires to Gauteng Province SMEs leaders in different industries, and 252 respondents fully completed and returned the questionnaire, of which the response rate was 66.9%. This response rate was compared to previous SMEs-focused studies. In a study on the effect of managerial competencies on the performance of immigrant-owned SMEs in South Africa, Fatoki (2014) obtained an effective response rate of 38.6%, while Bigliardi, Colacino, and Dormio (2013) achieved a response rate of 45% in a study on the innovative characteristics of SMEs in Italy. The response rate for the two studies were sufficient

for reaching conclusions that were relevant. As a result, the response rate for this study is deemed adequate to proceed with data analysis and interpretation. Open-ended face-to-face interviews were conducted with 10 owners of Gauteng Province SMEs. They all gave their consent and availed themselves of the interviews. Audio recordings of every participant were made, and data were transcribed and analysed.

4.3 RELIABILITY OF RESEARCH INSTRUMENT

Cronbach's alpha is frequently used in quantitative research to show that the tests and research instrument developed for the study are fit for the objective (Plummer and Ozcelik, 2015).

This study used Cronbach's alpha for quantitative data to determine the instrument's reliability or internal consistency concerning the study's population sample (Tumpa *et al.*, 2019). Table 4.1 reflects Cronbach's alpha score for all the items that constituted the questionnaire, with a reliability score of 0.874 for the study. A reliability score of 0.60 and above is generally considered acceptable and is recommended (Taber, 2018). With a final score of 0.874, the study's findings are considered trustworthy, reliable, and consistent. Additionally, each component exceeds or comes close to the acceptable Cronbach's alpha value.

Table 4.1: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
0.874	0.426	30

4.4 QUANTITATIVE ANALYSIS

This study made use of descriptive analysis and inferential analysis. Rawart (2021) points out that a researcher will calculate one or more numbers throughout a data analysis to present information about the statistical characteristics of huge data sets.

4.4.1 Working Status of the Respondents

This section gives a basic summary of the sample data to better understand the demographic and background information of the respondents.

4.4.1.1 Managerial/supervisory position held by respondents

The responses displayed in Figure 4.1 reflect that the largest number of respondents (55.1%) indicated that they held the position of manager, followed by those who held the position of president (24.8%). The respondents who held the position of shift supervisor totalled 13.4%, while the least respondents (6.7%) indicated that they held the position of Vice-President.

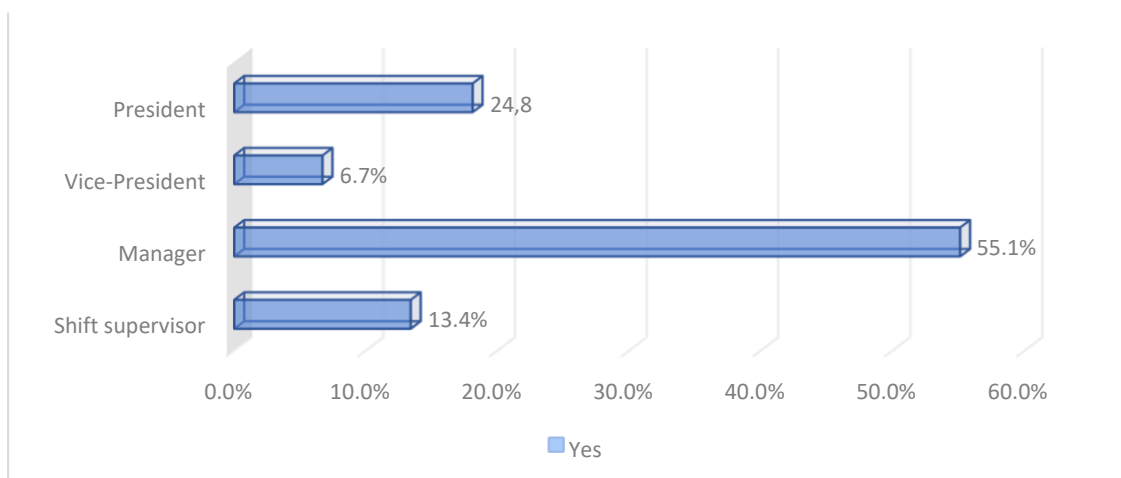


Figure 4.1: Managerial/Supervisor Position Held by the respondents.

4.4.1.2 Industry in which SMEs operate in the study area

The results indicated in Figure 4.2 shows that the telecommunications industry had the highest number of respondents, with about 16.3%, followed by tourism (16%). The finance and business service industry constituted about 15.2%, while the investment and incentives industry constituted about 13.2%. These top 4 industries are female dominated in real-life setups, especially in South Africa. In addition, the manufacturing industry constituted about 12.5%, while the mining industry recorded about 7% of the total number of respondents in this study. There were four other industries below 7%, but retail and wholesaling constituted the least number of respondents with about 3.5%, and this may be due to the reason that this is one of the busiest industries, and most of its employees do not work in offices. They were always on the floor, so most of them were unavailable to complete the survey.

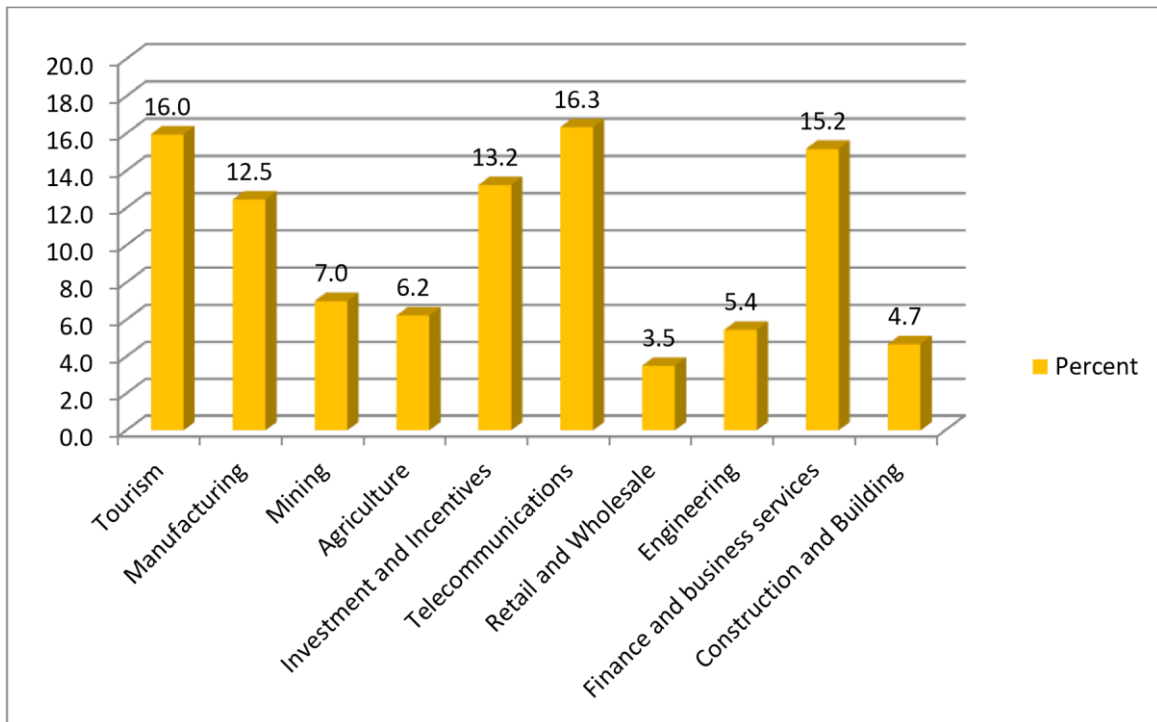


Figure 4.2: Industry in which SMEs operate in the Gauteng Province.

4.4.1.3 Ethnic group of the respondents

Figure 4.3 indicates that of the 252 respondents who participated in the study, 93.2% were blacks, while the smallest percentage (0.8%) were coloureds. In addition, 4% of the respondents were whites, and 2% were Indians. The responses reflected the demographics of Gauteng Province in general. These findings are further supported by ABSA (2019) research, which found that the majority of SMEs in Gauteng Province are owned by Africans.

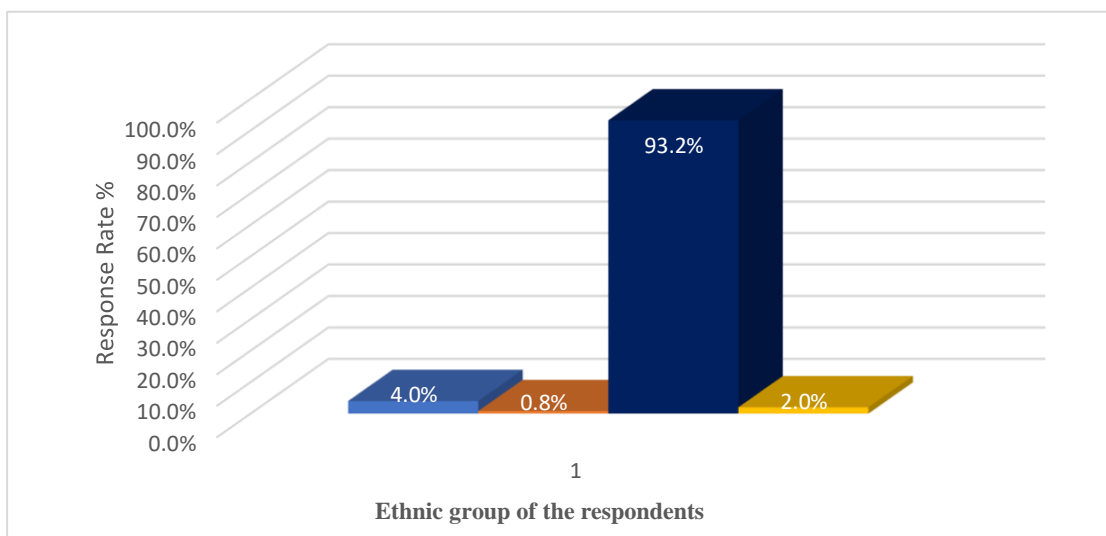


Figure 4.3: Ethnic group of the respondents

4.4.1.4 The gender distribution

As stated by Ugwuozor (2020), gender is an important factor that significantly influences leadership competencies. Based on the findings, there were 62% female respondents in the Gauteng Province and 38% male respondents. Following a statement by Williams (2019), this outcome reflects the government of South Africa's policy of women empowerment. Women empowerment propels females to assume influential roles or establish their own businesses. Zizile and Tendai (2018) said that before organisations like the Businesswomen's Association of South Africa (BWASA) and South African Women Entrepreneurs pushed for policy changes in the SME business sector, women entrepreneurs were historically marginalised in the majority of economic sectors. These findings contrast with those of a KwaZulu-Natal Department of Economic Development and Tourism research from the year 2012, which highlighted the absence of female entrepreneurs from important and growing economic sectors including mining, energy, transport, logistics, and construction.

