



University of Venda

**A SUPPORT FRAMEWORK FOR ENHANCING BUSINESS PERFORMANCE OF
RURAL SMMEs IN THE LIMPOPO PROVINCE, SOUTH AFRICA**

BY

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A THESIS

SUBMITTED IN FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF

DOCTOR OF PHILOSOPHY

IN BUSINESS MANAGEMENT

IN THE

DEPARTMENT OF BUSINESS MANAGEMENT

FACILITY OF MANAGEMENT, COMMERCE AND LAW

UNIVERSITY OF VENDA

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DECLARATION

I, Khathutshelo Collins Razwiedani, hereby declare that this thesis titled - **A SUPPORT FRAMEWORK FOR ENHANCING BUSINESS PERFORMANCE OF RURAL SMMEs IN THE LIMPOPO PROVINCE, SOUTH AFRICA** - presented to the University of Venda's Faculty of Management, Commerce, and Law for the Doctor of Philosophy in Business Management has never been submitted previously for a degree at this university or any other. It is unique in both concept and execution, and all referenced sources have been appropriately acknowledged.

Student



Date 18/08/2024

Khathutshelo Collins Razwiedani

DEDICATION

I dedicate this work to my wife Patricia and her family, who have provided me with unwavering moral support over the whole study process. I also want to express my gratitude to God Almighty for acting as our journey's supervisor.

ACKNOWLEDGEMENT

I would like to use this time to express my heartfelt gratitude and profound thanks to all of the people who helped make this PhD journey possible:

- Without my promoter, Prof. Norman Chiliya, and co-promoter, Dr. Livhuwani Nkondo, who not only acted as my supervisors but also pushed and supported me throughout my research project, I could not have completed my thesis.
- I am grateful to Dr. Nkhangweleni Khohomela, a faculty member, for her unwavering support during my darkest moments.
- My pillar of strength –my mom, Leah. Thank you for nourishing my childhood dreams. Your prayers have indeed seen me through difficult times and challenges. I love you. To my deceased father, “*Mushavhi*” Tshinanga Razwiedani; May God grant you eternal rest!
- I wish to acknowledge my family, especially my beloved sisters, Nkhangweleni and Sybil who supported and always bailed me financially. Thank you for your prayers and for being my biggest cheerleaders on this journey.
- To Prof. Norman Mafumo, your support and guidance never went unnoticed.
- To my colleagues, Mama Tsakani Baloyi, Clement Makwana, and Thabo Maleka, thank you for your backing support and for always being there to aid me.
- Finally, I thank everyone who participated in this research and the University of Venda for allowing me to earn this qualification.

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LIST OF ACRONYMS

ACCA	:	Association of Chartered Certified Accountants
APREP	:	Agricultural Products Rural Entrepreneurship Management System
ANOVA	:	Analysis of Variables
AVE	:	Average Variance Explanation
B-BBEE	:	Broad Based Black Economic Empowerment
CFA	:	Confirmatory Factor Analysis
CRDP	:	Comprehensive Rural Development Programme
COVID-19	:	Corona Virus Diseases-2019
DBC	:	Development Bank of Canada
DTI	:	Department of Trade and Industry
EFA	:	Exploratory Factor Analysis
EPWP	:	Expanded Public Works Programme
EU	:	European Union
GDP	:	Gross Domestic Product
GEM	:	Global Economic Monitor
GPS	:	General Packet Service
GVA	:	Global Vector Auto-regressive
LGSETA	:	Local Government Sector Education Training and Authority
LED	:	Local Economic Development
LOC	:	Locus of Control
PCA	:	Principal Components Analysis
NCR	:	National Credit Regulator
NGO	:	Non-Governmental Organisation
OCED	:	Organization for Economic Cooperation and Development
RBV	:	Resource -based View
RDP	:	Reconstruction Development Programme
SEO	:	Search Engine Optimization
SA	:	South Africa
SAICA	:	South African Institute for Chartered Accountants
SAIPA	:	The South African Institute of Public Accountants
SARB	:	South African Reserve Bank
SCA	:	Sustainable Competitive Advantage
SEDA	:	Small Enterprise Development Agency
SEFA	:	Small Enterprise Finance Agency

SEZ	:	Spatial Economic Zone
SME	:	Small-Medium Enterprise
SMME	:	Small Micro Medium Enterprise
SPSS	:	Statistical Package for the Social Sciences
STATS SA	:	Statistics South Africa
UK	:	United Kingdom
UN	:	United Nations
UNIDO:		United Nations Industrial Development Organisation
USA	:	United States of America
VAT	:	Value Added Tax
W &RSETA	:	Wholesale and Retail Sector and Training Authority
WEO	:	World Economic Outlook

ABSTRACT

South Africa's aspiration for inclusive growth and development acknowledges the pivotal role of small, medium, and micro enterprises (SMMEs) given the country's pervasive unemployment and poverty rates, particularly in rural regions. Since the inception of democracy in 1994 with the Reconstruction and Development Programme (RDP) to the present National Development Plan: Vision 2030, the focal point of South Africa's developmental endeavours has been the alleviation of poverty and inequality. This study aimed to devise a support framework to enhance the performance of SMMEs in the rural expanse of Limpopo Province, South Africa, while also fostering entrepreneurship expansion. Its primary objectives encompassed identifying the determinants affecting rural SMME performance, crafting a conceptual framework to bolster it, utilizing empirical research outcomes to formulate recommendations, and drawing conclusions to augment SMMEs' performance in Limpopo. Additionally, the study proffered actionable insights for stakeholders, including policymakers and entrepreneurs, to ensure the sustained viability of SMMEs in rural South Africa. Employing a quantitative research design aligned with the educational positivist paradigm, the study collected data from 377 entrepreneurs through questionnaires. A Convenience Sampling method was employed. Validity and reliability were ensured through exploratory factor analysis and Cronbach alpha coefficients determination. Pearson's correlation coefficient tests were employed to discern relationships among independent variables. The resultant path model addressed prevalent challenges confronting rural small businesses, proposing a roadmap for enhancing their operational performance.

Keywords: Business Performance, Conceptual Framework, Entrepreneurship, Small Medium and Micro Enterprises (SMME's).

CHAPTER ONE

INTRODUCTION AND BACKGROUND OF THE STUDY

1.1 INTRODUCTION

At the outset of the chapter are the study's backdrop and introduction. The process comprised developing the study's purpose and objectives, characterising the research gap, defining the research problem, describing the research questions, and addressing the study's significance. The final section includes information on how the study was limited and definitions of key terms used in the current investigation. The chapter ends with a summary of the general framework of the study.

1.2 BACKGROUND OF THE STUDY

Small companies are essential to a healthy economy. From an evolutionary perspective, small enterprises can provide two vital services to a national economy. First, SMMEs are fundamental to the renewal process that characterizes and permeates a market economy, because they are vital to innovation that promotes technical progress and productivity growth. Second, SMMEs play a crucial role in facilitating millions of people's entry into the social and economic mainstream of a country since they are particularly adept at providing opportunities for women, immigrants, and marginalized groups (South African Reserve Bank, 2019).

On the global scale, Africa is starting to be acknowledged as a continent of opportunity and growth. Important challenges remain to be addressed, chief among them the need to provide a substantial number of employment for the continent's fast growing population and the establishment of a network of local company executives able to access global markets and foster equitable, sustainable growth. Therefore, African entrepreneurship is crucial to the continent's future success. Africa's youthful population is expected to make the continent a hotspot for entrepreneurship (World Economic Forum, 2019); nonetheless, the continent has not yet realized its full entrepreneurial potential. Entrepreneurs face various obstacles, including unstable political environments, inadequate infrastructure, inadequate education, and under diversified economies. Africa is particularly deficient in infrastructure and education,

primarily as a result of a lack of electricity and energy-dependent technologies like internet access and telephony (World Economic Forum, 2019).

Rural SMMEs encounter a myriad of challenges that impact their performance and sustainability. These challenges include limited access to finance, inadequate infrastructure, lack of entrepreneurial skills, limited market access, and regulatory constraints (Mtambo, Lubbe and Ohei, 2023). Several scholars and practitioners have proposed various support frameworks to address the challenges faced by rural SMMEs. One such framework involves enhancing access to finance through microfinance institutions, government grants, and community-based funding initiatives (Mtambo et al., 2023). Access to finance is critical for rural SMMEs to invest in infrastructure, purchase equipment, and expand their operations. Moreover, capacity-building programs aimed at developing entrepreneurial skills and business management capabilities among rural SMME owners are essential (Sasan, Robert, Lisa and Jacquelyn, 2020). These programs should focus on areas such as financial management, marketing, product development, and strategic planning. By equipping entrepreneurs with the necessary skills, they can effectively navigate the challenges of running a business in rural settings.

The policy and regulatory environment also significantly influence the performance of rural SMMEs. Government policies should be conducive to the growth and sustainability of SMMEs, with specific provisions targeting rural areas. Streamlining registration processes, providing tax incentives, and reducing bureaucratic red tape can create a more enabling environment for rural SMMEs to thrive (Njiraine et al., 2018). Another vital aspect of support framework for rural SMMEs is facilitating market access and networking opportunities. Rural SMMEs often struggle to access broader markets due to logistical challenges and limited resources. Therefore, interventions that promote market linkages, such as participation in trade fairs, business forums, and online platforms, can significantly enhance the visibility and competitiveness of rural SMMEs (Sibiya, van der Westhuizen and Sibiya, 2023).

1.3 PROBLEM STATEMENT

Small, Micro, and Medium Enterprises (SMMEs) play a significant role in economic development, particularly in rural areas where they contribute to job creation, poverty alleviation, and overall socio-economic growth. However, despite their potential, rural SMMEs in the Limpopo Province of South Africa face various challenges that hinder their business performance and sustainability. One of the primary challenges confronting rural SMMEs in Limpopo is limited access to finance. Financial institutions often perceive rural enterprises as high-risk ventures, leading to limited access to credit and funding opportunities (Mamabolo &

Mabunda, 2019). Consequently, many rural SMMEs struggle to obtain the necessary capital for business expansion, investment in technology, and product diversification.

Infrastructure deficiencies also pose significant hurdles for rural SMMEs in Limpopo. Inadequate transportation networks, unreliable electricity supply, and limited access to telecommunications hinder their ability to conduct business operations efficiently (Gumede & Letsoalo, 2018). These infrastructural challenges not only increase production costs but also limit market reach and competitiveness. Moreover, rural SMMEs in Limpopo face skills shortages and limited access to training and development opportunities. Many entrepreneurs lack formal business education and essential management skills, which impede their ability to innovate, adapt to market changes, and implement sustainable business practices (Mukwarami, Mukwarami, and Tengeh, 2020).

To address these challenges and enhance the business performance of rural SMMEs in Limpopo, a comprehensive support framework is imperative. This framework should include financial assistance programs tailored to the needs of rural entrepreneurs, such as low-interest loans, grants, and venture capital funding (Kapunda, 2020). Additionally, initiatives aimed at improving infrastructure, including the expansion of transportation networks and provision of reliable electricity and telecommunications services, are essential to create an enabling business environment (Radebe et al., 2021). Furthermore, capacity-building programs focusing on entrepreneurship and business management should be implemented to equip rural SMME owners with the skills and knowledge needed to effectively manage their enterprises (Mamabolo and Mabunda, 2019). In summary, the problem statement is a lack of support framework for enhancing business performance of rural SMMEs in the Limpopo Province, South Africa.

1.4 RESEARCH QUESTIONS

Consistent with its objectives, this research endeavours to address the subsequent critical inquiries:

1.4.1 **Main Question** is: What are the factors that can enhance business performance of rural SMMEs in Limpopo Province?

1.4.2 **Sub-Questions** are: The following are the sub-research issues that this study addresses in order to address the main research question:

- What conceptual framework can be developed to enhance the business performance of rural SMMEs?

- What are some recommended strategies which will enhance business performance of rural SMMEs in Limpopo Province?

1.5 AIM OF THE STUDY

The goal of the current study was to improve the small, medium, and micro businesses' (SMMEs') commercial performance in Limpopo Province. It is anticipated that current information and data from this study will become available, enabling SMMEs to capitalize on the potential presented for their growth.

1.6 OBJECTIVES OF THE STUDY

To clearly connect the research topic and research questions, this part discusses the pertinent research objectives for the study. The following are the study's objectives:

- To identify factors that influence the performance of rural SMMEs,
- To develop a conceptual framework that could enhance business performance of rural SMMEs in Limpopo Province,
- To use the results of the empirical research to make recommendations which will enhance business performance of rural SMMEs in Limpopo Province.

Therefore, the study's objectives are to identify the factors that contribute to SMME success in rural areas and to create a framework of assistance for improving these businesses' performance in South Africa's Limpopo Province.

1.7 JUSTIFICATION OF THE STUDY

Small, Medium, and Micro Enterprises (SMMEs) play a pivotal role in fostering economic growth, especially in rural areas where they contribute significantly to local development. The study identifies several key findings and insights that underscore the significance of its support framework. Firstly, it highlights the importance of access to finance for rural SMMEs, recognizing that limited financial resources often constrain their growth and sustainability (Makgopa and Mpinganjira, 2020). By providing guidance on accessing financial resources and managing finances effectively, the framework seeks to address this critical challenge and empower rural entrepreneurs. The study emphasizes the role of capacity-building initiatives in enhancing the competitiveness and resilience of rural SMMEs. Training programs, mentorship schemes, and networking opportunities are identified as essential components of the support

framework, enabling entrepreneurs to acquire the skills and knowledge needed to navigate complex business environments (Makgopa et al., 2020).

Furthermore, the study underscores the importance of fostering collaboration and partnerships between SMMEs, government agencies, and other stakeholders. By promoting collective action and resource sharing, the support framework seeks to overcome the isolation and fragmentation that often characterize rural business environments (Makgopa et al, 2020).

The study's findings have significant implications for policymakers, practitioners, and other stakeholders involved in supporting rural SMMEs. By highlighting the multifaceted nature of the challenges facing these enterprises, the study underscores the need for holistic and context-specific interventions that address the root causes of underperformance and vulnerability.

From a policy perspective, the study calls for the development of targeted interventions and incentives to promote the growth and sustainability of rural SMMEs. This may include measures such as tax incentives, access to subsidized financing, and tailored business support services aimed at addressing the unique needs of rural entrepreneurs (Makgopa et al, 2020). At the same time, the study emphasizes the importance of collaboration and knowledge-sharing among stakeholders. Government agencies, non-governmental organizations, academic institutions, and private sector actors can play a pivotal role in facilitating partnerships and coordinating support initiatives for rural SMMEs (Makgopa et al, 2020).

1.8 DELIMITATIONS OF THE STUDY

The study's geographical focus on the Limpopo Province limits the generalizability of its findings to other regions or provinces within South Africa. The unique socio-economic landscape and cultural dynamics of Limpopo might not accurately represent other provinces. The research did not encompass the full spectrum of challenges encountered by SMMEs due to time and resource constraints. The study's focus on rural SMMEs neglected urban SMMEs' distinct challenges and support needs. Urban areas often possess different infrastructural, market, and regulatory environments that impact business operations differently.

1.9 OVERVIEW OF THE METHODOLOGICAL APPROACH

According to Mark, Saunders, and Thornhill (2023), research investigations must adhere to processes carried out within distinct philosophical frameworks; they must employ procedures,

methods, and techniques that are assessed for their validity and reliability; and their projects must be impartial and objective in nature.

The research paradigm, research approach, sample, sampling strategy, justification for the sampling strategy, research design, data collection methods, and procedures for data analysis employed in this research study are all detailed in the chapters that follow. All of these techniques have been selected in an effort to gain a deeper understanding of the topic and to enable the generation of extensive data from the research questions.

1.10 OPERATIONAL DEFINITIONS

1.10.1 What is an entrepreneur?

Entrepreneurship is a dynamic concept that encapsulates the process of identifying, creating, and exploiting opportunities to bring about innovation and change within economic systems (Prince, Chapman, and Cassey, 2021). At its core, entrepreneurship embodies the willingness and ability to take calculated risks in pursuit of new ventures or ideas, often with the aim of generating profit or societal value (Stevenson & Jarillo, 1990). Entrepreneurs, as individuals embodying the spirit of entrepreneurship, play a pivotal role in driving economic growth, fostering innovation, and creating employment opportunities within society (Schumpeter, 1934). They demonstrate characteristics such as creativity, resilience, and adaptability in navigating the complexities of the business landscape (Gartner, 1988). Moreover, entrepreneurship extends beyond the realm of traditional business ventures to encompass social and environmental dimensions. Social entrepreneurs, for instance, leverage entrepreneurial principles to address pressing social challenges and effect positive change in communities (Dees, 1998).

1.10.2 Entrepreneurship

The definition of entrepreneurship is unclear (Crocì, 2016; Diandra and Azmy, 2020) states that entrepreneurship is a separate discipline in and of itself; Diandra and Azmy (2020) describe entrepreneurship as an independent discipline that can function both independently and within an interdisciplinary setting. In general, the act of spotting business opportunities, gathering the necessary means to explore them, and investing those resources to take advantage of the prospects for long-term profits is known as entrepreneurship. As a result, it entails generating additional money through the innovative combination of resources to launch and run an organization or corporation.

The owner/desire entrepreneur's for entrepreneurial reward, or their entrepreneurial intention, is what propels the value-creation process. The goal and resources are fundamental to the entrepreneurial process because it is not a stand-alone activity but rather a crucial part of the wealth development process (Munoz, and Dimov, 2023).

Nonetheless, this study views entrepreneurship as a normal occurrence in corporate organizations and as a component of business life. Entrepreneurial ability used for learning and change supports healthy business organizations, but its procedures help people survive and thrive in the face of business uncertainty. It functions as an opportunity, and market-driven entrepreneurship begins as a component of corporate life before expanding (Diandra and Azmy, 2020).

1.10.3 Small, Micro, Medium Enterprises (SMMEs)

Small, Micro, Medium Enterprises (SMMEs) represent a vital segment of economies worldwide, playing a pivotal role in driving innovation, fostering economic growth, and generating employment opportunities (Rajput, 2020). These enterprises are characterized by their relatively small scale of operations, limited resources, and flexibility in adapting to market changes (Zoltán, Esteban, Lafuente, and Márkus, 2019). The classification of SMMEs varies across countries and regions. In general, micro-enterprises typically employ fewer than 10 people and have minimal capital investment, while small enterprises employ up to 50 individuals, and medium-sized enterprises employ up to 250 people (Zoltán et al., 2019).

SMMEs often face significant challenges, including limited access to finance, inadequate infrastructure, and regulatory burdens (Zoltán et al., 2019). Despite these challenges, they contribute substantially to employment creation, poverty reduction, and wealth distribution (Rajput, 2020). Governments and policymakers recognize the importance of supporting SMMEs through targeted interventions such as access to finance, skills development programs, and streamlined regulatory frameworks (Zoltán et al., 2019).

1.10.4 Rural Entrepreneurs

Entrepreneurs that operate in the rural sector of the economy by developing businesses and industries are known as rural entrepreneurs. Stated differently, the emergence of business ventures in rural regions is a prerequisite for rural entrepreneurship, which in turn leads to rural industrialization. Thus, we might state that industrialization comes after entrepreneurship (Siddiqui, 2021). The underlying presumption here is that a budding rural entrepreneur has many options to launch an enterprise and create goods and services at a lower cost than urban industries, strengthening the national economy in the process. This is because rural resources are readily available (Upasana, 2019).

1.10.5 Rural Entrepreneurship

“The enthusiastic willingness of a villager to organize his or her economics activity, whatever it may be (a business, a job, an investment, etc.) with the help of appropriate technology and practices conceived for a sustainable living” is the definition of rural entrepreneurship in its broadest sense (Siddiqui, 2021). It can also be viewed as entrepreneurship established at the rural level, and as a result of its location, the local economy can grow because these kinds of efforts make it easier to generate jobs locally and make use of available resources (Diandra and Azmy, 2020).

This study confirms that the main benefit of rural entrepreneurship is that it can create opportunities for unskilled and semi-skilled residents to make money. As a result, migration to metropolitan regions will decline and the rural economy will grow more dynamic and self-sufficient. The government ought to educate financial institutions and business houses on the positive feedback loop that results from encouraging bottom-of-the-pyramid entrepreneurship. The government has to understand that encouraging corporate houses to support rural entrepreneurship will allow them to take use of riches and latent potential (Upasana,2019).

1.11 STRUCTURE OF THE THESIS

This thesis is arranged as follows:

Chapter One: Introduction and Background to the study

An overview of the study was given in this chapter. Background information, problem statement, study aim, theoretical and empirical objectives, research questions, justification and significance, gaps in the topic's literature, research purpose, and definitions of important terminology were the main topics of discussion.

Chapter Two: Research Context

The entire chapter is devoted to a thorough analysis of the setting in which the research is being conducted. It goes into detail about the circumstances, traits, and importance of SMMEs in general and South Africa in particular.

Chapter Three: Literature Review

The literature on the topic, which includes theories and concepts pertaining to SMMEs, is presented in this section, highlighting the differences amongst SMMEs in terms of their size,

age, location, and other attributes. The talks identified elements that helped create the conceptual support framework for small and medium-sized enterprises (SMMEs) in rural areas, with the goal of improving their commercial performance in the province of Limpopo.

Chapter Four: Research Development

This chapter focuses on the reasoning behind the research topic's creation by connecting it to the previously discussed conceptual model and methodological design.

Chapter Five: Research Philosophy

The research model, research philosophy, and research considerations form the basis of this chapter.

Chapter Six: Research Methodology

This chapter outlines the proper research methodology in accordance with the chosen conceptual framework in order to address the research question and objectives. This was supported by analyzing several study designs and methodologies and providing evidence for the selected approach. Concerns about ethics and ways to guarantee the validity and trustworthiness of the study were also covered in this chapter.

Chapter Seven: Data Analysis and Results

This chapter presents the analysis and presentation of the collected data. Because the study was quantitative, the majority of the content in this chapter comes from statistical analysis.

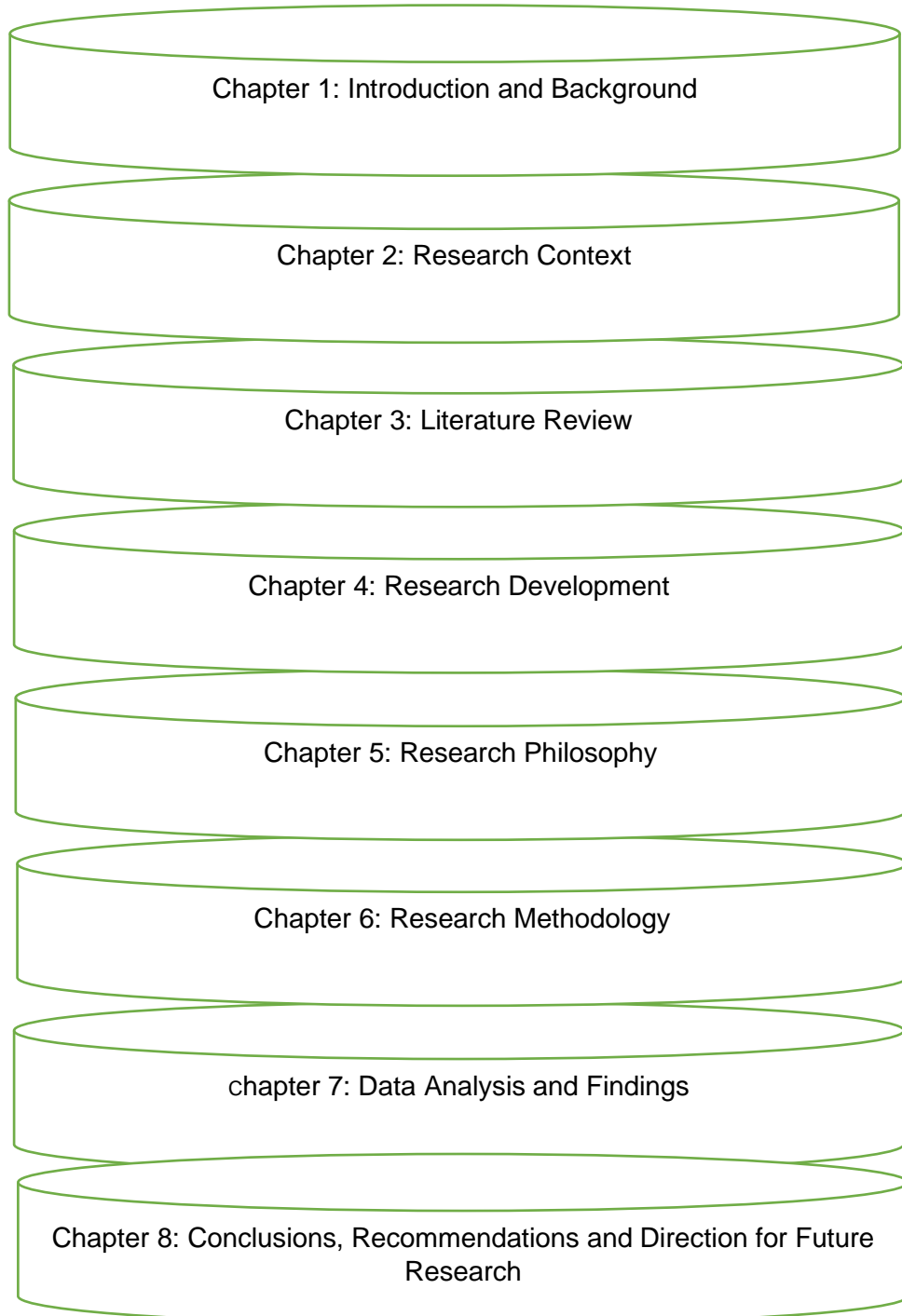
Chapter Eight: Conclusions and Recommendations

This is the last chapter of the thesis. It provides an understanding of the significance of the findings for stakeholders and for future research, and it summarizes, concludes, and makes recommendations based on the responses to the research question.

1.12. CHAPTER SUMMARY

This chapter provides a summary of the study's background, as well as information on its goals, research topic, and objectives. It concludes with a rationale for the study's conduct. Furthermore, the study's importance indicates the expected contribution it will make to theoretical, practical, and contextual domains. This closes the chapter and provides details on the thesis's overall structure in Figure 1.1 in the next page. The context of SMMEs in the research region and around the world will be briefly discussed in the following chapter.

Figure 1.1: Thesis Structure



Source: Researcher (2020).

CHAPTER TWO

RESEARCH CONTEXT

2.1 INTRODUCTION

Rapid technological breakthroughs and the dynamics of globalization characterized by an exponential increase in international trade and competitiveness have made the world a smaller place. Engaging in the global economy poses numerous and substantial challenges for organisations and industries across the globe (Sagar, 2023). Even while it can be challenging to lead, adapt to technology advancements, and thrive in today's competitive market, doing so opens up a lot of new, unexplored business opportunities. Entrepreneurship, one of the most powerful economic concepts in human history, enables people to search for possibilities when others perceive barriers to be too high to surmount. In addition to being a major force for social change in many spheres, entrepreneurship is a representation of the tenacity and success of businesses (Sagar, 2023). However, due to a variety of obstacles, SMMEs in South Africa still face difficulties, which is why their survival rate is alarmingly low. In light of this, SME South Africa has realized how important it is to assist and grow the industry (Adclick Africa ,2018). The reality of SMMEs, which are frequently disregarded while being a vital part of the economy, is highlighted by research. The findings of these studies demonstrated that early-stage small firms struggle to raise enough money to stay viable while also hiring more staff members since they do not obtain adequate funding or support (Adclick Africa ,2018).

2.2 GLOBALIZATION OF RURAL ENTREPRENEURSHIP

In recent decades, globalization has transformed the economic landscape, transcended traditional boundaries and opened up new avenues for entrepreneurial ventures. While much attention has been paid to entrepreneurship in urban settings, the globalization of rural entrepreneurship is an emerging area of interest. Prakash and Goodwin's (2018) assessment of rural entrepreneurship concentrated on the advancement of economies in industrialized countries, particularly the United Kingdom, the United States, Spain, Finland, and Greece. Any proposed study on rural entrepreneurship is highly necessary given the trends towards globalization, its waves, particularly in "Less Developed and Developing Economies," and the strategies for overcoming economic slump (Prakash and Goodwin, 2018).

Rural entrepreneurship encompasses a range of economic activities undertaken by individuals or groups in rural areas. At its core, rural entrepreneurship embodies the creation, cultivation, and management of enterprises tailored to the unique needs and dynamics of rural communities. It encompasses a diverse array of economic activities spanning agriculture,

agribusiness, eco-tourism, artisanal crafts, renewable energy, and technology-driven ventures. Unlike urban centres, rural areas often grapple with limited infrastructure, sparse populations, and reliance on primary industries such as agriculture and natural resource extraction. In this context, rural entrepreneurs harness local resources, traditions, and expertise to foster sustainable businesses that resonate with the rural ethos. It involves the creation, development, and management of enterprises aimed at generating wealth and improving livelihoods within rural communities (Brush et al., 2019). Unlike urban entrepreneurship, rural entrepreneurship operates within the unique socio-economic and environmental contexts of rural regions, often characterized by limited infrastructure, sparse populations, and dependence on primary industries such as agriculture and natural resource extraction.

One of the defining features of rural entrepreneurship lies in its capacity to spur localized development and mitigate rural-urban disparities. By fostering entrepreneurship, rural communities can catalyse economic diversification, job creation, and wealth retention within their midst. Moreover, rural entrepreneurship empowers individuals to harness their talents, creativity, and aspirations, thereby fostering a culture of self-reliance and empowerment. Through entrepreneurial endeavours, rural inhabitants can reclaim agency over their economic destinies, steering away from the constraints of traditional employment and migration to urban centres. The emergence of digital technologies and innovation ecosystems presents a transformative opportunity for rural entrepreneurship to thrive in the digital age. By leveraging digital platforms, e-commerce, and telecommunication infrastructure, rural entrepreneurs can overcome geographical barriers, access global markets, and amplify their reach and impact. Moreover, digital technologies empower rural communities to harness data-driven insights, optimize resource allocation, and innovate across diverse sectors ranging from agriculture to healthcare.

Globalization has profoundly impacted rural entrepreneurship by facilitating greater interconnectedness and access to global markets, technologies, and information. Advances in communication and transportation have reduced the barriers to entry for rural entrepreneurs, enabling them to participate in global value chains and reach customers worldwide (Mishra and Kumar, 2019). Moreover, globalization has spurred the diversification of rural economies, prompting the emergence of new business opportunities beyond traditional sectors. Several factors drive rural entrepreneurship in the era of globalization. Economic liberalization policies, trade agreements, and technological advancements have created an enabling environment for entrepreneurial activities in rural areas (Bosma et al., 2018). Additionally, demographic shifts, such as rural-to-urban migration and changing consumer preferences, have fuelled demand for innovative products and services tailored to

rural markets. Furthermore, government initiatives and support programs aimed at fostering entrepreneurship have played a crucial role in nurturing entrepreneurial ecosystems in rural communities.

Despite the opportunities presented by globalization, rural entrepreneurs face numerous challenges that hinder their growth and sustainability. Limited access to finance, inadequate infrastructure, and geographical isolation remain significant barriers to entrepreneurship in rural areas (Acs and Plummer, 2020). Moreover, regulatory constraints, bureaucratic red tape, and cultural norms can impede entrepreneurial endeavours, stifling innovation and creativity. Additionally, the digital divide exacerbates inequalities, limiting rural entrepreneurs' ability to leverage digital technologies for business development and expansion. Notwithstanding the challenges, globalization has created new opportunities for rural entrepreneurs to thrive and prosper. E-commerce platforms, social media, and digital marketing have democratized access to markets, allowing rural enterprises to showcase their products and services to a global audience (Kshetri, 2019). Furthermore, the growing demand for sustainably sourced goods, eco-tourism, and niche products presents avenues for rural entrepreneurs to capitalize on emerging market trends and consumer preferences. Collaborative networks, partnerships, and knowledge-sharing initiatives can also enhance the competitiveness and resilience of rural enterprises in the global marketplace.

The emergence of e-commerce platforms like Shopify, WooCommerce, and Amazon, among others, has revolutionized the way businesses operate, particularly for rural enterprises. These platforms provide user-friendly interfaces that enable even the smallest rural businesses to set up online stores, reach customers worldwide, and compete on a level playing field with larger corporations. Through these platforms, rural entrepreneurs can leverage digital storefronts to display their offerings, interact with customers, and facilitate transactions seamlessly. Moreover, social media platforms such as Facebook, Instagram, and Twitter have become indispensable tools for rural enterprises to engage with their target audience, build brand awareness, and cultivate customer relationships. By leveraging the power of social media marketing, rural entrepreneurs can create compelling content, run targeted advertising campaigns, and connect with potential customers in ways that were previously inaccessible to them.

In addition to e-commerce and social media, digital marketing strategies have emerged as powerful tools for rural enterprises to promote their products and services effectively. From Search Engine Optimization (SEO) to email marketing and content creation, digital marketing encompasses a wide range of techniques that enable rural entrepreneurs to expand their reach, drive traffic to their websites, and ultimately increase sales.

2.3 RURAL ENTREPRENEURSHIP IN THE AFRICAN CONTEXT

In Africa and other emerging continents, most people still reside in rural regions. Numerous administrations have placed a high priority on rural entrepreneurship as a means of advancing the socioeconomic development of their nations overall and of their rural populations (Zadawa and Omran, 2020). The realization that development cannot be meaningful unless it also includes rural areas has dawned on governments in emerging nations. This realization stems from the fact that a sizable portion of a nation's population lives in rural areas (Nwankwo and Okeke, 2017; Brush et al., 2019).

2.4 SMMEs IN SOUTH AFRICA

Small, Medium, and Micro Enterprises (SMMEs) are vital components of South Africa's economy, contributing significantly to employment, innovation, and economic growth. Understanding the landscape of SMMEs in South Africa involves examining various facets, including challenges, opportunities, and policy frameworks.

SMMEs play a crucial role in South Africa's economy, contributing to job creation, poverty alleviation, and economic transformation. According to Mhlongo and Daya (2023), SMMEs account for a substantial portion of employment in the country, particularly in sectors such as retail, construction, and services. Their flexibility and ability to adapt to market demands make them significant contributors to job creation, especially in urban and peri-urban areas (Makwara, 2019). Moreover, SMMEs are essential for fostering entrepreneurship and innovation. They serve as breeding grounds for new ideas, products, and services, driving competitiveness and economic diversification (Makwara, 2019). By promoting entrepreneurship, SMMEs contribute to building a more inclusive economy and reducing income inequality (Mhlongo and Daya, 2023).

Despite their contributions, SMMEs in South Africa face numerous challenges that hinder their growth and sustainability. Access to finance remains a significant obstacle for many SMMEs, particularly those owned by historically disadvantaged individuals (HDIs) (Matekenya et al., 2022). Limited access to credit, stringent collateral requirements, and high interest rates constrain SMMEs' ability to invest in expansion and innovation (Sibiya et al., 2023). Infrastructure constraints, including unreliable electricity supply and inadequate transportation networks, also pose challenges for SMMEs, affecting their productivity and competitiveness (Mhlongo et al., 2023). Additionally, regulatory burdens, bureaucratic red tape, and compliance costs create barriers to entry and expansion for SMMEs, particularly in highly regulated sectors such as manufacturing (Sibiya et al., 2023).

Addressing the challenges faced by SMMEs requires a comprehensive policy framework that promotes entrepreneurship, facilitates access to finance, and reduces regulatory burdens. The South African government has implemented various initiatives to support SMME development, including financial assistance programs, business development services, and regulatory reforms (Makwara, 2019).

Government support programs aimed at fostering the growth and sustainability of small, medium, and micro enterprises (SMMEs) play a pivotal role in driving economic development, job creation, and innovation within communities. Institutions like the Small Enterprise Development Agency (SEDA) and legislative frameworks such as the National Small Business Act are emblematic of concerted efforts to empower entrepreneurs and bolster the SMME sector. However, the efficacy of these interventions remains a subject of scrutiny and debate among scholars and practitioners alike.

SEDA stands as a cornerstone institution providing an array of support services crucial for nurturing entrepreneurial ventures. These services include business incubation, mentorship, access to finance, and market linkage facilitation (Sibiya et al., 2023). By equipping SMMEs with essential resources and guidance, SEDA endeavours to enhance their viability and competitiveness in the marketplace. Such initiatives not only foster entrepreneurial spirit but also contribute to economic diversification and poverty alleviation by creating employment opportunities and promoting inclusive growth.

Moreover, legislative frameworks like the National Small Business Act serve as policy instruments aimed at engendering an enabling environment for SMMEs to thrive. The Act seeks to streamline regulatory processes, promote preferential procurement from SMMEs, and enhance access to government contracts and tenders (Mhlongo et al., 2023). By reducing bureaucratic hurdles and expanding market access, the Act endeavours to catalyse the growth trajectory of SMMEs, thereby bolstering their contribution to national GDP and socio-economic development.

Despite the laudable intentions behind government interventions, the effectiveness of these programs is often marred by implementation challenges and bureaucratic inefficiencies. Scholars such as Mhlongo et al. (2023) underscore the prevalence of institutional bottlenecks, resource constraints, and capacity limitations that impede the seamless execution of support initiatives. Inadequate funding, administrative red tape, and a lack of coordination among relevant stakeholders hinder the optimal delivery of services, thereby constraining the transformative potential of government interventions.

Furthermore, the fragmented nature of support mechanisms underscores the imperative for greater synergy and collaboration among government agencies, private sector entities, and

civil society organizations. Sibiya et al. (2023) contends that a holistic approach to SMME development necessitates the alignment of policies, programs, and resources across various sectors and stakeholders. Collaborative efforts can engender synergies, pool expertise, and leverage resources more effectively to address the multifaceted challenges confronting SMMEs.

In addition to fostering collaboration, there is a pressing need to enhance the capacity and capabilities of support institutions to meet the evolving needs of SMMEs. Investments in human capital development, technological infrastructure, and knowledge dissemination are imperative for equipping entrepreneurs with the requisite skills, tools, and networks needed to navigate the dynamic business landscape. By fostering a culture of innovation and entrepreneurship, support institutions can cultivate a conducive ecosystem that nurtures the growth and sustainability of SMMEs across diverse sectors and industries.

Furthermore, the evaluation and monitoring of support programs are essential for gauging their impact, identifying gaps, and refining interventions to better serve the needs of SMMEs. Robust monitoring and evaluation frameworks enable policymakers and practitioners to assess the effectiveness, efficiency, and relevance of interventions, thereby facilitating evidence-based decision-making and resource allocation. Continuous feedback loops and stakeholder engagement mechanisms are integral for promoting accountability, transparency, and learning within the ecosystem of SMME support.

2.5 OVERVIEW OF RURAL ENTREPRENEURSHIP IN SOUTH AFRICA

The solution to chronic hunger and malnutrition that impeded community development emerged as rural entrepreneurship (Malefane, 2019). The importance of entrepreneurship as a strategy for rural development is becoming more widely acknowledged. "The establishment of a new organization that introduces a new product, service, or establishes a new market, or utilizes a new technology in a rural area" is what is meant to be understood when one speaks about rural entrepreneurship. It can also indicate "rural industry" (Zadawa et al., 2020). In order to construct ventures in rural areas, rural entrepreneurship can be defined as an effort to develop risk-taking management strategies that are appropriate for the opportunities presented as well as to mobilize financial, material, and human resources (Yahaya and Nadarajah, 2023). There exists a notable disparity in the economic performance of rural and urban areas due to the disadvantages that the former face (Zadawa et al., 2020). Like in other African nations, South Africa's cities are often far wealthier than its rural parts (Malefane, 2019).

Entrepreneurship is a growth engine for the economy. In general, it encourages the innovation required to seize fresh chances, boost output, and generate jobs while tackling societal issues, which currently include the COVID-19 pandemic's economic shock wave. It was expected that entrepreneurship development would play a major role in rebuilding the economy after the pandemic's destruction (Gem SA,2019).

According to reports, 35% of South Africans live in rural settlements, where there is a high rate of unemployment, poverty, crime, and inequality stemming from the apartheid and colonial administrations before to 1994 (Ntombelanga ,Qithi, and Mkhize, 2023). "South Africa's entrepreneurial inclinations are far lower than those of the African continent overall; the average for the region is three times greater than that of South Africa" (Herrington and Kew, 2016; Mokhutso, 2022); this circumstance has led to the nation's high rates of poverty, inequality, and unemployment. Furthermore, the 2018 GEM report disclosed that South Africa has a high rate of youth unemployment roughly 60% which underscores the importance of researching entrepreneurship and rural development (Ntombelanga et al., 2023). According to Mokhutso, (2022). South Africa's rural areas have higher unemployment rates than those of developed nations (Masumbe, 2018). In order to promote ideas of retention, growth, and expansion in places outside of cities, rural development entails economic and social initiatives. The improvement of rural residents' quality of life is one of the objectives of this endeavour (Atkinson,2017). To improve living conditions in rural areas, governments, donors, non-governmental organisations, and communities commonly use the term "rural development" to refer to development operations and projects aimed at improving living standards in non-urban neighbourhoods, the countryside, and isolated villages. In many of these areas, agriculture is the main or most significant occupation, with the focus of economic activity being the production of food and raw materials for the primary sector resources (Yahaya and Nadarajah, 2023).

Although the phenomena first emerged in economics in the early 1930s, entrepreneurship has been recognized as a crucial component of social and economic transformation since 1960. The study of entrepreneurship was limited to small-scale industrial sectors and large-scale firms for almost ten years. The two main drivers of rural development, farmers and craftspeople, have recently been affected by this phenomenon resources (Yahaya et al., 2023). Although the term "rural entrepreneurship" is becoming more popular in rural parts of the nation, it does not lessen the meaning of entrepreneurs in general. Instead, it represents "rural industrialization." It usually meets the demands of rural areas, including creating jobs and income, developing rural areas, creating village republics, and reducing rural-urban migration. An ecosystem of risk-takers, lenders, marketplaces, technology, and middlemen

that enable non-market transactions makes up the rural entrepreneurial economy (Ntombelanga et al., 2023).

From a rural standpoint, it is also clear that rural entrepreneurship is growing in significance because it offers many advantages for development. (Barber III, Harris, and Jones, 2021). According to Masumbe (2018) discovered a favourable correlation between the rates of unemployment in less developed nations and the degree of entrepreneurship. Additionally, Yahaya et al. (2023) discovered that nations experiencing higher rates of entrepreneurship whether at the level of specific industries, regions, or the entire country also experience faster rates of economic growth.

These results are consistent with the Global Entrepreneurship Monitor (GEM) (2018) report on South Africa, which said that small firms have been demonstrated to significantly contribute to economic growth, job creation, and income equality in many emerging economies. Barber III et al., (2021) claim that while entrepreneurship is still in its experimental stage and requires observation and assessment to fully grasp the breadth and depth of the variants that bloom in the notion, it is an interesting field (Masumbe, 2018).

Every business organization has a vision and mission of its own; in the case of entrepreneurship, this means being involved in the business world and helping to build a successful organization that strives to enhance the lives of rural residents. Therefore, the individuals involved in corporate operations bear the most responsibility for realizing their vision (Diandra et al., 2020).

Not every entrepreneurial endeavour benefits a business organization unless the management and skill sets of entrepreneurs are embraced by the organization for growth and development. In order to sustain a high level of performance, entrepreneurship must be managed, and the appropriate skills must be investigated for each circumstance (Diandra et al., 2020).

Since entrepreneurship is not a natural occurrence, it is advantageous for every business player or entrepreneur to first comprehend what entrepreneurship is to solve business issues (Alexander, Londoño-Pineda, Cano, and Gómez-Montoya, 2022).

Since SMMEs account for nearly 90% of businesses in developing economies in terms of employment, job creation, tax provision, and GDP contribution, there is a lot to learn to ensure success. SMMEs face significant challenges that impair their ability to function and to contribute optimally to the economy (Muriithi, 2018).

Aside from their important and constructive role, SMMEs in Africa continue to suffer a variety of difficulties, such as a lack of money, inadequate knowledge, weak management skills and competencies, and corruption. Regretfully, most African governments support small and medium-sized enterprises (SMMEs) very little, missing out on an important economic catalyst that ought to be the cornerstone of their nations' development (Muriithi, 2018).

The governments' commitment to stabilizing and improving their fiscal position does not change; that is, they intend to attain a balanced primary budget by stabilizing their finances. Maintaining cooperation among the government, labour, business, and civil society is necessary to ensure the effective implementation of all growth-promoting policies and fiscal measures (Macro-Economic Outlook, 2020).

According to Alexander et al., (2022) assert that the high failure rate of small firms can be attributed to several causes. Choosing a less profitable business; having insufficient cash reserves; not clearly defining and understanding the market; not having enough customers; customers' purchasing patterns; incorrectly pricing goods or services; inadequately projecting cash flow; not anticipating or responding to competition, technology, or other market changes; overgeneralization; overdependence on a single client; uncontrolled growth; thinking you can do everything yourself; and putting up with inadequate management are among the most common reasons (Owen et al., 2017; Alexander et al., 2022).

2.6 SOUTH AFRICA'S EMPLOYMENT CHALLENGE

The SMME sector accounted for 90% of all job losses in the economy; in the year that ended in the third quarter of 2020, employment at SMMEs, including owners, decreased by 1.5 million. The reduction would have been worse if the 15 months preceding up to the third quarter of 2020 hadn't seen the expansion of SMMEs and employment in agriculture. In the third quarters of 2019 and 2020, SMMEs employed 10.1 million people overall, a 14% decrease from the previous year. Despite the pandemic's devastating impacts, the SMME sector's overall organisational structure remained substantially intact. The SME share of all firms' total turnover increased by 1.7 percentage points to 38.8 percent in the year leading up to the third quarter of 2020, suggesting that their relative financial status (as compared to large organisations) held up well (SEDA, 2021).

Even though this industry employs the bulk of the labour force in the nation, over 75% of new and established businesses have failed due to a variety of internal and external issues. Within months of their founding, many small businesses failed to emerge from the "baby business" stage and fell victim to economic downturns (GEM, 2020). As a result of SMMEs' subpar performance, the labour force the most of whom lacked formal education and were connected

to the SMME sector was forced to work in precarious positions. The medium enterprise cluster's image as the "employment bandwagon" that employs illiterate, unskilled labourers who have been laid off from the formal job market has also been severely damaged. This is because global markets are highly competitive and demand maximum productivity from highly skilled human resources (Ogujiuba, Nico, Naseer, Ogujiuba, and Estelle, 2020).

2.7 CURRENT STATE OF SMMEs IN LIMPOPO

The government of Limpopo Province is responsible for assisting local businesses, communities, and other stakeholders in establishing an environment that is conducive to the growth of the local economy. Nevertheless, since 2008, the province's economy has grown at a rate that has been less than 3 percent. The province's GDP expanded by 2.1 percent in 2017, shrank to 0.6 percent in 2018, and shrank by 0.2 percentage points again in 2019. The mining and agricultural sectors, which have been shown to be struggling recently, continue to remain the main drivers of the province's economy. The province's actual mining output has not increased since 2007 (Limpopo Provincial Treasury Socio-Economic Outlook, 2021-2022).

In addition to the uncertain economic conditions in the research region, the pandemic caused a shock to the labour market, affecting both supply and demand (i.e., the production of products and services) (consumption and investment). Regardless of size, the majority of firms have been dealing with severe difficulties, particularly those in the travel, tourist, and hospitality sectors. There is a genuine risk of sharp drops in revenue, bankruptcies, and job losses in particular areas (Limpopo Provincial Treasury Socio-Economic Outlook, 2021-2022).

2.7.1 Unemployment

Ever since the inauguration of democratic rule in 1994, South Africa has been caught in an extended period of poor economic development. Inequality has increased significantly as a result, with family poverty rates only marginally declining. The primary driver of this rise in inequality is the labour market, which has a major role in the income distribution of those with no income. South Africa's jobless rate especially among young people is 34.4 percent, which is higher than that of similar upper-middle-class countries or other sub-Saharan African countries. It has been rising continuously since 2008 (Allen, Asmal, Borat, Hill, Monnakgotla, Oosthuizen, and Rooney, 2021).

Unemployment is a serious problem in many countries around the world, including South Africa (SA). Some of the best organisations for employment development have been recognised as Small, Micro, and Medium-Sized Enterprises (SMMEs). Unfortunately, not

enough SMMEs are profitable enough to significantly impact the decline in unemployment (Ogujiuba et al., 2020).

In South Africa, especially in Limpopo, the COVID-19 pandemic resulted in a significant loss of jobs. The federal unemployment rate has reached its highest point since the start of the new labour force surveys. Nonetheless, things got better in the third and fourth quarters, with some of the jobs that had previously been lost being produced again. In 2020, there was a significant shift in the labour categories during the third and fourth quarters. About 14.7 million people were employed nationwide in the third quarter of 2020; this number increased to 15 million in the fourth quarter, meaning that approximately 333,000 people were working in the fourth quarter (Limpopo Provincial Treasury Socio-Economic Outlook, 2021-2022).

Over the final three quarters of 2020, the provincial unemployment rate grew steadily, rising from 21.9 percent in the second quarter to 26.3 percent in the third and finally to 34.4 percent in 2021. However, at the same time period, the number of discouraged job seekers was only slightly boosted by the unemployed (Limpopo Provincial Treasury Socio-Economic Outlook, 2021-2022). The need for a more expansive definition of "unemployment" became clear during the lockdown. The expanded unemployment rate in the province rose from 41.1 percent in the second quarter of 2019 to 46.9 percent in 2020; young people were primarily affected (Limpopo Provincial Treasury Socio-Economic Outlook, 2021-2022).

The general poor skill base in the province of Limpopo is what keeps individuals unemployed; they either have different or lower required skills than what the market demands. The skills imbalance was exacerbated by a chronic brain drain as young people and skilled workers moved to neighbouring provinces seen to offer better job opportunities (Limpopo Provincial Treasury Socio-Economic Outlook, 2021-2022).

2.7.2 Employment

In the third quarter of 2020, there were 1.26 million employed persons in the province, up from 1.15 million in the second. This recovery has been attributed to the relaxation of lockdown restrictions, which permitted most economic sectors to reopen while complying with COVID-19 laws. The most notable event was the province's loss of 305 thousand jobs between the third quarter of 2019 and the second quarter of 2020. Most employment will probably not be restored because a recovery is not likely. Almost 116,000 new jobs were generated in the third quarter of 2020, but they were replacements for earlier ones that had been lost (Limpopo Provincial Treasury Socio-Economic Outlook, 2021-2022).

2.7.3 Employment by Sector

2.7.3.1 Mining

The primary driver of the Limpopo economy, mining has added, on average, 25% to the Province's GDP over the past fifteen years. Over the past five years, mining has directly created 90 000 employment in Limpopo, employing 1,2 million people. The mining industry's employment contribution increased by almost 15% when one considers both its direct and indirect effects (State of the Province Address) (Sopa,2021).

According to LEDA, mining is a significant industry in the province of Limpopo, contributing 22% of the province's GDP (2021). This is a result of the abundant mineral riches in the province (GDP). The elements that make up the platinum group are uranium clay, limestone, chromium, nickel, cobalt, vanadium, tin, and platinum itself. Phosphates, fluorspar, gold, diamonds, copper, emeralds, scheelites, magnetite, vermiculite, silicon, mica, black granite, corundum, feldspar, and salt are among the other mining deposits. Granite mining in the province has already begun for a Chinese business by the name of Rockfield Pty. The raw granite is then transformed into mosaic after that (LEDA, 2021).

The provincial government created Trade Investment Limpopo (TIL) in response to this potential, and it provides a host of services to investors and entrepreneurs who are interested in establishing a company in the province. TIL specializes in luring investment firms to the province of Limpopo to investigate the finest acquisition or green field investment prospects. These options include forming joint ventures with local partners, holding equity jointly with an international partner, or working together on projects including R&D, technology transfer, sales, and distribution, among other things (LEDA, 2021).

In 2020, the mining sector lost 76 thousand jobs in the second quarter of the year before adding 89 thousand positions in the third. Mining output increased because of the lifting of the lockdown, a rebound in the auto industry, higher commodity prices, and increased demand from China. Over the medium term, it is projected that employment in the mining and agricultural industries would rise (Limpopo Provincial Treasury Socio-Economic Outlook, 2021-2022).

2.7.3.2 Agricultural Sector

When it comes to creating jobs, one of the major industries in Limpopo is agriculture. Out of all the economic sectors, the province's industry has the greatest labour multiplier. In fact, during the COVID-19 lockdown in 2020, employment in the sector increased, going from 126

thousand in the first quarter to 142 thousand in the third. The abundance of citrus and maize harvests as well as the favourable weather contributed to the increase in employment (Limpopo Provincial Treasury Socio-Economic Outlook, 2021-2022).

2.7.3.4 Construction and Manufacturing Sectors

The current rate of economic growth in South Africa is not creating the kind and number of jobs needed to buck the country's trends in inequality and unemployment. Between 2010 and 2018, the manufacturing sector which has historically employed a lot of low-skilled workers saw an annual growth rate of less than 1%; instead, focus was placed on the services sector (Allen et al., 2021).

Much of Africa has experienced this move toward services without expansion in industry; South Africa stands out among other African nations, though. However, in other parts of Africa, the trend has primarily been defined by a drive toward low-productivity services, frequently provided by the unorganised sector. In South Africa, the shift has been most apparent in the relatively high-productivity industries of banking and community services, where the prevalence of highly skilled jobs is rising. According to Allen et al., (2021), the transition to formal sector services in rural Limpopo Province has not created the jobs required to reduce unemployment and inequality.

In terms of structural change, South Africa appears to be moving away from growth in the manufacturing sector and toward "industries without smokestacks" (IWOSS), or financial, commercial, and community services. However, there are several other industries that fall under the larger IWOSS category and would be more suited to deal with South Africa's problems with inequality and employment (Allen et al., 2021).

In 2020, employment in the manufacturing and construction industries fell to 65 thousand and 96 thousand in the second quarter, respectively, before rising to 115 thousand from 81 thousand in the third quarter. In the first three quarters of 2020, 13,000 utilities were employed, a very consistent amount during the country's shutdown. While employment in manufacturing was driven by the food sector particularly, beverages as restrictions on the sale of alcoholic beverages were lifted, employment in construction was driven by a rebound in civil construction activity, including residential and non-residential building activities (Limpopo Provincial Treasury Socio-Economic Outlook, 2021-2022).

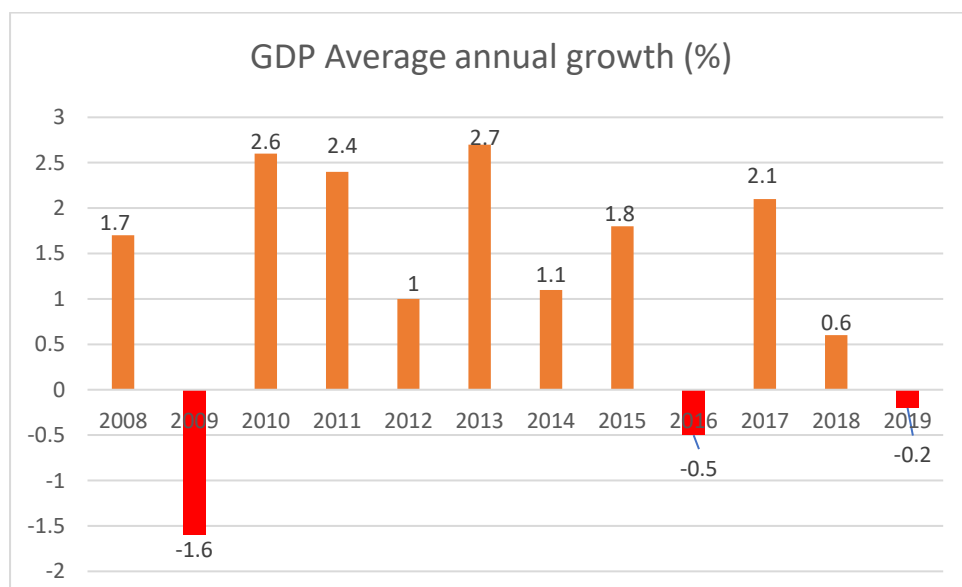
2.7.3.5 Trade industry

The employment in the trade sector increased from 231 thousand in the second quarter to 248 thousand in the third, mostly because of robust sales of food, beverages, tobacco, livestock,

and agricultural raw materials. Other household goods in the wholesale trade subsector exhibited growing activity, except for precious stones. The job boom in the finance sector was mostly caused by increased activity in real estate, insurance and pension funds, financial intermediation, and other commercial services. Employment in this industry rose from 93,000 to 119,000 in the third quarter, slightly less than the 123,000 pre-COVID-19 employment level (Limpopo Provincial Treasury Socio-Economic Outlook, 2021-2022).

More than 170 plantations produce lumber, tobacco, almonds, guavas, cotton, sunflower, maize, wheat, and grapes. Lower-end products include these items. The Province is known for producing excellent biltong, the popular salted and dried meat delicacy in South Africa, because the majority of its high-lying areas are used for cattle and game ranching (LEDA, 2021). The province's average annual GDP growth is displayed below.

TABLE 2.2: GDP AVERAGE ANNUAL GROWTH (CONSTANT 2010 PRICES)



Source: StatsSA GDP (2021).

Table 2.2 shows that in 2019, the mining sector contributed -0.9 percent to the province's economy, while the agricultural sector made a negative contribution of -6.9 percent. Concern is expressed about the province's economy's excessive reliance on the primary sector given that both of its primary sectors are seeing negative growth (Limpopo Provincial Treasury Socio-Economic Outlook, 2021-2022).

Because to the level 3 lockdown, the number of employed people in Limpopo Province fell from 1.3 million to 1.1 million in the second quarter of 2020. Following the enactment of government lockdown regulations, numerous firms closed, which also resulted in the loss of

many employment. To maintain the social distance laws in place, establishments including restaurants, saloons, and movie theatres were closed. The travel prohibition on foreigners had a particularly negative impact on the tourism sector. When the government loosened its regulations in the third quarter of 2020, more businesses began to reopen, which led to an increase in employment (LEDA, 2021).

One factor influencing the province's poverty rates is unemployment. The low rate of economic growth, which is not producing enough jobs to increase average household income levels, makes the high rates of poverty even worse. However, increased economic growth is necessary for the effectiveness of the supporting policies but will not resolve the unemployment issue on its own (Limpopo Provincial Treasury Socio-Economic Outlook, 2021-2022).

2.8 THE ROLE OF SMMEs AS EMPLOYMENT CREATORS, GLOBALLY, IN SOUTH AFRICA AND LIMPOPO PROVINCE

Small and medium-sized enterprises (SMMEs) play a crucial role in the global economy by generating value, providing employment opportunities, and fostering innovation. The extent of their impact varies across companies, countries, and sectors, yet their significance for sustainable development and fair economic growth cannot be overstated. Despite their importance, SMMEs face barriers to accessing global markets and knowledge platforms, hindering their ability to operate efficiently and compete effectively internationally due to trade and investment obstacles, as well as inadequate ICT and physical infrastructure. While many SMMEs have yet to embrace digital transformation fully, digitalization presents new avenues for them to engage in the global economy. Therefore, concerted efforts are needed to address these challenges and leverage the potential of SMMEs (OECD, 2019).

Recognized globally as drivers of economic expansion and empowerment, SMMEs have been targeted by successive Pakistani governments to increase employment, alleviate poverty, and spur economic growth through initiatives such as attracting foreign direct investment, economic diversification, and legislative support for small business development and entrepreneurship (Al-Haddad, Sial, Ali, Alam, Khuong, and Khanh, 2019).

Entrepreneurship, as highlighted by the Organization for Economic Corporation and Development (OECD) (2019), stands out as a primary determinant of local economic performance. Both the establishment of new industries and the activities of existing small and medium-sized enterprises contribute significantly to economic growth and job creation by facilitating resource utilization and accelerating development. The collective economic activities within a country determine its competitiveness on the global stage, where even the

presence of nascent small firms plays a crucial role in shaping local competitiveness and overall economic performance (Al-Haddad et al., 2019).

Boosting productivity in both formal and informal sectors of small enterprises can help governments achieve economic growth and social inclusion goals, such as breaking free from low productivity cycles and enhancing job quality for low-skilled workers (OECD, 2019).

The African continent has experienced substantial growth compared to the global average in recent decades. Over the past decade, African economies have maintained an average growth rate exceeding 5%, outpacing that of America, Europe, and South America. While some African countries like Angola, Rwanda, and Malawi have flourished, others such as Zimbabwe continue to face challenges. Nevertheless, Africa's overall economic growth has attracted significant direct investment, notably from the US, China, and India, with expectations of further stimulating long-term economic growth (Muriithi, 2018).

Small and medium-sized enterprises (SMMEs) play a crucial role in driving Africa's promising growth, constituting over 95% of enterprises in the Sub-Saharan Africa region (OECD, 2019). SMMEs contribute to poverty reduction, GDP growth, and employment generation for the majority of the population (Siddiqui, 2021). They directly address the needs of many Africans by offering affordable goods and services while also serving as sources of income and employment (Muriithi, 2018).

The service industry sector, where the bulk of SMMEs operate, accounts for two-thirds of employment in Africa. SMMEs cover various aspects of industrial development including mining, manufacturing, agriculture, fisheries, and climate change (Yahaya et al., 2023). Moreover, they facilitate economic development by bridging the gap between large enterprises and smaller, more localized ones. Acting as intermediaries, SMMEs provide goods and services directly to consumers while also supplying industry inputs and services. Consequently, SMMEs remain pivotal in driving sustained economic growth and development across African countries (Muriithi, 2018).

SMMEs are recognized as significant drivers of job creation and overall economic growth in South Africa (DSBD, 2020). They account for 51 to 57 percent of the country's total economic output and comprise 91 percent of all registered enterprises (StatsSA, 2020). Moreover, SMMEs employ about 60% of South Africa's workforce, playing a crucial role in reducing poverty and generating employment opportunities (Matebesi, 2019).

Given their potential to stimulate innovation, economic expansion, and job creation, SMMEs are indispensable to the economy. The establishment of the Ministry of Small Business Development in 2014 underscores the government's acknowledgment of the sector's

importance. The Ministry aims to facilitate the growth and success of small enterprises, which significantly contribute to the GDP and employment (DTI, 2008). South Africa faces a persistently high national unemployment rate of 34.4 percent due to a shortage of skilled labour (StatSA, 2021). Consequently, the government is working to enact policies, legislation, and initiatives conducive to small enterprise development (Matebesi, 2019).

Despite some concerns, there are signs of optimism regarding the SMME sector's potential to create long-term employment opportunities and improve the socioeconomic landscape. Ntombelanga et al. (2023) suggests that SMMEs in South Africa could help mitigate the adverse effects of unemployment, although they should not be viewed as a panacea for job creation and economic development issues.

The South African government, through the National Small Business Act (1996) as amended, is dedicated to promoting the growth of the small and medium-sized enterprise (SMME) sector, acknowledging its economic potential. Encouraging the establishment and prosperity of new enterprises is a priority, facilitated by the supportive provisions of the National Small Business Act (1996), which offers financial and non-financial government aid to all South African firms (Auriacombe, and Meyer, 2020).

As outlined in the National Development Plan, it is projected that by 2030, approximately 90% of new job opportunities will arise from small and expanding businesses. To meet the NDP's goal of generating 11 million jobs by 2030, South Africa needs over 49,000 scalable SMMEs to grow by 20% annually (Auriacombe, et al., 2020).

The government's New Growth Path aims to generate 11 million new jobs by 2030, in addition to the 5 million new jobs targeted by 2020, with the objective of reducing the unemployment rate from 34.4% in 2021 to 6%. Addressing the nation's high unemployment rate, estimated at 34.4%, is a paramount objective. The creation of approximately 300,000 jobs annually is crucial to combat unemployment. The significance of entrepreneurship in South Africa cannot be overstated; without a continuous influx of entrepreneurs, the economy is at risk of collapse. The SMME sector is seen as a means to provide economic opportunities to the most marginalized segments of society, particularly at a time when South Africa grapples with one of the world's most unequal wealth and income distributions (Auriacombe, et al., 2020).

Over the past five years, the South African government has allocated an annual budget of R1 billion to support small businesses through the Ministry of Small Business Development, aligning with its employment targets for 2030 and the strategies outlined to achieve them. Despite this investment totalling R5 billion over five years, the unemployment rate has risen, reflecting the ongoing challenges. As of the second quarter of 2021, the official unemployment rate remains at 34.4% (Auriacombe, et al., 2020).

The primary concern currently facing South Africa revolves around the absence of consistent economic growth and job opportunities, which are fundamental for poverty reduction and enhancing living standards. Despite South Africa's recognition internationally for overcoming certain obstacles during the 1994 transition to a multiracial democracy, recent events highlight persistent challenges even after the transfer of power to a new government. There remains a substantial task ahead in leveraging South Africa's abundant natural and human resources for the collective welfare, aimed at promoting sustainable livelihoods, improving social conditions, and alleviating poverty (Matekenya, and Moyo, 2022).

According to Matekenya et al. (2022) the majority of Small, Medium, and Micro Enterprises (SMMEs) in South Africa do not expand significantly, resulting in their limited contribution to the employment sector. Moreover, government initiatives to promote SMMEs have predominantly favoured small and medium-sized enterprises, neglecting microbusinesses and the informal economy. SMMEs possess inherent qualities conducive to fostering entrepreneurial skills and employing unskilled labour Yahaya et al. (2023). Historically, SMMEs have been instrumental in the innovation, production of new goods, and job creation, which are catalysts for economic progress. It is imperative to recognize and support the growth of small enterprises, particularly in South Africa, where the failure rate for newly established small firms is high, often due to financial constraints (Matekenya et al., 2022).

Evidence from various industrialized and emerging economies, including China and Pakistan, suggests that investing in small businesses stimulates economic growth and reduces unemployment. However, in contrast, South Africa has witnessed a surge in small business numbers coinciding with increased unemployment rates (Auriacombe, et al., 2020).

SMMEs are pivotal for economic advancement, yet many microbusinesses operate informally and lack acknowledgment as commercially viable entities, primarily due to the ambiguous definition of their role (Muriithi, 2018). A significant portion of South Africa's population derives its income from SMMEs in the informal sector. Industries such as trade, hospitality, and services attract SMMEs due to low start-up costs, minimal capital requirements, and easy accessibility, while the mining sector remains dominated by large enterprises (SEDA, 2016).

2.9 SUMMARY

The structure of the small business sector was analysed in this chapter, considering its general classifications. References to the National Small Business Amendment Bill (29/2004) and the South African National Small Business Act No. 106 of 1996 were made to frame the definitions of small enterprises internationally. The review underscored the significant contributions of small enterprises to the South African economy and job market. It is widely recognized that

small businesses can alleviate poverty by providing employment opportunities. The focal point of the discussion centred on the socioeconomic role of small enterprises in addressing high unemployment rates in South Africa and other developing nations globally. Numerous studies have explored the challenges and setbacks encountered in the development of SMMEs in South Africa, which will be detailed in the subsequent chapter.

CHAPTER THREE

LITERATURE REVIEW: AN OVERVIEW OF SMMEs CHALLENGES AND THEORIES

3.1 INTRODUCTION

In national economic strategies, helping small, micro, and medium-sized companies (SMMEs) expand and succeed has been a top focus. The expansion of SMMEs is, however, difficult to attain, and as a result, a long tradition of research has sought to define and identify the Critical Success Factors (CSF) and orientations exhibited by prosperous small businesses. Research has indicated that SMME development must be comprehended in light of its embeddedness in a variety of contexts and that a firm's dynamic capabilities and overall success can be significantly influenced by qualitative factors like managerial experience, marketing know-how, and entrepreneurial traits (Hayman, 2021).

The discussion surrounding the identification of Critical Success Factors (CSFs) exhibited by creative, high-growth SMMEs is expanded upon in this study. To increase understanding of the following topics: the critical role played by the owner-manager experience; important strategic considerations; difficulties and decisions; and institutional frameworks that can embed successful entrepreneurial behaviours, the study adopts a sociological approach to its research questions. In order to improve rural SMMEs in the study area, a more robust conceptual support framework should be developed. This can be achieved by combining a deeper understanding of the institutional contexts in which the SMME operates with an understanding of the characteristics that promote growth and performance (Hayman, 2021).

A conceptual support framework, as outlined by Shikalepo (2020) elucidates the natural unfolding of the subject under study according to the researcher's perspective. It encompasses relevant concepts, useful research, and pertinent theories that underpin the researcher's argument (Efuntade and Efuntade, 2024). This framework offers a comprehensive viewpoint on the topic under scrutiny and serves as the researcher's roadmap for addressing the research challenge (Adom, Hussein and Agyem, 2018).

It also provides a statistical elucidation of the interrelationships among the principal subjects of investigation. Organized logically, it presents a visual representation of the interconnections among the study's concepts and outlines the sequence of the research process (Adom et al., 2018). Such a framework aids in the identification and clarification of the concepts pertinent to the study's problem (Shikalepo, 2020). These frameworks may manifest in narrative or graphical forms, illustrating the key variables or constructs to be explored along with their presumed relationships (Efuntade et al., 2024).

Since 1994, the South African government has recognized the necessity of fostering an environment conducive to the establishment and sustainable growth of small enterprises (LGSETA, 2017). The small business sector constitutes a crucial component of the South African economy. In 2021, the country experienced significant job losses across its primary industries manufacturing, community service, and trade resulting in an unemployment rate surge to 34.4 percent (Stats SA, 2021). According to the National Development Plan (LGSETA, 2017), small, medium, and micro enterprises (SMMEs) should occupy a central role in South Africa's economic development rather than remaining at its margins.

The advancement of SMMEs significantly contributes to the country's prosperity and advancement, particularly through job creation, thereby enhancing living standards across all regions. The government aims to leverage small businesses to fulfil the 2030 National Development Plan's (NDP) objective of generating 11 million new jobs (Adclick Africa, 2018). Nevertheless, significant challenges persist regarding the performance and sustainability of emerging enterprises within South Africa's SMME sector (Barber III et al, 2021).

This segment aims to explore the theoretical literature concerning the establishment of a supportive framework aimed at bolstering the business performance of small and medium-sized rural enterprises within the research scope. South African SMMEs grapple with substantial challenges attributable to various factors, resulting in alarmingly low survival rates. Recognizing this, the South African government acknowledges the critical importance of nurturing and expanding the SMME sector (Adclick Africa, 2018).

This study sheds light on the realities faced by small and medium-sized businesses (SMMEs), which are essential to the economy yet often overlooked. These enterprises, typically in their nascent stages, struggle due to insufficient support and capital, making it challenging to generate sufficient revenue for sustainability and employment expansion (Adclick Africa, 2018).

3.2 THE ROLE OF SMMEs IN SOUTH AFRICA

Entrepreneurship stands as the prime mover of economic growth. It not only tackles societal challenges like the economic aftershocks triggered by the COVID-19 pandemic but also fosters the kind of innovation necessary to seize new opportunities, enhance productivity, and generate employment (Global Entrepreneurship Monitor South Africa (GEM SA) 2020). The South African government's National Development Strategy (NDP) 2030, a comprehensive initiative aimed at advancing economic advancement, reducing unemployment, and lifting many South Africans out of poverty, acknowledges the necessity of promoting entrepreneurship to address prevailing socio-economic challenges (National Development

Plan, 2016). A key aspect of the NDP involves fostering small, micro, and medium-sized enterprises (SMMEs) to bridge the gap between the desired objectives and the current economic landscape (Ndweni, Mocwaledi, Mahlangu, and Schachtebeck, 2019).

Economic growth forecasts for 2020 have been revised to below 1 percent, whereas the GDP growth projections for 2019 hovered around 0.4 percent or lower, as indicated by the World Bank, Moody's Investors Service, South African Reserve Bank, and International Monetary Fund. The sluggish growth has resulted in minimal job creation, exacerbating divisions stemming from unemployment and financial disparities (GEM SA, 2020). The dwindling number of SMMEs in South Africa and their declining trend raise concerns (OECD, 2022). Moreover, small and medium-sized businesses (SMMEs) encounter various hurdles impeding their growth and sustainability, such as limited access to capital and financial services, inadequate infrastructure, insufficient support mechanisms, challenges in market penetration, scarcity of skilled labour, and high failure rates (SEDA, 2016; Ndweni et al., 2019).

The 2008 global financial crisis exerted a substantial adverse impact on South Africa's economy, echoing similar repercussions experienced by numerous nations. Several internal challenges have impeded a swift recovery, leading to economic stagnation. Persistently low domestic business confidence, coupled with poor ratings on international investment-grade indices, reflect the country's economic struggles. Government overspending and escalating debt, alongside various domestic issues, primarily influence the economy. These issues include an inadequate education system, high unemployment rates, ineffective governmental service delivery, governance deficits, widespread corruption in both public and private sectors, an unreliable electricity supply, and concerns regarding state-owned enterprises' viability, as well as regulatory uncertainties regarding "land appropriation without compensation" (Gem SA, 2020).

Consequently, entrepreneurship emerges as a pivotal avenue to tackle poverty, unemployment, and underdevelopment within South Africa's rural villages and tribal communities. Bridging the rural-urban gap becomes imperative, as rural economic growth lays the foundation for overall national development (Accordino, 2019).

A survey conducted in 2019 by the South African Institute of Chartered Accountants (SAICA) reveals that Small, Medium, and Micro Enterprises (SMMEs) cite government bureaucracy, labour laws, tax regulations, B-BBEE norms, and challenges in accessing growth capital as principal barriers to expansion. Since South Africa's democratic transition in 1994, the

government has initiated various programs aimed at supporting SMMEs, as documented in the Global Entrepreneurship Monitor (GEM) report for South Africa (2019). These initiatives seek to foster economic development to alleviate poverty and reduce the country's persistently high unemployment rates. While these programs have garnered significant attention, their effectiveness in job creation remains uncertain.