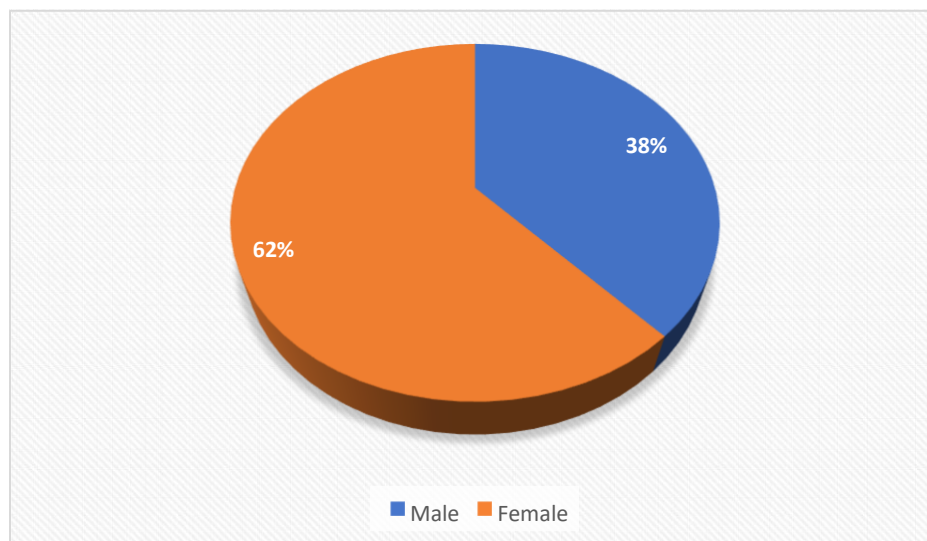


Figure 4.4: Gender distribution of respondents

4.5 PRESENTATION, INTERPRETATION AND DISCUSSION OF RESEARCH

FINDINGS

From the statements provided in the research questionnaire, the leadership competencies were grouped into eight categories, namely: Business Acumen Competency; Coaching and Developing Competency; Diversity and Inclusion Competency; Interpersonal Skills Competency; Change Management Competency; Customer Service Competency; Team Leadership Competency, and Task Management Competency.

The level of significance for the ANOVA tests carried out in this section was 0.05 at a 5% level of confidence. Furthermore, the null hypothesis was that there is no significant difference in the mean leadership competency caused by that component of competency. The alternative hypothesis was that there is a significant difference in the mean caused by competency.

4.5.1 Business acumen competencies

Business acumen competencies refer to the knowledge, skills, and abilities essential for understanding and navigating the business environment (Jones *et al.*, 2016). It includes understanding the financial and economic aspects of the organisation, the industry in which it operates, and the competition it faces. In this study, a five-point Likert scale, ranging from not at all (1) to frequently, if not always (5), was used to ascertain the level of agreement or frequency with the statements that described how they applied business acumen competencies.

As shown in Table 4.2, the results gathered in this study reveal that most respondents (61.5%) highlighted that they frequently set financial targets, while about 38.5% pointed out that they do it occasionally or not at all. A study by Gao and Greenberg (2016) found that setting financial targets is a critical competency for successful leadership in SMEs. Another study by Jiang and Li (2018) found that financial target setting positively correlates with financial performance in Chinese SMEs.

Table 4.2: Percentage of Opinions of the Respondents on Business Acumen

Statement(s)	Not at all (%)	Once in a while (%)	Sometimes (%)	Fairly often (%)	Frequently, if not always (%)	Total (%)
Review and analyse the business unit's strategy	9.5	16.3	21.0	31.0	22.2	100.0
Pick up changes in the marketplace	12.3	13.5	21.0	30.6	22.6	100.0
Read and interpret financial reports	15.1	11	22.2	27.1	25.5	100.0
Set financial targets	10.3	14.7	13.5	31.0	30.5	100.0
Review and improve financial performance	17.1	15.9	15.3	25.2	26.5	100.0

The study revealed that 53.2% of the respondents believed that they frequently review and analyse the business unit's strategy, while 46.8% said that they do it occasionally and not at all. Furthermore, about 52.2% of the respondents highlighted that they frequently pick up changes in the marketplace, while 47.8% said they do not. The findings highlighted the importance of being attuned to changes in the market to remain competitive. Goleman (2006) identified adaptability as a critical leadership competency and that, adaptable leaders can better respond to market changes and adjust their strategies accordingly.

The results further indicate that 51.7% of Gauteng Province SME leaders believed that they frequently review and improve financial performance, while 48.3% revealed that they do not review and improve financial performance, and some occasionally review. A study conducted by Kallio *et al.* (2018) found that financial management is one of the most important competencies for SMEs. Comparing these results to Matsa and Srinivasan (2019) on leadership competencies in the Indian context, it was found that financial acumen was crucial for effective leadership. Specifically, the ability to analyse

financial statements and make sound financial decisions was identified as a critical skill.

In addition, 52.6% said that they frequently read and interpret financial reports, while about 47.4% revealed that they occasionally or do not read and interpret financial reports at all. This implies that this competency is essential for effective decision-making and financial management, which is important for the survival and growth of businesses. A study conducted by Hossain and Islam (2021) on the impact of COVID-19 on SMEs in Bangladesh found that financial management skills were critical for SMEs' survival during the pandemic. The study also highlighted the need for SME leaders to understand financial statements and financial planning to overcome the challenges posed by the pandemic. The findings indicate that a sizable number (about 48%) of SMEs do not frequently review their financial performance, which is why Gauteng Province SME owners need to improve on this competency.

Table 4.3: Results of ANOVA for Business Acumen

Group	Degree of Freedom (DF)	Sum of squares (SS)	Mean of Square (MS)	F-statistic	P-Value
Between Groups	4	18.180	4.545	3.300	0.011
Within Groups	1020	1404.620	1.377		
Total	1024	1422.800	1.389		

Grand Mean = 3.33

Because the p -value (0.011) is less than 0.05, it is acceptable to conclude that there is a significant difference in leadership competencies based on business acumen. As a result, business acumen is an essential component in business leadership competency. This is important because understanding the financial aspects of a business is critical to the overall performance of the business. Additionally, the F calculated value, $F(4,1020) = 3.300$, is greater than the critical value, F -critical value = 2.37. This suggests that there is a difference in leadership competency brought about by business acumen. The knowledge, skills, and abilities essential for understanding the business environment greatly affect leadership competencies.

4.5.2 Coaching and developing competency.

Coaching and developing competency refer to the ability of a leader to develop their employees by providing them with constructive feedback, guidance, and support to enhance their performance, build their skills and knowledge, and facilitate their career development (Kruse, 2019).

The competency of “setting personal development goals” is crucial for employees to enhance their skills and career progression. The results in Table 4.4 indicate that most of the SME leaders in Gauteng Province, about 61%, fairly often or frequently apply this competency. However, some respondents (39%) indicated that they never or sometimes used this competency. Compared to previous studies, a study by Yousafzai *et al.* (2018) found that setting personal development goals increases productivity, maximising employee value in an organisation. Another study by Foss and Lindgreen (2019) found that setting personal development goals help organisations handle change effectively as employees continuously update their skills. These studies affirm the value of personal development goals for staff members and their long-term effects on various organisational objectives.

Table 4.4: Percentage Opinions of the Respondents on Coaching and Developing Competency

Competency	Not at all (%)	Once in a while (%)	Sometimes (%)	Fairly often (%)	Frequently, if not always (%)	Total (%)
Provide people with assignments to develop their skills	14.7	15.9	15.1	31.0	23.3	100.0
Give timely coaching	13.1	13.1	20.7	34.1	19.0	100.0
Act as a role model for the development	15.9	14.3	16.3	25.3	28.2	100.0
Set personal development goals	9.1	14.7	15.1	21.4	39.7	100.0

The competency of "providing people with assignments to develop their skills" involves identifying learning opportunities for employees and delegating tasks that will enable them to develop new skills and knowledge (Zhang, Wang, and Yang, 2020). The results in Table 4.4 indicate that a good proportion of respondents (54.3%) often or frequently, if not always, applied this competency, while 45.7% indicated they do once in a while. Previous studies have highlighted the importance of employee development in SMEs. For instance, Triguero-Sánchez *et al.* (2019) found that training and development programmes positively associated with SMEs' innovation. Similarly, Karatepe *et al.* (2015) found that training and development opportunities were important factors in employee retention within SMEs.

Results in Table 4.4 demonstrate Gauteng Province SME leaders' level of competency application in "giving timely coaching". Most respondents, 53.5%, applied the competency fairly often or frequently, if not always. However, 46.5% of the respondents indicated they did not apply the mentioned competency. According to the study, this competency needs attention, especially for those who do not use it often. In a study by Liao and Chuang (2007), the authors found that coaching behaviour positively affects job satisfaction and organisational commitment. Another study by Goleman (2000) revealed that coaching is essential to effective leadership, and leaders who provide coaching to their employees are more likely to have high-performing teams.

Findings reveal how managers apply the competency of "Act as a role model for development." The results in Table 4.4 indicate that 53.1% of Gauteng Province SME leaders frequently or always apply this competency. However, a notable 46.9% reported not applying this competency at all. This implies that managers' capacity to serve as role models for development need to be improved. Brinkman and Kirschner (2018) found that managers who act as role models for development positively impact their subordinates' learning and development. Similarly, Martin *et al.* (2016) found that managers who act as role models for development can enhance employee engagement and job satisfaction.

Table 4.5: Results of ANOVA for Coaching and Developing Competency

Group	Degree of Freedom (DF)	Sum of squares (SS)	Mean of Square (MS)	F-statistic	P-Value
Between Groups	3	18.750	6.250	4.258	0.005
Within Groups	753	1105.250	1.468		
Total	756	1124.000	1.487		

Grand Mean = 3.41

In this test, the *P*-Value is 0.005, which is less than 0.05. As a result, there is a statistically significant difference between coaching competencies and leadership competence. The hypothesis that there is no change in mean leadership capabilities induced by coaching and developing competency is rejected. The *F* calculated statistic $F(3,753) = 4.258$ is significantly higher than the *F*-critical value of 2.60, implying that the difference is greater. Consequently, a leader's capacity to develop subordinates contributes to leadership competency.

4.5.3 Diversity and inclusion competency

Diversity and inclusion competency is recognising, appreciating, and leveraging individual differences and similarities to promote equity and inclusion in the workplace, community, or society (Curry, 2021). It involves understanding and respecting cultural differences, acknowledging biases, and being able to collaborate effectively across diverse groups.

The information presented in Figure 4.5 indicates that most of the Gauteng Province SME leaders (60.3%) reported “exhibiting inclusive behaviour” fairly often or frequently, if not always. This indicates that many leaders perceive themselves as good role models for inclusive behaviour. However, a sizeable percentage of the respondents (39.7%) stated that they do not exhibit inclusive behaviour frequently or apply it at all. These findings are consistent with previous researches highlighting the importance of role modelling in promoting inclusive behaviour. For instance, Cheng (2016) found that managers who model inclusive behaviour are likely to promote inclusive work environments. Further to that, Ely and Thomas (2001) emphasised that

leaders who model inclusive behaviour can significantly influence the behaviour of their subordinates, leading to the development of a more inclusive organisational culture.

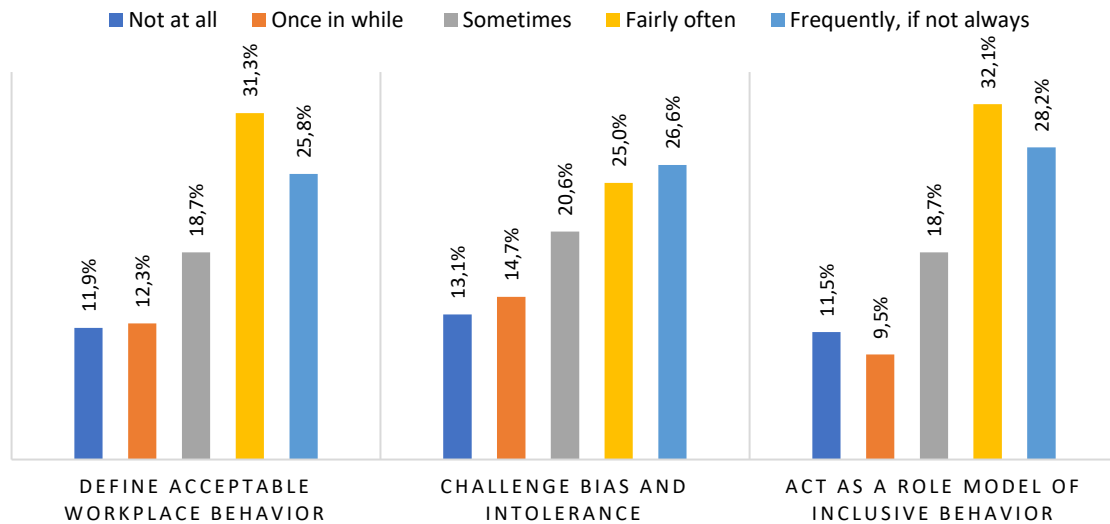


Figure 4.5: Diversity and Inclusion Competency of the Respondents.

Gauteng Province SME leaders' level of applying the competency of "defining acceptable workplace behaviour" varied. According to the findings from figure 4.5, 57.1% of SME leaders fairly often applied the competency, while 42.9% of respondents said they sometimes or do not apply this competency. These findings suggest that defining acceptable workplace behaviour is an essential competency for leaders. Men and Stacks (2013) found in a previous study that defining acceptable workplace behaviour is an essential competency for leaders. As per the study, leaders who are effective in this competency can create a positive work culture that promotes ethical behaviour and reduces conflicts. They also discovered that defining acceptable workplace behaviour aids in the establishment of clear expectations for employee behaviour and the creation of a positive work environment. In contrast, Day, Fleenor, Atwater, Sturm, and McKee (2014) found that leaders who lack the competency to define acceptable workplace behaviour could create toxic work environments that foster unethical behaviour and conflict.

Figure 4.5 illustrates Gauteng Province SME leaders' self-reported application of the competency "Challenge bias and intolerance." The figures reveals that a significant

percentage of respondents (51.6%) frequently reported. However, it is worth noting that a portion of those surveyed (48.4%) indicated using the competency only occasionally or infrequently. These results are in line with previous research that explored the importance of challenging biases and intolerance in personal and professional contexts. For example, Di Stasio and colleagues (2018) found that leaders who frequently challenge their biases and prejudices have higher self-awareness, empathy, and cross-cultural competence. Additionally, Houle and Cambell (2018) highlighted the importance of challenging biases and intolerance in the workplace, as it leads to a more inclusive and diverse organisational culture. According to the figure 4.5 dealing with bias and intolerance is crucial because they are the least performed, so SME owners must improve this skill.

Table 4.6: Results of ANOVA for Diversity and Inclusion Competency

Group	Degree of Freedom (DF)	Sum of squares (SS)	Mean of Square (MS)	F-statistic	P-Value
Between Groups	2	17.621	8.810	4.630	0.010
Within Groups	753	1432.785	1.902		
Total	755	1450.407	1.921		

Grand Mean = 3.43

This test's p -value is 0.010, which is less than the critical value of 0.05, hence the null hypothesis is rejected, and it is concluded that diversity and inclusion competencies generate a difference in leadership competency. Recognising, understanding, and leveraging on unique differences results in a statistically significant difference in mean leadership competencies. This is evident when the F -calculated $F(2,753)=4.630$ and F -critical (F -crit=3.00) are compared. The estimated value exceeds the critical value which implies that understanding cultural differences, admitting prejudices, and successfully collaborating across groups all impact leadership competence.

4.5.4 Interpersonal skills competency

Most Gauteng Province SME leaders (63.9%), as shown in Table 4.7, believe showing a “sense of humour and perspective” is important. Interestingly, a notable percentage of respondents (36.1%) indicated that they either do not show a sense of humour or perspective or only do so occasionally. This could be a potential area for improvement,

as previous studies have shown that a sense of humour can positively affect various aspects of life, such as reducing stress, increasing social support, and improving psychological well-being (Nezu and Nezu, 2013). Furthermore, another study found that individuals who can maintain a sense of humour are more resilient and can better cope with stressful situations (Tugade and Fredrickson, 2007).

Table 4.7: Percentage Opinion of the Respondents on Interpersonal Skills Competency

Competency	Not at all (%)	Once in a while (%)	Sometimes (%)	Fairly often (%)	Frequently, if not always (%)	Total (%)
Seek feedback to improve interactions with others	9	12.8	24	27.4	26.8	100.0
Show a sense of humour and perspective	7.5	13.5	15.1	30.6	33.3	100.0
Work effectively with other people	12.7	11.9	22.2	28.2	25.0	100.0
Use networks to get things done	14.7	11.1	17.9	28.6	27.7	100.0
Build rapport and keep others in the loop	12.7	13.5	15.8	29.8	28.2	100.0
Listen carefully to different points of view before coming to conclusions	11.9	10.3	14.3	30.6	32.9	100.0

Most Gauteng Province SME leaders reported, "carefully listening to different points of view before reaching conclusions" and 63.5% of the leaders indicated that they applied

this strategy often or frequently. This suggests that actively seeking out and considering diverse perspectives is important in making informed decisions for leaders. However, 36.5% indicated that they only used this strategy sometimes, highlighting the need for Gauteng Province SME leaders to focus more on developing active listening skills. Previous research has shown that actively seeking and considering diverse perspectives can positively impact decision-making and problem-solving. For example, a study by van Nemeth and Wachtler (1974) found that groups exposed to diverse perspectives and viewpoints could generate more creative solutions to problems than those that do not. The study highlighted the importance of considering diverse perspectives and viewpoints when making decisions, as this can lead to more effective and creative outcomes. Another study by Rogelberg and Rumery (1996) explored the concept of active listening and its impact on interpersonal relationships. The study found that individuals who actively listened to others were perceived as more trustworthy and likeable than those who did not.

The findings in Table 4.7 indicate that a considerable percentage of Gauteng Province SME leaders reported: "building rapport and keeping others in the loop". About 58% of the respondents said they used this tactic frequently or often. This suggests that building and maintaining strong relationships with others is an important factor in achieving organisational goals and objectives. However, the fact that 42% of respondents indicated that they only applied this strategy sometimes or not at all highlights the need for SME owners/managers to focus on developing effective communication and relationship-building skills. Previous research has shown that building strong relationships with others can positively impact one's personal and professional life. A study by Ferrazzi (2005) found that individuals who actively networked and built strong relationships with others were more successful in their careers than those who did not. The study highlighted the importance of building and maintaining relationships with diverse individuals, including colleagues, mentors, and industry experts. Goleman (2006) explored the concept of emotional intelligence and its impact on relationship-building and communication skills and found that individuals with high levels of emotional intelligence were more effective at building rapport with others, as they were able to easily understand and effectively manage both their own emotions and those of others.

From the findings in Table 4.7, Gauteng Province SME leaders reported "using networks to get things done", with 56% of them indicating that they applied this strategy fairly often or frequently. This suggests that networks are important for individuals to achieve their goals and objectives. However, the fact that 44% of respondents said that they only used this strategy occasionally or not at all may indicate that there is more to be done in utilising networks by Gauteng Province SME leaders. Research has shown that networks can be critical to career success and job attainment. For example, Lekarapa and Root (2014) found that individuals were more likely to find job opportunities through weak ties in their social networks than their close friends and family members. This highlights the importance of building diverse and expansive networks and maintaining relationships with acquaintances and casual contacts. Another study by Burt (2005) explored the concept of "structural holes" in social networks, which refers to gaps between individuals or groups without direct connections. Burt (2005) found that individuals who bridged these structural holes were more likely to succeed in their careers, as they could access diverse information and resources that were unavailable to those within their immediate network. This further emphasises the importance of building and leveraging networks to achieve one's goals.

According to the findings in Table 4.7, 53.2% of respondents reported feeling confident in their ability to work effectively with others frequently, while a proportion (46.8%) reported doing so only some of the time. These findings are consistent with previous research on teamwork and collaboration in the workplace, and this aligns with a study by Salas *et al.* (2015), which found that poor teamwork was a leading cause of workplace errors and accidents. The authors suggest that effective teamwork requires clear communication, mutual trust and respect, and a shared understanding of team goals and objectives from leaders. Similarly, Tannenbaum *et al.* (2012) found that effective collaboration is essential for achieving organisational goals and improving job performance. The authors suggested that successful collaboration requires a supportive organisational culture, clear communication, and a focus on shared goals and values.

These results show the distribution of responses among Gauteng Province SME leaders regarding "seeking feedback to improve interactions" with others and that

54.2% indicated they frequently sought feedback to improve their interactions with others, and 45.8% stated they sometimes do and do not at all. The findings reveal that most leaders appeared to value receiving feedback. These results suggest that seeking feedback to improve interpersonal interactions is an important behaviour many leaders value. For example, one study found that feedback-seeking behaviour was positively related to career development and job satisfaction among employees (Heilmann, Wiese, and Schweiger, 2010). However, the finding that a proportion of respondents did not seek feedback or did so only occasionally suggests that there may be factors that discourage feedback-seeking behaviour. Previous research has identified fear of negative feedback, lack of trust in the feedback provider, and cultural factors as potential barriers to feedback-seeking behaviour (De Stobbeleir, Ashford and Buyens, 2011).

Table 4.8: Result of ANOVA for Interpersonal Skills Competency

Group	Degree of Freedom (DF)	Sum of squares (SS)	Mean of Square (MS)	F-statistic	P-Value
Between Groups	5	14.583	2.917	2.220	0.050
Within Groups	1275	1675.083	1.314		
Total	1280	1689.667	1.320		

Grand Mean = 3.56

The significance value of the test is 0.05. As a result the null hypothesis should be rejected and conclude that there is considerable difference in leadership competency based on interpersonal skills competencies. For easier analysis, compare the *F*-calculated value with the critical region. The *F*-value, however, is 2.220, slightly greater than the *F*-critical value of 2.21, therefore, based on that, there is a difference in leadership competency levels due to interpersonal skills. Despite the little statistical difference, it can be accepted it and concluded that high interpersonal skills influence leadership competency. As a result, excellent interpersonal skills, such as a sense of humour, have influence on leadership competency. The closeness to critical values can be due to the slight differences in how respondents scored the questions, as seen in the tables 4.7.