Although the government provides institutional and policy support programs to enhance the capabilities of SMMEs, they have fallen short of stakeholder expectations. SMMEs are deemed pivotal in driving inclusive growth and development in South Africa (Bhorat et al., 2018). With the objective of having SMMEs generate 90% of new jobs in South Africa by 2030, the government emphasizes the significance of small businesses in fostering innovation, competitiveness, and employment, as outlined in the National Development Plan (Bhorat et al., 2018).

In terms of financial availability, South Africa comes in at number four out of nine foreign nations, which is below average. Other nations with comparable rankings are Australia, Mexico, Spain, Italy, Hungary, and Macedonia. South Africa lags behind China (4.9) and India (5.7) among the other BRICS nations, although it is ahead of Brazil and on pace with Spain (Stats SA :2018). In terms of relevance and support, South Africa's government policy scored 4.1 out of 9, higher than Brazil's (3.7) and Spain's (4.0) but lower than China's (5.5) and India's (3.7). (5.8). This puts South Africa's ranking in this area near the center. The government entrepreneurship programmes in South Africa scored 4.1 out of 9, which is higher than Brazil (3.7) and Spain (4.0) but lower than China (5.8) and India (5.5). (StatsSA, 2018).

SMMEs encounter many obstacles that make it difficult for them to operate and provide the best possible contributions to the economy (Sibiya et al., 2023). Nearly 90% of firms in developed and developing nations are small and medium-sized enterprises (SMEs), as evidenced by their contributions to GDP, employment, and job creation (Muriithi, 2018).

In addition to their crucial and constructive roles, Small, Medium, and Micro Enterprises (SMMEs) in Africa face various challenges, including financial constraints, limited knowledge, inadequate management expertise, and power shortages. It is notable that many African governments provide minimal support to SMMEs, overlooking a significant economic driver that should serve as a pillar for development (Muriithi, 2018).

The government remains committed to enhancing and stabilizing its fiscal position, aiming to achieve a balanced primary budget. Sustaining collaboration among the government, labour,

business, and civil society is essential for effectively implementing growth-promoting reforms and budgetary measures (Macro-Economic Outlook, 2020).

According to Mukwarami (2020) contend that the high failure rate among small firms can be attributed to various factors. These include opting for less profitable ventures, insufficient cash reserves, unclear market understanding, inadequate customer base, mispricing goods or services, lack of cash flow foresight, failure to anticipate or respond to competition, technological inadequacies, industry changes, overreliance on individual clients, uncontrolled expansion, overextension, insistence on self-reliance, and tolerating inadequate management (Mukwarami, 2020).

This study aimed to develop a conceptual support framework or model to enhance SMME operations in the Limpopo province, recognizing the barriers contributing to the high failure rate in the small business sector.

3.3 THEORETICAL FRAMEWORK FOR RURAL SMME'S IN SOUTH AFRICA

3.3.1 Introduction

The theoretical framework, which clarifies the direction of a study and firmly establishes it in theoretical constructions, is an essential part of any thesis (Crawford, 2020). A framework's overarching goal is to guarantee generalizability, give research findings greater significance, and make them compatible with the field's theoretical frameworks. Also, by giving the research inquiry both direction and momentum, it promotes research while guaranteeing the expansion of knowledge. When research lacks a theoretical or conceptual framework, readers struggle to discern the academic standpoint and the fundamental rationale behind the researcher's claims or presumptions. Consequently, such research is considered inconclusive and fails to significantly enhance our comprehension of the world (Adom et al., 2018).

3.3.2 The Importance of Conceptual Framework in Research

The conceptual framework has enormous potential for research. It is the most straightforward method by which a researcher can offer their proposed solutions to the issue they have identified (Salawu et al., 2023). Additionally, it aids in the identification and development of the researcher's perspective on the topic under study (Soviadan, 2019). It draws attention to the rationale behind a research topic's importance, the researcher's presumptions, the academics with whom they differ and agree, and the ways in which they conceptually underpin their methodology (Dickson, Emad, and Joe, 2018). Researchers generally use conceptual frameworks, according to Akintoye (2015), when pre-existing theories are inadequate or unsuitable for offering a strong framework for their research (Adom et al., 2018).

Conceptual frameworks are usually developed by scholars who are looking into new areas (Kivunja, 2018). According to Ravich and Carl (2016), these conceptual frameworks are generative frameworks that capture the concepts that underpin the entire research process. Arrows are used in diagrams to indicate the links between the constructs or variables of the research issue. According to Latham (2017), the variables, their interactions, and the context all need to be supported by the technique. Although they must be modified to fit the specifics of their research topics and the context in which they are being conducted, researchers are free to use pre-existing frameworks (Crawford, 2020). Crawford (2020) further indicated that a good conceptual framework to be grasped well, it must also be articulated in writing." This means that a researcher must describe the relationships between the study's primary variables and how their complementarity contributes to the solution of the main research problem once the researcher has created a diagrammatic depiction of them (Adom et al., 2018).

The theoretical framework establishes the research base upon which the entirety of the study's information is based. It provides the thesis's justification, problem statement, purpose, significance, and research questions with structure and support. It acts as the foundation, the anchor, for the methodology and analysis of the data collection as well as the literature evaluation (Crawford, 2020).

According to Collins and Stockton (2018), a solid theoretical framework helps in data collection, coding, and interpretation as well as revealing the researcher's preconceived notions about the subject.

The theoretical framework might be advantageous to a research endeavour in several ways. It provides a framework for characterising a study from the perspectives of philosophy, epistemology, methodology, and analysis (Salawu, Bolatitio, and Safina Masibo, 2023). The theoretical framework, in the words of Ravitch and Carl (2016), acts as a road map to assist researchers in situating and contextualising formal theories inside their investigations (Adom et al., 2018).

The researcher's significant personal beliefs and understandings about the nature of knowledge, how it exists (in the metaphysical sense) in relation to the observer, potential roles to be played, and tools to be used in the research process are reflected in the choice of theoretical framework, which is not made at random. Without a theoretical framework, the study's objectives and organisation are unclear, much like building a house without a blueprint (Kivunja, 2018).

3.4 CONCEPTUAL FRAMEWORK

3.4.1 Introduction

A conceptual framework provides a clear explanation of a study's trajectory and firmly establishes theoretical foundations (Crawford, 2020). A framework's main goal is to ensure generalizability while also giving research findings greater significance and acceptance within the theoretical frameworks of the area. It guarantees the expansion of information while promoting research by giving the research inquiry both direction and momentum. It also makes a study more rigorous and empirical, therefore Imenda (2014)'s claim that conceptual frameworks give research life is not hyperbole (Adom et al., 2018).

When research is done without a conceptual framework, readers may find it difficult to understand the academic position and the underlying reasons for the researcher's statements and/or hypotheses. As a result, the research is inadequate and does not significantly advance our understanding (Adom et al, 2018).

3.4.2 What is a Conceptual Framework?

A conceptual framework serves as a structured depiction of how the subject of research naturally emerges, as asserted by (Crawford, 2020). It constitutes the researcher's rationale for investigating the research problem and is intertwined with the theories, concepts, and empirical studies used to substantiate and organize the researcher's claimed information, as outlined by Siddiqui (2020). This framework facilitates the researcher in defining and elucidating the concepts pertinent to the study's problem (Crawford, 2020). Miles and Huberman (1994) suggest that a conceptual framework can take the form of either narrative or visual representation, delineating the principal variables or constructs under investigation alongside their presumed interrelations (Adom et al., 2018).

Numerous scholars, including Sekaran and Bougie (2016), and Salawu et al. (2023) have devoted considerable effort over the years to develop conceptual frameworks. Salawu et al., (2023) provide instances of how conceptual frameworks link variables through comprehensive visual representations and associated concepts. Crawford (2020) on the other hand, emphasized that a conceptual framework serves as the linkage among various assessment components. With this in mind, the current study aims to construct a conceptual framework aimed at enhancing the performance of rural SMMEs in the province of Limpopo, drawing upon these notions and the existing body of literature (Agbenyegah and Mahohoma, 2020).

3.4.3 The Importance of Conceptual Framework in Research

The potential of the conceptual framework in research is significant. It helps researchers define their perspective on the phenomenon under study (Salawu et al., 2023). It provides a straightforward method for researchers to articulate their responses to identified problems (Soviadan, 2019). The framework highlights the strengths of the study topic, the researcher's assumptions, their alignment with other academic viewpoints, and the theoretical underpinnings of the methodology (Dickson, Emad, and Joe, 2018). Soviadan (2019) suggests that researchers turn to conceptual frameworks when existing theories are inadequate for their study (Adom et al., 2018).

Additionally, a conceptual framework illustrates interconnected concepts or variables, often organized using existing models (NCU, 2017). According to this research, selecting the optimal model requires considering managerial experience, financial resources, marketing factors, business strategy, and entrepreneurial traits to achieve sustainable development in rural areas.

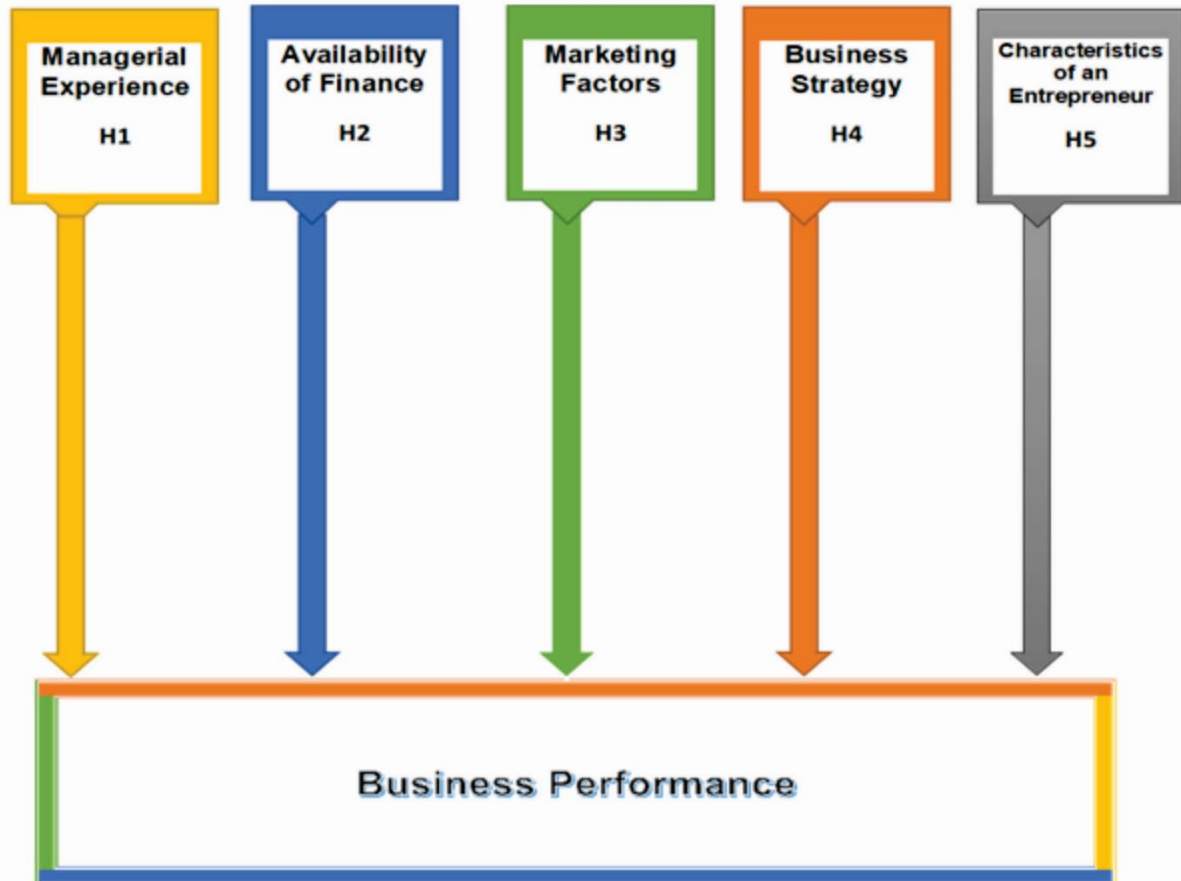
Although the likelihood of a knowledge gap varies depending on the sorts of initiatives and the conditions under which they are established, it is more likely to occur in rural areas, which could slow down the formation of new ventures (Coker, 2020). Some of the conceptual model's variables are interesting to look at because of their originality or application in a setting of emerging markets.

The conceptual model provides a comprehensive overview of all the variables included in the suggested model, as shown in Figure 3.1 in the next page.

Siddiqui (2020) draws the conclusion that research that advances the discourse on rural entrepreneurship and identifies components meant to support small enterprises and rural entrepreneurship in South Africa is desperately needed. Creating a conceptual support framework to improve the business performance of rural SMMEs in South Africa's Limpopo Province was the research's stated goal. Furthermore, assessing the factors and components that improve the study area's chances for the development of rural entrepreneurship was the secondary focus.

The interconnection of blocks and arrows reflected in Figure 3.1 below completes the framework for the expected outcomes.

FIGURE 3.1 CONCEPTUAL FRAMEWORK TO SUPPORT RURAL SMMEs



Source: The Researcher (2021)

Figure 3.1 Above shows the structure of the conceptual framework / development model for rural areas in the context of business performance. The study provides this conceptual support framework to enhance business performance based on the relationships between managerial experience, availability of finance, marketing factors, business strategy, and characteristics of rural SMMEs in the Limpopo Province.

3.5 DATA MODELLING IN REASERCH

Data modelling, which describes how data is implemented as a component of the system and is a crucial component of Information System (IS) architecture, was used in this study. Data modelling concepts are derived from the progression of IS development paradigms, which are

derived from the advancement of technology developments in computers (Jaakkola and Thaheim, 2020).

The exploratory factor analysis was explored, and the path analysis model was developed which showed the possibility of using endogenous business variables to improve its overall performance. When evaluating the effects of variation in endogenous business variables, it is necessary to take note of variables with significant direct effects on the overall objective.

For the purposes of this study, as indicated earlier, data modeling was adopted; the reason is because the process creates an analytical framework of business performance and how its variables relate to each other. Both conceptual and logical level - latent and observed - variables of business performance were modelled. Latent variables were modelled using Principal Components Analysis (PCA) whereas observed variables were modelled using Pearson's coefficient of correlation, thus, the two models represent a NOVEL Structural equation model, of business performance.

3.6 EMPIRICAL STUDY OF ENTREPRENEURSHIP

The performance of SMMEs is positively impacted by entrepreneurial activity, according to empirical research on the subject. It is predicated on the idea that owner-managers with strong entrepreneurial skills can analyse the environment to find promising business possibilities (Yahaya et al., 2023). Because of their significance in the majority of developing nations, the phrases "SMMEs," "entrepreneurial activities," and "small companies" are used interchangeably throughout these talks. Because of this, the authors defined SMMEs as businesses with at least 150 employees. Small firms are thought to be vital contributors to the global economy. The primary forces behind South Africa's economic expansion, according to national and provincial policy experts, are small businesses. Consequently, South Africa shares the global perception that SMMEs are the "bedrock" of economic activity in numerous countries (Pulka and Gawuna, 2022).

Studies by Roxas et al. (2017) show that small and medium-sized enterprises (SMMEs) drive global economies; this suggests that SMMEs are crucial global catalysts for social and economic activity since they create jobs, reduce poverty rates, and outpace continuous economic activity (Heinicke, 2018). Undoubtedly, for SMMEs to reach their full economic potential, most countries rely significantly on SMME survival and expect for enhanced SMME performance (Hallam et al., 2017). Malesios et al. (2018) state that job opportunities and economic growth are supported by small businesses. This is consistent with an increasing body of research that supports the idea that small firms are crucial during recessions because

they ensure increased production, offer pertinent support for economic growth, distribute income fairly, and ensure improved efficiency (Abisuga-Oyekunle, Patra, and Muchie, 2019). Small businesses need to perform at a certain level to be recognised as assets and to be able to compete fully in the market. Without such performance, they cannot survive.

Earlier empirical studies have underscored the importance of corporate performance for various reasons (Malesios et al., 2018). Previous research has indicated that the current business environment significantly impacts the performance of SMMEs (Sagar, 2024). The onset of globalization has subjected the global economy to perpetual competition, leading to many small businesses falling short of expectations and facing failure. Despite the harsh reality of failure, small business managers and owners must cultivate essential skills such as entrepreneurialism for their enterprises to thrive. Yahaya et al. (2023) argue that enhancing these skills improves SMME performance levels, as small businesses, despite their significant contributions, often struggle to attain adequate performance levels and may ultimately fail (Sagar, 2024).

Empirical studies conducted in less developed countries have shown a higher rate of failures compared to industrialized nations (Abisuga-Oyekunle et al., 2019). Generally, the inability of owner-managers contributes significantly to unsuccessful commercial ventures (Oanh, Trung, Chi, Hang, Thi, Lien and Hang, 2021).

Research indicates that a considerable portion of small businesses fail within their first five years of operation (Mukwarami et al., 2020). Recent studies by (Yahaya et al., 2023) have linked low firm performance to factors such as rising operational costs, corruption, inadequate infrastructure, and weak policy environments. Personal constraints, such as a lack of understanding of SME operations in underdeveloped countries, also contribute to below-average results (Agbenyegah et al, 2020).

Scholars emphasize that performance is pivotal in entrepreneurial endeavours (Sagar, 2024). Given the state of the global economy, SMMEs must establish robust survival strategies to generate employment opportunities (Abisuga-Oyekunle et al., 2019). Consequently, the effectiveness of SMMEs is largely determined by their entrepreneurial competencies (Grimmer et al., 2017). The subsequent sections of this paper discuss the theoretical framework guiding the investigation. This study addresses a gap in the existing literature by elucidating how entrepreneurial traits influence small business success using a conceptual framework (Agbenyegah et al, 2020).

3.7 EMPIRICAL LITERATURE

Given the usual nature of small enterprises or start-ups, the competences of owner-managers relate to the survival and long-term performance of firms (Matekanya and Moyo, 2022). However, research by Bushe (2019). argues that although small enterprises are very important, the way the industry operates can often make them unimportant. Thus, we can conclude that each person's unique traits and natural aptitudes can be leveraged to attain success in business (Oanh et al., 2021).

In conclusion, a lot of studies have demonstrated a connection between owner-managers' competency level and the growth, profitability, and performance of their companies (Nakhata, 2018). This suggests that firms are more likely to exhibit good performance after their owner-managers are competent. It is not standard procedure for owner-managers of SMMEs to submit comprehensive performance statistics. According to research by Agbenyegah et al. (2020). Mtambo, Lubbe, and Ohei, (2023)., SMME owners and managers do not have access to adequate financial information that would show their performance. The performance and expansion of businesses are intimately related to entrepreneurial competencies. Successful market gains through market-related activities are a necessary component of a firm's performance, as stated by Bushe (2019). In a related study, Oanh et al. (2021) defined performance as SMMEs' capacity to achieve favourable market outcomes. Numerous scientific research conducted over time have shown that firms with adequate entrepreneurial capabilities can achieve acceptable performance levels (Matekenya, and Moyo, 2022).

Several studies suggest that the personal capabilities of entrepreneurs significantly influence the performance and future growth of their businesses (Otache, and Usang, 2022). Mtambo et al. (2023) assert that companies can enhance their growth and profitability by nurturing entrepreneurial skills. There is a strong correlation between entrepreneurial abilities and business performance. In essence, improving entrepreneurial competencies is essential for ensuring the continuous advancement of SMMEs (Mtambo et al., 2023).

While Matekenya et al. (2022), emphasize the importance of performance in evaluating entrepreneurial endeavours, Yahaya et al. (2023) contend that a firm's performance encompasses how implementation impacts the breadth of its activities. Adam and Alarifi (2021) argue that a firm's performance revolves around a series of commercial endeavours aimed at achieving predefined business objectives. Furthermore, some scholars view a firm's performance as the result of various factors such as proficiency, adequacy, and the fulfilment of employees' needs and expectations to attain established goals (Agbenyegah et al., 2020).

3.8 ENTREPRENEURSHIP THEORIES

Many hypotheses have been put out by academics to understand the subject of entrepreneurship. These ideas come from the fields of economics, psychology, and management. This study looks closely at the many facets of entrepreneurship. Continuous utilization of entrepreneurial theories and research is imperative for advancing the field of entrepreneurship. This investigation delves into six entrepreneurship theories alongside the empirical evidence supporting them. These encompass opportunity-based, resource-based, sociological, psychological, and anthropological entrepreneurship theories. The resource-based entrepreneurship theory, psychological entrepreneurship theory, and economic entrepreneurship theory are the three theories singled out by the researcher for thorough examination. Their selection was based on their relevance, and the study stands to gain from the opportunity to concentrate efforts on integrating diverse perspectives.

3.8.1 Economic Entrepreneurship Theories

Numerous theories of entrepreneurship exist, with many remaining relevant to contemporary advancements in the field. The foundational pillars of economic entrepreneurship theory stem from Austrian market processes, as well as classical and neoclassical economic theories (AMP). These concepts, as outlined by Koçiu and Kodra (2021), examine the financial elements that foster entrepreneurial conduct.

3.8.1.1 Classical Theory

The concept of free trade, specialization, and competition as beneficial notions was advocated by the classical theory (Ricardo, 1817; Smith, 1776). Originating from the British industrial revolution spanning from the mid-18th century to the 1830s, this idea addressed how entrepreneurs handle the production and distribution of goods within competitive markets (Say, 1803). Classical thinkers categorized production into three types: land, capital, and labour. However, criticisms have arisen against the classical theory, arguing that it fails to elucidate the dynamic changes brought about by entrepreneurs during the industrial period (Kothari, 2020).

3.8.1.2 Neo-classical Theory

The emergence of the neo-classical model was a response to critiques of the classical model, proposing that economic phenomena could only be understood through pure exchange instances, reflecting an ideal ratio within essentially closed contexts. It conceptualized economic systems as comprising the parties engaged in trade, the exchange processes, and

the repercussions of these exchanges on other market participants. Within the neoclassical movement, the emphasis on exchange dynamics, coupled with the concept of diminishing marginal utility, incentivized entrepreneurial activities (Cascaldi-Garcia, Danilo, Sarisoy, Londono, Rogers, Datta, Ferreira, Grishchenko, Jahan-Parvar, Loria, Ma, Rodriguez, and Zer, 2020).

However, neo-classical theories encountered several challenges. Firstly, aggregate demand failed to account for the distinctiveness of entrepreneurial endeavours at the individual level. Moreover, neither use value nor trade value adequately captured the future worth of innovative products. Thirdly, rational resource allocation didn't fully grasp the intricacies of market-based systems. Another argument was that efficiency-based performance disregarded innovation and diverse outcomes, while assumptions of perfect or semi-perfect information didn't address uncertainty. Additionally, perfect competition inhibited innovation and entrepreneurial activities. Sixthly, monitoring every input and output in a market system was deemed impractical. Lastly, entrepreneurial activity disrupted the order of economic systems (Koçiu and Kodra, 2021; Cascaldi-Garcia et al., 2020).

3.8.1.3 Austrian Market Process (AMP)

The unresolved difficulties of the neo-classical movement gave rise to the "Austrian Market Process," a new movement (AMP). The 1934 study by Joseph Alois Schumpeter had an impact on the AMP model, which examined human behaviour in the context of a knowledge economy. According to Schumpeter (1934), entrepreneurship is a crucial element of systems that rely on markets; in other words, the main function of a business is to provide novel concepts that result in procedures that serve as stimulants for the market economy.

Kothari (2020) asserts that the neo-classical movement offered a dynamic, reasoned reality. In order to clarify this, the author highlights the ways in which a market system exchanges information (for instance, through pricing information), fosters innovation, helps entrepreneurs satisfy consumer expectations, and modifies the system as a whole. An entrepreneur who is adept at creating new goods or services or who finds a more efficient way to do so may reap benefits. Entrepreneurs utilise information when they believe it will yield a self-defined gain (Koçiu and Kodra, 2021; Cascaldi-Garcia et al., 2020).

The previous neoclassical paradigm, which traced observable fact data, assumed perfect competition, carried closed-system assumptions, and deduced repeatable observation-based rules, did not explain such activity. On the other hand, the AMP disproved the idea that specific circumstances within an economic system are recurrent and consistently yield identical

results. Rather, it contended that knowledge that has never been seen before and might never be seen again is episodic knowledge, which is what drives entrepreneurs to use it to generate value. Consequently, the AMP was established based on three primary conceptualizations (Kirzner, 1973). The first was the arbitrage market, in which some players in the market take advantage of chances while others lose out or act in a less than ideal way. The second was understanding the opportunities for financial gain that enterprising people seek out and seize. The third theory, which came after Schumpeter (1934) and Say (1803), was that ownership is distinct from entrepreneurship. Put another way, resource ownership a concept that contextualises the uncertainty and risk inherent in commercial ventures is not necessary for entrepreneurship (Knight, 1921). These conceptualizations demonstrate that since each opportunity is distinct, it is not possible to accurately predict outcomes from past experiences (Koçiu & Kodra, 2021; Cascaldi-Garcia et al., 2020).

There are certain drawbacks to the AMP concept. Three objections are as follows: (1) market systems are not always competitive; they can also entail antagonistic collaboration; (2) resource monopolies can stifle entrepreneurship and competition; and (3) fraud/deception and taxes/controls also fuel market-system activity. The fifth is that in non-market social environments devoid of rivalry, entrepreneurship can occur. Fourth, although they are not the same, governmental, and private businesses can both be entrepreneurial. Acs and Audretsch's (1988) empirical research disproved the Schumpeterian claim that innovation cannot occur without economies of scale. Recent explanations from the fields of management, anthropology, psychology, and sociology have gained momentum as a result of the AMP's criticisms (Koçiu and Kodra, 2021).

3.8.1.4 Risk and Uncertainty

It is unknown when different economic resource withdrawals will be followed by positive inflows, which adds risk to the economy from uncertainty and entrepreneurship. The idea of entrepreneurship is typified by a risk component that can be viewed as entwined with uncertainty, creating the impression that ambiguity is what gives rise to risk. There is always a danger involved with unpredictable events, even in cases where their results can be objectively foreseen (Cascaldi-Garcia, Danilo, Sarisoy, Londono, Rogers, Datta, Ferreira, Grishchenko, Jahan-Parvar, Loria, Ma, Rodriguez, and Zer, 2020).

The challenges that people and organisations confront when faced with uncertainties about future economic growth, inflation, economic policies, and the resurgence of global risks from trade and geopolitical tensions as well as from more recent sources of risk like health events and the global climate have been highlighted over the past ten years. It is widely

acknowledged that these risks and uncertainties influence how individuals and organisations make decisions; however, traditional economic models and empirical research have had difficulty understanding the transmission channels, estimating the effects of these uncertainties, and quantifying various types of uncertainty (Cascaldi-Garcia et al., 2020).

Koçiu and Kodra (2021) state that the following risk factors need to be considered:

- Both an objective assessment (such as flipping a coin) and a subjective assessment can be used to measure risk (for example, an individual assessment consisting of certain actions),
- Both individual and organisational definitions of risk exist, and group behaviour has a greater impact on risk acceptance than does individual behaviour.

Although risk has been described differently by various writers, risk is universally understood to be associated with the degree of uncertainty and likelihood that an event will occur (Koçiu and Kodra, 2021).

The process of identifying risks is the first step towards managing an organization's hazards successfully; however, there are differences in the methods used to identify risks unique to small and medium-sized businesses (SMMEs). It is emphasised that since unidentified risk cannot be managed or controlled, organisations must concentrate on the risk-identification process. By using risk identification, an organisation can efficiently manage its risks related to unknown causes causing unpredictable events and outcomes (Kothari, 2020).

Finding prospective favourable outcomes, or positive risk, as well as losses brought on by risk, or negative risk, is the main objective of the risk-identification process. The consequences of failing to recognise positive risk are just as significant as those of failing to recognise negative risk. An essential component of the risk management process is the risk identification process, which entails identifying any potential dangers to the firm as well as any opportunities that may present themselves (RM). This procedure is essential for SMMEs since SMME activity becomes riskier as products and services get more complicated (Kothari, 2020).

Unlike major businesses, SMMEs struggle with a shortage of human resources and a host of financial issues. These issues are the reason SMMEs have trouble implementing or utilising risk management techniques (Brustbauer, 2016). Because they might be exceedingly expensive or sophisticated, the instruments utilised by large firms are typically inappropriate or difficult for SMMEs to use (Alraja, Imran, Khashab, and Shah, 2022). SMMEs are hesitant and sceptical about putting into practise effective risk-management strategies to oversee the process (Makanyeza, Mabenge, and Ngorora-Madzimure, 2023).

However, numerous studies indicate that inadequate risk management and a lack of planning for the risk identification and assessment processes are among the primary causes of SMME failure and bankruptcy (Sipa, 2018). To boost SMMEs' business success, risk assessment and management procedures should, nevertheless, be straightforward and simple to incorporate into their operational strategies (He and Lu, 2018).

According to Koçiu and Kodra (2021) potential sources of risk and uncertainty in SMMEs are considered to include.

- **Social Environment:** this environment includes the procedure for motivating employees; hiring, screening, and qualifying them; and establishing the overall culture and standards of the company. The social environment is recognised as a source of entrepreneurial risk and uncertainty for small and medium-sized enterprises (SMMEs) due to the possibility of misunderstandings and errors in each of the links, which could lead to the appearance of potential entrepreneurial risk and uncertainty (World Economic Forum, 2020).

Many SMMEs have seen a major decline in revenue because of the COVID-19 outbreak, which has severely strained their ability to conduct business. The Gauteng Department of Economic Development, in partnership with its partners Vodacom, Microsoft, PPC, Cash Build, Coca Cola, Accenture, Digify Africa, and Heavy Chef assisted SMMEs in refocusing their businesses and coming up with sustainable solutions as they worked to recover from the pandemic's effects on their operations. These businesses were facing a great deal of uncertainty regarding the sustainability of their operations during the pandemic (Gauteng Provincial Government, 2021).

Due to the COVID-19 outbreak, over half of SMME owners have voiced extreme uncertainty about the sustainability of their companies (Gauteng Provincial Government, 2021). The COVID-19 pandemic has had a significant direct human and financial cost. Years of progress in decreasing poverty and inequality had been endangered, and social cohesiveness and international collaboration were further weakened. For a significant portion of the world's population, job losses, a growing digital gap, strained social relationships, and sudden changes in markets resulted in grave consequences and missed chances. The consequences, which included societal unrest, political splintering, and geopolitical conflicts, influenced how well nations responded to other major challenges of the ensuing ten years, such as cyberattacks, WMDs, and most critically, climate change (World Economic Forum, 2021).

Inequality will worsen immediately due to the economic tsunami of the pandemic, which resulted in the loss of 495 million working hours in just the second quarter of 2020; yet an uneven recovery is also possible. Only 28 economies were expected to have grown in 2020. (World Economic Forum, 2021).

- **Physical Environment:** The physical area of the offices, the position of the equipment, its age, the degree of humidity in the workplace, the ventilation system, and the business's address are all regarded as components of small and medium-sized businesses' (SMMEs) physical environments (OECD, 2020). Any of the previously described elements could be a potential source of risk and uncertainty for entrepreneurs. Older and physically deteriorated utilised machinery surely puts the poor and timely manufacturing of goods at risk. A subset of the business community known as small and medium-sized businesses (SMMEs) is subject to constant shifts in the market in which they function. Because of this, they are more susceptible to a range of problems, including bankruptcies, hiring unfit workers, financial difficulties, liquidity problems, and loan acquisition difficulties.

The market in which small and medium-sized enterprises (SMMEs) operate is plagued by several problems, such as fierce competition, multiple barriers and challenges in launching new products, challenges in product distribution, and capturing new market segments from both established SMMEs and recently emerging SMMEs that are trying to enter the market. These are on top of additional factors, a few of which are the different kinds and sizes of the companies, the restricted financing options, and the difficulty in hiring highly skilled employees in comparison to larger companies. Compared to major businesses, small and medium-sized enterprises (SMMEs) face distinct risks when it comes to decision-making, idea implementation, recruiting and integration, and several other everyday operations (Koçiu and Kodra, 2021).

- **Political Environment:** SMMEs are greatly impacted by a country's political environment, which is mirrored in the monetary and fiscal policies that are put in place. The continued operations of South African SMEs are significantly impacted by both measures. These rules require close attention from South African SMMEs, or else they risk bankruptcies and legal disputes with the government (Koçiu and Kodra, 2021 and OECD, 2020).

- **Legal Environment:** Another possible source of risk and uncertainty for SMMEs in their business endeavours is the legal environment. A legislative framework governs the operations of SMMEs generally, and South African SMMEs specifically. There are other legal sub-sections in this framework, and SMMEs may face entrepreneurial risk and uncertainty depending on how they use or do not use them (Caldara, Prestipino, Iacoviello, Molligo and Raffo 2019). Research on the consequences of trade policy uncertainty on the economy was limited prior to these trade advancements since there had been little variation in a stable trade policy for decades. Lately, studies have been carried out to close the gap. The results show that trade policy's impact on small businesses increases economic uncertainty (Caldara et al., 2019).
- **Operational Environment:** The manufacturing and operational aspects of SMMEs are included in their operational environment, which is why it mentions instances in which an SMME's productive activity endangers the health of its workers. This is a risk that requires careful consideration since, in addition to the potential financial implications, it may also result in the community's hostility to the activity and maybe in the operation's bankruptcy (Koçiu and Kodra, 2021; OECD, 2020).
- **Economic environment:** Inflation and the unemployment rate are two examples of the components of the economic environment. SMMEs functioning in a certain country need to possess comprehensive, precise, and lucid knowledge regarding the economic indices of that nation. For SMMEs in South Africa, each of these factors carries some risk and uncertainty in terms of their entrepreneurial endeavours (Koçiu and Kodra, 2021).

Macroeconomic, financial, and economic policy uncertainty rose during the global financial crisis of 2008 and again during the COVID-19 pandemic, even if only a few categories of uncertainty increased in reaction to other crises. For instance, financial uncertainty seems to be the only sign of the heightened trade policy uncertainty that accompanied trade hostilities between the United States and China beginning in 2018. (Casaladi-Garcia et al., 2020).

The picture for the world economy in the 2020s is quite hazy. There are a number of reasons for doubt, but the COVID-19 pandemic's emergence and the nation-by-nation vaccination program's advancement are the main ones. Another source of uncertainty is the potential effectiveness of novel or aggressive fiscal and monetary stimulus measures. Additionally, the global recovery is expected to occur asynchronously, with many Asian economies predicted to see robust growth in 2021 while Latin American

and European economies are expected to lag behind. As a result, there was a wide range of predictions for inflation and near-term economic forecasts, which may cause sharp fluctuations in interest rates or the value of financial assets as the years went by (da Silva,2021).

Given that periods of uncertainty, like the COVID-19 pandemic, have a significant impact on researchers' and policymakers' economic projections, it's critical to determine how appropriate standard measures of risk and uncertainty are for comprehending the various economic and financial consequences of these events (Cascardi-Garcia et al.,2020).

Despite these worries, most forecasters and policymakers anticipate that inflation will stay low. The leadership of the Federal Reserve System (Fed) predicted that inflation would rise slightly to 2.4 percent in 2021 before falling to 2 percent. However, monetary and fiscal policy could theoretically be tightened (by raising interest rates and reducing deficits, respectively) if inflation were to rise too quickly or be persistently high due to an "overheating" economy. This carries the risk of triggering another recession, thus the extent to which policymakers are willing to tighten policy enough, if needed, will determine whether a long-term increase in inflation is avoided. The low level of inflationary expectations implies that investors think they will, which facilitates the avoidance of a long-term increase. The Fed is mandated by law to uphold price stability. It raises concerns about the Fed's willingness to hike rates if inflation increased before full employment was achieved. The Fed's present plans to slightly exceed its inflation objective and maintain interest rates at zero until full employment is restored are unproven. Similarly, if rising inflation continues, Congress may find it challenging to immediately rescind fiscal stimulus (Keightley, Weinstock, and Labonte, 2021).

The Great Recession of 2007–2009 and the COVID-19–induced recession, which were the two worst recessions since the Great Depression, are probably somewhat to blame for the current period of low inflation, even in spite of stimulative fiscal and monetary policies. Large-scale fiscal and monetary stimulus has traditionally not been able to completely counteract these economic shocks, but in both downturns, quickly declining output and rising unemployment made an increase in inflation implausible. In the years before the pandemic, unemployment declined, but inflation remained under control and inflationary expectations did not change. Various factors such as demographics, globalisation, technological innovation, and others have been proposed as additional forces that counteract inflationary pressures (Keightley et al., 2021).

The issues that SMMEs encounter are of concern to the government of South Africa. Governments can effectively support economic growth if they are aware of the challenges

faced by SMMEs in carrying out certain business tasks and if they know which industries are worth investing in. The pandemic has presented a chance to provide assistance to township small and medium-sized enterprises (SMMEs), which have been somewhat eclipsed by developments in the mainstream economy. The goal of government support initiatives is to provide both monetary and non-monetary means of assistance, such as grant financing, market access, skills development, and capacity building. In addition to government action, corporate and public sector partners are working together to create customised programmes that will help SMMEs access opportunities and information (Gauteng Provincial Government, 2021).