4.5.5 Change Management Competency

Most Gauteng Province SME leaders believe they can "model the change expected of others", with 60.3% of leaders indicating they apply it often and frequently (Table 4-9). However, 39.7% of the respondents said they only do so occasionally, and some indicated they do not have this competency.

Table 4.9: Percentage Opinions of the Respondents on Change Management Competency

Competency	Not at all (%)	in a while	Sometimes (%)	Fairly often (%)	Frequently, if not always (%)	Total (%)
Sell the benefits of change	13.5	11.5	19.8	31.0	24.2	100.0
Establish roles and structures to support change	13.5	14.6	18.7	31.0	22.2	100.0
Model the change expected of others	9.1	12.7	17.9	32.9	27.4	100.0

The results presented in Table 4.9 indicate that a notable percentage of Gauteng Province SME leaders reported that they do not always "sell the benefits of change", with (55.2%) indicating they apply this competency frequently and fairly often at all and 44.8% reporting they only apply it once in a while and some do not. This suggests that some leaders may struggle with effectively communicating the benefits of change, leading to resistance and reluctance among team members. Previous research has shown that effectively communicating the benefits of change is an important factor in managing organisational change. For example, Armenakis *et al.* (1993) found that effective communication of change benefits was positively associated with employee commitment to change. The study highlighted the importance of creating a shared vision of the change process and communicating this vision effectively to all stakeholders. Results from Table 4.9 shows that 53.2% apply the competency "role modelling with structures to support change" frequently and fairly often, while 46.8% do so once in a while or do not apply it at all. These findings are consistent with

previous research on leadership competencies that have emphasized the significance of role modelling with structures to support change as a key leadership behaviour (Avolio and Bass, 2002; Kouzes and Posner, 2012). In their study, Avolio and Bass (2002) identified role modelling as one of the key behaviours distinguishing transformational leaders from transactional leaders. The findings also indicate that this competency has room for improvement.

Table 4.10: ANOVA for Change Management Competency

Group	Degree of Freedom (DF)	Sum of squares (SS)	Mean of Square (MS)	F-statistic	P-Value
Between Groups	2	7.096	3.548	2.465	0.006
Within Groups	510	734.237	1.440		
Total	512	741.333	1.448		

Grand Mean = 3.45

The *p*-value is 0.006, which is less than 0.05. As a result, it can be concluded that change management competencies lead to a statistically significant difference in leadership competency. $F_{cal}(2,510)=2.465$ is bigger than $F_{crit}(2,510)=2.60$. This demonstrates that the influence of change management competencies on leadership competency is significant. Consequently, the null hypothesis is rejected, and it is concluded that change management has an influence on leadership competency.

4.5.6 Customer service competency

From Table 4.11, results show that a large percentage of Gauteng Province SME leaders (65.5%) frequently, if not always, showed the competency of “setting high standards for customer service”. A relatively fair percentage of respondents (34.5%) showed that they only applied this competency occasionally, suggesting that they did not prioritise it consistently. This suggests that many individuals understand the importance of customer service and prioritise it accordingly. These findings are consistent with previous studies that have examined the importance of customer service competencies in various industries. A study by Bitner and Gremler (2018) found that setting high standards for customer service is a critical competency in the service industry. Similarly, another study by Parasuraman, Zeithaml, and Berry (2020)

found that setting high service quality standards is essential for organisations to meet customer expectations and create a positive customer experience.

Table 4.11: Percentage Opinions of the Respondents on Customer Service Competency

Competency	Not at all (%)	Once in a while (%)	Sometimes (%)	Fairly often (%)	Frequently, if not always (%)	Total (%)
Set high standards for customer service	9.1	13.9	11.5	29.0	36.5	100.0
Resolve customer issues quickly	10.7	12.7	15.9	25.0	35.7	100.0
Exceed customer expectations	11.9	10.3	15.1	29.8	32.9	100.0

The results in Table 4.11 also show that most Gauteng Province SME leaders (62.7%) demonstrated the ability “resolve customer issues quickly” fairly often or frequently, indicating that they understood the importance of addressing customer complaints on time. This finding is consistent with previous research highlighting the importance of timely resolution of customer complaints. Paraskevas and Altinay (2013) found that a fast response to customer complaints can positively impact customer satisfaction and loyalty. Findings in Table 4.11 also suggest that some Gauteng Province SME leaders did not possess the competency of “resolving customer issues quickly”, with 37.3% of respondents indicating that they did not exhibit this competency at all and some indicating that they only applied it once. This finding is concerning as it suggests that many leaders may not be equipped to handle customer complaints effectively, potentially leading to customer dissatisfaction and loss of business. SME owners need to work on this to ensure improvement.

The results indicate that a significant number (60.7%) of Gauteng Province SME leaders understand the importance of exceeding customer expectations. Additionally,

a smaller percentage of leader's respondents (39.3%) indicated that they were aware of its significance but did not always prioritise it as strongly as possible. These findings are consistent with previous studies that have emphasised the importance of resolving customer issues quickly in the service industry. For instance, a study by Kim *et al.* (2018) found that resolving customer complaints quickly can lead to positive word-of-mouth recommendations and increase customer retention rates.

Table 4.12: Result of ANOVA for Customer Service Competency

Group	Degree of Freedom (DF)	Sum of squares (SS)	Mean of Square (MS)	F-statistic	P-Value
Between Groups	2	12.574	6.287	3.499	0.030
Within Groups	753	1352.786	1.796		
Total	755	1365.360	1.8084		

Grand Mean = 3.65

The results displayed in the ANOVA table above indicate that *P*-value (0.030) is less than 0.05 and the *F*-value is 3.499, greater than the *F*-critical value of 3.30. The null hypothesis is rejected, suggesting that the difference between the customer service competencies and leadership competency is big enough to be statistically significant. Satisfied customers are loyal, it can be concluded that customer service has a significant impact on the development of business leadership competencies and SMEs' overall performance.

4.5.7 Team leadership competency

The results shown in Table 4.13 reveal that a large percentage of Gauteng Province SME leaders consider themselves proficient in "Helping team members work well together" competency and 61.1% of respondents indicated that they apply this competency fairly often or frequently. However, 38.9% of respondents maintained that they apply this competency only sometimes, once in a while, or not at all, suggesting opportunity for improvement. This result is in line with previous studies emphasizing the value of encouraging positive team dynamics and effective communication for team success.

A study by Hackman and Katz (2010) found that effective team leadership involves building a strong sense of team identity and promoting positive interactions between team members. Additionally, Hentschel, Shepherd, and Griffin (2011) found that team cohesion, or the degree of unity among team members, was positively associated with team performance.

Table 4.13: Percentage of Opinions of the Respondents on Team Leadership Competency

Competency	Not at all (%)	Once in a while (%)	Sometimes (%)	Fairly often (%)	Frequently, if not always (%)	Total (%)
Set the team's direction and priorities	14.3	9.5	19.8	25.4	31.0	100
Review the team's successes and failures	14.7	14.3	17.1	27.0	27.0	100
Help team members work well together	9.5	10.7	18.7	26.6	34.5	100

The data presented in Table 4.13 indicate that a significant percentage of Gauteng Province SME leaders consider themselves proficient in "Setting the team's direction and priorities" competency. Precisely, 56.4% of respondents said they use this competency fairly frequently or frequently. However, 43.6% of respondents indicated that they use this competency only occasionally, infrequently, or not at all, indicating the need for improvement. This conclusion concurs with previous studies that have emphasised effective leadership's importance in setting team direction and priorities. Avolio, Gardner, Walumbwa, Luthans, and May (2004) affirms that transformational leadership, which involves inspiring and motivating followers to work towards a shared vision, was positively associated with team performance. Similarly, Yukl, Gordon and Taber (2002) affirm that effective leaders can articulate a clear vision and align team goals with organisational objectives, which is critical for success.

According to the evidence presented in Table 4.13, a sizeable proportion of Gauteng Province SME leaders consider themselves proficient in "Reviewing the team's successes and failures" competency. Specifically, 54% of Gauteng Province SME leaders indicated that they apply this competency fairly often or frequently, while 46% of leaders apply it only sometimes, once in a while, or not at all. This implies that there is still potential for improvement in this area. This finding is consistent with previous studies highlighting the importance of effective feedback and review processes in enhancing team performance. According to DeChurch and Mesmer-Magnus (2010), feedback interventions can enhance team performance by encouraging increased communication and a common understanding of objectives. Similarly, Kozlowski and Ilgen (2006) found that teams that engage in regular feedback and review processes can better adapt to changing circumstances and achieve their goals.

Table 4.13: Result of ANOVA for Team Leadership Competency

Group	Degree of Freedom (DF)	Sum of squares (SS)	Mean of Square (MS)	F-statistic	P-Value
Between Groups	2	8.820	4.410	3.512	0.031
Within Groups	510	640.513	1.256		
Total	512	649.333	1.268		

Grand Mean = 3.52

The significant value of 0.031 is less than 0.05. This demonstrates that Team leadership competencies make a statistical impact in leadership competency. As a result, the null hypothesis is rejected, and it can be concluded that there is a mean difference in leadership competency among the various team leadership competencies. Good team leadership competencies are vital for business success. The *F*-calculated value is 3.512, greater than the *F*-critical value of 3.00. Setting the team's direction and priorities is immensely important to leadership competency. Moreover, this is essential in setting the company in the right direction.

4.5.8 Task Management Competency

The metrics in Table 4.15 show the frequency with which Gauteng Province SME leaders apply the competency of "Getting things done quickly." It can be observed from Table 4.14 that most Gauteng Province SME leaders (63.9%) apply this competency

fairly often or frequently, if not always. On the other hand, a proportion of respondents (36.1%) do not apply this competency at all. The results of this study are consistent with previous research on the importance of productivity and efficiency in the workplace. For instance, Fisher, Hunter, and Macrosson (2015) suggest that efficient and productive employees are more likely to be successful in their jobs. Similarly, a study by Tzafirir, Dolan, and Tziner (2015) supports that job performance positively relates to employee efficiency and productivity.

Table 4.5: Percentage Opinions of the Respondents on Task Management Competency

Competency	Not at all (%)	Once in a while (%)	Sometimes (%)	Fairly often (%)	Frequently, if not always (%)	Total (%)
Start tasks right away	12.7	11.9	22.2	28.2	25.0	100
Get things done quickly	6.3	11.1	18.7	36.1	27.8	100
Always ready to go the extra mile	14.3	11.5	13.9	28.6	31.7	100

Based on the information presented in Table 4.15, the majority of Gauteng Province SME leaders (60.3%) reported that they frequently or always apply the competency of "always ready to go the extra mile," while 39.7% of leaders apply it only sometimes, once in a while, or not at all. This is an important competency for employees, showing their willingness to work hard and go above and beyond their duties. Previous studies have also found that this competency is highly valued in the workplace. For example, a study by Bhatia *et al.* (2021) discovered that leaders willing to go the extra mile were more likely to be viewed as high performers by their seniors. Additionally, Hakanen *et al.*, (2018) found that leaders who were engaged in their work and willing to go the extra mile had better job satisfaction and were less likely to experience burnout.