The COVID-19 outbreak and the lockdowns that followed prompted a vast and unprecedented global fiscal response. Twelve percent of the world's GDP, or more than \$12 trillion, was spent on fiscal measures such as capital injections, loans, guarantees, and temporary tax cuts, as well as increased spending and income foregone. Additionally, global central banks moved quickly and forcefully, extending their balance sheets and loosening monetary policy (da Silva, 2021). The economic outlook may be impacted by uncertainty about future growth as, despite central banks' efforts to keep borrowing costs low, businesses may postpone plans for investments or reallocate money to so-called "zombie" firms. Uncertain post-pandemic conditions could result in a pattern akin to the recovery from the 2008 financial crisis, which was marked by higher-than-expected rise in employment but poor productivity and pay growth (da Silva, 2021). Financial market volatility is typically the outcome of economic uncertainty. Stock-market volatility indexes reached unprecedented heights not seen since the 2008 financial crisis as a result of the coronavirus epidemic and the lockdowns that followed. Global economic concern was mostly caused by the coronavirus; in the first quarter of 2020, a third wave of the epidemic struck most countries (Zumrah, Ehsan, Othman, and Sulaiman, 2021).

This study concludes that, from an economic business perspective, an entrepreneur is someone who starts a new company despite risk and uncertainty in order to achieve growth and profit by spotting important opportunities and gathering the required resources to take advantage of them (Zimmerer and Scarborough 2005). Therefore, planning and taking measured risks based on market information, products and resource availability, and a predetermined assessment of success potential constitute the essence of entrepreneurship (Zumrah et al., 2021).

3.8.2 Psychological Entrepreneurship Economic Theory

More and more individuals are realising that one of the main forces behind wealth growth is entrepreneurship. It is attributed to the creation of new technology, the growth of the world

economy, and the establishment of corporate empires (Zumrah et al., 2021). In South Africa as well, the development of entrepreneurship has become an important economic objective. The goal of establishing a Ministry for Small Business Development (SBD) is to support and encourage those who aspire to launch their own companies. South Africa is currently paying more attention to the growth of SMMEs (small and medium-sized firms) since it has the potential to lessen poverty. Additionally, private organisations like banks, cooperatives, and educational institutions encourage entrepreneurship (SBD, 2021; Zumrah et al., 2021).

The South African government established the Small Enterprise Development Agency (SEDA) with the aim of supporting the expansion and long-term viability of small enterprises throughout the country. To do this, local business owners collaborate and coordinate with a range of stakeholders, including international partners who give them access to global best practises. Enhancing SMMEs' ability and capability to manage their businesses is the primary objective of the programme. To successfully educate present and prospective business owners, it is imperative to identify the factors that facilitate and impede entrepreneurship, with a particular emphasis on small and medium-sized enterprises (SMMEs) (SEDA, 2020).

It is necessary to determine whether the development of entrepreneurs can be satisfied with appropriate training alone, with students gaining new knowledge and skills from structured courses provided by higher education institutions, or if specific individuals with particular personality types who are predisposed to becoming entrepreneurs will also become entrepreneurs following appropriate training. If a particular personality type is strongly linked to entrepreneurship, South Africa's efforts to generate entrepreneurs may need to begin with the development of that personality type, and the educational process may start at an early age. For example, education in preschool, primary, and secondary schools should encourage young people to consider entrepreneurship as a potential career path and support the development of their personalities to become more creative and self-assured in all they do. Thus, the goal of the next section is to determine whether an entrepreneur belongs to a particular personality type (Zumrah et al., 2021).

3.8.2.1 Personality Traits

According to trait theorists, a person has innate potential or persistent attributes that make them naturally inclined to become entrepreneurs. What are the precise characteristics or innate abilities of an entrepreneur? may be the apparent or reasonable inquiry on your thoughts. The majority of research do not identify specific qualities; hence the answer is not clear-cut (Munoz et al., 2023).

According to Amit (2024) personality traits have a substantial correlation with economic actions and outcomes. Personal qualities and noncognitive skills have a significant role in influencing decision-making and economic outcomes. Although there is evidence to suggest that exposure to familial or health shocks, changes in social or vocational responsibilities, or changes in one's own personality over time, might alter an individual's qualities, the general consensus is that personality is stable, especially after the age of thirty. However, there is a dearth of data regarding the short-term effects of shocks on personality, particularly from rural and less educated groups (Mehra, Stopnitzky and Alloush, 2018).

There isn't a single, widely recognised definition of personality; nonetheless, a fundamental concept is that personality refers to an individual's traits that result in recurring behavioural patterns, such as physical and mental traits that indicate an individual's thoughts, feelings, actions, and appearance (Hellriegel, 2004). According to psychologists, a person's "personality" is a dynamic notion that describes how their entire psychological system develops over time. Allport (1937) claimed that an individual's personality is the outcome of a dynamic structure of those psychological systems that influence how specifically that person adapts to their surroundings. The early research on personality structure focused on identifying and categorising persistent traits that characterise a person's behaviour. A behaviour is referred to as "personality traits" when it is displayed in numerous contexts (Zumrah et al., 2021).

A trait's relevance in characterising an individual increases with its consistency and frequency of occurrence in a variety of contexts. Scholars have long held the view that these characteristics may be useful in selecting employees, placing them in appropriate roles, and directing decisions on professional growth. Management might utilise personality tests to screen job candidates and enhance employee-job performance, for example, if particular personality types perform better on particular jobs (Zumrah et al., 2021).

By highlighting the attributes connected to entrepreneurs, this section sheds light on these characteristics, or innate abilities. These qualities provide the researcher with a hint or an understanding of these traits or innate potentials (Munoz et al., 2023); in fact, interpreting behaviour is the basis for explaining personality traits. The tendency to be more opportunity-driven (they "nose" around); high levels of creativity and innovation; and a high degree of managerial abilities and business acumen are some traits or behaviours linked to entrepreneurs. Other traits that have been discovered to describe them include optimism (they see the glass as half full rather than half empty), emotional resilience, mental acuity, hard work, intense dedication, and perseverance; a tendency to be dissatisfied with the status quo and desire improvement; transformational nature; lifelong learning; and the ability to use failure

as a tool and springboard. They are also people of integrity, visionaries above all, and they think they can individually make a difference. The only method to explain or assert the existence of the trait model, however, is to examine one's own traits and behaviours and decide that they possess the innate ability to become an entrepreneur. This is because the trait model is still not backed by scientific data (Mishra,2015).

The question of what exactly makes someone an entrepreneur has long piqued the interest of academics and laypeople alike. While job creators and wealth creators are essential to the economy, it is challenging to pinpoint the exact motivation behind an individual's decision to become an entrepreneur (Koçiu and Kodra, 2021).

While it can be challenging to generalise about what it takes for someone to start their own business, some personality attributes may contribute to or affect the decision for some people to follow their entrepreneurial dreams. In entrepreneurship study, personality has been given a lot of attention, especially in the last few decades (Zumrah et al., 2021).

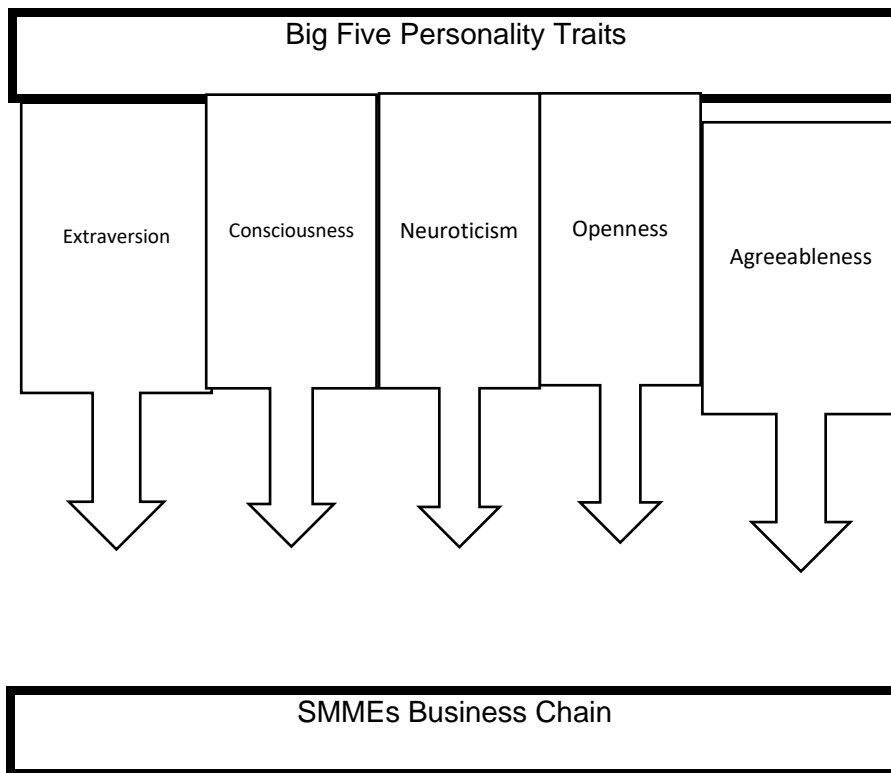
The reasons behind some people's career choices have led researchers to focus empirical attention on different facets of personality and entrepreneurial decisions; however, the findings of empirical research on the relationship between personality and entrepreneurship are not entirely consistent (Koçiu and Kodra, 2021).

Some academics have examined the relationship between personality and entrepreneurship using the 16-Personality-Adjective Scales (16PA), and they have come to the conclusion that the observed personality differences should be considered causes rather than consequences of entrepreneurship. Researchers that looked into the connection between early developmental perspectives on self-employment and personality discovered that self-employment views are associated with gender, personality, and having relatives who work for themselves (Zumrah et al., 2021).

Awwad and Al-Aseer (2021) found that extraversion and openness were linked to alertness, conscientiousness, openness, and alertness were correlated with entrepreneurial purpose, while agreeableness and neuroticism were unrelated to either outcome. Lastly, the association between extraversion and openness and the inclination to start a business is mediated by awareness. Furthermore, openness, alertness, and the importance of the conscientiousness trait increase the inclination to start a business (Awwad and Al-Aseer, 2021).

Based on the "Big Five Personality Traits," which are shown in Figure 3.2 below, the researcher will investigate in this part how an entrepreneur's personality relates to the long-term viability of their venture.

Figure 3.2: Big Five Personality Traits



Source: Ashraf, Li, and Murad, 2017).

This study employed the big five personality characteristic theory to determine which successor personality traits can facilitate a smooth company transfer from one generation to the next. In their study, Ashraf et al. (2017) operationalized the five personality traits. The five factors that make up the big five personality characteristic hypothesis are conscientiousness, extraversion, openness, agreeableness, and neuroticism. These variables are operationalized in Figure 3.2. (Ashraf et al., 2017).

The Big Five Model has been used to study personality for over 20 years, and a large body of research has either examined the model or its application in personality studies (Mehra, Stopnitzky and Alloush, 2018). The Five Major The true significance of personality traits for organisational behaviour lies in their ability to reaffirm the importance of predisposition qualities and demonstrate their direct correlation with job success (Luthans, 2001). Because these qualities are consistent, they offer employees the best possible personality profile over the duration of their careers. This is because different qualities are required for various positions within a business. Finding the proper fit that will enable a company to fulfil its goal

and vision by placing the right people in the right jobs for efficient performance is the key to success or gaining a competitive advantage. The Big Five, also referred to by its acronym, OCEAN, are a group of features called "super-traits" that explain shared characteristics among the "sub-traits" that have been found to cluster together, they are not personality types (Zumrah et al., 2021).

The Big five Personality are summarized below:

3.8.2.2 Openness to Experience

Although it is practical and the antithesis of spiritual capacity, openness is linked to intelligence (Woodfield et al., 2017). Originality, or the propensity to bring about creative destruction—as famously put by Schumpeter (1942/1976)—is one of the core characteristics of entrepreneurship. Plan-making and vision-giving skills are possessed by a wide spectrum of successful entrepreneurs, while narrow-minded individuals lack these attributes. Motivation and accepting a chance at success are related to an entrepreneur's open-mindedness and vision. Entrepreneurs rely on their inventiveness to solve everyday problems, create policies, and do so with limited resources (Ramadani, Hisrich, Anggadwita, and Alamanda, 2017).

3.8.2.2 Conscientiousness Personality

Yordanova (2017) states that a conscientious person is one who is capable of self-control, has the fortitude to accept social norms and values, and, last but not least, demonstrates responsibility toward others. A conscientious person also focuses on the process of individual accomplishment, association, and scheduling. Conscientiousness is characterised by a number of key attributes, some of which are hard work, motivation, and the ability to overcome obstacles in order to accomplish goals. These attributes are closely linked to entrepreneurship. An additional aspect of people's conscientiousness is their distinctive work style and perseverance, which are all connected to their entrepreneurial traits (Yordanova, 2017). Some claim that working as an entrepreneur requires determination, while others place more emphasis on hard effort, motivation, and willpower (Khajeheian, 2017).

High conscientiousness personalities, according to Sev (2019), are rational, trustworthy, and risk-averse; low conscientiousness personalities, on the other hand, are characterised by laziness, inefficiency, and disorganisation in their work. This explains the relationship between diligent workers and both job happiness and performance. Due to their willingness to participate in the workplace and their ability to accept both formal and informal rewards,

conscientious employees are among the greatest candidates to lead for major job performance (Sev, 2019).

High conscientious people are task-based and goal-oriented; they focus on achieving a goal and exert vigorous, prolonged, and unrelenting effort to achieve this. They also show an ability to function or develop generally (Sev, 2019). On the down side, Ashraf et al. (2017) imply that highly conscientious workers typically fulfil requests only when they are made; they show little concern for future outcomes, lack a clear sense of purpose, misapply norms or standards, and work poorly. However, a diligent worker is also more likely to become more efficient at their profession, which should increase engagement.

According to Ashraf et al. (2017), entrepreneurship, which is predicated on the idea that individuals are drawn to roles that complement their personalities, has benefits, particularly for those who are conscientious. As a result, many intellectuals believe that conscientiousness is the primary motivating factor. The primary trustworthy personality translator of work performance is applicable to all fields and types of work (Khajeheian, 2017). A study that involved attentively observing entrepreneurship-related organisations came to the conclusion that an entrepreneur's motivational skill was the driving force behind the firm's advancement (Ashraf et al., 2017).

3.8.2.3 Extraversion Personality

Warmth, gregariousness, assertiveness, activity-drivenness, excitement-seekingness, and the presence of happy emotions are characteristics associated with extraversion. According to Zumrah et al. (2021), people who exhibit expressive, sociable, outgoing, chatty, confident, and determined behaviours are referred to as "extraverts." Extraverts can practise favourable feelings, which in turn lead to job satisfaction. They also have a tendency to be impulsive, talkative, gregarious, positive, and passionate. These people have emotionally stable and firm personalities, which guarantees life and work pleasure. They are also good analysts of job performance for occupations like sales, social work, and administration (Zumrah et al, 2021).

High extroverted workers are likely to respond to requests from clients in a steady, composed, upbeat, and aggressive way, which completes tasks and pleases clients. According to Sarma and Borooh (2021). highly extraverted individuals typically deliver services ahead of schedule and make better use of their competencies than do employees with low extraversion. This boosts a person's confidence and sense of self-efficacy, which improves work efficacy (O'Leary et al., 2017; Soto, 2018).

Individuals with higher extraversion ratios are more socially connected, prefer to mingle with others, and are more likely to succeed in social situations and events. They maintain their inspiration and motivation by thinking and feeling positively. These folks are more vivacious, proactive, and unafraid to be direct. People who are seen as entrepreneurs tend to possess traits like optimism, excitement, and a greater capacity for active living (Sarma and Borooah, 2021). Extraverts are persons who are related to businesses and choose to work in them, according to a study of Holland's classification. Extraverts seem to find entrepreneurship more appealing and motivating than other professions, which is why they are more inclined toward it. Extraverted personality traits like friendliness, social interaction, and activity are viewed as attractive by entrepreneurs who manage teams of employees (Soto, 2018). Extraverted personalities are said to be more drawn to enterprises and entrepreneurship because of their attributes. As a result, there is a favourable correlation between an entrepreneur's extravert ratio and their performance. Entrepreneurs are occupied with a plethora of duties that they perform on a daily basis, such as being very social, forming relationships with people, building a large network, and maintaining positive relationships with suppliers, partners, and consumers (Soto, 2018).

3.8.2.5 Agreeableness

The characteristics of agreeableness include modesty, obedience, trustworthiness, frankness, selflessness, and tenderness (Zumrah et al., 2021). Straightforwardness, obedience, and sympathy are characteristics of "high agreeableness" (A+), whereas arguing, oppositional, and emotionlessness are characteristics of "low agreeableness" (A-) (Mullins, 1996). On one end of the spectrum, characteristics that are considered agreeable include selflessness, helpfulness, nurturing, gentleness, and emotionality; on the other end, there is animosity, indifference to others, and self-interest (Zumrah et al., 2021).

Compassion and politeness are the two qualities of agreeableness, according to Amit (2024). Ten components make up the compassion dimension: paying attention to other people's feelings; asking about other people's well-being; empathising with other people's feelings; acting on behalf of other people; demonstrating interest in other people's problems; being concerned about other people's needs; feeling compassion for other people; spending time with other people; and having a soft spot for other people (Sarma and Borooah, 2021).

Entrepreneurship necessitates withdrawing from and rejecting antiquated job agreements, a move that can boost self-esteem and improve interpersonal relationships. It is imperative that business owners build a thriving company based on the requirements and interests of their

clientele (Cater & Young, 2016). Surviving difficult talks, determining the business's interest, being able to tackle people in the stream, maintaining consistency in judgments, and researching expectations are some crucial traits for success (Bizri, 2016). The big five personality traits will be examined in this study in order to evaluate employee personalities and use those results to predict whether family businesses will survive over the long run (Amit, 2024).

3.2.8.6 Neuroticism

Sev (2019) claims that another name for neuroticism is "negative affectivity." It describes people's propensity to be upset, experience negative emotional states, and have a pessimistic outlook on the world. These individuals could operate as devil's advocates within an organisation by highlighting issues with a suggested course of action. Supervisors who exhibit high levels of neuroticism may frequently feel irate and unsatisfied, and they may also bemoan others' and their own lack of advancement. Additionally, they have bad moods, stress, difficulty controlling their negative emotions, lose their composure, and become irritated easily (Sev, 2019).

Withdrawal is the second aspect of neuroticism (Ashraf et al., 2017). Merchant, Kumar, and Mallik's (2017) findings that this personality trait has two dimensions—volatility and withdrawal support this. There are nine components that make up the volatility dimension: losing composure, becoming readily agitated, stirring up trouble easily, getting angered seldom, getting upset easily, and changing moods frequently (Merchant et al., 2017).

The need to find out why some Big Five personality qualities are more beneficial for an organization's performance than others stem from the variance in personal characteristics of people working in these firms. Cattell (1963) developed the Classical Traits Theory, which postulates that an individual's behaviour is independent of the circumstances and people they deal with. This presumption is dubious because characteristic behaviour typically emerges in response to circumstances. Because of these various viewpoints, it is crucial to do research of this kind to determine how the "Big Five Personality Traits" affect employee performance in businesses (Sev, 2019).

Since successors play a crucial role in family businesses, those with skills and traits may be able to take those enterprises to new heights. Sarma and Borooah (2021) found that personality attributes of the successor were the most significant in an organisational study. Consequently, parents' preparations regarding succession and their children's interest in preparing for their parents' succession proved to be vital. Parents who provide their kids with

the knowledge and experience necessary for family business preparation typically have a significant impact on their children's succession plan (Sarma and Borooah, 2021).

3.8.3 Resource-Based Entrepreneurial Theory (RBV).

Resource-based theory reflects the viewpoints of the numerous authors that worked together over several years to establish it, since it was constructed on a variety of foundations in the underlying field of economics. Demsetz (1973) and Rumelt (1982), among others, introduced these ideas into the literature on strategic management, maintaining the supposition that markets eventually attain equilibrium (Lippman and Rumelt, 1982). The linkages to Austrian economics were mediated through Penrose, however Austrian economists like Von Hayek (1948) and Von Mises (1949) do not share that assumption. Instead, they place more emphasis on subjective, entrepreneurial vigilance and judgement in a constantly changing business context (1959). The resource-based view (RBV) depends on her definitions of resources and their limitations, the differentiation between resources and the services they offer, and the significance of managerial skills in teams (Miller, 2019).

It was not until much later that it became clear that the RBV might be further improved by drawing on the theories and observations of Austrian economics. Early RBV theory incorporated evolutionary economics, with its depiction of industries as approaching but never reaching equilibrium and its analysis at the level of routines. This was mainly due to the realisation that competitive advantage results from Schumpeterian "creative destruction" (Schumpeter, 1950; Barney, 1986b). However, later emphasis on dynamic capabilities and knowledge resources brought evolutionary economics' influence front and centre (Miller, 2019).

The foundation of the resource-based approach is the notion that an organization's success is determined by its resources. The early 1990s saw the emergence of this idea, which gained popularity as a result of Jay Barney's 2019 paper, "Firm Resources and Sustained Competitive Advantage." Its proponents assert that businesses can obtain a competitive edge by utilising their core competencies, assets, and resources. To put it simply, building strategic resources is the source of long-term competitive advantage and corporate performance (Rothaermel, 2017; Barney and Hesterly, 2019).

Small companies might obtain a competitive edge by utilising their own resources. This strategy, called the resource-based view, or RBV, is predicated on the notion that a business may improve its market position by using existing resources, organisational

procedures, knowledge, and competencies. Rather than concentrating only on a firm's external competitive environment, this theory emphasises the necessity of a fit between the strategic resources of the organisation and the external market (Picincu, 2020).

Conventional ideas have concentrated on using outside variables to differentiate a corporation. In contrast, the resource-based paradigm suggests that instead of focusing on acquiring new competences, functions, or abilities, businesses should examine their current resources. Resources should be valuable in the context of the target market, and companies need steep learning curves to make it difficult for rivals to copy them (Rothaermel et al., 2017).

Many areas of strategic management have seen widespread application of the resource-based paradigm. This theory states that since every company has unique resources, it may employ a variety of approaches to achieve its objectives. Whether or not your company can gain a sustained competitive edge depends on how easily these resources may be copied or replaced (Rothaermel et al., 2017).

Any organisation, no matter how big or little, needs internal resources to run smoothly and accomplish its objectives. These could consist of assets like money, property, and human capital, among others. Well-established businesses usually have a well-defined resource-management procedure, which aids in their effective resource allocation. Small firms can benefit from human capital and technical know-how even though they typically lack the financial and physical resources of larger organisations (Picincu, 2020).

A firm's resources can be divided into three primary groups, per Picincu (2020):

- Financial resources (a company's ability to raise money or its current funds),
- Human resources, Physical resources (stock, property, machinery, and
- Other physical assets) (employees).

According to Chinyoka (2020), organisations put together resources to develop skills, then use those capabilities to produce value. In order to bundle market resources into a competency that addresses market possibilities and pioneer's new skills, a forward-thinking company arranges its resource system by purchasing these resources at what appear to be high costs. The company may purchase premium inputs from specialised vendors or select skilled workers from a small pool of candidates, which accounts for the high costs the company may have to pay (Chinyoka,2020).

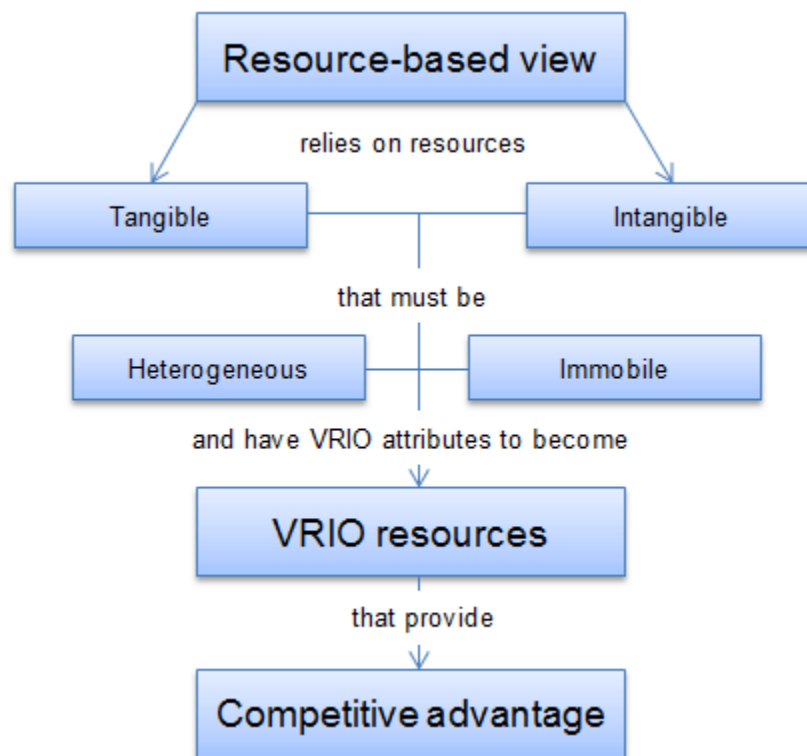
According to Rothaermel et al. (2017), RBV is a model that views resources as essential to better business performance. A resource helps the company create and maintain a

competitive edge if it possesses the qualities of value, rarity, imitability, and organisation (VRIO characteristics). The Resource-Based View of the Firm (RBV) is a strategy for gaining a competitive advantage that came into being in the 1980s and 1990s following the publication of important books by Barney, "Firm resources and sustained competitive advantage," Prahalad and Hamel, "The Core Competence of The Corporation," and Wernerfelt. Supporters of this viewpoint contend that rather than focusing on the competitive world, businesses should look within their own walls to discover their sources of competitive advantage (Rothaermel et al., 2017).

Although having diverse and stationary resources is essential for gaining a competitive edge, it is insufficient on its own if the company hopes to maintain it. The VRIN framework, first introduced by Barney (1991), asks whether resources are rare, precious, expensive to replicate, and non-replaceable. The assets and proficiencies that respond in the affirmative to each of these inquiries offer long-term advantages over competitors. Later, the framework was enhanced by adding the query, "Is a corporation formed to use these resources?" to go from VRIN to VRIO. (Rothaermel et al., 2017).

The RBV states that not all resources have the ability to create a competitive advantage; rather, they must meet certain requirements, including being valuable, uncommon, unique, and non-substitutable. The same characteristics are emphasised by the VRIO framework, a crucial part of this theory, with the exception of "non-substitutable," which was changed to "organization-wide supported" (Rothaermel et al., 2017). The model that follows highlights the main ideas of RBV and provides an explanation of it.

FIGURE 3.3 THE RBV MODEL



Source: Rothaermel et al. (2017).

RBV proponents argue that utilising resources already in place to take advantage of opportunities arises to be far more practical than always trying to pick up new abilities. The RBV model states that resources are essential to helping companies achieve higher organisational performance. There are two types of resources: tangible and intangible. Moreover, the two basic tenets of resource-based seeing are that resources should be steady and diverse (Rothaermel et al., 2017).

3.8.3.1 Tangible Assets

Real estate, machinery, buildings, capital, and equipment are examples of physical assets. Businesses don't get much of a long-term advantage from physical resources because rivals might merely buy the identical assets on the market (Barney and Hesterly. 2019).

3.8.3.2 Intangible Assets

An intangible asset is something that a business can own even if it doesn't have a physical location. Trademarks, brand reputation, and intellectual property are a few examples of intangible assets. Unlike material resources, a brand's reputation is something that other companies cannot buy; instead, it must be built through time. Intangible resources are the key

source of long-term competitive advantage and are frequently retained by a company (Rothaermel, 2017; Barney and Hesterly, 2019).

3.8.3.3 Heterogeneous

The first assumption is that organisations are not the same when it comes to the skills, abilities, and other resources that they have. If all organisations had the same amount and variety of resources, they could not outcompete each other through a variety of strategies. One company could not obtain a competitive advantage because the other could simply replicate its actions (Mweru and Muya, 2016). Although real-world markets are far from fully competitive, this is the ideal situation for perfect competition. Because some businesses can adopt alternative strategies and outperform each other when exposed to the identical external conditions and competitive forces, RBV assumes that businesses gain a competitive advantage by utilising their unique resource bundles (Rothaermel, 2017; Mweru and Muya, 2016).

3.8.3.4 Immobile.

The second tenet of RBV holds that resources do not move across businesses, at least not at first. Businesses are unable to employ the same tools or strategies as their rivals due to this immobility. In general, immovable resources include intangible assets like protocols, knowledge, trademarks, and brand equity (Rothaermel et al., 2017; Mweru and Muya, 2016).

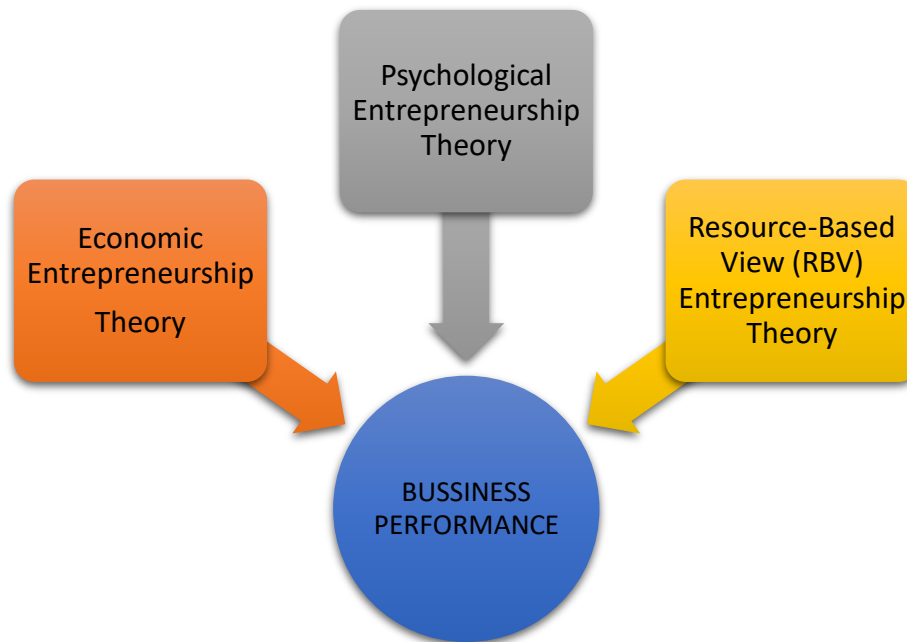
Conversely, a company's human capital is frequently a very important asset from a strategic standpoint. Among other benefits, copyrights, trademarks, and other intellectual property can help you draw in investors, solidify your place in the market, and raise brand awareness (Rothaermel et al., 2017; Barney and Hesterly, 2019).

Resources are not all created equal, so it is crucial to identify the most valuable ones and then look for ways to make the most of them. Consider the resources required to develop, market, and sell one's goods or services. To accomplish this, one must first compile a list of these tools and capabilities, divide them into tangible and intangible resources, and then emphasise the ones that will add the most value to their small business and set them apart from rivals (Rothaermel et al., 2017; Barney and Hesterly, 2019).

According to RBV, a firm's resources are what really determine how well it performs. Until the company uses its capabilities, the resources can stay dormant, which could give it a long-term competitive edge. In human resource management, return on business (RBV) seeks to justify the necessity of talent management in particular and help increase the value of HR's contribution to gaining competitive advantage through the strategically fitting and bundling of HR best practises. The foundation of outsourcing comes from an organisation that, in order to overcome a weakness, looks outside itself for a provider of organised, uncommon, valued,

and unique resources and competencies. The competitive landscape of the industry in which an outsourcing firm operates determines how well the firm performs in the marketplace. Innovation, continuous improvement, and effective management of relationships with external entities can help a company maintain a competitive edge and achieve above-average performance (Mweru and Muya, 2016). The following hypotheses, listed in Table 3.4 below, provide the theoretical foundation for the investigation.

FIGURE 3.4: INTEGRATED (3) THEORETICAL FRAMEWORK



Source: Researcher (2021)

As seen in the theoretical sketch up above, a theoretical backdrop is used to establish the general framework of the particular theory supporting this investigation. The theoretical framework that elucidates the research problems is described in the part that follows.

The Resource-Based View (RBV) is the primary framework used in this empirical investigation to offer explanations for the phenomenon. According to the notion, two things are required for a firm to succeed: competencies and resources (Jiang, Luo, Xia, Hitt, and Shen, 2022).

The ability to maintain a more competitive approach and sufficient resources are critical components of a firm's sustainability. Essential resources include expertise, technological know-how, administrative abilities, and marketing prowess. Geoffery and Christos (2015) assert that businesses can capitalise on market opportunities for lucrative profits by effectively utilising these resources. The RBV theory backs up the current study's analysis of SMME performance since human capital, or the set of abilities, attitudes, and behaviours necessary

for a business to succeed, is available to anyone. Although the RBV is primarily used in corporate organisations, it can also be applied to the performance of SMMEs (Jiang et al., 2023). For these reasons, this study used the RBV as the foundation for a framework that improves the performance of rural SMMEs in the South African province of Limpopo. Successful firm operations require human resources to motivate, share, and utilise knowledge.

3.9 FACTORS THAT ENHANCE ENTREPRENEURIAL SUCCESS

Mkhavele and Ntshakala (2018) state that while SMMEs operating in rural areas receive less attention, there are ways to boost their competitiveness and overall performance, including:

3.9.1 Good Management Skills

Effective managerial abilities are among the elements that influence an entrepreneur's success. Kah, O'Brien, Kok and Gallagher (2020) assert that effective managers are able to inspire, communicate, and forge bonds within a team. The efficacy of entrepreneurship and organisational change are positively impacted by these managerial abilities. These life skills, which include a range of social skills including understanding, inspiring, motivating, and guiding others, are what an entrepreneur employs to communicate and engage with others (Mkhavele et al., 2018).

Probably the most crucial quality or aptitude needed for entrepreneurship is the capacity for managing employees. Kah, O'Brien, Kok and Gallagher (2020) believe that proficient managers are essential for assessing prospective staff members, selecting, onboarding, and assigning them to suitable roles inside the company. This entails evaluating people's moral character, selecting collaborators, and verifying that employees are competent for their positions. A successful business owner must be able to supervise conflict, manage teams, settle arguments, and offer continuing training to promote high-calibre work once employees start working there (Mkhavele et al., 2018).

Every day, entrepreneurs must deal with opportunities for decision-making. Making decisions has even been referred to as the "backbone of entrepreneurship" (Sagar, 2024) The authors contend that while everyone makes judgments, entrepreneurial decision-making is skewed and subject to a variety of outside influences. Entrepreneurial biases in decision-making are also attested to by Kah et al. (2020) who discovered that emotions were the primary driver of these biases. In the end, these prejudices will affect how the company is managed. Decision-making not only shapes a person's life path but also determines whether an entrepreneur will succeed (Mkhavele et al., 2018).

3.9.2 Marketing Sales and Promotions

It is widely acknowledged that one of the key components of entrepreneurial success was effective sales and promotion marketing. Companies must figure out how to attract and acquire new clients while simultaneously making sure that their current clientele is satisfied. First and foremost, the creation and use of the fundamental principles known as the 4 Ps product, pricing, place, and promotion are a part of every marketing campaign. Second, foreign marketing must be done "across borders," in contrast to domestic marketing. Finding out what customers need and want across various markets and cultural contexts is the essence of marketing. Offering concepts, technology, products, and services is also necessary to provide the business a competitive marketing edge. Comparably, it involves releasing information about these products and services before to their global distribution through one foreign market entrance channel, a combination of them, or both (Mkhavele and Ntshakala, 2018).

3.9.3 Access to Capital

Since the availability of capital is a determining factor in entrepreneurial success, a shortage of capital poses a threat to the expansion and advancement of the entrepreneurial industry. The owner is the focal point of the company and, as a result, makes all or most of the choices in the small business due to a lack of sufficient capital. Consequently, the degree to which an entrepreneur can obtain money is contingent upon the government's implementation of support measures (Mkhavele et al., 2018).

3.9.4 Entrepreneurial Innovation as a Business Strategy

Innovation has the power to produce one-of-a-kind events that take place only inside an organisation. According to Sagar (2024) innovation is the multi-stage process by which organisations turn ideas into improved goods, services, or procedures in order to progress, compete, and successfully differentiate themselves in their marketplace. In a similar spirit, George defines it as the process of either creating new or improved things and services that consumers demand or finding better ways to manufacture goods and services (Usman, Kess-Momoh, Ibeh, Elufioye, Ilojiana, and Oyeyemi, 2024).