The results presented in Table 4.15 indicate that a significant percentage of Gauteng Province SME leaders apply the competency of "Starting tasks right away" fairly often or frequently, with 53.2% of these leaders falling into these two categories. However, 46.8% of Gauteng Province SME leaders indicated that they apply this competency

only sometimes, once in a while, or not at all, suggesting that there may be much improvement in this area. This finding is consistent with previous studies highlighting the importance of time management and task initiation for individual and team success. For example, Steel and Konig (2006) discovered that procrastination was negatively associated with academic and job performance and that individuals who engaged in task initiation behaviours were more likely to achieve their goals. Bailey and Griffin (2020) found that task initiation was positively associated with team effectiveness and that teams with high task initiation were likelier to achieve their goals than teams with low task initiation. These findings suggest that the ability to start tasks right away is an important competency for leaders and team success.

Table 4.16: Result of ANOVA for Task Management Competency

Group	Degree of Freedom (DF)	Sum of squares (SS)	Mean of Square (MS)	F-statistic	<i>P</i> -Value
Between Groups	2	9.737	4.868	3.803	0.023
Within Groups	510	652.930	1.280		
Total	512	662.667	1.294		

Grand Mean = 3.54

The *p*-value is 0.023, which is less than 0.05. It is acceptable to reject the null hypothesis that there is no difference in the mean leadership competency and conclude that task management skills are significant. They impact the business leadership competency and the overall business performance. This statistical difference is also cemented by the *F*-value. The calculated *F*-value is 3.803 and is greater than the critical value $F(2,510) = 3.00$. Gauteng Province SME leaders ought to improve their task management skills for their businesses to perform efficiently.

4.6 QUALITATIVE ANALYSIS

This study made use of content analysis for qualitative data. Open-ended face-to-face interviews were conducted with 10 owners of SMEs. The content analysis began with transcribing the audio recordings and developing a coding scheme, and a set of categories used to code the responses. The coding scheme was based on the research questions, objectives of the study and the themes identified in the literature review. The coding scheme was used to identify the key concepts and themes that emerged from the responses of the SME leaders in Gauteng Province. The coding process involved breaking down the data into meaningful units and assigning codes based on the coding scheme. The codes were then analysed to identify patterns and themes within the data. The themes from the data were then organised into a framework that provided an overview of the key concepts and themes related to leadership competency for innovative strategies post-COVID-19 in Gauteng Province. The content analysis in the current study revealed several key themes related to leadership competency for innovative strategies post-COVID-19. These themes included the impact of COVID19 on SME leaders in Gauteng Province, the need for new leadership competencies, and the measures that could be put in place to ascertain innovation.

Educational Qualifications

The information represents the highest levels of education of the respondents interviewed from different industries. Four participants had a university degree, four SME owners interviewed had Master's degree, and two had a PhD.

4.7 THEMES

4.7.1 Effects of covid-19 on SME leaders in Gauteng Province

The COVID-19 pandemic has significantly impacted small and medium-sized enterprises (SMEs) worldwide, with many of them struggling to survive. Businesses have been impacted by the pandemic in several ways, including financial difficulties, adjustments to business operations and strategies, increased stress and workload, future uncertainty, business closure, and concerns about employee well-being.

4.7.1.1 Financial difficulties

The study revealed that the pandemic posed many challenges to SMEs and the most important factor impacting all other aspects of the business is financial difficulty or cash flow problems. Participant 1 explained, “The pandemic has led to an economic downturn, and many SMEs have experienced a decline in revenue, leading to financial difficulties.” This is in line with Eggers and Kraus (2020), who stated that SME leaders in Gauteng Province have had to make difficult decisions, including reducing staff or salaries, applying for loans, or closing their businesses.

This financial pressure has created significant stress for SME leaders in Gauteng Province, who must balance the need to keep their businesses afloat while also ensuring the welfare of their employees.

4.7.1.2 Changes in business operations and strategies

Changes in company operations and strategy are another effect of COVID-19 on SME leaders in Gauteng Province, according to most interviewees. Participant 8 explained that the pandemic had forced many businesses to change their operations, such as moving to remote work or online sales. SME leaders in Gauteng Province have had to adapt quickly to these changes and implement new strategies to ensure their businesses survival. Participant 3 expressed that one of the issues SMEs face is communication now that employees have been working from home. Many Gauteng Province SME leaders have found running their businesses effectively and efficiently challenging due to a lack of resources needed to function in such difficult circumstances.

4.7.1.3 Increased stress and workload

Most of the interviewees proclaimed increased stress and workload as some of the effects of COVID-19 on SME leaders in Gauteng Province. Participant 6 pointed out that the pandemic has created significant uncertainty and unpredictability, leading to increased stress levels for SME leaders in Gauteng Province. This is supported by Participant 3, who indicated that they no longer have brief morning meetings as they used to and such platforms were intended for strategic meetings, and their inability to have them indicates that their communication system is compromised. SME leaders in Gauteng Province have had to take on additional responsibilities, such as managing

remote teams and implementing new technology. These added responsibilities have increased workloads and long hours for many SME leaders in Gauteng Province.

4.7.1.4 Uncertainty about the future

The results gathered in this study indicate that eight of the 10 interviewees believed there was uncertainty about their future. The government of South Africa announced the lockdown without a definite date it would end, and it went on to a point when everyone had lost hope. SME leaders in Gauteng Province were not able to tell what would happen next, especially to their businesses.

Participant 2 commented that significant uncertainty makes it difficult to plan for the future. The uncertainty caused excessive stress for SME leaders who must make decisions in a continuously changing environment. Participant 7 expressed that they were unsure if this would reoccur, what would happen next was unclear, and they became distracted from their jobs.

4.7.1.5 Business closure

A large number of SMEs in Gauteng Province were forced to close their doors as a result of the COVID-19 pandemic. In addition, some businesses lost their customers and could not continue making their businesses profitable. Some businesses found it difficult to adapt to the new ways of working that were now put in place, such as remote working and ultimately had to cease operations. Nine out of the 10 respondents to this study mentioned this challenge. Participant 9 reported that during COVID-19, most SME leaders struggled to adjust to the new system of working remotely, which hindered staff performance and production. Businesses lost customers as a result of poor employee performance. This is consistent with Participant 7's statement on cashflow difficulties, where the situation deteriorated to the point where Gauteng Province SME leaders could not afford to pay employees, resulting in the collapse of several businesses.

4.7.1.6 Employee wellness

Finally, concerns about employee well-being are another effect of COVID-19 on SME leaders in Gauteng Province. Participant 9 expressed concern for the health of his employees. Many SME leaders in Gauteng Province are concerned about the health and safety of their employees, as well as their mental health and well-being. SME

owners and managers have had to implement new safety precautions for their workers, such as supplying personal protective equipment and gear and putting social distancing measures in place. Additionally, with the shift to remote work, SME leaders must ensure their employees have the resources to work effectively and maintain their well-being.

4.7.2 Leadership competency post-COVID-19

4.7.2.1 Strategic thinking

Most interviewees affirmed that strategic thinking and decision-making are key leadership competencies for thriving businesses. Participant 3 explained, "Believing in oneself, "I am capable," and occasionally having no business became realities for me during the last three years, and I believe I must state that I have made a consistent decision to get up and show up where I am needed to be."

In the words of Participant 5, "I can adjust to changing circumstances and quickly pivot business strategies as needed." SME leaders with this competency can analyse the current situation, identify opportunities and threats, and make informed decisions aligning with the organisation's goals and objectives (Kozioł-Nadolna, 2020). This competency can be applied post-COVID-19 by Gauteng Province SME leaders through developing and implementing innovative strategies that consider the new realities of the business environment.

4.7.2.2 Adaptability and flexibility

Another essential leadership competency identified in the study was adaptability and flexibility. The COVID-19 pandemic has led to changes in customer behaviour, supply chain disruptions, and economic uncertainties, making it essential for SME leaders to be adaptable and flexible. Leaders with this competency can adjust their business operations and strategies to meet changing market conditions and adapt to the new normal (Tumpa *et al.*, 2019). Participant 2 explained, "For a business to survive in the post-COVID-19 era, its management and employees must adapt to the new environment. Technology is the talk of the day; it is high time that SME Owners got used to it and proceed with their businesses." COVID-19 brought about many changes;

for example, businesses are now operating on cloud platforms, according to the findings of this study. Most of the respondents believe that post-COVID-19 era, businesses require leaders who can adapt to change.

This was further supported by Participant 9, stating, “As businesses, we have seen many changes, and to survive in the market, we must adapt to the new changes and move forward. If corporate executives fail to adapt, it will be impossible for them to continue in business.” SME owners must learn and adapt to the new system to emerge successful. This result is further supported by Mustajab *et al.* (2020), who said that challenging as it is, SME Leaders must adapt and learn their organisations to deal with changes, paying special attention to how to manage people and the organisation's wheels. Even though adaptation to a new culture takes time to build up productivity, most leaders agree that they must adopt the new organisation's culture (Mustajab *et al.*, 2020).

4.7.2.3 Communication skills

Strong communication skills were also identified as a vital leadership competency by most of the interviewees in the study; eight out of ten participants mentioned this. Participant 10 pointed out that everyone in the business must communicate well. Communication is essential for the success of any business. Participant 6 agreed that poor communication could lead to many misunderstandings or arguments and mistakes or completing tasks incorrectly. Participant 7 concurred that inadequate communication among co-workers could impact job performance and the team's capacity to achieve goals. SME leaders with this competency can communicate their vision and goals to employees, stakeholders, and customers, leading to increased engagement and collaboration (Kapur, 2018). Effective communication can also help SME leaders build trust and confidence in their leadership during times of crisis.

4.7.2.4 Emotional intelligence and empathy

Empathy and emotional intelligence were identified as critical leadership competencies in the study. SME leaders who possess these competencies can understand the needs and concerns of their employees, stakeholders, and customers and respond appropriately. For example, Participant 4 commented, “Due to the arrival of the pandemic, everyone in my company panicked to a point where we had to resort to not

coming to work. Some employees had lost their relatives and asking them to come to work was another challenge. It is, therefore, important to show empathy to your employees.”

Additionally, Participant 3 emphasised the need to understand employees' emotional states to understand their behavioural patterns as business leaders. Employee performance is heavily influenced by factors such as behaviour and attitude. This competency can help leaders build strong relationships and foster a positive work environment, increasing employee satisfaction and retention.

4.7.2.5 Skills development and training

The study's findings revealed that most, or approximately eight out of 10 participants, believe that employees require training to develop certain skills. Participant 8 mentioned, "There are certain skills you should continue pursuing. Approach individuals who provide these services and educate yourself." Furthermore, Participant 1 explained that business leaders must ensure that their staff are exposed to skill training and can apply such skills. Leaders must ensure that there is room for the development of new leaders. This is further supported by Hayton (2015), who proposed that innovative leadership training is required to keep up with the needs of any business and its employees. Abbas *et al.* (2020) contend that leadership training can develop innovation skills and is critical to the business's success.

4.7.2.6 Networking

Lastly, the findings of this study emphasise the importance of business leaders networking with other business owners and exchanging information and knowledge, according to most of the interview participants. Participant 2 affirmed that attending business meetings and forums will be very important for every business leader because it is during such forums that new ideas are shared. Participants 5 and 7 agreed that it is essential for a business leader to network with other leaders and exchange information. Networking is of the utmost significance at this level, and SME owners must exchange knowledge to remain relevant. Networking can be extremely beneficial in retaining relevant skills within organisations. Surrounding oneself with organisations that will add value to one's business is important. Manning and Kunkel (2019) supported this finding by stating that integrated competencies required for

effective leadership include creating and leading a team, networking, interpersonal relations, communicating effectively, and direction.

4.7.3 Measures to ascertain innovation.

This study identified key competencies for business leaders to navigate the challenges caused by the pandemic and promote innovation in their organisations. Creating a culture of innovation is another measure identified in the study. This involves fostering an environment where creativity and new ideas are encouraged, and employees feel comfortable sharing and taking ownership of their work.

4.7.3.1 Technology leverage

Investing in technology and infrastructure is also identified as a measure to ascertain innovation, which is consistent with the importance of staying up to date with technology and being adaptable in a constantly changing business environment.

as a result, of the pandemic, many organisations have implemented cloud computing, which is why business leaders must understand how these systems work. Eight of the ten participants mentioned this competency. Participant 10 explained that to ensure businesses can continue operating, “We all need to grasp how to use the internet and technology. The best way to deal with technology now that it has influenced every aspect of the business is to educate yourself on it.” Business executives must understand and embrace technology usage in today's businesses, affirmed Participant 6. Technology impacts a company's culture, operational effectiveness, and ability to communicate with customers. The result supports the study by Dirani *et al.* (2020), who concluded that digitisation is changing the nature of work and transforming the nature of teamwork and has important leadership implications. Njeru (2018) explained that customer feedback allows businesses to identify inefficiencies and improve processes, services, and products throughout the organisation. Further to that, it allows the business to track key metrics and indicators throughout the buyer journey to achieve growth through feedback. Leaders who can overcome the difficulties of digital transformation and facilitate collaboration to develop core skills and gain a competitive edge are needed in businesses.

4.7.3.2 Acknowledging customer feedback.

The results gathered in this study indicate that eight out of the 10 respondents believed that SME leaders should be able to acknowledge customer feedback. Through customer feedback, businesses can learn what needs improvement or adjustment.

Participant 4 reported, “To know areas that need improvement, SME leaders must pay attention to customer feedback.”

When leaders recognise customer feedback, customers are likely to recommend the company's product or service to friends, family, and others in their network, resulting in continued business growth.

4.7.4 Leadership framework to avoid future business failure due to crisis

According to the results gathered in this study, the transformative leadership framework was emphasised by many participants. Transformational leaders have the ability to inspire, encourage, and urge employees to act in ways that bring about significant changes. As a result, engaged personnel is empowered to think creatively and contribute to an organisation's long-term success (Rajagopaul, Magwentshu and Kalidas, 2020). This finding is supported by evidence from a literature review claimed that transformational leaders' trusting environment inspires individuals to go above and beyond what is required, hence, resulting in enhanced business performance. Engelen *et al.* (2022) discovered a correlation between employee job satisfaction and transformative organisational leadership. These studies support the notion that transformational leadership improves a company's performance, with the business owner playing a critical role in achieving that performance.

4.7.4.1 Risk-taking

One of the measures to ascertain innovation by SME leaders mentioned in the study was encouraging experimentation and risk-taking. This aligns with the key characteristic of adaptability and flexibility mentioned earlier, as it involves being open to trying new things and being willing to take calculated risks for the business to thrive. Participant 9 said, “doing business is all about taking risks and looking at the impact that Covid-19 had on the business environment, for the business to continue operating, the leader must be a risk taker”. The result is further supported by Hakala (2019), who suggested that organisations may need to adopt a risk-taking strategy that involves

making decisions and acting under conditions of uncertainty and committing significant financial resources without considering the implications of their behaviour.

4.7.4.2 Apply the knowledge acquired.

Based on the study findings, most participants recommended that SME leaders must be able to apply the knowledge acquired. SME leaders must apply the knowledge they acquire and learn the necessary business management competencies. Leaders should also understand their core business strengths and weaknesses so that when certain competencies are lacking, they can build teams around them and outsource the skill in those areas. According to Schillo 's (2021) research findings, understanding what customers want, incorporated with employees' expertise, can be considered a knowledge base. Using this knowledge correctly can assist in reducing business risks, running the business more efficiently, and maximising opportunities.

4.7.4.3 Collaboration

Most participants agreed that It is also critical for SME leaders to understand that there are opportunities to leverage when they collaborate with others who are good at things they are not. Collaboration improves how teams solve problems together. This results in more innovation, greater success, more efficient operations, and better communication. SME leaders must be agile and flexible to retain customers and sustain business growth. Participant 3 said, "I believe that it is an opportune time for businesses to combine their resources and work out how to deliver solutions to real world problems effectively, and this can be done through collaboration." The results gathered are further supported by Larsson (2020), who indicated that collaboration helps businesses understand the customer's needs, which will impact organisational performance. He further pointed out that a collaborative environment helps lower costs, shorten timelines, and increase return on investments through connecting interdepartmental teams in complex business and cultural environments.

4.7.4.4 Diversifying

Diversity in leadership involves having more depth and broad experience and viewpoint, which allows for an improved ability to relate to workers, clients, and potential customers. Experience, perspective, and relatability encourage creativity, which is important in acquiring and maintaining market share. Most of the respondents

mentioned this competency. As a business owner, Participant 2 indicated that SME leaders should diversify and provide more services. In terms of skills, they may rely on outsourcing to be competitive. Participant 8 believes that to remain competitive, especially in this day and age, firms should be able to offer a wide range of services to their customers. This result is further supported by Bwisa (2021), who pointed out that diversity positively impacts a business's performance in many ways, from skill sharing to increased production, greater innovation, and higher revenues.

4.8 CONCLUSION

The data gathered through questionnaires and interviews enabled the analysis, interpretation, and discussion of the Business leadership competency for innovative strategies post-COVID-19 among Gauteng Province's SMEs. The data analysis revealed that most owners/managers possessed business leadership competencies such as coaching and developing, diversity and inclusion, interpersonal skills, change management, customer service, team leadership, and task management. Furthermore, the study found that SME leaders must be strategic thinkers, possess strong adaptability and flexibility, be willing to take risks and invest in Technology. Overall, it emerged that business leadership competencies had a significant influence on the performance of organisations.

The last chapter summarises the key findings of the study, draws conclusions, and gives recommendations.

CHAPTER 5: REVIEW, CONCLUSION, AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter begins with an outline of the study's major findings and a review of the literature, followed by concluding remarks and recommendations to improve the business leadership competencies of SMEs in Gauteng Province. After that, the study's limitations are outlined, and suggestions are presented for future research areas.

5.2 REVIEW OF THE MAJOR FINDINGS OF THE STUDY

This study investigated the business leadership competency required for innovative strategies post-COVID-19 among SMEs in Gauteng Province, South Africa. Specifically investigated are the business leadership competencies challenges facing owners of SMEs. Determined the current business leadership competencies as well as the required leadership competencies post-COVID-19. A framework of business leadership competencies for strategic innovation was also proposed. The following is a summary of the study's findings, as gathered from the literature reviewed in Chapter 2 on the competency challenges facing SME leaders during COVID-19.

- I. The extant literature review indicates that many organisations were experiencing communication challenges due to the changing environments. Because leaders are used to face-to-face interactions, they now must communicate with their workforce using all other available communication channels, some of which they are unfamiliar with.
- II. It further revealed that SME leaders faced technological challenges because of the advancements in information technology, which had increased communication options. They also faced difficulties communicating effectively and using social media as it differs from direct communication and can be limiting in conveying the purpose.
- III. The findings show that managing time was also difficult during COVID-19. Due to the lockdown, which forced businesses to allow employees to work from home, business leaders had challenges regulating work hours. This led to the

use of work scheduling systems, and employees were now exposed to the shifting system.

- IV. In addition, the study found that many organisations had to adjust how they managed leadership, customer management, and the division of labour to blend into the new organisational culture. Many business leaders were compelled to abandon their goal-oriented standards in favour of procedures to save their establishment during a crisis.
- V. Studies revealed that when something unexpected occurs, people undergo psychological transformations to adjust their mindsets, behaviours, and culture to harsh realities and business processes. SME leaders found it difficult to build trust under adverse circumstances, which is necessary for successful leadership in disruptive times.

From the research conducted, the following important issues regarding competency challenges facing SME leaders during COVID-19 emerged:

- I. The study showed that the pandemic challenged SMEs with several difficulties. Financial difficulties were the primary aspect affecting all other parts of the business.
- II. Another impact of COVID-19 on SME leaders revealed by the study is the change in business operations and strategy. The pandemic forced many organisations to change their methods of operation, such as switching to remote work or online sales.
- III. According to the study findings, increased workload and stress are some of the effects of COVID-19 on SME leaders in Gauteng Province. The Pandemic created significant uncertainty and unpredictability, leading to increased stress levels for SME leaders.
- IV. The results gathered in this study indicate that SME leaders were concerned about their future. SME leaders in Gauteng Province could not predict what would occur next, particularly for their businesses. This had a negative impact on leaders who must make decisions in a continuously changing environment.

- V. This study's findings indicated that COVID-19 led many SMEs in Gauteng Province to close their doors. Furthermore, some businesses lost clients and were unable to continue operating profitably.
- VI. The study also revealed that concern about employee well-being was another impact of COVID-19 on SME leaders in Gauteng Province. Leaders were concerned about their employees' health, safety, and psychological wellbeing.

The survey conducted for this study yielded the following descriptive results in determining the current leadership competencies of Gauteng Province SME leaders:

- I. According to the study's findings, the majority of respondents possess business acumen, with (61.5%) indicating they set financial targets for their businesses as an essential competency for achieving financial goals. In addition, the study showed that most SME owners/managers prioritise the competency of reviewing and improving financial performance. This finding is further supported by Matsa and Srinivasan (2019), who discovered that financial acumen is an important competence for effective leadership.
- II. The study found that coaching and developing employees are pivotal in shaping and influencing business performance.
- III. The results of the study show that Gauteng Province SME leaders display team leadership and are proficient at helping team members to work effectively together. The findings are consistent with the literature, highlighting the importance of positive team dynamics and effective communication for team performance.
- IV. According to the findings, most Gauteng Province SME leaders listen carefully to different points of view before making decisions, demonstrating interpersonal skills proficiency. This strategy is used by 63.5% of leaders because research has shown that actively seeking out and considering diverse perspectives can positively impact decision-making and problem-solving.
- V. According to the findings, most SME leaders in Gauteng Province (60.3%) have the capability of showing inclusive behaviour. This suggests that many leaders regard themselves as role models for inclusive behaviour.

- VI. According to the research's findings, a significant percentage of Gauteng SME leaders model the change expected of others. Change management is a key leadership competence that improves business performance. The study highlighted the necessity for creating a shared vision of the change process and effectively communicating this vision to all stakeholders.
- VII. Furthermore, the research results suggest that responding quickly to consumer complaints and resolving their problems can benefit the organisation. Most respondents (60.7%) agreed that good customer service improves productivity and has an influence on the performance of SMEs.
- VIII. The study further discovered that a considerable percentage of Gauteng SMEs executives (63.9%) agreed that they get things done swiftly, demonstrating task management skills. The findings are consistent with those of Afif *et al.* (2023), who discovered that job performance is positively related to employee efficiency and productivity.