Minwir Al-Shammari, and Aziz (2024) define "innovation" more broadly, stating that it can refer to any concept, product, or service that an individual may consider novel, independent of its past (2012) Innovation therefore requires change, which can take many forms, from modest but necessary advancements to revolutionary discoveries. Innovation, in the opinion of Drucker (2015), is a crucial tool for entrepreneurship. "Therefore, the innovative process of starting an economic firm based on a new product or service that differs considerably from goods or

services provided by other suppliers in terms of content, organisation of production, or marketing is known as entrepreneurship" (Curran and Burroughs, 1986). Furthermore, creativity is a prerequisite for both innovation and entrepreneurship (Mkhavele et al., 2018).

Successful entrepreneurship depends on innovation, and the dynamic and competitive world of today only serves to support this belief. Since staying relevant to clients is the main goal of every business, entrepreneurs and enterprises must always be creative and inventive. Without creativity and innovation, an organisation will not thrive in the marketplace (Okpara, 2007). Future business owners who are successful are likely to include innovation into their strategic objective. An investigation was carried out in Iran's Kermanshah province in 2008. The objective was to investigate the variables that influenced the prosperity of rural business owners in the Mahidasht township, where a survey of seventy rural business owners was carried out. According to the study, 88 percent of the entrepreneurs' success was due to external factors like marketing opportunities and bureaucracy, and internal characteristics like innovativeness, the urge for achievement, and internal locus of control (Mkhavele et al., 2018).

3.9.5 Good Entrepreneurial Characteristics

Research was conducted by Jallow (2021) with backing from Cuban, Ferriss, Huffington, Vaynerchuk, and Gates (2023) to determine what attributes or qualities define a successful entrepreneur. A brief explanation of a few is provided below:

- **Motivation** - The degree of motivation determines one's willingness to accomplish particular goals. Entrepreneurs push themselves because they are motivated to see their business succeed. An entrepreneur's competence and willingness to perform determine how well they perform.
- **Creativity** - All it takes to become an entrepreneur is an idea. An entrepreneur must be able to recognise possibilities, think beyond the box, and present solutions to the general audience.
- **Passion** - It is essential to becoming a prosperous business owner. Entrepreneurs are motivated by passion. They typically have a passion for what they do, which motivates them to devote their time to their work.
- **Product or service knowledge** - Entrepreneurs are aware of their offerings and target market. They specify exactly what kind of goods or services they wish to offer and how they may benefit customers. To ensure that they will meet their demands, entrepreneurs research their potential customers. By doing this, they can continuously enhance their offerings and stay abreast of market developments.

- Ability to network - This has become the most prominent and crucial facet of entrepreneurship. Reaching the right people is a key benefit of networking for entrepreneurs. Meeting new people would make it easier to obtain resources or knowledge that a firm requires. Successful entrepreneurship depends on having the capacity to connect with people and spot collaboration opportunities. Through networks, business owners can meet new customers, market their products and services, and gain insight from the successes of others. Entrepreneurs can enhance their networking skills by focusing on developing authentic relationships, approaching individuals with the intention of forming a human connection akin to making new friends and having a clear commercial purpose in mind. An entrepreneur needs to network and make connections with people they come across who might help others.
- Vision - Vision is essential for entrepreneurs. A vision is what determines the culture and identity of a business because it gives employees a clear idea of what they want to achieve in the big picture, which motivates them to work harder and achieve more. It gives business owners the energy they need to inspire others and keep them focused on the success of the firm.
- Decision-making - For their firm to succeed, entrepreneurs must act quickly and make judgments. They need to become better informed in order to better comprehend the challenges they are trying to tackle. They must evaluate the consequences of their choices, so they must allot the necessary time to consider their options and make a decision. This will facilitate the decision-making process.
- Money management - Considering the amount invested, this may be the most important factor in ensuring the business continues to operate and generates the necessary return. It is vital for entrepreneurs to comprehend the financial standing of their companies.

3.9.6 Government Support

Entrepreneurship plays a vital role in boosting national economies worldwide by initiating and managing Small and Medium-Sized Enterprises (SMMEs). These businesses have the potential to account for up to 95% of all enterprises and employ over 60% of all workers across various nations (Malefane, 2019). The government must continue to support entrepreneurship's growth by all available measures due to its importance for economic development (Mkhavele et al., 2018; Ramsuraj, 2023).

Through the establishment and operation of small and medium-sized enterprises (SMMEs), which can account for up to 95% of all businesses and employ over 60% of the workforce in a nation, entrepreneurship boosts national economies (Mkhavale et al., 2018). Thus, government assistance is essential to the success of entrepreneurship. The government aspires to accomplish the goals in part by implementing laws that encourage entrepreneurship (Ramsuraj, 2023).

3.10 SMMEs CONTRIBUTIONS TO DEVELOPED ECONOMIES

Small and medium-sized enterprises (SMMEs) play a crucial role in guiding development across all economic sectors. However, as noted by Ussif and Salifu (2020), there is a dearth of literature on the functions and contributions of SMMEs to economic growth. This may be related to the fact that SMMEs are prevalent across all industries and that it is challenging to distinguish them apart from the few huge corporations. Since their definitions vary by industry and depending on whether they are formal or informal, it could also be a factor in the difficulty in recognising SMMEs. Africa is predominantly made up of informal microenterprises that are dispersed throughout the continent (Muirithi, 2018). The definition, makeup, and contribution of SMMEs are left to the particular nations or industries. In Kenya or South Africa, a small firm in the US can be viewed as a major enterprise (Ussif et al., 2020).

The contribution of SMMEs is closely correlated with a nation's Gross Domestic Product (GDP) (SEDA, 2023). SMMEs have a significant economic impact on a nation with a higher GDP and better health; yet the relationship between SMMEs and national health has not been clearly established in developing nations (SEDA, 2023). High unemployment rates in struggling economies, such as those in Africa, lead to a huge number of informal small and medium-sized enterprises (SMMEs), which may contribute very little to the GDP of many of these economies. Most people would agree that SMMEs play a major role in economic development. They are linked to the discovery of new markets and the strategic exploitation of them. In a same vein, they are crucial to the establishment of new businesses and provide millions of Africans with a means of subsistence and work. This indicates that by promoting commerce, investment, and the need for commodities, SMMEs are essential to the generation of wealth (GEM, 2020).

The financial and developmental limitations that many African governments would face in the absence of SMMEs would only worsen the living conditions of the low-income people that the sector frequently serves (Muirithi, 2018). SMMEs also play a significant role in the invention of new concepts and technologies, which open up spaces for the pre-, in-, and commercialization of new goods. New information is often created, pioneered, and tested by SMMEs before it spreads to larger industries or macroeconomic sectors. Economic

development can only be realised if the proper business environment is created. These company founders take the risk to identify and seize opportunities and transform them into viable, market-driven products through their entrepreneurial spirits and central locus (GEM, 2020). Tasesse, the Executive Vice President of the Development Bank of Southern Africa, stated in Fjose et al. (2010) that SMMEs in the informal sector only contribute 20 percent of GDP for most African countries, while they contribute 60 percent in developed nations. Ussif et al. (2020) concurs with this assertion. This implies that SMMEs' contribution to economic development is only realised when a nation begins to exhibit developmental growth; in other words, no amount of SMMEs will lead to development in the absence of a development plan (Muirithi,2018).

3.11 GOVERNMENT POLICIES ON SMMES

Numerous nations have implemented legislative measures to assist SMMEs and entrepreneurs in obtaining the funding required for their establishment and expansion. There have been some new developments in government policy in recent years, including:

- Increased volumes of credit guarantees
- Public support for equity finance instruments.
- More regulatory strategies and focused policies are being implemented to assist Fintech advancements.
- Growing efforts to promote "open banking," which requires financial institutions to share their data with outside financial service providers.
- The importance of financial support for internationalisation is growing. Governments are putting in place online resources to help entrepreneurs and SMMEs locate the right kind of funding (OECD,2020).

3.12 SUMMARY

The global economy's current cyclicity offers a perfect chance for reforms, but they must be implemented so as not to impede trade and growth. The promotion of free movement of people, products, and services between regions will require the management of geopolitical concerns, and multilateral collaboration is still essential to safeguarding the global recovery. For the previous few years, the South African economy has been developing at comparatively slow rates, and it was anticipated that this would continue until 2020. This weak growth makes it more difficult to meet the goal of lowering inequality, unemployment, and poverty (Limpopo Treasury, 2019).

The situation emphasises how urgently a solid macroeconomic policy is needed to restore trust in the South African economy. Despite challenging national and international economic developments, the province's economy has shown some resilience. The main obstacle is that the recent years' fluctuating growth performance is still there. For the foreseeable future, mining will continue to be the main economic sector in Limpopo. To attain a 3 percent yearly growth rate, the Province must enhance the local economy's growth performance by diversifying it and reducing its reliance on the primary sector (Limpopo Treasury,2019).

CHAPTER FOUR

CHALLENGES AND FAILURES FACING SMMEs DEVELOPMENT IN SOUTH AFRICA

4.1 INTRODUCTION

The country's economy benefits immensely from entrepreneurship (GEM, 2019). Although many people are drawn to entrepreneurship by the chance to build riches and the freedom to be their own boss, few of these ventures go on to achieve success. Entrepreneurship is crucial in a nation like South Africa, where the jobless rate is 34.4%. (Stats SA, 2017). Considering this, the government wants to put laws, plans, and initiatives into action to foster an atmosphere that is supportive of small enterprises (Mkhavale et al., 2018; Ussif et al., 2020).

While SMMEs in South Africa face common challenges, the legacy of apartheid makes them slightly more difficult to overcome. Even though a democratic government has been in place for some time, South Africa may be said to be in a state of transition. Political instability is a given in a country undergoing transition, which discourages international small enterprises from conducting business there (Zondi, 2017).

In his 2016 State of the Nation Address, South African President Zuma declared that by 2030, the country needed to have produced at least six million new employment. The President added that encouraging small, medium, and micro enterprises (SMMEs) would help achieve this goal. Adisa et al. (2014), Zondi (2017), and Bhorat et al. (2018) all claimed that entrepreneurship development can be an instrument in attaining economic growth and lowering unemployment, lending support to the idea that SMMEs can be the country's answer to the unemployment problem.

While there is evidence that SMMEs in South Africa generate employment, authors like Eschker et al. (2017), Mashombo (2014), Pergelova and Angulo-Ruiz (2014), Rungani and Potgieter (2018), and others have argued that there is a high likelihood that newly-established SMMEs will not be able to survive for more than five years. The Planning Commission, which was tasked with creating a plan to address various social and economic issues and promote growth in South Africa, suggested in 2014 that the Ministry of Small Business Development (SBDM) be established as a means of assisting SMMEs in creating jobs. This study will examine the difficulties SMMEs encounter generally and analyse some particular difficulties noted by the recently established Ministry of Small Business Development (Zondi, 2017).

Even with their great importance, SMMEs in South Africa still face several challenges (SAICA, 2017). SMMEs are unable to contribute as expected to economic growth and employment creation because of their high failure rates. A number of programmes have been developed

by the South African government to assist small and medium-sized companies (SMMEs) in response to the demands and significance of this industry (DTI, 2008; National Credit Regulator, 2011; National Planning Commission, 2012; Maye, 2014). However, these programmes usually solely focus on the larger SMMEs and are not tailored for companies of different sizes (DSBD, 2019). Nieuwenhuizen (2019) also found that the regulatory framework prevents small enterprises from growing, highlighting the need to examine policy development in South Africa (Botha, Smulders, Combrink and Meiring, 2020).

4.2 WHAT IS BUSINESS FAILURE?

Scholars and well-known proponents of the field of entrepreneurship rarely agree on a single definition of an SMME failure. Because of this, it is challenging to characterise SMME failure and to contextualise a strategy for dealing with it. Many studies have been conducted in an effort to define failure, but none of them have reached a consensus. According to some of these studies, for example, failure is the condition in which a business becomes bankrupt and is subsequently unable to pay its creditors when their bills are due. "Failure" is defined as "breakdown, stoppage, malfunction, crash, collapse, closure, bankruptcy, not a success, let-down, or disappointment" by Thesaurus English Dictionary. Another word that is commonly used when talking about how well SMMEs are performing is "decline" (Bushe, 2019).

Numerous interpretations exist regarding business failure, as stated by Mihajlović & Stojanović (2019). The reasons for these interpretations can range from withdrawal for both subjective and objective reasons, to financial distress leading to bankruptcy and closure, to a significant business turnaround requiring a complete change in activity, or the natural conclusion of a project's life cycle (Pretorius, 2009; Amankwah-Amoah, 2016; Tobbach et al., 2017; Mihajlović and Stojanović, 2019). Business failure was defined in Mihajlović and Stojanović's (2019) study as a change in the company's operations combined with a distress that leads to bankruptcy and closure.

Governments are also concerned about company failure since they frequently face the brunt of SMMEs' failure to generate jobs, as demonstrated by lawmakers' use of the promise of jobs as campaign bait worldwide. However, the reality of these promises is rarely realised in practise. Before the treatise looks for important factors that contribute to SMME failure, it is instructive in this part to first explore what failure means.

4.3 CAUSES OF FAILURE OF SMALL, MICRO AND MEDIUM ENTERPRISES (SMMEs)

One of the primary factors contributing to the poor performance of rural SMMEs in the study area is their inability to pinpoint the precise causes of their failure, even if doing so may yield

some insights into how to help South African enterprises become sustainable (Bushe, 2019). Researchers first identified terms like "bankruptcy," "insolvency," "delisting," "loan delinquency," "lack of profitability for three years," "liquidation," and "eventual closure or seizure of operations" as conceptualizations and causes of SMME failure in 1895. These studies attempted to explore the reasons behind business failure (Bushe, 2019).

Scholars cannot agree upon a general list of factors, as was previously mentioned. This could be because different SMMEs operate in different industries, are managed by individuals with different skill sets and resources or are not all the same. Numerous theories exist that attempt to identify the origin of SMME, implying that Africans are not accustomed to being entrepreneurs. In Africa, entrepreneurship is external. According to this perspective, African economies entered the entrepreneurship fray later than other economies, which makes it difficult for them to successfully hatch and raise the resulting generation of much-needed entrepreneurial miracles. African economies began a downward spiral in the 1990s, marked by economic collapse, decaying cities, a decline in food supply, and rapidly growing populations (Bushe, 2019).

The entire concept of entrepreneurship is based on the need to offer a potential cure for the many negative effects of the economic crisis, which include unending suffering, poverty, starvation, illiteracy, unemployment, and violence. Nevertheless, efforts have not produced the much-needed results, and it is unclear why. It becomes clearer from an attempt to track the history of entrepreneurship that it is not just an African invention. This is due to certain theories that the fossils found at Leakeys in Tanzania's Olduvai Gorge by Professors Raymond Dart and the late Phillip Tobias, along with other recent results from DNA testing, indicate that Africa is the continent where humanity first emerged (Bushe, 2019).

4.4 FAILURE OF SMALL, MICRO AND MEDIUM SIZED ENTERPRISES (SMMEs)

Small and medium-sized business (SMME) failure is a critical issue in transitional nations since this sector accounts for a big portion of national economies, employs a large number of people, and makes a considerable contribution to GDP (GDP). SMMEs continue to generate new jobs despite the global economic downturn and subsequent phases of recovery, highlighting their significance (Kalak and Hudson, 2016; Molohe, Ladzani, and Seeletse, 2024).

SMMEs are under a lot of strain due to the global economy's extensive changes and the need to quickly respond to customer needs. Due to their precarious financial situation and limited access to capital (Gupta and Gregoriou, 2018), the majority are compelled to liquidate their company and file for bankruptcy (Milošević, Mihajlović, and Stojanović, 2019).

SMMEs are crucial to the economies of both developed and developing countries. This is the case because the industry plays a major role in promoting innovation, which in turn promotes economic growth (Leboea, 2017). South Africa should not undervalue the importance of the SME sector and should make every effort to foster, assist, and grow SMEs as a growing nation. The figures for South Africa's SME survival rate are currently grim: five out of every seven newly established small firms in the country fail within the first year of operation (Entrepreneur, 2014). It is evident from the current situation that South African small and medium-sized businesses are subject to barriers that restrict their ability to grow (Leboea, 2017; Moloape et al., 2024).

Failures of businesses are not unusual. According to data from the U.S. Small Business Administration (2018), 20% of formed SMMEs in the United States fail in their first year of operation, and only 50% survive after the fifth year. Similar data can be found in European nations (Eurostat, 2018). These figures account for the keen interest that policymakers, researchers, and practitioners have in this area. When addressing the failure of SMMEs, two approaches might be identified as critical. Finding the primary causes of SMME failures is one thing; the other is determining whether they can bounce back from the setback. This shift is a process that varies from nation to nation and encounters various environmental challenges. Numerous business circumstances arise as a result of changes occurring in a country's political, institutional, and economic domains (Wilson et al., 2016).

While some economies embraced the legislation swiftly, corporations have demonstrated difficulty in accepting and implementing new measures that lead to a free market. People who should be supporting entrepreneurs are becoming complacent. Newly founded SMMEs are finding it difficult to integrate into the market economy on a functional level, and some successful and functional businesses are closing. Certain economies achieved notable and fruitful strides in the direction of liberal markets, notwithstanding some resistance to reforms in the market. The degree of development and the connections between the political, economic, and social institutions as well as new markets and company ownership patterns should be taken into account in any examination of the success or failure of SMMEs throughout the transitional periods (Wilson et al., 2016). Transition is a process that varies from nation to nation and encounters various environmental circumstances. Numerous company structures might arise as a result of political, institutional, and economic developments (Wilson et al., 2016; Milošević et al., 2019).

This section provides an overview of the basic issues and mistakes that small and medium-sized enterprises (SMMEs) in South Africa face when they first open for business.

4.4.1 Managerial Inexperience

SMMEs are significantly impacted by the lack of management talent, which is a problem in most nations. Insufficient support services can impede small and medium-sized enterprises' (SMMEs) attempts to enhance their management. This is because consulting firms frequently lack the necessary, affordable management solutions for SMMEs, and in spite of the many institutions that offer training and advisory services, the SMME sector as a whole still lacks certain skills, such as business and financial management. This is because some entrepreneurs do not recognise the need to enhance their abilities because they are complacent, while others cannot afford the high expense of training and consultancy services. When it comes to technology, SMMEs frequently struggle to obtain the right tools and knowledge about the methods that are out there (Debeila,2018).

The efficient implementation of strategy depends heavily on the management of an organization's resources. This is arguably the most significant strategic leadership move. In order to accomplish the organization's strategic goal, strategic management focuses on matching an organization's internal resources to external opportunities. An organization's internal resources are its physical assets, human resources, organisational resources, and financial resources (financial capital that organisations employ to design and implement strategy), according to Bushe (2019) These include the characteristics of individual groups as well as the organization's strategy, structure, regulations, culture, reputation, and unofficial connections between its many units (Joseph, 2019).

The ability of a leader to foresee, visualise, remain adaptable, and enable others to bring about strategic change within an organisation is known as strategic leadership (Hitt et al., 2007). The multifunctional nature of strategic leadership includes managing through others and supporting the procedures needed to make sure that businesses are able to adapt to the constant change that characterises the modern, international business environment. Determining the organization's strategic direction, putting in place organisational controls, managing the resources of the organisation well, maintaining an effective organisational culture, and placing a strong emphasis on ethical behaviour are all examples of strategic leadership acts. These are critical steps in the strategy's execution, and executives that take them will undoubtedly have a seamless strategy implementation that boosts performance (Joseph, 2019).

4.4.2 Inaccessibly of Finance

For the majority of purposeful entrepreneurs, financial access is a common issue. GEM research has demonstrated that the conflict between an entrepreneur's capacity and what

investors demand is what drives the underfunding predicament (Gem SA, 2020). The development of SMMEs is severely hampered by a lack of sufficient funding. Even though SMMEs are acknowledged as having a significant role in the development of many developing nations, their capacity to grow is always hampered by the lack of funding available to satisfy their various operational and investment requirements. According to a World Bank study, almost 90% of small businesses questioned said that credit was a significant barrier to future investment (Debeila, 2018).

When it comes to financing challenges, smaller enterprises have greater obstacles. The converse is true in terms of hiring and keeping employees: smaller businesses have an easier time hiring and keeping employees, most likely because they do not require as many employees as, say, microbusinesses. The Scheffe post-hoc test showed that very tiny businesses and medium-sized firms have considerably different perspectives on the difficulty of hiring and keeping employees, while microbusinesses and small and medium-sized businesses have significantly different perspectives (Botha et al., 2020).

Based on scale, it seems that a company needs more skilled workers the more advanced it becomes. Because of the skills gap in South Africa (Bruwer et al., 2017b), small and medium-sized firms find it difficult to hire and retain employees. Regarding the daily struggles that SMMEs confront, the size of the company does influence the opinions of other firms (Botha et al., 2020).

It should come as no surprise that Agyei (2018) concur that getting financing is challenging. The results are consistent with Sitharam and Hogue (2016; Fatoki, 2021) found that, in spite of the numerous initiatives offered by the public and private sectors, business owners in South Africa consider access to financing as a major issue. Sitharam and Hogue (2016) and Mahembe and Hussain, Salia, Karim (2018) agree that a significant fraction of SMMEs are shut out of the financial sector, and that the rejection rate for bank financing is high for those who do apply (Fatoki, 2021).

4.4.3 Inaccessible Markets

Since many rural areas lack market access, one of the main things endangering SMMEs' longevity has been identified as their inability to access markets. One of the primary prerequisites (set by loan providers) for early access to funding and mentorship is market accessibility; yet small firms in rural regions have a disadvantage in comparison to their metropolitan counterparts. Small companies in rural areas have a hard time organising into groups to increase their negotiating leverage, which makes it challenging for them to influence government agencies to better meet their needs. Spatial cluster formation is a recommended

strategy; nevertheless, it is mostly recommended for SMMEs that have outgrown their start-up period, as clustering may put vulnerable small enterprises in highly competitive markets (SEDA, 2016).

Economic inclusion, product and service innovation, and reasonable and equitable pricing are all benefited by open, effective market systems and healthy competition (GemSA, 2020). It should be noted that the claim is highly dependent on the specific business or industry in which it operates (Fatoki, 2021). Big monopolies still virtually control most of the South African market (retail and wholesale, energy supply, telecommunications, financial services and the transport sector being prime examples). This makes it more expensive for small businesses to operate and makes it harder for them to access markets, particularly chances for government procurement (GemSA, 2020).

In contrast to large corporations, small and medium-sized enterprises (SMMEs) often provide a narrower range of products in fewer markets and prioritise product development and market penetration above market expansion and diversification tactics. Furthermore, small and medium-sized enterprises (SMMEs) typically lack the resources to establish central service departments capable of carrying out intricate market research and analysis since they primarily operate in one or a small number of markets with a small number of goods or services, frequently even in a market niche (Tonuchi, 2018). Furthermore, they typically own fewer resources overall and have less access to both human and financial capital. Consequently, formal planning procedures are frequently not applied, especially up to a certain "critical scale." Time is one of the most critical success variables for small business owners, and as such, it greatly affects the outcome of any activity-optimization decisions the entrepreneur makes (Tonuchi, 2018). In SMMEs, the process of making strategic decisions is frequently dependent on guesswork, experience, or intuition. These arguments highlight prospects for strategy creation in SMMEs as well as special problem-solving abilities (Joseph, 2019).

According to Van Scheers and Makhitha (2016), the strategic marketing-planning stage is essential to any company's success; the system or process has been created to assist management in formulating strategic visions and making quick decisions. The authors stress that many mistakes are made in small business when strategic planning is not implemented, even though the process is a well-researched area of marketing management and there is a wealth of literature on the topic (Van Scheers and Makhitha, 2016).

Over the years, many terms have been used to describe the process of formulating strategies, including budgeting, long-range planning, strategic planning, and strategic market-management. Although these many terms are interchangeable and have similar meanings,

there are some helpful distinctions that become apparent when considering them from a historical standpoint. Whereas "strategic marketing planning" concentrates on the small business's market environment, "strategic planning," which first appeared in the 1960s, 1970s, and 1980s, is more focused with evolving business thrusts and capacities (Van Scheers and Makhitha, 2016; Utami, Tatik, Muttahari and Khairunnisa, 2024).

Utami et al. (2024) go on to say that the South African SMME sector lacks access to experts and specialists in marketing. As a result, there is a lack of proper strategic planning, which raises the failure rate of businesses (GEM, 2020). The two main causes of SMMEs' failures are inadequate strategic marketing planning and a lack of marketing. According to GEM's 2020 study, small firms continue to struggle with successful product marketing. According to Van Scheers (2016), business failure and SMEs' lack of strategic marketing planning are positively correlated. In order to understand the strategic planning practises in SMEs, Wang et al. (2008) claim that understanding the reasons behind the SME business-owner's decisions to go into business is crucial. These reasons are also used as a substitute explanation for the barriers to strategic planning, which explains why many SMEs have little or no strategic planning at all. Eighty percent of SMMEs are in business because they saw an opportunity to start a business (Utami et al., 2024)

4.4.4 Business Strategy

Strategic planning is the process of determining a small company's goals and objectives, as well as how to allocate resources to achieve them, by picturing a desirable future for the company. Thus, part of strategic planning includes clearly stating the small business's goal and assessing its current state as well as potential competing environments (Achieng and Malatji, 2022).

The modern business climate is defined by escalating levels of rivalry, globalisation of the global economy, quick technical advancements, and rising worker, supplier, and customer demands. In this volatile and dynamic corporate world, strategic thinking and decision-making are essential for surviving and expanding (Agyei, 2018). While there is disagreement and inconclusive data regarding the correlation between business planning and organisational performance, it is widely acknowledged that strategic planning plays a crucial role in tackling these problems (Joseph, 2019).

Since large corporations have been using strategic management tools extensively and the idea that rational and economic decision-making should prevail in businesses of all sizes has gained widespread acceptance, scholars and practitioners have recently called for a more significant use of strategic planning in small and medium-sized enterprises (SMMEs). Though

most strategic management techniques and principles are assumed to be independent of a company's size, small and medium-sized enterprises (SMMEs) often lack the resources required to successfully implement strategic management efforts. Compared to larger businesses, SMMEs typically exhibit low resource levels, limited access to human capital, low financial capital, limited access to selling markets, and inadequately developed administration. As a result, formal planning mechanisms are frequently not used, especially until a certain "critical size" (Tonuchi, 2018; Joseph, 2019).

Even though the future cannot be predicted, one can plan for it and other "futures" and position their organisation appropriately. Rather than creating strategic goals and aspirations, strategic planning, as opposed to strategic management, concentrates on predicting future trends from present ones. It so provides strategies and procedures for the accomplishment of specific goals and aspirations. Because it establishes the foundational needs and the boundaries for future business activities, it is an essential instrument for overall strategic management.

Joseph (2019) identifies five distinct planning types that vary in complexity: (1) fundamental financial plans; (2) forecast-based planning; (3) externally-oriented planning (where the entrepreneur begins thinking strategically); (4) proactive planning for the company's future (instead of reacting to market changes); and (5) strategic planning as a strategic management technique. True entrepreneurs, according to many SMME decision-makers, are assumed to focus on operational or sales activities in order to maximise their limited time resources rather than making plans (Joseph, 2019).

From the standpoint of the business owner, there are three primary objections to the use of strategic processes in SMMEs: first, that strategic instruments limit adaptability and improvisation; second, that it is preferable to allocate the scarce time resources to operations, sales, or research and development activities rather than to strategy development processes; and third, that strategic management is unduly bureaucratic (Joseph, 2019; Agyei, 2018).

Several studies have shown that one of the main reasons a firm fails is because it is not able to plan well. Agyei (2018) contends that without a well-defined strategy, a business cannot establish and maintain a competitive advantage in the marketplace. These authors assert that businesses with a strategic planning approach are more likely to succeed. Nevertheless, they argue that without a well-defined strategy, a business cannot build and maintain a competitive edge in the market over the long term. In other words, while strategic planning can result in a rise in performance, performance can lead to commercial success. However, assertions such as this must be supported by factual research (Utami et al., 2024).

Many SMMEs' decision-makers firmly believe that true entrepreneurs don't develop plans. Instead, it is thought that they make better use of the little time they have for sales or operational tasks. Furthermore, formal planning is generally seen to be unsuitable for large corporations and/or bureaucratic organisations, making it inapplicable to the needs of SMMEs with flexible organisational structures and quick turnaround times. Three main concerns are raised by entrepreneurs regarding the application of strategic procedures in SMMEs (GEM, 2020). These are that strategic management is overly bureaucratic; it makes more sense to allocate the limited time resources to operational, sales, or R&D operations rather than to strategy-formulation procedures; and strategic metrics and instruments hinder flexibility and the capacity for improvisation. However, Fatoki (2021) states that it is crucial to regularly stay informed about corporate goals and their attainment, particularly in times of increasing dynamics and uncertainty. As a result, they advise considering the strategy-formulation process as an investment for the future. In this sense, the predictability of potential future situations and variations serves as the primary application of strategic planning. However, it is also possible to explain managers' reluctance to plan by their concern that if they devote too much to their goals, their staff may become unmanageable (GEM, 2020).

Most of the popular strategy concepts, which date mostly from the 1980s, were created for large corporations, which typically exhibit greater awareness of current issues and, as a result, devote more resources to this area. Nevertheless, some of these concepts and tools also appear to be appropriate for use in small and medium-sized enterprises. Therefore, a tailored approach for SMMEs must take into consideration their circumstances and issues (Tonuchi, 2018).

Small and medium-sized businesses (SMMEs) typically use product development and market penetration strategies rather than market development or diversification techniques, and they frequently offer a limited range of products on a smaller number of marketplaces. SMMEs usually lack the resources to establish central service departments capable of conducting comprehensive market research and analysis because they typically only operate in one or a small number of marketplaces and offer a limited number of goods or services, frequently even in a narrow market niche (Van Scheers and Makhitha, 2016; GEM, 2020). . Moreover, they generally own fewer resources and have restricted access to both financial and human capital. Formal planning procedures are therefore usually disregarded, especially up until a certain "critical scale". Time is the most important component of a small business owner's success. As a result, it significantly affects the outcome of any "activity-optimizing" factors the entrepreneur may have (Tonuchi, 2018). Furthermore, SMMEs frequently rely on guesswork, intuition, or past experience when making strategic decisions. These arguments highlight issues as well as chances for SMME strategy development (Fatoki, 2021).

SMMEs do not necessarily have a highly formalised or sophisticated approach to planning. It frequently manifests as an indication of strategic thinking, if not overtly. Therefore, it is unclear if SMMEs just do not plan in a formal manner or if they do not prepare "strategically." In this vein, Van Scheers and Makhitha (2016; Fatoki, 2021). assert that strategic planning is important in and of itself, but that planning quality is crucial. SMME planning appears to be rather irregular, gradual, intermittent, and frequently not codified. This points to an entrepreneurial team's or individual's rather systematic way of thinking, which could have long-term effects on the company. The real-world decision-making process frequently differs significantly from the idealised conception of rationality. During this process, entrepreneurs may focus too much on developing their vision and engaging in informal strategic management at the expense of routine planning (Tonuchi, 2018).

4.4.5 Characteristics of an entrepreneur which influence success or failure

There are numerous schools of thought and debates among academics in both developed and developing nations regarding characteristics that impact the success or failure of SMMEs. Individual traits of small company owners are not universally applicable, since they are shaped by a multitude of factors including culture, national legislation, and the degree of economic growth in each nation, similar to many other aspects of the SMME sector (Matebesi, 2019). Entrepreneurial success is facilitated by a number of factors, according to Mahadalle and Kaplan (2017).

Xu (2017; Jamie and ,2020) listed about twenty-one entrepreneurial attributes, which were discussed in the preceding chapter. However, the list is not exhaustive since new perceptive qualities are being added. However, Chavez (2016) concurs that the most talked-about personality traits of an entrepreneur are the "Big Three": the drive for achievement, the locus of control, and the predisposition for taking risks. Because these three qualities have been cited by numerous authors as the most crucial aspects of an entrepreneurial mentality, the study will focus on examining them in more detail in this chapter (Xu, 2017).

4.4.5.1 Need for achievement

The desire to succeed is known as the need for achievement (nAch). High nAch individuals aim to start their own business and are driven to succeed. They wish to project an image of themselves as capable businesspeople who can launch profitable ventures in cutthroat industries (Karabulut, 2016).

One way to characterise the nAch is as someone who aspires to achievement. Numerous studies demonstrate the important impacts of nAch on the intents of entrepreneurs (Karabulut,

2016). According to McClelland (1961), persons who have greater aspirations for achievement are also more likely to become entrepreneurs.

As acknowledged, intentions are the most important factor in interpreting actions. Intentions are the primary subjects of concern when examining entrepreneurship in any given nation (Akolgo et al., 2018). The entrepreneurial intentions are the desires for starting a new business and defined as “intentionality represents a state of mind that can turn behaviours into actual actions” (Vodă and Florea, 2019). Past studies have explained that entrepreneurial intentions focus on - intentions to start-up a business and turns these intentions into actual business activities (Akhtar, Hongyuan, Iqbal, and Ankomah, 2020). Untu and Widjaja (2019) found that the need for achievement is a positive predictor of entrepreneurial intentions (Pranata, Khairinal and Denmar, 2021).

In this case, intentions refer to the ideas of the entrepreneurs that emphasise the advantages of launching a company and eliminating the risk of failure. An additional definition of entrepreneurial intents is the evolving mindset of an individual or entrepreneur and their desire to launch novel companies or generate many core, financially viable concepts in the contemporary economy (Khuong and An, 2016). The amount of work that a person puts forth to demonstrate authentic behaviour in business start-ups by acquiring the specialised knowledge necessary to carry out activities driven by the objectives is referred to as their entrepreneurial intents. As a result, researchers have been examining in great detail what motivates people to engage in particular behaviours in various contexts (Kabir, Haque, & Sarwar, 2017; Akhtar et al, 2020).

People who want to start their own businesses gather required resources in order to advance their personal initiatives. Entrepreneurial activities are the result of entrepreneurial intentions. The means by which companies advance and the methods for pursuing a career as a business owner are aided by the relevance of entrepreneurial aspirations (Karabulut, 2016). Personality characteristics that influence entrepreneurial intentions include self-efficacy and the drive for success (Akhtar et al, 2020).

The need for achievement is the drive within a person to perform noteworthy tasks, gain proficiency in new abilities, and reach difficult objectives. Scholars speculate that entrepreneurs may have a strong drive for success since starting a business from the ground up showcases a person's unique skills in ways that are frequently difficult to replicate when operating in a system where accountability is distributed. The literature provides substantial support for this crucial role for the demand for accomplishment in addition to LOC along several aspects (Jamie and ,2020).

Success is correlated with the five basic self-actualization driving requirements of an entrepreneur. The need for achievement, according to Lam, Azriel, and Swanger (2017), is a representation of a person's responsibility for acting in ways that result in the accomplishment of their intended outcome. Demanding success is associated with organisational spontaneity, task interest, and a positive attitude. According to research, the will to succeed and the intentions required to boost business activity in entrepreneurial firm settings have a strong and dynamic relationship (Kabir et al., 2017). The free-enterprise research indicates that management students who get extraordinarily high marks on the desire for achievement are more likely to go into entrepreneurship and lead businesses (Akhtar et al., 2020).

The "desire for achievement" connected to entrepreneurial goals influences professional goals in the short, medium, and long terms. Small business owners have an impact on entrepreneurs' intentions because, according to entrepreneurial research, they have a stronger drive for success (Lam et al., 2017; Akhtar et al., 2020).

There are not much research in the literature on entrepreneurship and the need for achievement that look at the direct connection between the drive for achievement and entrepreneurial behaviour, but the data suggest diverse conclusions. For instance, McClelland (1965) and Durand and Shea (1974) discovered that the urge for achievement is a major driving force for EB; however, McClelland (1972) did not find any evidence to support this finding. These disparities highlight the need for additional research to examine the connection between the pursuit of achievement and entrepreneurial behaviour (EB) (Saif, 2020). Low nAch was linked to low motivation, low expectations, failure, and low competence as well as self-blame (Karabulut, 2016; Jamie and ,2020)

4.4.5.2 Locus of control (LOC)

Although personal attributes are crucial for the establishment and development of an organisation, they can also help, hurt, or even jeopardise the viability of the enterprise. Long-term research has been done on the connection between a leader's personality and the performance of their organisation; it is thought that these attributes are essentially distinct. One of the psychological traits that have been utilised to distinguish effective owners and managers in the business sector is the locus of control, which serves as a crucial framework for many behaviours (Hamzah, and Othman, 2022).

Literature really contends that owners and managers have distinct loci of influence. According to Gilad (1982) and Ward (1992), managers are distinguished by an outward locus of control, whereas owners have an internal locus of control. While Spector (1982) argues that managers

and owners have the same locus of control, Honda and Zuffa (1997) point out that owners have an outward locus of control and administrators have an internal locus of control, with the former being more effective than the latter (Hamzah, and Othman, 2022).