Determining business leadership competency among small to medium enterprises in Gauteng Province was essential to this research. In order to achieve this objective, the ANOVA test was used to assess the relation between the dependent and independent variables. What follows is a discussion of the test results:

- I. *A relationship exists between business acumen and leadership competency.* Based on the ANOVA test findings, the p -value of 0.011 on the business acumen factor is less than 0.05, indicating that there is a significant difference between the leadership competency based on business acumen.
- II. *A relationship exists between coaching and competency and leadership competency.* The research found a significant value of 0.005 which is less than 0.05 and a F value bigger than the F -critical value of 2.60. This shows that there is a significant difference; as a result, a leader's ability to encourage growth of team members is crucial for the development of leadership competence, which is in turn critical for business.
- III. *A relationship exists between interpersonal skills and leadership competency.* The findings from the ANOVA test reflect a significance value of the test equal to 0.05 and the F -value, of 2.220, just greater than the F -critical value of 2.21, indicating

that good interpersonal skills, such as a sense of humour, impacts leadership competency.

- IV. *A relationship does exist between change management and leadership competencies.* The p -value is 0.006, which is less than 0.05. As a result, it can be concluded that change management competencies lead to a statistically significant difference in leadership competency.
- V. *A relationship does exist between customer service competencies and leadership competencies.* The results of the ANOVA test indicate that p -value (0.030) is less than 0.05. Based on these results, it can be stated that customer service has substantial influence on the development of business leadership competency and the overall success of SMEs.
- VI. *A relationship does exist between team leadership competencies and leadership competencies.* The study findings on team leadership tests reveal a significant value of 0.031, which is less than 0.05. This demonstrates that team leadership competencies make a statistical difference in the overall performance of the business.
- VII. A relationship does exist between task management competencies and leadership competencies. The study found that task management competencies are significant, and they impact the business leadership competency and the overall business performance as the p -value is 0.023, which is less than 0.05

From the interviews conducted in this study, the following results regarding business leadership competencies for innovative strategies post-COVID-19 among SMEs in Gauteng emerged:

- I. The study revealed that the pandemic created many challenges for the South African SMEs. Financial difficulties are the most dominant factor influencing every other aspect of the business. Workload and stress levels grew, and cash flow troubles led to business closures.
- II. The study revealed a significant relationship between employees' training or leadership development and the success of a business in developing innovation skills.

- III. Adaptability, flexibility and resilience are necessary to meet changing market conditions and adapt to the new normal, as shown by the study results.
- IV. Strategic thinking for leaders allows them to solve problems collaboratively and from varying perspectives. This entails having the ability to foresee, being able to act now, and position oneself to compete and succeed.
- V. Emotional intelligence and empathy have an impact on relationship-building. Leaders who possess these competencies can understand and respond to the needs and concerns of their employees, stakeholders, and customers.
- VI. Technology investments allow leaders to stay current and adaptable in a rapidly changing business environment.
- VII. Effective communication can help SME leaders build trust and confidence in their leadership during crises.
- VIII. The study revealed the importance of building diverse and expansive networks and maintaining relationships with acquaintances and casual contacts. Networks are an important tool for individuals to achieve their goals and objectives. SMEs Leaders must be willing to take calculated risks for the business to emerge successful.

5.3 CONCLUSION

The researcher studied 384 SME owners/managers in Gauteng Province, South Africa, to determine the competencies required for strategic innovation post-COVID19. The study findings revealed that SME owners faced significant leadership competency challenges during the pandemic, particularly in financial management, strategic planning, and innovation. The study also identified the critical competencies SME owners require post-COVID-19, including adaptability, flexibility, resilience, innovation, and strategic thinking. From the results of the study and literature review findings, It is also clear that leadership competencies influence the performance of SMEs. Therefore, Gauteng SME leaders must invest in developing the necessary competencies for their businesses to thrive even post-COVID-19. Furthermore, it has been acknowledged that innovation, training, and development are critical requirements for the growth of SMEs. Based on the findings, the study proposes a framework of business leadership competencies for strategic innovation that SME owners in Gauteng should develop to survive and thrive post-COVID-19. The

proposed competencies provide a valuable guide for SME owners in Gauteng to develop and adapt to the changing business landscape.

5.4 RECOMMENDATIONS

As a result of the study, nine recommendations can be made to help SME owners and the government in Gauteng develop the necessary leadership competencies to navigate the challenges posed by the COVID-19 pandemic and drive strategic innovation in the post-COVID-19 era. These recommendations are:

- I. Develop financial management competencies: Gauteng Province SME leaders need to improve their financial management competencies to ensure they can effectively manage cash flow, optimise revenue streams, and navigate the economic uncertainty caused by the pandemic.
- II. Provide training programmes: Gauteng Province SME leaders should invest in training programmes emphasising the importance of customer service competencies, such as setting high customer service standards and quickly resolving customer issues. These programmes can help them understand the significance of customer service and improve their skills to deliver effectively. Similarly, training programmes can be provided to improve team leadership competencies, such as determining the team's strategy and objectives, assessing the team's achievements and failures, and encouraging teammates to work effectively together.
- III. Promote resilience competencies: Gauteng Province SME leaders should foster resilience competencies to overcome setbacks and failures, manage risk, and persevere in the face of adversity.
- IV. Foster innovation competencies: Gauteng Province SME leaders should foster innovation competencies to drive new product and service development, explore new markets, and differentiate themselves from competitors.
- V. Gauteng Province SME leaders must develop adaptability competencies to pivot their business models, adopt new technologies, and adjust to changing consumer behaviour and market trends.

- VI. Cultivate strategic thinking competencies: Gauteng Province SME leaders must cultivate strategic thinking competencies to analyse data, identify trends and opportunities, and make informed business decisions.
- VII. Seek mentorship and guidance: Gauteng Province SME leaders should seek mentorship and guidance from experienced business leaders, consultants, or coaches to help them develop the necessary leadership competencies.
- VIII. Recognise and reward employees: Gauteng Province SME leaders can recognise and reward employees who demonstrate excellent customer service. This can be done through various means, such as bonuses, promotions, and public recognition. Recognising and rewarding employees can motivate them to continue delivering high-quality customer service and leadership, leading to better business outcomes.
- IX. Encourage a customer-centric culture: Gauteng Province SME leaders should aid a culture prioritising customer service. This can be accomplished in various ways, including emphasizing the importance of customer service and leadership competencies in job descriptions and performance evaluations, providing resources and tools to assist employees in providing high-quality customer service and leadership and fostering a supportive and collaborative work environment.

5.5 LIMITATIONS OF THE STUDY

The term "limitation" refers to factors that may have affected the results and conclusions of a research study but were beyond the control of the researchers or were not fully considered in the study design (Sekaran and Bougie, 2019).

Two limitations identified for the study "Business leadership competency for innovative strategies post COVID-19 among Small and Medium enterprises in Gauteng Province" are:

- I. Sample size and representativeness: The study was conducted on a relatively small sample of small and Medium enterprises in Gauteng Province, which may limit the generalisability of the findings to other regions or types of businesses. Additionally, the sample may not fully represent the population of small and Medium enterprises in Gauteng Province.
- II. Lack of longitudinal data: The study was carried out at a specific time and did not gather information on the same businesses over a longer period. This makes it

difficult to determine how business leadership competencies and innovation strategies have changed.

5.6 CONTRIBUTIONS TO KNOWLEDGE

For SMEs, the research's findings have significance. In order to satisfy changing demands, SMEs can enhance their organisational culture and leadership development by developing their competencies. It provides insights into employees' expectations of leaders' behaviors in the modern era and can be beneficial for recruiting skilled professionals for leadership positions. Investing in training programmes can help them understand the value of customer service and enhance their delivery abilities. Furthermore, training programs can increase team leadership competencies, such as setting the team's strategy and goals, analysing successes and failures, and motivating team members to work effectively.

5.7 RECOMMENDATIONS FOR FUTURE RESEARCH

Based on the limitations identified in the study, some recommendations for future are that future research could aim to include a larger and more diverse sample to increase the external validity of the results. Secondly, future research could aim to conduct longitudinal studies, which collect data over an extended period, to investigate changes and trends in business leadership competencies over time. Future studies could compare the business leadership skills needed for innovative strategies post-COVID-19 from large enterprises in different regions or industries to see if there are any differences. Lastly, the current study concentrated on business leadership competency for innovative strategies beyond COVID-19. Future research could investigate other factors, such as the external environment, and how they can influence small and medium-sized businesses' ability to develop innovative strategies post-COVID-19.

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APPENDICES

APPENDIX A: GATEKEEPER'S LETTER



correctional services

Department:
Correctional Services
REPUBLIC OF SOUTH AFRICA

Private Bag X136, PRETORIA, 0001 Poyntons Building, Church Street, PRETORIA

Tel: (012) 305-8268, Fax: 012 323 5621, E-mail: Mkateko.mthombeni@dcs.gov.za

Ref :
Enq : Penelope Mthombeni

Date: 14 September 2022

Dear Members of FRC and IREC

Re: Research study on Business leadership competency for innovative strategies beyond COVID-19 in Gauteng Small and Medium Enterprises (SMEs).

On behalf of the Department of Correctional Services (Gauteng), I am writing to formally acknowledge our awareness of the research proposed by Fulufhelo Lindelani Masindi, a Master of Business Administration student at Durban University of Technology (Student number: 20427057).

We are cognisant that Fulufhelo intends to conduct her research by first obtaining a list of participants from the Department of Correctional Services Supply Chain Division, who are SMEs located in Gauteng Province. Following that, participants will be interviewed, and a survey questionnaire will be distributed through the use of email after consent has been granted.

As the Supply Chain Manager for the Department of Correctional Services, I permit Fulufhelo to conduct her research through our organisation.

If you have any questions, please feel free to contact me.

Penelope Mthombeni

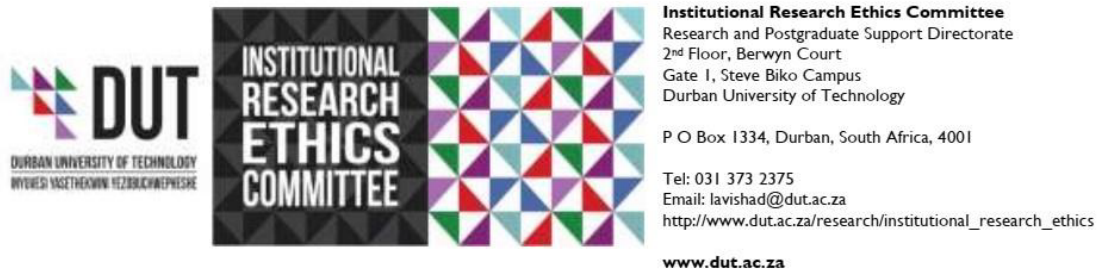
Tel: (011) 933- 7025/6

Fax: 086 231 0733

Email: Mkateko.mthombeni@dcs.gov.za

Department of Correctional Services JHB Management Area

APPENDIX B: ETHICAL CLEARANCE



9 December 2022

Ms F L Masindi
Box 904
Lwamondo
0985

Dear Ms Masindi

Business leadership competency for innovative strategies post COVID-19 among small and medium enterprises in Gauteng
Ethics Clearance Number: IREC 180/22

The DUT-Institutional Research Ethics Committee acknowledges receipt of your notification regarding the piloting of your data collection tool.

Kindly ensure that participants used for the pilot study are not part of the main study.

Please note that **FULL APPROVAL** is granted to your research proposal. You may proceed with data collection.

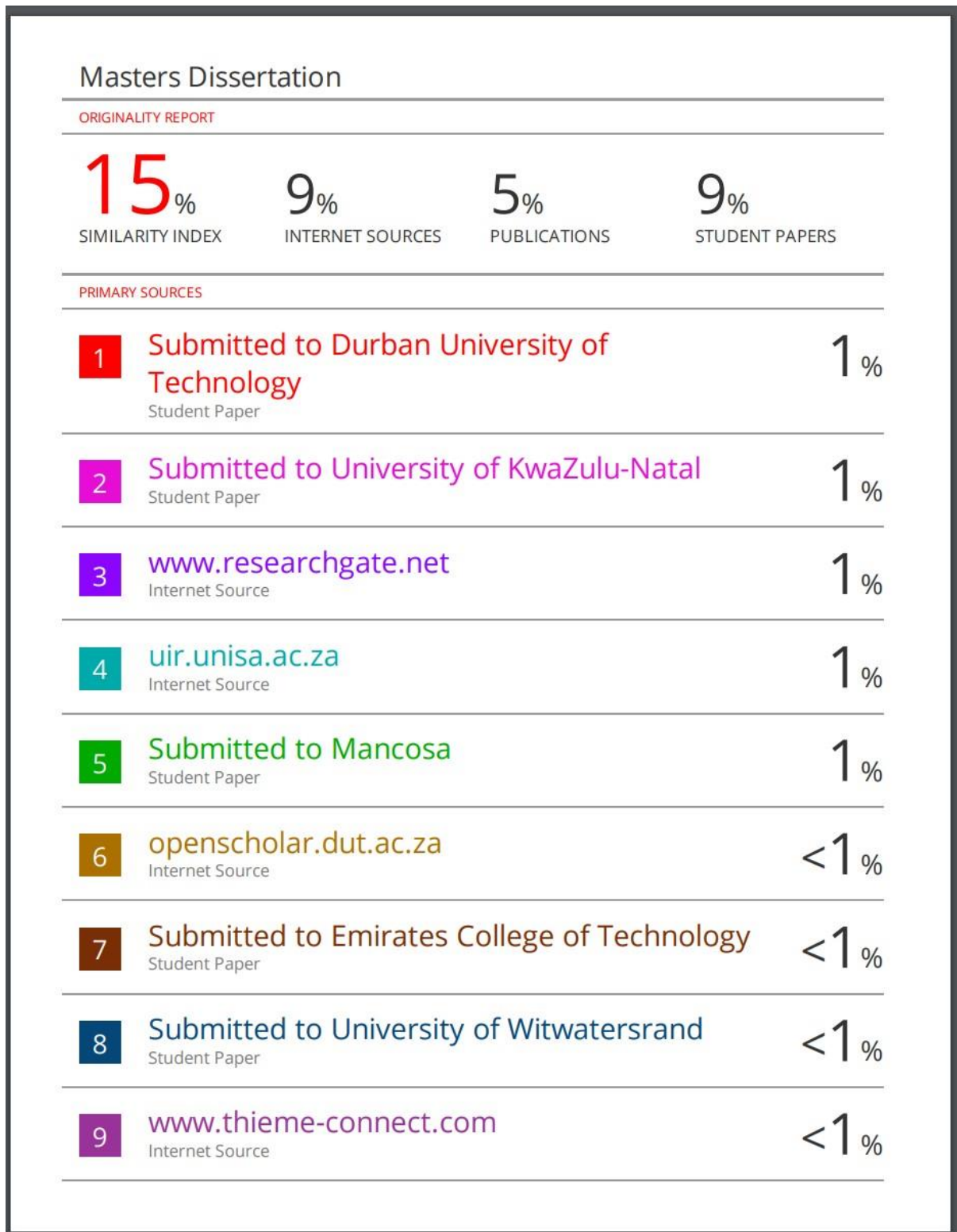
Any adverse events [serious or minor] which occur in connection with this study and/or which may alter its ethical consideration must be reported to the DUT-IREC according to the DUT-IREC SOP's.

Please note that any deviations from the approved proposal require the approval of the DUT-IREC as outlined in the DUT-IREC SOP's.

Yours Sincerely

Professor J K Adam
Chairperson: DUT-IREC

APPENDIX C: TURN IT IN REPORT





Digital Receipt

This receipt acknowledges that Turnitin received your paper. Below you will find the receipt information regarding your submission.

The first page of your submissions is displayed below.

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APPENDIX D: EDITOR'S CERTIFICATE



Website: www.chiefeditors.net

Email: info@chiefeditors.net or boldwin@chiefeditors.net

Cell: 063 022 3162 or 072 492 6144

Dear Sir/madam

Re: Confirmation of editing and proofreading

This letter informs the responsible authorities that our team proofread and edited the work authored by **Fulufhelo Lindelani Masindi (20427057)** to the best of its ability. Our editing involves spelling check, punctuation, grammar, sentence construction, word reduction, cross reference citations, basic formatting (general layout), presentation style, indexing, and other mechanics of the English language. No technical alterations have been made.

Corrections were made using track changes, which have been clearly outlined for the author's reference. It is the onus of the author to accept or reject the suggested changes.

Please do not hesitate to contact us on the details provided above for more information.

Disclaimer: The editor will not be held responsible for any errors introduced due to the changes made after editing.

Yours,

B. Mutsvene (Coordinator)

Affiliation: International Affiliation of Writers Guilds (IAWG)

IAWG

APPENDIX E: SURVEY QUESTIONNAIRE

Leadership competencies of an Organisation required for effective change management

Instructions: The following survey items refer to your leadership style as you perceive it. Please judge how frequently each statement fits your leadership style using the following scale:

Not at all — Once in a while — Sometimes — Fairly often — Frequently, if not always

As a leader I...

1. review and analyze the business unit's strategy.

Not at all Once in a while Sometimes Fairly often Frequently, if not always

2. pick up changes in the marketplace

Not at all Once in a while Sometimes Fairly often Frequently, if not always

3. read and interpret financial reports

Not at all Once in a while Sometimes Fairly often Frequently, if not always

4. set financial targets

Not at all Once in a while Sometimes Fairly often Frequently, if not always

5. review and improve financial performance.

Not at all Once in a while Sometimes Fairly often Frequently, if not always

6. provide people with assignments to develop their skills

Not at all Once in a while Sometimes Fairly often Frequently, if not always

7. give timely coaching,

Not at all Once in a while Sometimes Fairly often Frequently, if not always

8. act as a role model for development.

Not at all Once in a while Sometimes Fairly often Frequently, if not always

9. define acceptable workplace behaviour,

Not at all Once in a while Sometimes Fairly often Frequently, if not always

10. challenge bias and intolerance,

Not at all Once in a while Sometimes Fairly often Frequently, if not always

11. act as a role model of inclusive behaviour

Not at all Once in a while Sometimes Fairly often Frequently, if not always

12. seek feedback to improve interactions with others

Not at all **Once in a while** **Sometimes** **Fairly often** **Frequently, if not always**

13. set personal development goals

Not at all **Once in a while** **Sometimes** **Fairly often** **Frequently, if not always**

14. show a sense of humour and perspective.

Not at all **Once in a while** **Sometimes** **Fairly often** **Frequently, if not always**

15. start tasks right away

Not at all **Once in a while** **Sometimes** **Fairly often** **Frequently, if not always**

16. get things done quickly

Not at all **Once in a while** **Sometimes** **Fairly often** **Frequently, if not always**

17. always ready to go the extra mile.

Not at all **Once in a while** **Sometimes** **Fairly often** **Frequently, if not always**

18. sell the benefits of change

Not at all **Once in a while** **Sometimes** **Fairly often** **Frequently, if not always**

19. establish roles and structures to support change

Not at all **Once in a while** **Sometimes** **Fairly often** **Frequently, if not always**

20. model the change expected of others

Not at all **Once in a while** **Sometimes** **Fairly often** **Frequently, if not always**

21. set high standards for customer service

Not at all **Once in a while** **Sometimes** **Fairly often** **Frequently, if not always**

22. resolve customer issues quickly.

Not at all **Once in a while** **Sometimes** **Fairly often** **Frequently, if not always**

23. exceed customer expectations

Not at all **Once in a while** **Sometimes** **Fairly often** **Frequently, if not always**

24. set the team's direction and priorities

Not at all **Once in a while** **Sometimes** **Fairly often** **Frequently, if not always**

25. review the team's successes and failures

Not at all **Once in a while** **Sometimes** **Fairly often** **Frequently, if not always**

26. help team members work well together.

Not at all **Once in a while** **Sometimes** **Fairly often** **Frequently, if not always**

27. work effectively with other people

Not at all **Once in a while** **Sometimes** **Fairly often** **Frequently, if not always**

28. use networks to get things done.

Not at all **Once in a while** **Sometimes** **Fairly often** **Frequently, if not always**

29. build rapport and keep others in the loop

Not at all Once in a while Sometimes Fairly often Frequently, if not always

30. listen carefully to different points of view before coming to conclusions

Not at all Once in a while Sometimes Fairly often Frequently, if not always

Demographic items

If you have held or currently hold a position at work that is considered managerial/supervisory, check all of the positions that apply.

Workgroup leader

Team Leader

Shift-supervisor

Manager

Vice-President

President

What is your gender

Male

Female

Your ethnic group

White

Coloured

Black

Indian

Type of Industry you currently work for

Manufacturing

Agriculture

Communications

Tourism

Mining

Wholesale retail trade

Finance and business services Investment incentives Engineering

Construction and Building

APPENDIX F: INTERVIEW SCHEDULE

OPEN-ENDED INTERVIEW QUESTIONS WITH EXECUTIVES

1. Opening/Introduction

2. Introduce myself and the purpose of the study

Interview Questions

2.1 Kindly tell me about your educational background

2.2 Kindly tell me about your position and responsibilities in the Company

3. Body/main questions (Based on the objectives)

3.1 In your understanding, what are the effects of COVID-19 on SME leaders?

How do you define leadership competency and its significance?

3.2 What new leadership competencies can enhance business excellence post COVID19?

3.3 In your view, what can be done to develop these competencies?

3.4 What measures can be put in place to ascertain innovation to navigate the challenges caused by the pandemic?

3.5 How would you ensure these competencies work?

3.6 Kindly outline the leadership framework which can add new governance to avoid future business failure due to a crisis.

4. Closing/conclusion

4.1 Do you have any other comments/questions for this study?

APPENDIX G: SAMPLE SIZE CALCULATOR

Sample size calculator

Confidence Level:

95% ▾

Population Size:

855356

Margin of Error:

5% ▾

Ideal Sample Size:

384

If you want to start from scratch in determining the right sample size for your market research, let us walk you through the steps.

Source: <https://www.qualtrics.com/uk/experience-management/research/determine-sample-size/>