One of the personality factors is locus of control, which is characterised as a person's conviction that they can steer their own course in life (Musdalifah and Baharuddin, 2015). However, Arkorful, and Hilton (2021). argue that the definition of locus of control is an individual's belief about the how and where of the pleasurable or painful occurrences that they perceive to originate. "External control" is described as the conviction that persons or outside factors are responsible for the occurrences in your life, whereas "internal control" refers to the conviction that people's actions determine what occurs (Arkorful, and Hilton, 2021).

One essential feature in the literature on entrepreneurship is the locus of control (LOC). Rotter (1954) first proposed the LOC notion in his theory of social learning. A person with an external LOC feels that external circumstances, fate, or random events are the real forces shaping their life, while a person with an internal LOC feels that their choices determine their destiny. People with an internal locus of control (LOC) believe that their own skills, efforts, or aptitudes can influence outcomes rather than having external causes dictate these outcomes (Kerr et al, 2017).

Research indicates a robust association between the locus of control and professional conduct. People with an internal locus of control, according to Agbenyegah (2013; Rayawan and Efrata, 2017). and Escalera-Chavez, Garcia-Santillan, Moreno-Garcaa, and Margain-Fuentes (2014), set more difficult goals, exhibit internal motivation, and are more committed to their work, whereas those with an external locus of control search for external incentives, such as a greater pay or financial stimulus. Owners and managers can take control of the workplace and offer the required results and rewards by using an internal locus of control (Arkorful, and Hilton, 2021).

Similarly, Pranata, Khairinal, and Denmar (2021) show that the profitability of an organisation is influenced by its locus of control. Therefore, while leaders with an external locus of control are passive in their businesses and view outside occurrences as variables influencing their earnings, leaders with an internal locus of control have confidence in their power to alter their surroundings and generate larger profits (Escalera-Chavez et al., 2014; Arkorful, and Hilton, 2021).

The internal locus of control and entrepreneurship are significantly correlated, claim Pranata et al. (2021). This is because the actions that entrepreneurs take set the incentive system that they will follow. When an entrepreneur recognises opportunities in their surroundings before

potential distractions, they are thought to possess both personal destiny and environmental control (Karabulut, 2016).

Within the population of entrepreneurs, venture growth is further correlated with a higher internal LOC (Kerr et al, 2017). Since fate and luck are not the primary determinants of business outcomes, entrepreneurs have faith in themselves rather than in the failures of previous initiatives. Additionally, a higher internal LOC is linked to venture growth (Kerr et al, 2017).

Harper's thesis states that individual entrepreneurs possessing an internal locus of control are capable of being alert enough to recognise openings and take advantage of greater opportunities for entrepreneurial endeavours (Pranata et al., 2021). Entrepreneurs think that obstacles in their firm can be managed and overcome, and that they have significant influence on the results of their individual actions. Scholars contend that people can succeed in entrepreneurial situations only if they have faith in the current economic systems and other relevant factors. The idea that entrepreneurs are controlled from within in order to achieve great success, become responsible, and develop self-confidence is strongly supported (Agbenyegah, 2013; Kerr et al., 2017; Rayawan and Efrata, 2017).

According to Rotter (1966), internal LoC is associated with entrepreneurs who think that the rewards they receive are a direct result of their actions. High internal LOC individuals believe they have control over their destiny and that they need to work harder and be more tenacious in order to achieve the goals necessary to launch and run new businesses. However, those who are under external control may exhibit passivity. If they feel that they have no control over the results, they might not even make an effort to alter their surroundings or start a new business (Karabulut, 2016; Rayawan and Efrata, 2017).

4.4.5.3 Taking Calculated Risks

It is very dangerous to venture into the world of business, especially if you are looking for huge growth chances. According to Åstebro et al. (2014), 75% of founders leave their company with no equity, and after six years, more than half of start-ups would cease operations. So, what is it that entices 400,000 Americans annually to launch a business that employs at least one person? Risk tolerance is one well-known hypothesis, which we discuss in this section (Pranata et al., 2021).

Taking a measured risk is the newest strategy in business. Due to the fact that taking risks can result in both success and failure, entrepreneurs should weigh the pros and cons of taking risks at every stage of their business before taking them. Since entrepreneurs are greater risk-takers than other people, being able to endure risk is essential to their success. When they

choose to launch their own enterprises, entrepreneurs take chances with their careers, finances, families, and reputations. Anyone who can take calculated risks can want to be an entrepreneur and launch their own company (Karabulut, 2016).

Risk and entrepreneurship have been discussed since Knight (1921), who suggests that what sets entrepreneurs apart from others is their keen ability to recognise opportunities and act on them in spite of risks and uncertainties. The author also makes a distinction between uncertainty and risk. A situation that involves known future global conditions even though they are beyond one's control is referred to as risky (where it is hard to even describe exactly what the future states might be). While pure risk may often be priced and diversified away, Knight (1921) describes entrepreneurs as people who can handle this commercial uncertainty well. Even though this distinction is clear and significant, most subsequent studies have persisted in combining risk and uncertainty (Kerr et al, 2017).

According to Schumpeter (1942), entrepreneurs must be willing to take chances when making decisions. According to Cantillon and Mill (1700), an entrepreneur's willingness to take risks sets them apart from managers or staff (Kerr et al,2017). Numerous empirical investigations have been carried out to ascertain the inclination towards taking risks as a crucial element in comprehending an entrepreneur. They verified that a person's inclination for taking risks significantly influenced their entrepreneurship (Kerr et al, 2017).

The prevailing literature studies identify the inclination towards uncertainty and entrepreneurial risk as the fundamental features of entrepreneurship. Entrepreneurs typically encounter uncertainty and the possibility of their businesses failing because significant business decisions are made during inventive processes. In his 1776 thesis, Adam Smith outlined in great detail the traits of risk-taking, including realistic opportunity analysis and calculated risk-taking, both of which have a favourable impact on entrepreneurship. Since most entrepreneurial activities take place in unpredictable business contexts, risk is a fundamental component of most entrepreneurial endeavours (Agbenyegah, 2013; Rayawan and Efrata, 2017).

The terms "risk preferences," "risk tolerance," "risk aversion," and "risk propensity" are used in the literature to refer to different aspects of risk attitudes. Every application of the notion aims to address the topic of whether a person's personality makes them more likely to take on the hazardous conditions of entrepreneurship and how this attribute affects results (Kerr et al,2017). To increase entrepreneurial activity, strategically, business owners attempt to distribute the inherent financial and business risks, convince partners and investors of investment opportunities, draw in creditors for favourable terms, and induce suppliers to give long-term advances on goods (Kuratko and Hodgetts, 2004). As a result, the term

"entrepreneur" refers to someone who takes risks and establishes businesses with exceptional natural talents and business concepts (Agbenyegah, 2013; Rayawan and Efrata, 2017).

A noteworthy correlation was noted by Gondaliya and Dhinaiya (2016) between investor demographics and risk tolerance. They made the point that there was a strong correlation between an investor's level of risk tolerance and variables such as age, occupation, education, marital status, and annual income (Athira and Kakkakunnan, 2020).

In their study, Gupta and Agarwal (2018) addressed the relationship between the personality traits and biases exhibited by portfolio investors. The findings made it clear that neuroticism, extraversion, and overconfidence biases are positively correlated with randomness, hindsight, and overconfidence, respectively. However, there was a negative association found between the openness trait and availability bias, conscientiousness and randomness bias, and agreeableness and randomness bias. They fervently believe that investors will benefit from knowing their personalities and biases because it will help them make better selections (Athira et al., 2020).

Dhiman and Raheja (2018) investigated the connections between a person's emotional intelligence, personality traits, and risk tolerance. The study found that investors who rated highly on agreeableness, extraversion, and openness also preferred to take on more risk. According to an emotional intelligence analysis, investors who are adept at managing their emotions, driven, and self-aware of their advantages and disadvantages, take on greater risk and make wiser investment choices than those who are not. The researchers concluded that an investor's personality and emotional intelligence are important factors that determine their level of risk tolerance, with emotional intelligence having the greatest influence (Athira et al., 2020).

Dickason and Ferreira (2018) divided investors into groups based on their personality traits and degree of risk tolerance. To evaluate how investors, select investments, they conducted a study to determine which investing biases are linked to which investor group. They saw that investors who were conservative and had poor risk tolerance showed signs of mental accounting and loss-aversion bias, which means they hold onto their assets even when they are losing money. Growth-oriented, moderately risk-taking investors were more likely to exhibit overconfidence, availability, regret aversion, and anchoring bias, all of which indicated that they placed more weight on information from the past than on information from the present. Anxious investors with a high-risk tolerance have a self-control bias and are prone to acting on impulse without thinking through the repercussions of their choices (Athira et al., 2020).

On the other hand, entrepreneurs work hard to steer clear of strange and needless business risks, like taking on personal and financial debt, giving consumers credit, and convincing other

stakeholders to share underlying business and financial risks. A sufficient degree of risk management and proper control are two essential ingredients for a successful business. In general, business owners take measured risks and try to work around obstacles in order to maximise profits (Pranata et al., 2021).

Investment companies can use this type of investor profiled by Dickason and Ferreira (2018) to better understand how decisions are made about investments and develop investment solutions that are appropriate for all investor types. By concentrating on an investor's personality, Athira and Kakkakunnan (2020) highlighted their short- and long-term investing ambitions. They discovered that although more experimental people favoured long-term investments and took on greater risk, extraverts invested in short-term securities. According to Thomas and Rajendran (2012), an investor's personality undoubtedly influences their decisions and preferences. They made the point that understanding one's personality might aid investors in making wise decisions. Finding out an investor's personality would help financial advisers tailor the financial products they offer and provide the right support to investors during their investing process, according to Isidore and Christie (2017). (Athira et al., 2020).

4.5 FAILURE DUE TO THE ENTREPRENEUR, THE ENTERPRISE, AND THE ENVIRONMENT

The subsequent section endeavours to uncover the diverse reasons behind failure, as deemed by eminent scholars in this field, to pinpoint a magic bullet that will propel SMMEs to prosperity. According to Milošević et al. (2019), there are three contexts in which further failure may occur: the entrepreneur's own context, the enterprise's context, and the SMMEs' environment.

4.5.1 The Entrepreneur

While SMMEs can collapse at any point in their business life cycle, research shows that most problems occur in the first two to five years of operation (Eurostat, 2018; U.S. Small Business Administration, 2018). Nikolić et al. (2018) distinguished two main groups of SMME failure causes in their research. One category includes individual variables, such as the characteristics of entrepreneurs and business owners that drive them to start small and medium-sized companies (SMMEs). In the other group, non-individual factors were considered. These included internal elements like business organisation, climate, and culture, as well as external ones like political, economic, social, technological, environmental, legal, and infrastructure difficulties. Consequently, before launching a business, it is essential to find out the entrepreneur's motives (Veličković, 2019).

It is more likely that sound and grounded motivations, such as being aware of market demands, comprehending competitors, being dedicated to either more traditional or more innovative business practises, and taking calculated risks in terms of both their amount and severity, will help one pursue business opportunities more effectively and proactively. Additionally, a prospective entrepreneur may be able to use their former expertise to make up for shortcomings in other areas if they have the correct motivations. According to Nikolić et al. (2018), motivation has a significant role in how well a person recovers from a setback. In addition to the driving force behind starting a firm, human aspects are identified as key contributors to failure (Jovanović et al., 2018). The fundamental tenet of these several scholars is that the characteristics of the entrepreneur serving as the primary decision- and strategy-makers determine an SMME's likelihood of success or failure (Milošević, et al., 2019).

4.5.2 The Enterprise/ Internal Factors

The ability of the owner or management to create and maintain a viable SMME influences internal factors. These elements, which include the skills and resources of the SMMEs as well as the management approach that was developed and applied to resolving new issues, are somewhat controllable. Demands for swift changes from an operational, strategic, and organisational perspective tax SMMEs. Changes necessitate rigorous strategy planning, opportunity capturing, competition monitoring, human resource management, and the creation of adaptable supply chains, despite the fact that they may appear to be external issues (Enwereji, 2023). These duties are directly related to managerial skills, operations, marketing strategy, capital and financial management, human resource management, and strategy in general would be the areas of focus for managerial competencies (Mhlongo et al., 2023). Since they usually have no prior managing training or experience, entrepreneurs design the organisational structure and management style that best suits their needs. For them, making short-term earnings takes precedence over long-term planning and business plan creation (Kamunge et al., 2014). According to Milošević et al. (2019), two of the main challenges in managing small and medium-sized enterprises (SMMEs) are the quantity of available financial assets and the availability of funding (Enwereji, 2023).

In transitional economies, a lack of funds is a major issue because of the underdeveloped market, banks' lack of desire to finance SMMEs, the high cost and short loan approval period, and the high fees and taxes (Wang, 2016). In addition, a broad group of businesses with a variety of attributes are referred to as "SMMEs," including the number of employees, the management style, the material and financial assets, and the accessibility of banks and other financial institutions (Kalak & Hudson, 2016). The size of the company and assessments of its financial risk have a direct impact on how creditors' institutions treat SMMEs (Gupta et al.,

2015; Kalak & Hudson, 2016). Research suggests that the likelihood of insolvency varies throughout organisations with different asset levels because of the intensity of debt demands made by creditors against larger corporations (Enwereji, 2023). A lack of funding limits SMMEs' ability to adopt new technologies, embrace them, and put creative solutions into practise (Kamunge et al., 2014). According to Milošević et al. (2019), arranging efficient supply chains, purchasing, and liabilities are additional financial restrictions.

4.5.3 The Environment/ External factors

Although the likelihood of external factors having a major impact is quite low, the entrepreneur must nevertheless be proactive because these elements might be critical to small and medium-sized businesses' survival. Participation in successful SMMEs is necessary to emphasise the importance of financial institutions. Governments should focus more on developing settings that encourage SMME expansion than on offering subsidies when they wish to support the growth of SMMEs. A suitable environment would include things like the development of a supportive legal and financial framework, enhanced information sharing, ease of doing business, and a decrease in setup regulations and bureaucracy (The World Bank, 2019a).

There are several ways in which business and society are intimately intertwined. The corporate environment and socio-cultural components are closely related due to customs, religion, affinity, and viewpoints. Sociocultural, demographic, and environmental issues provide significant challenges for small and medium-sized enterprises (SMMEs) since they impact customer behaviour, worker eligibility, and market size. If small and medium-sized enterprises (SMMEs) do not focus on niche markets with distinct requirements, they may face serious operational problems and fail to follow customer behaviour. According to Johnson et al. (2014) and Milošević et al. (2019), social characteristics that small and medium-sized business owners consider are relationships between business partners, a risk-taking mentality, managerial style, and corporate ethics.

4.5.3.1 Electricity Supply

Electricity has played a major role in the economic growth and development of modern nations. A consistent supply of energy is essential for the success of Small and Medium-Sized Enterprises (SMMEs) as well as the nation's economic growth, since most businesses require it as an input (Nkoroa, Ikue-John, Okeke, Amabuiked and Ajabae, 2019). Most small businesses in countries like South Africa and Nigeria struggle to stay in business because of the incredibly unstable electricity supply. Capital expenditure has increased as a result of the

high rates of importation of self-power supply systems in many small and medium-sized firms across nations (Nkoroa et al., 2019).

Businesses have resorted to costly, continuous-operation alternative power sources (self-power supply mechanism) as a result of unpredictable power supplies. Using generators or other alternative energy sources to provide a consistent power supply has a significant impact on businesses' investment costs. Because of these ongoing price hikes, a deterioration in the quality of the supply and customer service, and the fact that many people depend significantly on energy, the interests of the general public are therefore at risk, especially for those who do so (Murithi, 2018). This is the scenario in countries such as Nigeria, where many businesses find it difficult to survive and some close their doors as a result of the unfavourable environment. The country's growth and development are in jeopardy because of the high cost of investments brought on by this unstable electricity supply (Nkoroa et al., 2019).

Power supplies are essential for SMMEs to continue being financially and operationally successful. Businesses cannot run at full capacity or at exorbitant expenses in the absence of electricity or a suitable power source (Murithi, 2018). The biggest frustration for African SMMEs is energy scarcity, which was cited by 25% of respondents in a 2010 World Bank Enterprise Poll. The difficulty obtaining funding is the next biggest source of dissatisfaction (18 percent). Africa is the only continent in the world where power continues to be a significant barrier to economic advancement (Modi and Adamu, 2016; Murithi, 2018).

More than 95% of the electricity produced in South Africa (SA) is produced by a national utility named Eskom (Eskom, 2019). Being the primary energy supplier in the country, Eskom enjoys a monopoly on the South African energy market. Before changing to its current name, Eskom, in 1987, the organisation was known as the Electricity Supply Commission (Eskom). Eskom was established by the South African government in 1922 after the Electricity Act of 1922 was passed. The Electricity Act No. 42 of 1992 states that its goal is "to efficiently, effectively, and sustainably supply energy to the people of the country, with the main objective to ensuring that the present and future requirements and interests of electricity consumers and users are satisfied." (Steenkamp et al., 2016; Botha, 2020).

Nevertheless, as seen by their disastrous debt of R430 billion, which accounts for 15% of all debt in South Africa, Eskom has failed to maintain the Electricity Act. According to Minister of Public Enterprises Pravin Gordhan, the utilities debt is the result of poor craftsmanship, poor maintenance, and a large loss of essential skills. These factors lead to breakdowns, of which 40 percent are the result of human mistake (Du Toit, 2019). The term "load-shedding," which is unique and widely used in South Africa, refers to these failures (Steenkamp et al, 2016). In order to lessen the burden on Eskom, load-shedding is implemented when the demand for

electricity surpasses the supply. It commonly occurs, either with or without prior notice to the buyer. When Eskom employs load-shedding, the energy supply is momentarily cut off in certain areas, impacting both residences and commercial buildings. This is referred to as "rolling blackouts" in other countries (Rouse, 2019). Energy analyst Chris Yellend estimates that load-shedding, or unsold energy, costs the country R1 billion daily, per stage (Business Tech, 2019; Botha, 2020).

Economists in South Africa have issued warnings, stating that "load-shedding" will force small firms to close (Assan and Masibi, 2015). Small, medium, and micro enterprises (SMMEs) may be more vulnerable than large organisations, according to Ado and Josiah (2015). The primary reason for this is because small and medium-sized enterprises (SMMEs) lack the financial, human, and capital resources needed to embrace alternatives, and the majority of them are unable to finance backup facilities that would offer a consistent supply of electricity (Ado and Josiah, 2015).

4.5.3.2 Taxation

Even while SMMEs have made a significant socioeconomic contribution to South Africa, it is concerning to see that these companies have some of the lowest sustainability rates worldwide (Moloi, 2013; Bruwer, 2018). The majority of the time, this results from the mishandling of economic issues, one of which is taxes (Swart, 2011; SAICA, 2015). Taxation is defined as the procedure by which the government requires its citizens natural or artificial to contribute a portion of their income to the state for spending purposes (Abor et al., 2011). Taxation in South Africa is divided into two main categories:

- Direct Taxation: Taxes that are directly imposed on residents' income, assets, and/or wealth (for example, Income Taxation, Municipal Taxes and Business Taxation).
- Indirect Taxation: Indirect taxes assessed against residents' income, assets, and/or wealth (for example Value Added Taxation and Customs and Excise Taxation).

The governmental agency in charge of collecting taxes in South Africa is the South African Revenue Service (SARS) (SARS, 2020). According to SARS (2019), taxes brought in R1 287 690 million for the 2018–2019 fiscal year. Of this amount, R758 853 million (58.93 percent of total taxes) came from direct taxes, while R528 837 million (41.07 percent) came from indirect taxes (Bruwer, 2020). Based on the previously cited data, it was believed that the yearly rise in excise and customs duties negatively affected South African small and medium-sized enterprises (SMMEs), especially those involved in the sale of plastic bags, alcohol, and tobacco products (Bruwer, 2020).

4.5.3.3 Access to Reliable Information

Another challenge facing SMMEs in Africa is the lack of adequate business information from governments and service providers. The problem originates from a poor information environment caused by inadequate business support systems, weak communication and technological infrastructures, and underdeveloped infrastructures (Kamunge et al., 2014; Oshikoya & Hussain, 2007). When organisations have access to the appropriate technology and related support systems, like hardware and software, they may operate more effectively and efficiently. For SMMEs to fulfil their vital developmental role, African governments and other entities must consider the fact that this decreases production and running costs (Muriithi, 2017).

4.5.3.4 Competency and Capability

The absence of managerial competency, which refers to the knowledge, abilities, and experience of company owners and managers, is a significant issue for many SMMEs. The foundation for the development of competencies is a manager's capacity to combine material and immaterial resources to produce capabilities, which, when successful, lead to competences (Muriithi, 2018). Beyond administrative competency, Hewitt and Wield (1992) argue that the importance of human resource competencies cannot be emphasised. With the correct people and an educated workforce, SMMEs run efficiently. These businesses also witness strong growth from skilled and motivated employees, which eventually results in high productivity and the long-term viability and sustainability of a business (Utete and Zhou, 2023).

4.5.3.5 Lack of Government Support

Small and medium-sized companies (SMMEs) are greatly aided by the government on a global scale, as it moulds the favourable or unfavourable conditions that promote corporate expansion. Many businesses find it challenging to survive when the government pays little attention to the SMME sector, which leaves it open to harm. A government that fails to support small and medium-sized enterprises (SMMEs) not only damages the sector but also stunts its economic growth. To create an environment that is conducive to the growth of small and medium-sized enterprises (SMMEs), the government considers factors such as infrastructure, taxation, licencing, opportunities, wage structure, and technological support. Government-established regulatory frameworks possess the ability to bolster or debilitate the small business industry (Utete and Zhou, 2023). Notably, cumbersome rules and regulations, unfair competition, punitive environments, and unfavourable tax structures all significantly limit the

expansion of SMMEs (Davidsson, 1989; Krasniqi, 2007). These legal requirements vary by country (Muirithi, 2018; Utete and Zhou, 2023).

4.5.3.6 Corruption

For enterprises in Africa, corruption is a major issue. SMMEs are compelled to divert their well-intentioned cash to non-financial endeavours because of this immoral behaviour. Corruption has spread throughout many countries, particularly when it comes from public employees who act corruptly before getting paid. For SMME owners, this means exceeding or falling short of their allotted budget to cover pointless costs that also reduce revenue and negatively impact the operation of the business (Benzing & Chu, 2012). These immoral practises continue to have a detrimental effect on African governments' attempts to assist SMMEs across the continent. Some of the most corrupt countries in the world are found in Africa (Transparency International Corruptions Perception Index, 2007). These acts put in jeopardy carefully thought-out plans and commitment to reducing poverty and boosting economic prosperity throughout Africa (Muirithi, 2018).

Even while corruption is a worldwide problem, developing nations like South Africa are seen to be particularly affected by it (Soliman and Cable, 2011; Borat et al, 2018). The reason that most developing nations battle with corruption is that money meant to achieve socioeconomic and developmental objectives is often syphoned off to enrich a few corrupt elites, undermining these nations' hopes for development. As a result, it is not shocking that the corruption epidemic is raising concerns throughout the world. The United Nations (UN) passed the Convention Against Corruption (CAC) in 2003 in response to increased awareness of the detrimental effects of corruption. This effectively required the 148 members to establish anti-corruption laws (Soliman & Cable, 2011). (Bhorat et al., 2018; Mangaka and Nkuna, 2014).

Scholars, practitioners, and members of civil society who engage in public administration research concur that corruption within the public sector has a significant detrimental impact on service delivery. The realisation that corruption not only undermines the country's development goals but also disproportionately affects the poor funds meant to help them escape poverty ultimately end up enriching a select few corrupt elites is the cause of this. The systemic inequality that has come to define and characterise post-apartheid South Africa is reinforced by these situations. This is demonstrated by the fact that the wealthiest people continue to get richer while the poor continue to get poorer. This situation is incompatible with social and political stability as well as sustainable growth. This is the main reason why good governance cannot exist in a developing country like South Africa without strong anti-corruption initiatives.

The Republic of South Africa's 1996 Constitution lays forth the core principles that public employees ought to follow when doing their duties. One of these principles is the promotion and upkeep of a high standard of professional ethics, and it must come first (Section 195 of the Constitution of the Republic of South Africa, 1996). The Constitution also established organisations known as Chapter Nine (9) institutions, such as the Offices of the Public Protector and the Auditor General, to protect the public sector against immoral and corrupt behaviour (AG). In 2001, the South African public sector, corporate sector, and civic society came together to form the National Anti-Corruption Forum in an effort to collaboratively fight the scourge of corruption (NACF). As a result of this collaborative work, the government accepted the 2002 Public Service Anti-Corruption Strategy as a resolution from NACF (Manyaka and Sebola, 2013; Munyaka and Nkuna, 2014). According to SEDA (2016), the following are the most important strategic considerations:

- Classifying corruption as a crime,
- Ensuring that the basic anti-corruption capacity standards are met by all public service departments; better access to report misconduct; and
- Better protection for witnesses and whistleblowers.

When the Prevention and Combating of Corrupt Activities Act, Act No. 12 of 2004, was enacted, thereby making corruption a crime with a potential punishment of 15 years in jail, the criminalization of corrupt acts found resonance throughout the public sector. To improve access to reporting wrongdoing, a National Anti-Corruption hotline was established for whistleblowers in the same year. Nevertheless, in spite of all these developments, corruption in the South African public sector remains a significant obstacle (Manyaka and Sebola, 2013; Munyaka and Nkuna, 2014; SEDA, 2016). The next page displays a summary chart of the difficulties South African SMMEs face.

TABLE 4.1 CHALLENGES FACING SMMEs IN AFRICA

No.	Challenges	Supporting Resources
1.	Lack of access to Financing	The World Bank, 2006; Muriithi, 2017; Debeilla, 2018; Joseph, 2019; Bushe, 2019 and Botha et al., 2020; Fjose et al., 2010; Hatega, 2007; Kauffmann, 2005; Rajan & Gleacher, 2007; Shah et al., 2013).
2.	Poor Management	Benzing and Chu (2012), Berryman (1983, 1994), Bowen et al. (2009), Brink, Cant & Lightelm (2003), Cover (1933), Harper (1984) ; Hill (1987), McGrath (2002), Peacock (1985), Muriithi (2017), Debeilla (2018), Joseph (2019), Bushe (2019), and Botha et al. (2020).
3.	Inadequate Supply and Cost of Electricity	Hatega, 2007; Debeilla, 2018; Joseph, 2019; Bushe, 2019; Muriithi, 2017; Fjose et al., 2010; World Bank Enterprise Survey, 2010).
4.	Incompetency and incapability	Hewitt & Wield, 1992; Pasanen, 2007; Debeilla, 2018; Joseph, 2019; Bushe, 2019 and Botha et al., 2020). Aylin et al., 2013; Geeta & Hong, 2003; Bhide, 1996; Bouazza et al., 2015; Lee, 2001; Muriithi, 2015).
5.	Negative Perceptions	Amyx, 2005; Bowen et al., 2009; Muriithi,2017).
6.	No access to Reliable Information	Bushe, 2019; Oshikoya & Hussain, 2007; Kamunge et al., 2014).
7.	Lack of Government Support	The following sources: Davidsson (1989); Kamunge et al. (2014); Krasniqi (2007); Debeilla (2018); Joseph (2019); Bushe (2019); and Botha et al. (2020).
8.	Corruption	Transparency International Corruptions Perception Index, 2007; Debeilla, 2018; Joseph, 2019; Bushe, 2019 and Botha et al., 2020; Benzing & Chu, 2012; Chamlee-Wright, 1997; Macculloch, 2001).

Source: (Muriithi, 2017).

The difficulties that SMMEs in the research area and around the nation face are summarised in the above table. What the talks might not have addressed is how failure occurs at different points in the company's life cycle (e.g., when do mistakes in judgement cause a failure?). What kinds of choices, as outlined in Churchill and Lewis's (1983) model, are necessary at every

stage of the business cycle? (Botha et al., 2020; Joseph, 2019; Bushe, 2019; Debeilla, 2018). Below are some examples of these failure factors in South Africa:

4.6 SPECIFIC SMMEs' FAILURE ELEMENTS IN SOUTH AFRICA

Debeilla (2018), Joseph (2019), Bushe (2019), Botha et al. (2020) have identified multiple factors that are substantially accountable for business failure; nevertheless, no comprehensive list or definitive definitions exist. It indicates that there isn't a single, all-inclusive list of explanations that is universally accepted by academics and specialists.

4.6.1 Lack of Entrepreneur Capacity

Typically, the concepts of "inadequate management," "poor business planning," and "inability to handle development" are addressed independently. The study's point of view, however, is that these elements are interconnected because they are all centred around the concept of management, which sees planning as its first essential principle and, when correctly carried out, should also ensure that growth is effectively managed to achieve the objectives. As a result, this study sees insufficient management as involving, among other things, poor planning, direction, and oversight of an SMME's activities, all of which lead to the failure of the business (Debeilla, 2018; Joseph, 2019; Bushe, 2019 and Botha et al., 2020).

4.6.2 Lack of Entrepreneurial Mindset

It may be difficult to describe "attitude," much less an entrepreneurial mindset, but the importance of mindset in business failure cannot be overstated. In his book, Cowdrey (2012) argues that having an entrepreneurial mindset is essential to success and that it plays a significant role in many business failures. A clear and attainable vision, a vision in which all the resources might not be under their control, self-awareness, confidence, self-motivation, a willingness to take calculated risks, a willingness to listen to others, a lack of fear of failure, and a willingness to put in a lot of effort are the nine qualities that the author identifies as being part of an entrepreneurial mindset (Bushe, 2019).

4.6.3 Inadequate Resourcing and Financial Proprietorship

Like children, small enterprises go through numerous stages of development and require different levels of financial support at each stage, according to Bushe (2013a). A firm needs cash (finance), raw or stock materials, machinery, labour, and techniques to get off to a good start. While startup companies can benefit greatly from funding from friends, family, and business associates, as circumstances demand growth, a company may find itself unprepared for the larger financial requirements that come with the acquisition of more sophisticated

technology and equipment, which can send the company into decline. It is imperative to recognise that a company's resources play a major role in its success or failure and are closely associated with the managerial incompetence previously discussed (Debeilla, 2018; Joseph, 2019; Bushe, 2019).

4.6.4 Managerial Incompetence

Managerial incompetence is defined as "management insufficiency" since it stems from a lack of experience in management (Titus n.d. cited in Perry and Pendleton 1983:13). "The main reasons for SMME failures include insufficient managerial experience and abilities in functional areas like marketing and human resources, as well as financial expertise," a study by Brink, Cant, and Ligthelm states (2003). In this case, pointing out the lack of expertise in management is not enough; it is important to highlight specific elements that draw attention to this area of concern, such as controlling, planning, resource allocation, and leadership (Sibiya, 2023).

4.6.5 Lack of Industry Experience

Industry experience is the ability of the company or its founders to understand the factors, forces, and facets of success in the sector in which they work. There are three primary industry sectors: (1) mining, forestry, fishing, and other primary extraction of raw materials from the ground or natural environment; (2) secondary industries, which focus on converting natural resources into useable or consumable goods and services, such as manufacturing, engineering, processing, and beneficiation; and, finally, (3) tertiary industries, which provide commercial and civic services that are often referred to as "aids to trade" and which are involved in getting processed goods and services to the consumer. These are the three main industry sectors (Debeilla, 2018; Joseph, 2019; Bushe, 2019 and Botha et al., 2020).

4.6.6 Inadequate Industry Analysis

Industry analysis is the deliberate process of examining the business environment with the aim of developing a competitive strategy. Numerous frameworks, such as PESTEL analysis, the five competitive forces, and SWOT analysis, are available for use by business organisations. For instance, the SWOT analysis model is a popular method or tool for strategic planning that is meant to help identify the right business strategies that a company should pursue (Bushe, 2019).

There is not enough empirical evidence to judge what an adequate or inadequate industry analysis is. In certain respects, Downes (2005, cited in Smith 2011:503) warns against what he terms "paralysis by analysis," wherein an organisation focuses excessively on analysis and

employs methods that might have worked well in the 1980s, when business cycles were more predictable and industry structures were more stable (Bushe, 2019; Sibiya, 2023).

4.6.7 Poor Financial Management

Poor financial management is the most challenging factor contributing to the failure of most South African businesses, according to a number of studies. In this instance, it happens when a business owner is unable to manage the money coming into and going out of the enterprise. The inability to distinguish between one's personal and business finances has shook most well-meaning organisations, the researcher has observed from conducting multiple training sessions for SMMEs. With a score of 61 percent, CCH Research (2013) in Australia found that the main cause of business failure was an inability to control costs or anticipate growing costs. When an SMME uses company funds for personal expenses, it is typically a clear indication that they don't have the basic bookkeeping knowledge or discipline to keep personal and corporate finances separate (Debeilla, 2018; Joseph, 2019; Bushe, 2019 and Botha et al., 2020).

4.6.8 Ineffective Human Resource Management

A company's success also depends on the calibre of its personnel. An entrepreneur must employ skilled workers to operate their equipment, even if they purchase the best tools and machinery. A small business with poor people management abilities might not survive. Effective people management requires the ability to select the appropriate candidates with the right skills at the right time. In close relation to the previous issue of having enough resources, hiring qualified staff in South Africa is never cheap, especially when you consider the nation's increasingly stringent labour laws and minimum pay (Debeilla, 2018; Joseph, 2019; Bushe, 2019 and Botha et al., 2020).

4.6.9 Poor Marketing

A company cannot provide its target market with premium products at competitive rates, appropriate promotional activities, strategic positioning, and a convenient location if it does not correctly plan and carry out its marketing strategy. It has been shown that insufficient pricing, location, promotion, and marketing are often mentioned independently when asked to list the reasons behind a company's demise. On the same premise, Cant and Wiid (2013:709) contended that among other difficult problems, marketing-related concerns are among the most common ones experienced by SMMEs. Most business owners begin with original goals, but as time goes on, they adopt stereotypes and mimic the actions of other industry leaders (Bushe, 2019; Sibiya, 2023).

4.6.10 Lack of Good Business Case or Model

This issue is closely related to poor planning and a deficiency of research, which both hinder an organization's ability to effectively create a business case focused on the needs of its customers and the environment. For example, a well-planned business idea will fail if it is located in an area where retirees are the target market and they do not have surplus funds to spend on the products and services of the company. Without a business case and reality-checking questions, a company never gets a fair start and is constantly hindered. A company should have a solid business case around its target markets before starting out on the basis of the founders' personal attachment to a business idea. A business idea must be well-prepared and given the resources it needs to flourish, such as the right amount of money, tools, supplies, labour, and methodologies. If an SMME is devoid of any of these, it will fail (Bushe, 2019; Sibiya, 2023).

4.6.11 Lack of Leadership

Though circumstances have sought to distance the two concepts, management theory defines leadership as one of its constituents. Giving a business the inspiration, vision, and influence it needs to take off and develop into a company is what it means to be a leader. When efforts fail to materialise, it is always the leadership's fault. This helps to clarify what Cannon and Edmondson (2005) refer to as a firm's "failure" when it fails to produce the expected and desired results; a lack of leadership control is the sole factor that may create such a departure. Organizations accomplish plans through leadership effort; SMMEs without it would face similar aberrations and, eventually, the failure of the business. It takes a lot of effort to develop and practise leadership commitment (Bushe, 2019; Sibiya, 2023).

4.6.12 Lack of Understanding of Business Needs

Parenting requires parents to be aware of their child's requirements at every developmental stage, just as raising a child does. When a company moves from inception to survival, it faces additional problems that management must overcome, or risk being declared insolvent. For example, surviving the survival stage requires preserving a solid relationship with clients, and managing competition is a major problem (Bushe, 2019; Sibiya, 2023).

4.6.13 Poor Business Planning

According to the US Small Business Development Centre, ninety percent of business failures are caused by poor business planning, which is related to poor management skills. The adage "failing to plan is preparing to fail" cannot be overstated, which is why "planning drives an organisation to be proactive - not reactive." Labour regulations in South Africa mandate that businesses arrange their workforce in compliance with relevant legislation, such as the Labour Relations Act and the Employment Equity Act. Planning ensures that managers and staff focus their energies on the same goals; effective plans are essential for monitoring an organization's growth, and as organisations become more complex, planning becomes even more crucial (Smit et al., 2013). A business that lacks basic planning runs the risk of relying entirely on chance and pure luck to run its operations. Planning is essential for all aspect of running a firm, from customer service systems to production processes and inputs. Only an experienced business owner will recognise this necessity and enforce it. An SMME faces failure if these areas are not met (Debeilla, 2018; Joseph, 2019; Bushe, 2019 and Botha et al., 2020).

4.6.14 Diminished Customer Share

Reduced market share due to competition is strongly linked to the previous problem (disregarding competition) and might cause a company's clientele to disintegrate. A small and medium-sized organisation (SMME) must develop a customer strategy that is suitable for its industry and line of business in order to guarantee that it generates competitive advantages that maintain satisfied and devoted consumers. Customers will turn to competing companies in quest of better offers if this isn't done. A business must possess the flexibility to capitalise on new trends, markets, and customer preferences (Bushe, 2019).

4.6.15 Lack of Professional Management

The ability to supervise a business's operations, finances, marketing, human resources, administration, information flow, public relations, security, and record-keeping is referred to as "professional management." Failure occurs when a company, for example, disobeys accountants' advise to avoid making extravagant purchases or buys a more expensive location that increases its operating expenses; this is referred to as a lack of competent management. Certain business expenses, including insurance for one's assets against losses from specific sources like crime, are inevitable in South African situations; failing to provide such services is a glaring sign of inexperienced management. Due to the high rates of uncontrolled crime, theft, and burglary that have a major negative impact on enterprises, security management is widespread in South Africa. Most enterprises usually lack skilled

management, depriving them of the ability to grow into powerful organisations and gain business acumen (Bushe, 2019; Sibiya, 2023).

4.6.16 Ignoring Competition

Sun Tzu's ideology categorically said that "know the opponent and know oneself, in a hundred conflicts you will never be beaten" (1782). When it comes to managing commercial competition, this is especially true. Titus (n.d.) asserts that South Africa and other capitalistic civilizations have competitive systems where customers are continuously looking for the best deal. Even if it results in the failure of an SMME business, customers will always prevail. Maintaining competitiveness must be the top priority for SMMEs in order to prevent collapse. Lack of awareness of this factor contributes to the loss of customers to competitors and eventual closure of many small and medium-sized enterprises (SMMEs) (Debeilla, 2018; Joseph, 2019; Bushe, 2019; Botha, 2020).

4.6.17 Unworkable Goals

McGrath (1999) also made the observation that achieving goals is not always the same as establishing them. The main difference is that realistic objectives are established taking into account the unpredictable nature of business pursuits. Therefore, optimism must be allowed for while setting realistic goals, while also taking into account appropriate risks, opportunities, and threats. Ignoring these equates to poor planning and a lack of initiative in implementing the plans to achieve the objectives (Bushe, 2019).

4.6.18 The Lack of Environmental Conduciveness as the Cause of Business Failure

A few of the main environmental conduciveness factors that make the SMME sector unviable for economic growth in South Africa are the absence of government backing, poor infrastructure, criminality, inflationary economic conditions, and globalisation. Environmental conduciveness considers the external environment as well as the company's limited flexibility. The business climate in South Africa has become more turbulent, insecure, and unpredictable since the country's independence in 1994. Because of this, an SMME's ability to succeed in this new environment depends on its ability to handle it (Bushe, 2019; Sibiya, 2023).

4.6.19 Lack of Government Commitment

It is commonly acknowledged that SMMEs hold the key to economic expansion. Whether the South African administration is truly committed to the expansion of SMMEs remains to be seen. Gunto and Alias (2013) noted with curiosity how the Malaysian government clearly

demonstrated its support for the expansion of the SMME sector, taking into account their role in economic growth, employment generation, and the nation's transition to a developed one by 2020. In order to address the sector's developmental needs, the Malay government created national policies and institutional frameworks after realising the importance of small and medium-sized companies (SMMEs) in the early 1960s. The Malaysian government offers the small and medium-sized enterprise (SMME) sector two kinds of support: non-financial, such as technical, advisory, marketing, and management services; networking; research and development; and marketing; and financial, such as grants, working capital loans, and property loans (Gunto and Alias 2013; Bushe, 2019).

4.6.20 Crime, Corruption and Unethical Practices

The South African government doesn't seem to want to deal with the serious destabilising force that is crime. Racist attacks on Soweto store owners recently sparked uproar and cast doubt on the government's commitment to lowering crime rates. In 2007, South Africa was ranked among the world's five most violent nations. (Office of Drugs and Crime, United Nations, 2007). All forms of crime, including violent crime, drug addiction, theft, burglaries, murders, and armed robberies, are prevalent in South Africa and have a detrimental effect on the smooth operation of enterprises. In South Africa, a company is likely to spend more on security services than in any other African country in order to safeguard its assets and very existence. This is due to the fact that it is an essential and significant topic. The resources of SMMEs are severely strained by this, and they may be better utilised for other business expansion projects (Bushe, 2019; Sibiya, 2023).

4.6.21 Lack of Funding Systems that are Friendly to SMMEs Needs

A thorough discussion of this issue may be found in Bushe (2013a). SMMEs and funding institutions frequently have unequal access to information; as a result, banks lack confidence in SMMEs, and the latter are hesitant to approach banks. SMMEs frequently struggle to secure the finance they need to start their enterprises into phases of survival and success because of this lack of connectivity. The lack of business records that banks may use to inform their funding decisions is a common characteristic of small, micro, and medium-sized businesses (SMMEs), and the high rates of loan delinquency make them expensive and dangerous companies to support (Debeilla, 2018; Joseph, 2019; Bushe, 2019 and Botha et al., 2020).

4.6.22 Globalisation

The globe is now a global village thanks to globalisation, making cross-border trade in commodities and services possible. The immediate problem with this is that certain nations have advantages over others. Dumping unnecessary commodities into other nations or, more accurately, cheaply made items destroys local industries where SMMEs could thrive. China benefits from inexpensive labour, which brings down all of their production expenses. As a result, China is now exporting cheaper goods all over the world, from apparel to electronics, and in some ways, this is causing domestic businesses to close their doors to international rivalry. China's low-cost clothing production has dealt a literal death blow to South Africa's apparel industry. Given this, a local small and medium-sized enterprise (SMME) that cannot establish a competitive edge by offering high-quality products at reasonable rates may be compelled to close (Debeilla, 2018; Joseph, 2019; Bushe, 2019 and Botha et al, 2020).

4.7 SUMMARY

This chapter included a thorough review of the literature on the contributions, difficulties, and supportive business environment of SMMEs. The importance of such small firms to the South African economy has gained enormous prominence in recent times. Governments everywhere have taken an interest in the functions played by small businesses, to the point where they incorporate them into their plans for local and national development. The chapter looked at South Africa's small companies' socioeconomic roles.

Problems faced by SMMEs are a threat to the survival of small businesses as well as the economic expansion of numerous countries since they have a substantial effect on the viability of small businesses in most rising nations, including South Africa. Because of this, the sector needs business planning, pertinent technology, and other competencies to grow and compete on a national and worldwide level in South Africa. The chapter also listed several other variables that contribute to small business failure, such as those having to do with traditional practises and human resources. One of the primary reasons small businesses fail is a lack of funding. This is because small enterprises face significant obstacles to their growth, which makes the industry unable to compete on a global scale. Stated differently, difficulties with access to capital, business management, marketing, business strategy, and entrepreneurial abilities are identified as the main causes of business failures in the research region. The research area's rural SMMEs can achieve successful business performance and success if these aspects are well controlled (Adian, Doumbia, Gregory, Ragusa's, Reddy, and Timmis, 2020).

CHAPTER FIVE

ENHANCING PERFORMANCE OF RURAL ENTREPRENEURSHIP ECONOMIC DEVELOPMENT

5.1 INTRODUCTION

Globally, small and medium-sized enterprises (SMMEs) are recognised as drivers of growth and as laying the groundwork for a country's swift economic development (OECD, 2021). 63 percent of all workers worldwide are employed by SMMEs, which account for 90 percent of all firms, according to OECD figures (Berisha and Pula, 2015; Anwana, 2020).

The significance of small, medium, and micro enterprises (SMMEs) in a nation's economy has been underscored worldwide due to their pivotal function in augmenting the economy, generating employment opportunities, and diminishing poverty (Hua, Kabia and Arkady, 2015). SMMEs are adaptable and creative, considering their size and organisational structure. It seems that SMMEs operating in rural areas receive less attention, and as a result, little is known about the various issues they face. However, there is a chance to raise SMMEs' competitiveness and overall performance, especially for those in rural areas, particularly in the province of Limpopo (Lekhanya, 2016; Anwana, 2020).

A review of the literature from numerous nations shows that, rather than truly understanding the issue of why small businesses are unable to grow past the survival stage, governments place more of an emphasis on developing policies and providing funding for rural development, which includes small business promotion. The ecology in rural areas differs from that in metropolitan areas, and they have distinct and distinct geographical features. These variances cover a wide range of elements, including business characteristics, personal development mindsets, entrepreneurial orientation, entrepreneurial intention, and entrepreneurial resources and competencies. Innovative ideas and methods of thinking are required to address the problems facing rural business communities. This implies that corporate practises, procedures, factor knowledge, and innovative growth models are all unique and different from those found in metropolitan settings. Put differently, if the goal of developing and implementing rural SMMEs in Limpopo Province is to assure the growth of rural enterprises, then a new and larger knowledge of the conceptual framework of support needs to be built in order to boost performance (Lekhanya, 2016; Mhlongo et al., 2023)

In Africa, small businesses account for over 90% of all businesses and employ over 60% of the workforce (International Trade Centre, 2018). SMMEs make up the vast bulk of businesses in South Africa's economy (Soni, Cowden, and Karodia, 2015). With its 34 percent GDP

contribution and its 60 percent employment contribution, the SMME sector is important to the South African economy (International Finance Corporation, 2019). The South African government sees SMMEs as much more than just a vehicle for achieving innovation, economic growth, and job creation especially in the manufacturing sector (Ngibe and Lekhanya, 2019). In the nation, small businesses are viewed as essential to addressing the legacy of apartheid in company ownership, particularly in rural areas (Ayandibu and Houghton, 2017; Zhou and Gumbo, 2021). The provincial government of Limpopo seeks to support the sustainable expansion of SMMEs throughout the province in accordance with national government priorities (LEDA, 2019).

5.2 RURAL ENTREPRENEURS

“Rural entrepreneurs” are those that run their businesses using resources found in the area while doing so. They improve the standard of living and purchasing power of the people by giving individuals residing in the village’s jobs (Gandhi and Mohan, 2014). They are the ones who initiate enterprises and sectors of the rural economy through entrepreneurial activity. Rural entrepreneurship is defined as simply rural industrialization by Ahamad and Pandey (2015); Korsgaard and Müller (2015), and Mukwarami, 2020). Rural entrepreneurship is real and contributes to the rural economy, thus these places are by no means insignificant, claims Cabus (2009). The operations of the rural entrepreneur are far more varied and diverse than those of the agricultural sector, leading to an economic portfolio that includes ventures into other industries. Rural entrepreneurs are vibrant, but the rate of success for their big start-up projects is still relatively low, meaning that many of them must be classified as "out of necessity" entrepreneurs. Zadawa and Omran, 2020 state that a company's past, the characteristics of the entrepreneur, and different organisations like the government and market, in addition to geography, can all have an impact on the company's ability to expand (Lekhanya and Visser, 2016; Zadawa and Omran, 2020).

5.3 RURAL ENTREPRENEURSHIP

Economist and social thinker Schumpeter wrote a great deal on entrepreneurship and its effects on the economy in the first half of the 20th Century. According to Schumpeter's (1909) theory, creative entrepreneurs are to blame for the dynamic imbalance that the entrepreneurial economy experiences. According to him, an entrepreneur is a creatively disruptive force that upsets the balance of the economy by bringing innovation to market in a setting where it wasn't previously practised (Alikhani, Khodayari, Dehnavi, and Kazemi, 2020).

One of the most crucial aspects of rural development is entrepreneurship, as it has the potential to greatly improve the standard of living for people who create new employment and

sources of income while also boosting the rural economy. It is particularly crucial to assess rural entrepreneurship and its contributions to the process of rural development by providing some background information (Alikhani, Khodayari, Dehnavi, and Kazemi, 2020). "Rural entrepreneurship" is a type of entrepreneurship that primarily targets rural populations with the goal of enhancing the value of resources that are available there (Bad, Patel, Patel and Tare, 2013; Mukwarami, 2020). Even while SMMEs are still a vital part of the local economy and a major source of employment in the majority of South Africa's rural areas, many communities there still endure extreme poverty (Gowrishankar, Raja, and Prasad, 2014). Given that the agricultural expansion of the continent is driving wider rural growth, and that Africa's economies are becoming more dynamic Mukwarami (2020) and Mhlongo et al., 2023 contend that a more thorough comprehension of the mechanisms supporting entrepreneurial growth is important. Since rural entrepreneurship refers to the establishment of businesses in rural areas, it is synonymous with rural industrialization (Mhlongo et al., 2023) It is generally understood in the profession that the term "entrepreneurship" lacks a single, approved definition (Lekhanya and Visser, 2016). Since it is thought of as a component of strategic posture, any kind of organisation can act in an entrepreneurial manner. This strategic stance includes a company's inclination for taking risks, its capacity for competitive aggression, proactive approaches, and product innovation (Lekhanya and Visser, 2016).

These can be seen as a way to lessen poverty, migration, economic inequality, and unemployment while also developing rural and underdeveloped areas (Raghurama, 2012). They also present a significant job opportunity for people who move from semi-urban or rural to metropolitan areas in search of employment. But because basic amenities are scarce in rural areas of developing countries, most rural businesses confront formidable obstacles. Rural entrepreneurs face several obstacles when starting enterprises in their communities, including low levels of education, financial strain, and a lack of conceptual and technical abilities (Gowrishankar, Raja and Prasad, 2014; Mukwarami, 2020).

Gaddefors and Anderson (2019) assert that when it comes to organisational structure, managerial approach, and the way in which the characteristics of the individual entrepreneur are exhibited, there is no difference between a rural and non-rural firm. Because of this, it appears that "an individual who operates a company in a rural context" is the only definition or category for rural entrepreneurs. But instead of being dominated by agricultural employment and productivity farming, rural areas are now a mosaic of economic activity that mimics more metropolitan settings, claims Smith, Steiner, Steinerowska-Streb, and Tiwasing, (2024). Philip (2010) points out that SMME characteristics, management experience, products and services, collaboration, and business practises are additional aspects that impact business success, in

addition to resources, finances, and the external environment (Lekhanya and Visser, 2016; Smith et al, 2024).

5.4 ENTREPRENEURSHIP'S IMPACT ON ECONOMIC DEVELOPMENT

The rural entrepreneurial development approach is a good one for the economic development of rural areas, and it is also less expensive than other methods. Rural populations were able to access the goods and services they required thanks to the rise of small company owners and entrepreneurship, which in turn stimulated economic growth and reduced rural-to-urban migration. Both cities and villages are rich with untapped potential; if they were to be identified and taken use of quickly, they could spur the growth of new enterprises, increase regional competitiveness, and benefit rural residents greatly. Practitioners of rural development place a strong emphasis on two key initiatives: assisting and motivating rural entrepreneurs to launch new ventures and propelling established companies to grow and pursue the realisation of innovative concepts (Gowrishankar, Raja and Prasad, 2014; Alikhani, Khodayari, Dehnavi, and Kazemi, 2020).

Alikhani et al. (2020) state that in order to foster entrepreneurship in both urban and rural settings, three fundamental requirements must be met:

5.4.1 Development of Entrepreneurial Culture

Entrepreneurial behaviour is supported and encouraged by social entrepreneurship culture. Establishing the necessary framework for rural entrepreneurship education, motivating villagers to actively engage in rural entrepreneurship plans, and convincing governmental and non-governmental organisations to support entrepreneurship initiatives in rural areas are all crucial steps in building an entrepreneurial culture (Alikhani et al., 2020).

5.4.2 Entrepreneurship Education

The two main initiatives for the development of entrepreneurship in rural areas are attending courses and consulting. Four categories of entrepreneurial abilities will be highlighted in these courses. Based on the nature of the intended industrial activities, the first and second are scientific and technical skills; the third is management skills, which include financial management, marketing, administrative, and staff matters; and the fourth is entrepreneurial skills, which include the capacity to identify and seize new market opportunities and provide creative solutions to problems; staff skills, which include self-reliance, self-confidence, creativity, and responsibility (Alikhani et al, 2020; Isichei, Emmanuel, and Odiba, 2020).

5.4.3 Infrastructure Development

Establishing a company's characteristics according to its location is essential; in South Africa, this is required due to the history of segregation that encouraged rural marginalisation (Stull, Bell, and Ncwadi, 2016). The previous government system gave preference to metropolitan businesses over rural ones, and the nation still appears to be struggling with issues related to transportation, specialised skills, and infrastructure (Bomani and Derera, 2018).

The challenges to rural entrepreneurship's growth and development are influenced by both internal and external factors, but an important aspect in a business's survival and expansion is the entrepreneurs' growth orientation (Rezaei, and Ortt, 2018). It is imperative to identify and take into account the risks and diverse environmental elements that impact an individual entrepreneur's performance. This will help to enhance the survival and development rate of rural SMMEs, while also promoting an entrepreneurial orientation (Rezaei et al. 2018). According to Dragnić (2014), a number of different criteria appear to be combined to determine the survival and expansion of SMMEs (Alikhani et al., 2020)

Numerous global research have been conducted to determine how geography affects business features and, consequently, performance (Audretsch and Dohse, 2007; Buyinza, 2011; Hugginset al., 2017). In the UK, Phillipson et al. (2019) compared the characteristics of rural and urban businesses and found that these businesses' attributes were influenced by their location. The study also highlighted the need for similar studies to inform policy decisions that would promote spatially balanced economic development. The importance of location has also been empirically demonstrated in sub-Saharan Africa, where it has been demonstrated that businesses in developed areas typically outperform those in rural areas (Zhou and Gumbo, 2021). According to Hugginset al. (2017) location should be urgently taken into account in studies of small firms because it has a significant impact on their performance and, consequently, their viability (Zhou et al, 2021).

5.5. SMMEs' ESSENTIALITY TO A COUNTRY'S ECONOMY

Entrepreneurial endeavours not only boost national output and provide jobs, but they also aid in the social and personal growth and economic independence of rural communities (Sarma, 2014; Ramukumba, 2014; Gutha, 2015; Fatoki, 2021). The majority of individuals concur that the main driver of economic growth and equitable development in developing countries is SMMEs. Because they are labour-intensive, capital-saving, and can help create most of the one billion new jobs that the world will need by the end of the century (Lalkaka, 1997 in Agwu and Emeti, 2014; Zondi, B.W. (2019). The majority of the time, SMMEs outperform larger companies in the provision of particular services or goods (Gjini, 2014). Small companies are

critical to low-income households' survival as well as the enhancement of women's socioeconomic status, self-assurance, and talents, claim Mazumdar and Ahmed (2015). Fatoki (2021) outlines the benefits of rural entrepreneurship, which lends additional credence to this idea.

5.6 CONTRIBUTION OF SMMEs TO THE SOUTH AFRICAN ECONOMY

Since they have significantly boosted South Africa's economy, small and medium-sized enterprises are crucial for fostering both personal and societal prosperity. Numerous nations have been able to make the transition from poverty to prosperity thanks in major part to the private sector, which includes farming, investment, and SMMEs. Emerging nations like South Africa need to encourage and grow their small and medium-sized enterprise (SMME) sector in order to lower unemployment and alleviate poverty. The South African government has become more interested in the development of SMME policy as a result of its major contributions to economic growth, the creation of jobs, and the alleviation of poverty (Leboea,2017).

5.6.1 SMMEs' Contribution to Gross Domestic Product (GDP) African Countries

Africa's small and medium-sized enterprises, or SMMEs, are the main engines of its growth. SMMEs account for more than 95% of enterprises in the Sub-Saharan Africa region (Hatega, 2007; Kauffmann, 2005). SMMEs are crucial because of their capacity to reduce poverty, boost GDP, and create jobs for the great majority of people (Benzing & Chu, 2012). The industry is particularly significant since it provides affordable goods and services, creates jobs, and generates income for Africans, thereby directly meeting their needs (Kauffmann, 2006). Different industries focus on different measures, including yearly turnover, total assets, number of employees, and capital investments, to identify SMMEs globally (Gibson & Vaart, 2008). In developing countries, like those in Africa, a company is deemed large if it employs more than 100 people, while a small business may only employ one to five. In industrialised nations such as the United States of America, a company with 499 employees is considered medium-sized (Levine, 2005). The most popular definitions are usually quantitative in nature, emphasising assets, income, scale, and workforce size. Nonetheless, the most recent widely recognised definition which was developed from an abundance of research classifies micro-enterprises as employing five to ten workers, whereas SMMEs are defined as businesses with fewer than 250 employees. Conversely, very tiny companies might only have fifty or less employees. Furthermore, it is evident that in low- and lower-middle-income countries, less

than 100 employees are employed by more than 50% of businesses (Beck & Cull, 2014; Dalberg, 2011; Fjose et al., 2010; Katia, 2014; Muriithi, 2018; OECD, 2019).

Approximately 80% of the world's population depends on SMMEs for both employment and income (Kamunge, Njeru and Tirimba, 2014; Okafor, 2006). Specifically, microbusinesses account for thirty percent of employment, small businesses for twenty percent, and medium-sized enterprises for ten percent (Makwara, 2019). Small and medium-sized businesses (SMMEs) make up more than 90% of all businesses in Africa and contribute roughly 50% of the continent's GDP (Kamunge, Njeru and Tirimba, 2014; Makwara, 2019). For instance, in Kenya, SMEs account for about 50% of newly created jobs, 40% of the country's GDP, and 80% of the workforce (Kithae, 2012; Mwarari and Ngugi, 2013). In Kenya, 3.2 million workers were employed by SMMEs in 2003. (Kauffman, 2005). Likewise, 95% of Nigeria's manufacturing sector and 70% of industrial jobs were held by SMEs, according to Kauffman (2003). Conversely, in Ghana, SMMEs account for 70% of all businesses and 70% of the labour force (Government of Ghana, 2003; World Bank, 2006). Furthermore, this industry employs 18% of Zambia's labour force and accounts for 97% of the country's businesses (Parker, 1996). Remarkably, almost half of all jobs in low- and middle-income countries are held by businesses with less than 100 workers (Ayyagari, Beck and Demirgüç-kunt, 2011; Muriithi, 2018; Mhlongo et al., 2023).

The SMME sector makes a substantial contribution to the global gross domestic product, despite the realities in South Africa. At the moment, SMMEs account for a relatively small percentage of South Africa's GDP. According to Fatoki and Van Aardt Smith, SMMEs in South Africa only contribute 36% of the country's GDP (2011). South Africa's SMME contribution to GDP is relatively modest when compared to other emerging countries like Brazil (59 percent) and Chile (57 percent) as well as industrialised nations like Japan (55 percent), China (60 percent), and Germany (87 percent) (Leboea, 2017, Malefane et al., 2019).

The Organization for Economic Cooperation and Development (OECD) (2010) reported that huge firms now account for a higher share of South Africa's GDP than small and medium-sized enterprises (SMMEs). According to the OECD, the main reason SMMEs' poor GDP contribution can be linked to their low growth rate and high failure rate in South Africa, where the bulk of their managers and owners are underqualified and lack motivation (Leboea, 2017, Matekenya et al., 2022).

In Table 5.1 below shows the contribution of SMMEs to GDP in some African countries.

TABLE 5.1 SELECTED AFRICAN SMMEs CONTRIBUTIONS TO EMPLOYMENT AND GDP

Countries	GDP Contributions Made by Countries (in terms of percentage)	Percentage of contributions to the labour force	Sources
Ethiopia	3.4%	90%	Bureau of Central Statistics (CSA), 2003; Gebrehiwot, 2006
Ghana	70%	49%	World Bank, 2006; Abor & Quartery, 2010; Ghana Bank Doing Business Report, 2013).
Kenya	40-50%	80%	Mwarari & Ngugi, 2013
Nigeria	50%	70%	Ariyo, 2011; Kolasiński, 2012;
Rwanda	20.5%	60%	Mukamuganga, 2011
South Africa	50-60%	68%	DTI, 2012; Willemse, 2010; StatsSA, 2020
Tanzania	60%	20%	Echengreen & Tong, 2005; Ngasongwa, 2002
Uganda	18%	90%	Uganda Ministry of Cooperatives, Trade, and Industry (MTIC), 2015
Zambia	8%	30%	Mbuta, 2007
Zimbabwe	40%	15%	Katua, 2014; Zwinoira, 2015

Source: (Muriithi,2018).

The SMME contributions to GD and employment in a few selected African countries are displayed in the above table. All areas of industrial development appear to be affected by SMMEs, including mining, manufacturing, the service sector, agriculture, fishing, and climate

change. However, the majority of SMMEs are engaged in the service sector, which employs two thirds of all SMMEs (Kamunge et al., 2014; Maduku and Kaseeram, 2021). SMMEs give Africa's development a boost by serving as a bridge between its basic industries and its sophisticated, highly developed major industries. By giving industries inputs and services and by directly supplying customers with goods and services, the industries play a crucial role in facilitating development. Because of this, SMMEs continue to be the main force behind the economic development and sustainable growth of African nations (Fjose et al., 2010; Sibiya et al., 2023). Thousands of microbusinesses continue to operate informally and are not acknowledged as commercially viable, despite the fact that SMMEs are essential for economic development (Muriithi, 2018).

5.6.2 SMMEs' Contribution to Gross Domestic Product (GDP) in South Africa

The government is proposing new laws to provide additional assistance to small, medium, and micro-sized firms. The 2019 Annual Financial Statistics (AFS) survey data indicates that small businesses are becoming more and more important in the formal business sector. Recently, the National Small Enterprise Amendment Bill 2020 was gazetted, outlining the creation of an ombudsman agency to offer SMMEs legal support. In the industry, the Small Business Ombud Service will manage grievances, settle arguments, and uphold contracts. This backing of SMMEs acknowledges the industry as a significant engine of economic expansion. The AFS survey's turnover data reveals that small enterprises, in particular, have gained traction in South Africa's formal business sector (StatsSA, 2021). Three findings from the survey on small business turnover are listed below:

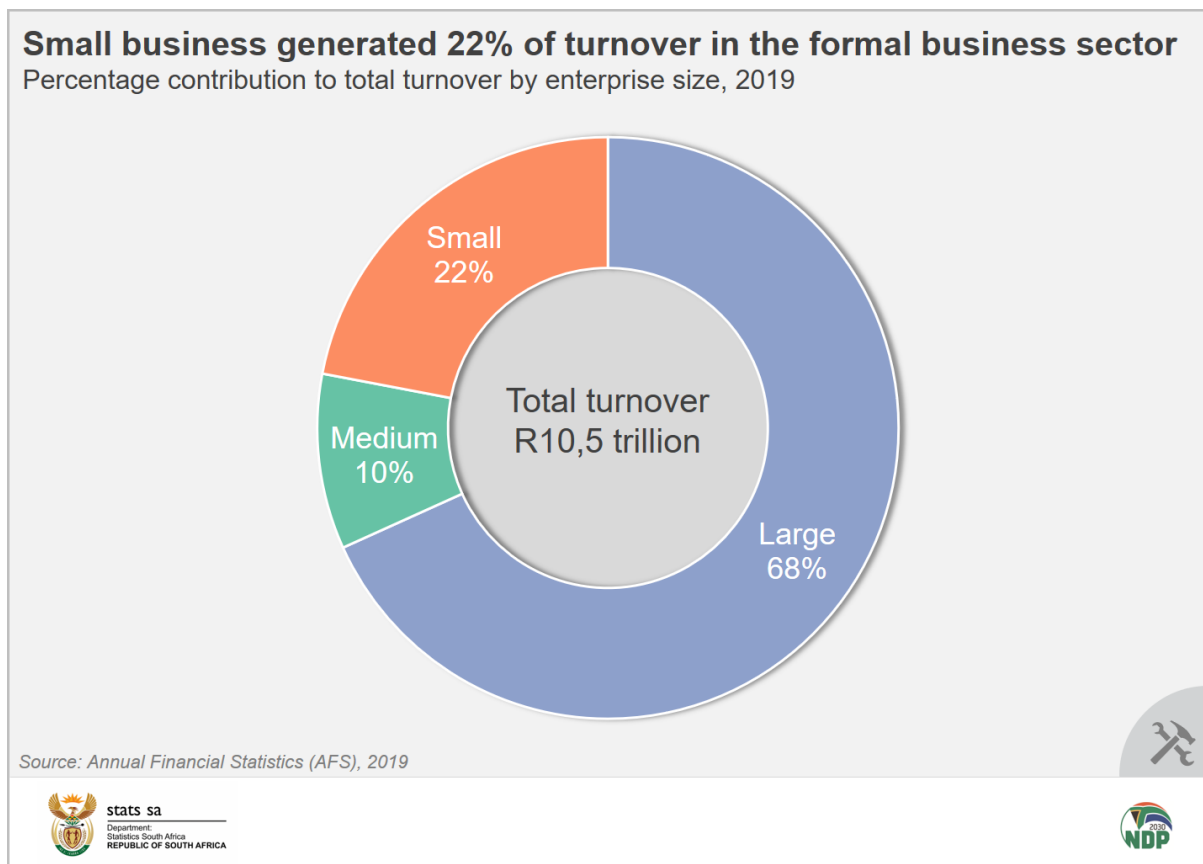
5.6.2.1 Small Businesses Generate Just Over One-Fifth of Total Turnover

The 2019 financial year saw a total turnover of R10,5 trillion throughout the industries included in the AFS survey and part of the formal business sector in South Africa. Turnover include funds obtained from the leasing or renting of machinery, equipment, buildings, land, and mineral rights in addition to proceeds from the sale of goods and/or services.

According to a breakdown of turnover by company size, small enterprises generated R2.3 trillion, or 22%, of the R10.5 trillion. Of the total turnover, major enterprises accounted for the largest share, just over two-thirds (68 percent), while medium-sized businesses contributed the least (10 percent) (StatsSA, 2021).

South African SMMEs annual turnover in 2019 is reflected on the figure below:

Figure 5.1 South African SMMEs Annual Turnover in 2019



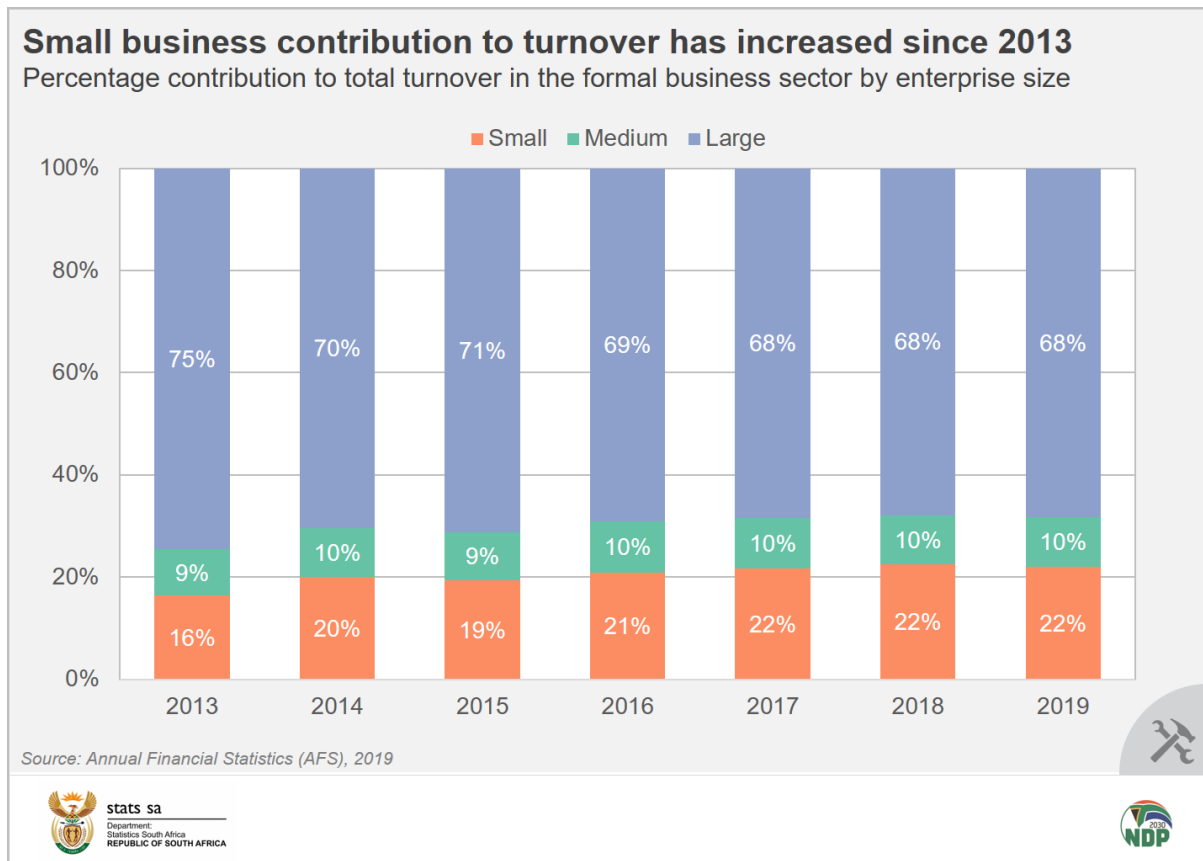
Source: StatsSA (2019).

Based on the aforementioned figure, macro enterprises accounted for 68 percent of the yearly GDP, with small businesses contributing 22 percent and medium-sized businesses contributing 10 percent. It is obvious that small enterprises contribute significantly to a nation's GDP and help to foster economic growth.

5.6.2.2 Small Business has been Flexing its Muscles.

Without much fanfare, small enterprises have gradually increased their share of turnover. In the formal business sector, small businesses accounted for 16 percent of total turnover in 2013 and 22 percent in 2019. During the same time span, big business's contribution decreased from 75% to 68%. (StatsSA, 2021). From 2013 to 2019, the turnover of SMMEs in South Africa grew. On the following page, the information is indicated.

Figure 5.2: SMMEs Turn Over increased from 2013-2019



Source: StatsSA (2019).

The following table clearly shows that the formal business sector as a whole saw an increase in turnover from R7,0 trillion to R10,5 trillion between 2013 and 2019, which translates to an average annual growth rate of 7,0 percent. Large enterprises saw a 5.4 percent annual increase in turnover, while medium-sized businesses saw an 8.4 percent increase. Small enterprises have experienced the greatest growth, with an annual growth of 12.3% throughout the same time (StatsSA, 2021).

5.6.2.3 Small Business has Increased its Influence in Construction and Business Services

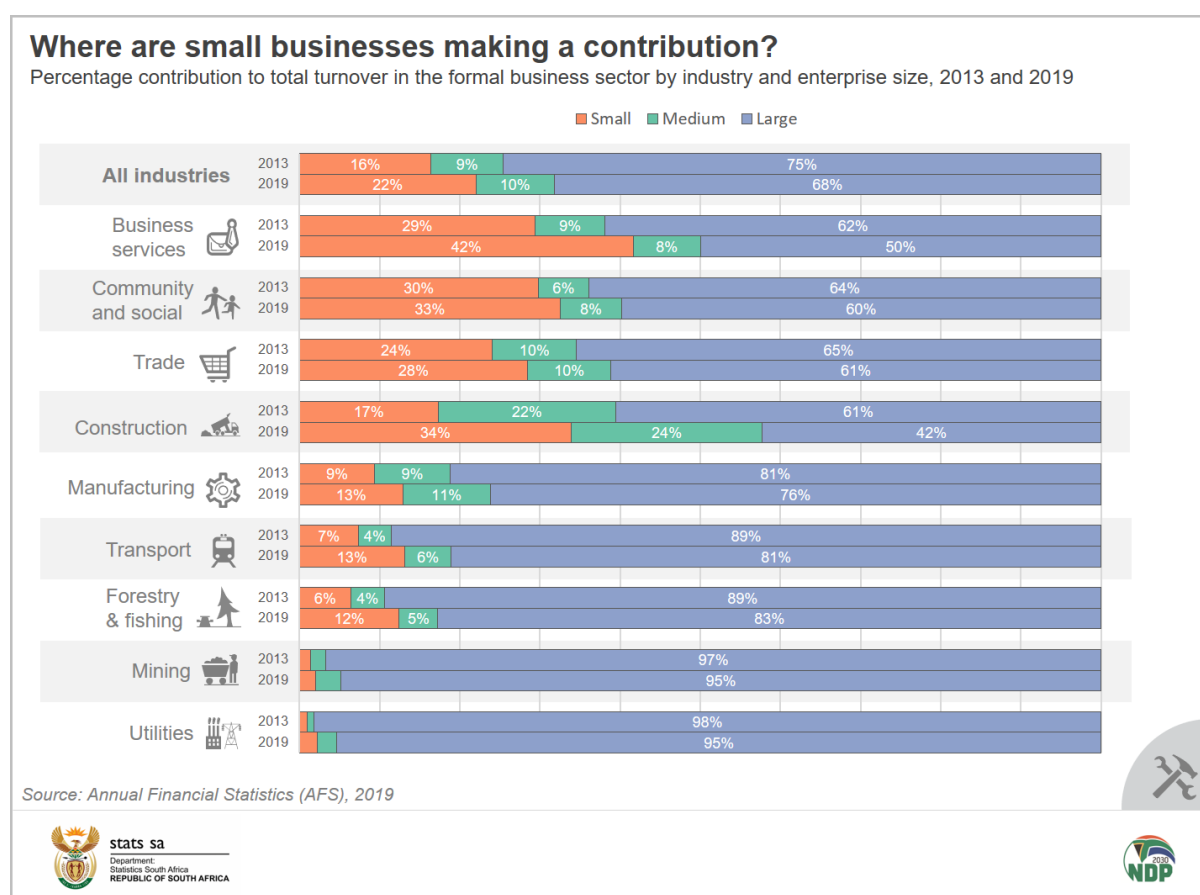
The building sector in South Africa was going through a difficult period even prior to the COVID-19 outbreak. The industry saw its eighth straight quarter of economic decrease in the first quarter of 2020. This resulted from declining investments in infrastructure, sluggish economic development, and growing expenses (StatsSA, 2021).

Due to the COVID-19 pandemic and the industry's poor performance, several sizable construction enterprises have been compelled to apply for commercial rescue. Since there are fewer major players creating turnover, small companies have stepped in. The share of small businesses in the construction industry's overall turnover increased from 17 percent in 2013

to 34 percent in 2019. In 2013, nearly two-thirds of all construction turnover came from large enterprises; by 2019, that percentage had dropped to just over 40%. (StatsSA, 2021).

Growth-wise, R163 billion (an increase of R110 billion) in 2019 represents the tripling of turnover generated by small construction enterprises from R53 billion in 2013. Large construction enterprises, on the other hand, saw a mere R17 billion gain in turnover during the same time, going from R187 billion to R203 billion (StatsSA, 2021). Over the course of the six years, small enterprises' share of the business services industry's total turnover rose from 29 to 42 percent, which also helped to lessen the dominance of major players (StatsSA, 2021). The following figure displays the percentage contributions made by SMMEs.

Figure 5.3: Contribution of SMMEs in Percentages from 2013-2019



Source: StatsSA (2019).

The aforementioned table illustrates how much less common small firms are in the mining and utility (gas, water, and power supply) sectors. This suggests that entry barriers are considerable, and a small number of extremely large firms dominate these industries. For instance, the majority of South Africa's electricity supply is produced by Eskom (StatsSA, 2021).

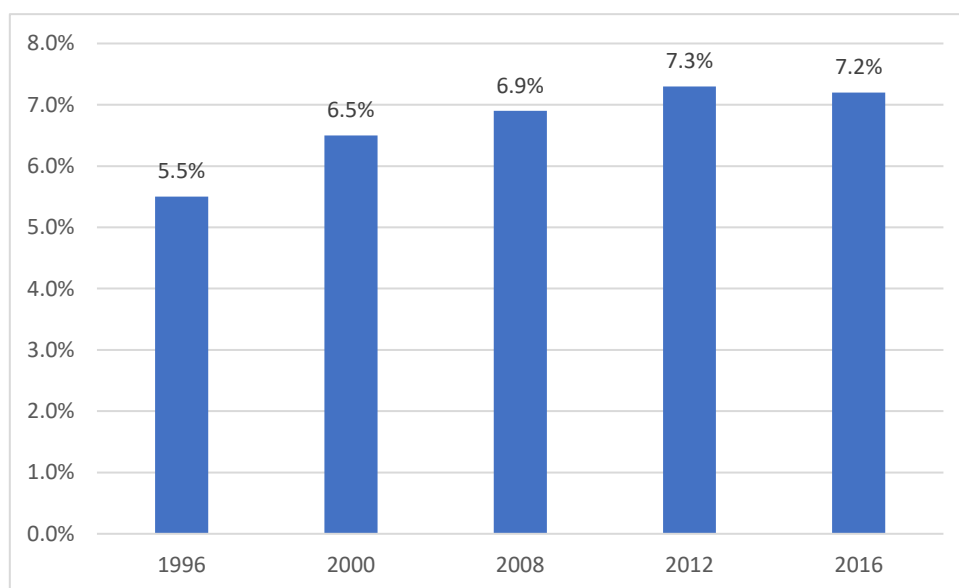
5.6.3 SMMEs' Contribution to Gross Domestic Product (GDP) in Limpopo Province

The Limpopo economy's growth performance is crucial in assessing its capacity to tackle the triple challenge of poverty, inequality, and unemployment. Figure 3 shows that following a positive growth rate of 1.9 percent in 2015, the growth rate decreased to a negative 1.6 percent in 2016. The province economy's growth performance can be mostly attributed to the mining industry's unstable growth and its specific sector's proportionate contribution to the province economy. Because of the base effects, the mining industry shrank by 5.9 percent in 2016 and added 1.7% to the overall decline in the GDP (Limpopo Treasury, 2019).

5.6.1.1 The Economic Structure of the Limpopo Economy

The contribution of the Limpopo economy to the South African GDP is indicated in Figure 5.4 below.

Figure 5.4: Contribution of the Limpopo economy to the South African GDP



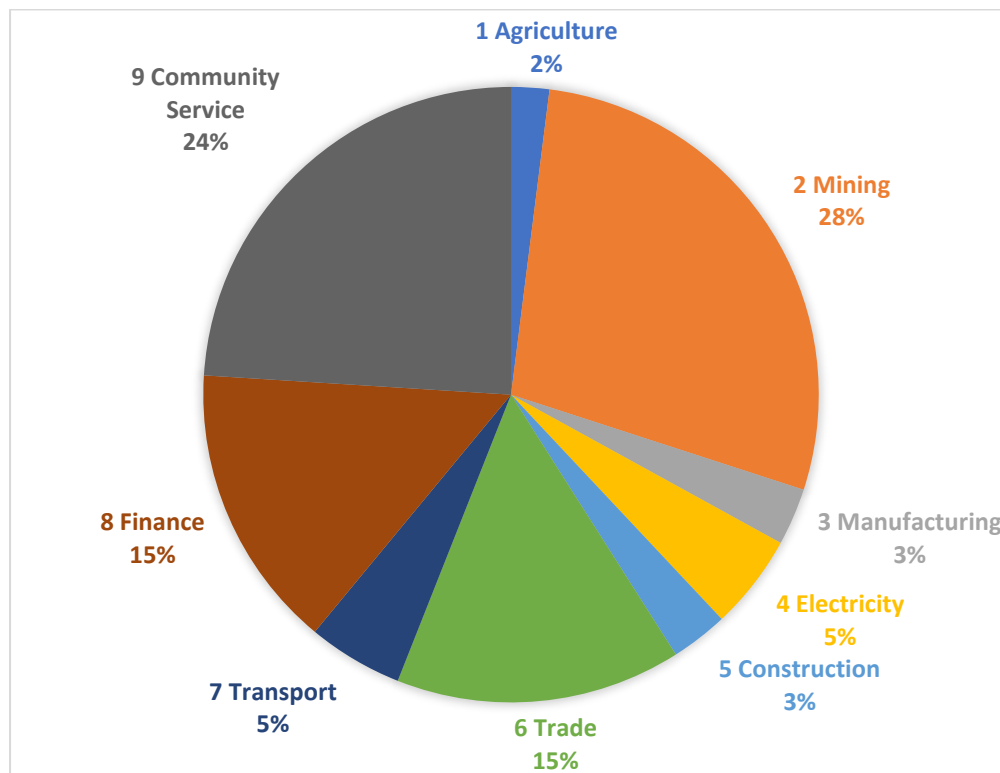
Source: Limpopo Treasury (2019).

According to Table 5.5, Limpopo's share of the national GDP grew from 5.5 percent in 1996 to 7.2 percent in 2016. This increase in the sector's contribution to the national economy is mostly due to Limpopo's mining industry's growing share of the country's output.

Since 1994, the primary and tertiary sectors particularly mining have made up the majority of Limpopo's GDP. It is important to acknowledge the role that municipal, provincial, and community services play in the province's economy. The graphic representation of the various sectors' contributions is provided in Figure 5.5 below:

Figure 5.5 Contributions of the different sectors

Figure 5.5 Global Vector Autoregressive (GVA-R) Sectoral Composition Limpopo in 2016



Source: Limpopo Treasury (2019).

According to Table 5.5 above, the primary and tertiary sectors particularly the mining industry have been the primary contributors to the GDP in Limpopo since 1994. Community services have also made a better contribution. However, since 2010, the mining industry has contributed 28% of the state's GDP, meaning that even with this minor improvement, the Limpopo economy remains heavily dependent on the mining sector. The economy's manufacturing sector is not performing up to par with the national average. In terms of contribution, the manufacturing sector made up 13 percent of the national GDP in 2016, but only 3 percent in Limpopo.

5.6.2 Contribution to Employment

Around the world, both industrialised and developing nations have struggled with issues such as unemployment, inflation, a lack of stimulus for economic growth, and poverty alleviation, with the last being particularly problematic for developing nations. Countries have followed a similar trajectory to stimulate economic growth, which is essential to reducing poverty and creating jobs. In the 1970s, support for large businesses was the main focus, but over time, attention has shifted to Small, Micro, and Medium Enterprises (SMMEs) as a means of creating jobs. SMMEs are now widely recognised as being essential to economic growth, job creation, and poverty alleviation in both developed and developing nations (Ngui, Thomas, and Katua, 2014). Developing nations have come to understand in recent years that small and medium-sized enterprises (SMMEs) are the key to accelerating their economic growth and resolving the extreme poverty they endure. According to World Bank estimates from 2012, small and medium-sized enterprises (SMMEs) account for over 60% of GDP and over 70% of all jobs in emerging economies (Dhanah, 2016; Sibiyi et al., 2023).

The South African government, committed to promoting and growing the SMME sector, recognises the economic potential of a robust SMME sector through the National Small Business Act (1996). The government wants to see more new businesses succeed, but it also wants to foster the conditions necessary for such businesses to survive and expand. The National Small Business Act (1996), which offers all South African businesses financial and non-financial state aid, has played a significant role in fostering an enabling climate. The amount that small, medium, and micro enterprises (SMMEs) contribute to the economy is estimated to vary. StatsSA (2021) estimates that 68 percent of SMMEs contribute to GDP, putting their employment contribution at 60 percent and their total number of SMMEs in South Africa at 2,8 million (StatsSA, 2021). According to the National Development Plan, small and growing businesses will generate at least 90% of all new jobs by 2030. To reach the National Development Plan (NDP) aim of creating 11 million employment by 2030, South Africa requires more than 49,000 scalable Small and Medium Enterprises (SMMEs) growing at a rate of 20 percent per year (Dhanah, 2016; Sibiyi et al., 2023).

Currently, one of the most urgent socio-economic and political issues facing the country is the high unemployment rate in South Africa (StatsSA, 2021). SMMEs account for 68% of private sector employment in South Africa and typically employ more labour-intensive manufacturing techniques than larger companies (StatsSA, 2021). This suggests that SMMEs can significantly contribute to lowering South Africa's unemployment rate, which is currently 34.9 percent, as they have a very high labour-absorption capability. The World Bank (2018) reiterated similar views, stating that SMME sector development can help solve high

unemployment rates in developing nations like South Africa. According to the World Bank, the emergence of SMMEs serves as a fertile ground for technological innovation and developments (Leboea, 2017; Sibiya et al., 2023).

5.6.3 Reducing Poverty

Despite this fact, poverty in emerging countries continues to be more prevalent and one of the primary issues that needs to be addressed. Poverty is one of the largest issues facing both developed and developing nations globally. The South African economy understands how important it is to build the domestic private sector as a strategy to generate growth and, consequently, address the issue of poverty. Reducing poverty is one of the Millennium Development Goals. The recurrent topic is that poverty among working-age individuals is mostly caused by unemployment, and despite recent growth in South Africa, the country's poverty rate has not decreased (Leboea, 2017; Maduku and Kaseeram, 2021).

South Africa has been tackling poverty and inequality for over 20 years, utilising a variety of strategies, such as supporting redistributive policies with fiscal policy. The government's efforts to combat poverty and inequality have been greatly aided by the social wage, which is defined as the amount spent on social development, health care, education, and social assistance for vulnerable individuals and households. It also includes contributions to public transportation, housing, and local amenities. These initiatives have their roots in the 1993 Reconstruction and Development Program, which was the first post-apartheid policy to identify poverty reduction as a primary objective (Department of Planning, Monitoring & Evaluation, 2018; StatsSA, 2021, Vision 2030 and World Bank, 2020).

The National Development Plan 2030: Our Future - Make It Work (2012), the most recent policy to carry out this effort, aims to eradicate poverty and minimise inequality. It highlights the triple challenge of high rates of unemployment, inequality, and poverty as significant obstacles facing the nation. Given the continued existence of these issues over twenty years after apartheid ended, a thorough evaluation of the scope and causes of poverty and inequality is necessary, paying particular attention to trends, dynamics, drivers, policy, impact, and monitoring (Department of Planning, Monitoring & Evaluation, 2018; StatsSA, 2021, Vision 2030 and World Bank, 2020).

Small and medium-sized enterprises (SMMEs) in South Africa encounter numerous obstacles; however, they have managed to flourish and expand in spite of these limitations. As a result, they are regarded as an essential component of the government's policy goals, which include reducing poverty, creating jobs, and fostering economic expansion (Rogerson, 2008). Based on three key pillars, the World Bank (2010) has a fairly thorough pro-SMME policy. Because the SMME sector fosters greater competition and entrepreneurship, it benefits the economy

in ways like efficiency, innovation, and productivity growth. Even though SMMEs are more productive than larger businesses, their growth is hindered by the financial sector and other institutional flaws (Leboea,2017).

The government's SMME plan has prioritised equity and inclusion in SMMEs in historically underserved communities. Communities that were disadvantaged by the apartheid rule and legally excluded from economic engagement are referred to as previously disadvantaged areas. These SMMEs have drawn attention since they are the primary employers in the community, enabling the general populace to take an active role in the economy. South Africa's population groupings continue to be thought to have high levels of income inequality, and SMMEs are projected to help close the gap (Leboea, 2017). The author continues by listing a few of the elements that may help close the poverty gaps. These are the following:

- Create jobs: Rural entrepreneurship is labour-intensive yet provides a practical solution to the growing unemployment problem. Through the establishment of industrial facilities in rural areas, rural entrepreneurship has a significant potential to generate income and jobs.
- Check on the movement of the rural population: Rural entrepreneurship has the potential to significantly reduce the inequities and income gaps that separate the rural and urban populations. In addition to aiding in the construction of infrastructure such as highways, bridges, and power plants rural entrepreneurship will also reduce the number of individuals relocating from rural to urban regions in pursuit of employment.
- Balanced regional growth: Rural entrepreneurship can balance regional development and counteract the concentration of industrial units in urban areas.
- Promotion of artistic activities: Through the preservation and promotion of art and handicrafts through rural entrepreneurship, the rich history of rural communities is maintained.
- Check on social evils: The rise in rural entrepreneurship has the potential to mitigate various social ills, including urban pollution, slum expansion, and poverty.
- Awaken the rural youth: Rural entrepreneurship has the power to inspire young people in rural areas and provide them with opportunities to pursue entrepreneurship as a career.
- Improved standard of living: The rate of literacy among rural residents will rise as a result of rural entrepreneurship. Their self-employment and education will raise the level of living in the community and benefit them.

The 2011 Europe Union Rural Review states that business and entrepreneurship are the primary drivers of economic growth in Europe's rural areas. The study highlights how, given the ongoing difficulties facing traditional rural sectors, the capacity of rural entrepreneurs to innovate and identify new business opportunities that bring in money and create jobs in rural areas is essential to the rural economy's future growth. For instance, the emergence of SMMEs, a form of entrepreneurship, in Vietnam has shown to be a powerful driver of socioeconomic diversity (Benedikter, Waibel and Birtel, 2013; Maduku and Kaseeram, 2021).

Recently, the importance of economic firms has increased; SMMEs in particular have made a substantial contribution to the development of new jobs (Johari, 2012). According to Thaddeus (2011), small and medium-sized enterprises (SMMEs) are the business model that entrepreneurs frequently use to contribute to the economic growth of their surroundings, such as raising the employment rate and reducing poverty. The cornerstone of economic development is comprised of SMMEs. Due to their unique qualities, small and medium-sized companies (SMMEs) have been seen to be significantly more adaptable and responsive to the frequent changes that take place in the modern, global world than giant corporations (Benedikter, Waibel and Birtel, 2013). Additionally, because they make up a sizable portion of industrial activity in both developed and emerging economies, like South Africa, SMMEs are essential to the development of many nations (Lekhanya and Visser, 2016; Sibiya et al., 2023).

Although the country's NDP envisions inclusive growth and development, small, micro, and medium-sized enterprises (SMMEs) have been finding it difficult to achieve it. As a result, both the number of SMMEs and the percentage of workers in this sector have decreased over time. These obstacles hinder the labour markets' potential to reduce poverty and inequality more quickly. Overcoming these obstacles is essential since unemployment negatively affects poverty and inequality and because impoverished people typically have greater unemployment rates than non-poor people, their labour force participation is lower (Department of Planning, Monitoring & Evaluation, 2018; StatsSA, 2021, Vision 2030 & World Bank, 2020).

5.7 DETERMINANTS OF SURVIVAL AND GROWTH OF RURAL SMMEs

Many scholars, like Sarani, Shahpasand, and Savari (2013; Malefane, 2019; Mhlongo et al., 2023), emphasise that physiological, social, cultural, personal, and economic aspects are the most obvious obstacles to entrepreneurship in general. According to Mhlongo et al. (2023), there are many different factors that influence a business's performance. Because of this, it is challenging to determine whether a small business will succeed or fail using a common set of metrics. While the usual metrics work well for major organisations, they may not always be

appropriate for smaller firms, particularly those in rural areas (Lekhanya and Visser, 2016; Sibiya et al., 2023).

Thus, the underlying causes of success for small enterprises may actually stem from a confluence of internal and external forces. According to Mhlongo et al. (2023) innovativeness, the drive for success, a dearth of bureaucracy, internal locus of control, and marketing opportunities are some of the elements that determine the success of rural entrepreneurs. For example, Maduku and Kaseeram (2021) discovered a correlation between the educational attainment of the owner/manager and the capacity of the company to expand through employee growth and yearly revenue. According to Chachar, De vita, Parveen, and Chachar (2013; Bushe, 2019).

factors that are associated with the expansion of the industry include family background, the age of the entrepreneur, and management style in relation to owners' or managers' educational attainment. These factors also contribute to the development of SMMEs. It has been shown that SMME success depends on a variety of talents, including commitment, time management, goal setting, networking, creativity, and innovation (Bushe, 2019).

The sentiment expressed by Sarma (2014), Ramukumba (2014), Gutha (2015) and Matekenya et al. (2023) is echoed in the study area: the main factors preventing SMMEs from surviving and expanding are limited funding at the start-up stage, a lack of management capacity within the company, tender constraints, costs related to labour and VAT compliance, liquidity stress, a lack of collateral, and a lack of institutional support. The same study also found that inadequate recordkeeping, management, and infrastructure are major barriers to a company's ability to survive and flourish (Sarma, 2014; Ramukumba, 2014; Gutha, 2015; Matekenya et al., 2023).

According to McPherson and Rous (2010), there is no discernible relationship between loan availability and small business growth. According to Hamelin (2009), attitudes associated to families also have an impact on a company's ability to grow. Therefore, regulations that influence incentives in small family enterprises are necessary to boost a company's ability to grow. Makwara (2019) discovered that firm growth is influenced by a variety of firm-specific factors, including internal financing, processes and product innovation, future growth opportunities, indebtedness, and organisational changes, in addition to the traditional characteristics of age and size. According to Siddiqi (2019), a firm's growth is significantly influenced by a number of factors, including internal and external sources of financing, the entrepreneur's marketing orientation, sales volume, market size, risk-taking attitude, industry potential growth, entrepreneurship experience, networking abilities, innovations (in terms of

introducing new products), new processes and major improvements in existing systems, product diversification, on-the-job training activities, utilisation of unique know-how, and price adaptability. According to Philip (2010; Maduku and Kaseeram, 2021) SMME characteristics, management expertise, goods and services, business practises, collaboration, funding, resources, and the external environment all have an impact on a company's ability to succeed.

5.8 FACTORS WHICH MAKE SMMES HIGHLY EXPOSED TO THE IMPACT OF COVID-19

SMES are extremely susceptible to pandemics like COVID-19 and others due to a number of important reasons. First of all, because they employ more people than other businesses, they are more vulnerable to disruptions, particularly when their workforces are placed under quarantine, as is the case in a number of nations. Second, their liquidity reserves are weaker, which means they have fewer options for financing and mostly rely on assistance from local banks (Zeidy, 2020).

5.8.1 Governments

Zeidy (2020) asserts that the government is unquestionably a significant participant in the SMME ecosystem. Its function can be understood in two ways: first, as a catalyst for the expansion of MSME; and second, by providing focused assistance, particularly to companies experiencing rapid growth. Four important areas where government assistance can be crucial are as follows:

(i) To advance initiatives that designate SMMEs as preferred suppliers in order to strengthen the country's entrepreneurial culture. In addition to focusing on educating SMMEs about the types of financial and non-financial support that are accessible to them, the government can locate and close gaps that impede the growth of SMMEs;

(ii) To guarantee that business owners receive the assistance and resources necessary for them to recover and expand during a crisis. For instance, the majority would profit from further instruction in managing limited financial resources or creating business scenarios. This would be especially important in cases where funding for relief is given. In this endeavour, the government might also collaborate with the industries and sectors most vulnerable to the COVID-19 pandemic, helping them to devise resilience plans and rethink their long-term economic strategy;

(iii) Promote research and development since they are essential to growth and innovation. For instance, PlaTCOM Ventures, Malaysia's national commercialization platform, assists business owners in transforming their concepts into profitable goods and services;

(iv) Support SMMEs with focused, industry-specific assistance both during and after crises. Governments have a great chance to collaborate with organisations set up to assist SMMEs in this situation and offer them sophisticated, industry-specific solutions to help them recover from crises. To make sure that SMME leadership does not spend too much time handling financing processes and crises simultaneously, in their business, all support mechanisms must be easily and quickly accessible (Zeidy, 2020).

The government might also encourage targeted assistance to spur growth, for example, in businesses that prioritise exports. Furthermore, it might help consumer products and manufacturing companies who could compete with bigger names and provide alternatives to imports (Zeidy, 2020).

The new coronavirus that caused the Covid-19 epidemic had a significant impact on South Africa's economy. The economic ramifications of South Africa's lockdown tactics to combat the virus were significant. Even if the pandemic's impacts on the global market for South Africa's exports were less severe than those of the country's lockdown, they were nonetheless highly disruptive by any standard measure (Adian, Doumbia, Gregory, Ragoussis, Reddy and Timmis ,2020).

By the end of 2020, even the "Quick" recovery scenario produced a GDP fall of almost 5% an economic outcome that, just over a month ago, would have been deemed disastrously terrible. Rather, that result appeared promising. Instead, it appears more likely that the Covid-19's effects will last, bringing GDP results closer to those outlined in the "Slow" and "Long" scenarios. This analysis yields at least two significant policy conclusions in addition to the economic impacts. First, during the crisis, South Africa's social transfer programmes for low-income households were giving the most vulnerable vital support. Low-income households' difficulties were greatly lessened by efforts to retain these payments. Second, coordination of epidemiological containment strategies and economic policies intended to partially offset negative economic repercussions of the containment policies were fundamentally excellent concepts because the actions enforced to limit the coronavirus had tremendous economic implications (Arndt et al.,2020; Adian et al. ,2020).

5.8.2 SMMEs have Limited Avenues Amid Severe Financial Constraints

Liquidity restrictions are a major problem for most businesses that see a rapid decline in sales. Without careful management, financial inflows and withdrawals make firms much more vulnerable to closing their doors forever. Businesses typically use credit-based payment facilities to offset sudden drops in liquidity throughout the economy, or they may choose to stop making payments entirely and assume the associated risk. In general, larger businesses

have easier access to credit. Smaller businesses are shown to be less able to interact with their suppliers on credit terms when they restrict their immediate cash outflows. These companies show a general fall in creditworthiness across all countries, with declines in credit purchases that are greater than or at least as severe as those among large companies. Modifying the credit terms with suppliers has proven essential for SMMEs with higher capacity to safeguard their balance sheet and maintain their current partnerships (Corporate Finance Network, 2020). SMMEs tend to rely more on equity financing and government support to address cash flow issues; they prefer grants or equity over loans. This preference isn't just because of repayment uncertainty; in China, for instance, SMMEs have reportedly been reluctant to take out bank loans because of the cumbersome application process, the tight terms of the loans, and the requirement that they provide standardised financial statements and/or acceptable collateral. Additionally, they favoured mid- and long-term loans with terms longer than a year since they were worried that a "due on demand" loan tenor would leave them open to loan reduction or revocation (CAFI 2020). But in many low-income nations, where SMMEs only receive 20% of government support, grants are hard to come by. Apart from inadequate official support in certain countries in Eastern Europe and Sub-Saharan Africa, small and medium-sized enterprises may also not be aware that there are aid programmes available (Adian et al., 2020).

5.9 SUMMARY

This chapter included a thorough review of the literature on the contributions, difficulties, and supportive business environment of SMMEs. Comprehensive comprehensions of SMME-related concerns that are essential to generating long-term job possibilities in South Africa have also been covered. The continued significance of SMMEs in the South African economy has gained enormous attention in recent times. Governments both domestically and internationally are becoming interested in the responsibilities played by the SMME sector. The chapter presents evidence that the small business sector faces a variety of intricate issues that are unique to any one nation. These issues pose a serious danger to the survival of small businesses and the economic growth of numerous nations since they have the potential to have a significant impact on small business sustainability in the majority of emerging nations, including South Africa.

This report also emphasised the contributions made by SMMEs to the economy and job possibilities in South Africa. It is commonly known that the small company sector can reduce poverty by absorbing labour and generating jobs. The socioeconomic importance of small enterprises in lowering the high unemployment rate in South Africa and other developing nations was the main topic of discussion.

The small company sector faces significant hurdles due to insufficient resources, notably financing. For the sector to become highly competitive in the South African market as well as in the global arena, training in relevant technology and other skills is therefore necessary. The chapter also included a number of factors that affect small enterprises' chances of success or failure. These contributing variables are a result of both human capital considerations and conventional operating procedures. Several factors have contributed to the demise of small firms, including insufficient capital, Covid-19, power outages, and cash flow issues. These factors have created significant barriers for the small business sector, making it difficult for it to compete on a worldwide scale. Stated differently, difficulties with teamwork, financial management, skill development, and entrepreneurial abilities are identified as the main contributing factors to business failures in developing nations and South Africa.

The multifaceted nature of entrepreneurship necessitates interdisciplinary inquiry and the bridging of gaps in our current understanding of the field, much more akin to the notion of entrepreneurship as a quilt (UNDP South Africa, 2023). According to Makwara (2019), determines that a number of researchers and academic personnel have been studying in the field of rural entrepreneurship. Due to its economic importance, the field is being regularly analyzed and studied. As said earlier, majority of the population of Limpopo resides in rural areas hence it becomes necessity that the field should be studied for knowing various issues, problems and also opportunities hidden which can develop this area in economic perspective.

Comprehensive support for SMMEs aims to encompass traditional finance, product development, market access, and business support. In addition, risk identification and mitigation should be integrated into these services to help businesses anticipate and address potential challenges. By providing a holistic package of support, SMMEs can better withstand shocks and maintain growth (SBP, 2023).

In conclusion, while South Africa has a broad range of projects and programs dedicated to SMME development, gaps still need to be addressed. These primarily pertain to aligning interventions with the unique needs of SMMEs, the need for greater inter-agency coordination, and the need to track impact more comprehensively. Additionally, there should be more excellent representation of SMMEs in policy, regulation and SMME support programme design. Only then can the full potential of SMMEs, particularly in Limpopo economies as a study area, be fully realized. (Liguori, Muldoon, Ogundana, Lee, and Wilson, 2024).By adopting the support framework for enhancing rural SMMEs performance in the study area, SMMEs can not only withstand shocks but also adapt and transform in response to changing circumstances, contributing to a more robust and sustainable economy. Charting the future of entrepreneurship Ultimately, the researcher hopes that this support framework will serve as a

roadmap for such scholarly exploration, and stimulates dialogue between, academics, policymakers and practitioners, thus enriching the impact of research on society at large (Liguori et al., 2024).

CHAPTER SIX

RESEARCH METHODOLOGY

6.1 INTRODUCTION

This chapter details all methods that were utilised in the study, hence, provides the methodology employed to achieve the study's aim and objectives. The purpose of this study is to contribute to the body of knowledge regarding the development of a conceptual framework to enhance performance of rural SMMEs in the Limpopo Province.

To achieve the objectives, the first section of this chapter will discuss the research philosophy/paradigm that informed the study, followed by the research design - the structure that holds different concepts together (Dlamini, 2020). The research methodology was influenced by the research paradigm. The target population, sampling procedures and sampling techniques adopted in this study are discussed, followed by the data collection process. Subsequently, data analysis shall follow - a section which informs readers on how data was analysed to produce meaning. The trustworthiness and plausibility of the research instrument will be discussed, followed by the ethical issues considered in this study. Before the chapter is concluded, limitations, scope and how bias will be eliminated from the study, will all be detailed.

6.2 PARADIGM OF THE STUDY

Research paradigms form the foundational framework upon which research methodologies and approaches are built. They guide researchers in understanding the nature of reality, knowledge, and inquiry within a particular field. In the context of enhancing business performance for Small, Medium, and Micro Enterprises (SMMEs) in rural areas, particularly in the Limpopo Province of South Africa, comprehending the appropriate research paradigm is crucial. The chosen paradigm for this study is crucial in shaping the research design and methodology. Given the practical nature of the research topic, positivist paradigm research paradigm is deemed appropriate. Positivists believe in a single reality that can be measured and understood. As a result, quantitative approaches are utilized to quantify this reality (Taherdoost, 2021). This research paradigm will allow for a holistic exploration of the complexities inherent in the business environment of rural SMMEs. Positivism in research is a philosophy related to the concept of real inquiry. A positivism-based research philosophy employs a rigorous approach to the systematic study of data sources (Taherdoost, 2021).

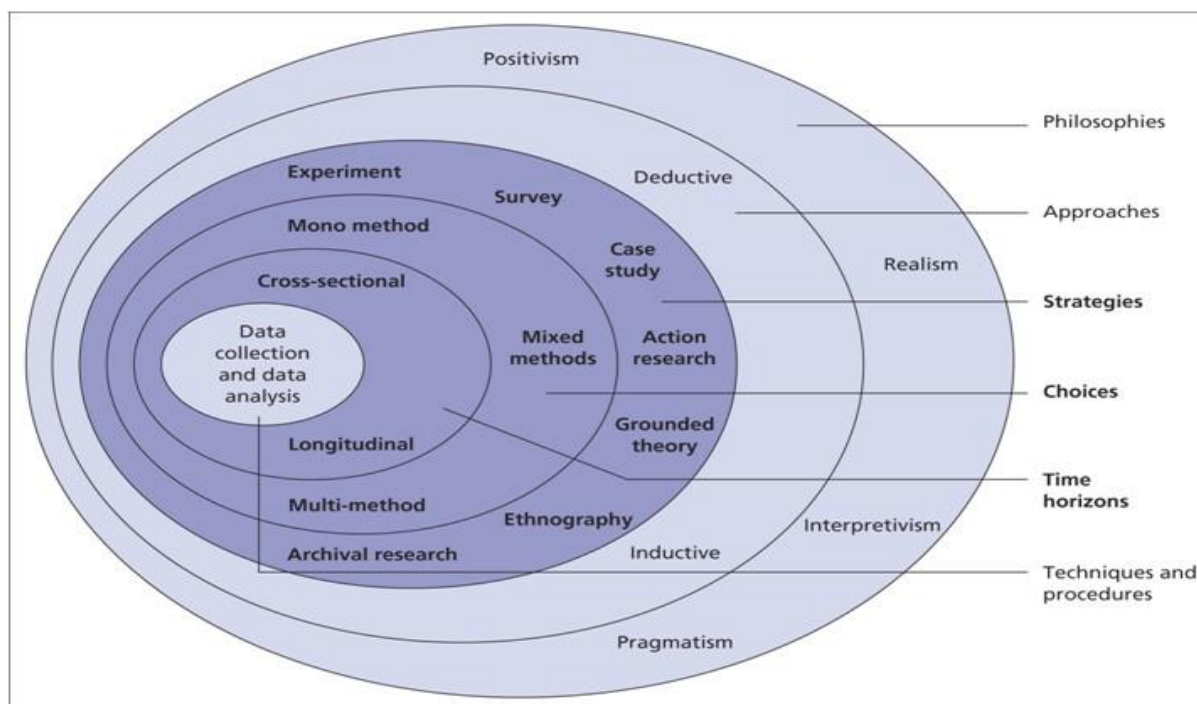
Conversely, the quantitative component involves the use of surveys and statistical analyses to quantify and measure specific variables related to business performance. This aligns with the positivist paradigm, which emphasizes objectivity and the identification of universal patterns and trends.

The “research onion” model, developed by Saunders et al. (2019) provides a structured and systematic approach to designing and conducting research. It comprises multiple layers, each representing a different aspect of the research process, from the broad philosophical stance to the specific data collection techniques. The layers include research philosophy, research approach, research strategy, time horizon, and data collection techniques. At the core of the research onion is the research philosophy, which serves as the overarching guide to the research design. In the context of the study on rural SMMEs in Limpopo, the interpretivist philosophy is embraced for the qualitative component, emphasizing the exploration of subjective experiences. Meanwhile, the positivist philosophy informs the quantitative component, focusing on the identification of objective patterns and trends (Saunders et al., 2019).

Building on the research philosophy, the research approach dictates the nature of the relationship between the researcher and the participants. For the qualitative component, an inductive approach is adopted to allow for the emergence of themes and patterns from the data. Conversely, a deductive approach is employed in the quantitative component, guided by pre-established hypotheses. The research strategy outlines the plan for conducting the study. In this research, a case study design is chosen to provide an in-depth understanding of the business performance of rural SMMEs in the Limpopo Province. This strategy allows for the exploration of multiple facets within a real-life context (Saunders et al., 2019).

The time horizon refers to the timeframe within which the research is conducted. Given the practical and dynamic nature of the research topic, a cross-sectional design is employed to capture a snapshot of business performance at a specific point in time. This aligns with the immediate concerns of stakeholders and policymakers in the region. The outermost layer of the research onion involves selecting specific data collection techniques. In the qualitative component, in-depth interviews and focus group discussions are conducted to gather nuanced insights into the challenges and opportunities faced by rural SMMEs. For the quantitative component, surveys are distributed to a representative sample of SMMEs, and statistical analyses are employed to identify correlations and trends (Saunders et al., 2019).

FIGURE 6.1: RESEARCH ONION



Source: (Saunders,2019)

When creating a research methodology for a dissertation, thesis, or other formal research project, the researcher must make several options that are described in Saunders' research onion above. From the exterior of the onion inside, the researcher works. The options available to the researcher will range from high-level and philosophical to tactical and practical. This also follows the basic format of the chapter on methodology.

According to Saunders et al. (2019), the research onion consisted of three tiers of decisions: Three main rings make up the research onion: the first two, which are approach and philosophy; the second, which is design and includes time horizon, strategy, and methodological choices; and the third, which is tactics and includes data collection and analysis.

To develop a trustworthy research strategy Every academic study begins with research questions and objectives. Research design, methodological options, research strategy, time horizon, research philosophy and technique, and data collecting, and analysis are the next considerations to be made. The layers of the research onion are interdependent and

interrelated. Put another way, the philosophy selected has an impact on the approach, which in turn influences the methodological decision, strategy, time horizon, data collection, and analysis (Tengli, 2019).

A paradigm, according to Rehman and Alharthi (2016), is a theoretical framework and underlying belief system that makes assumptions about procedures, methodology, ontology, and epistemology. Put another way, it's our way of understanding and learning about the real world. It looks at the philosophical underpinnings of the three major paradigms: positivism, critical theory, and interpretivism. The section begins with a succinct explanation of the four elements of a research paradigm: whether they are aware of it or not, researchers make a lot of assumptions when they conduct research (Burrell and Morgan 2016).

6.2.1 Ontology Philosophy

A philosophical discussion of "being," what genuinely exists, and the nature of reality is the subject of ontology. A collection of fundamental presumptions regarding the relationships between realities are reflected in ontology (Landiyanto, 2018). In Chambers (2010), two ontological frameworks are put forth. The first is an organised and (in theory) predictable paradigm of objects, whereas the second is an unordered and unpredictable paradigm of humans. Within a study framework, ontological and epistemological questions are likely to interact with one another; this can be characterised by the focus. While epistemology will concentrate on what it "means to know," ontology will concentrate on how one understands what "is" (Landiyanto, 2018).

Epistemology, according to Al-Ababneh (2020), is the theory of knowing that is included into the method from a theoretical standpoint. Epistemology, in general, relates to the beliefs we have about the kind of knowledge that exists and the means by which knowledge about the outside world can be obtained. Al-Saadi (2014) claims that epistemology is a viewpoint that aids in our understanding of the outside world. It necessitates knowledge and, by definition, represents a certain understanding of what that knowledge entails (Al-Saadi, 2014).

The first element, called epistemology, is stated to be ingrained in the theoretical perspective and is characterized as "a way of looking at the world and making sense of it" (Al-Ababneh, 2020). The three primary types of epistemologies are constructionism, subjectivism, and objectivism. The philosophy that informs the chosen methodology is explained by a theoretical viewpoint, which constitutes the second component. It creates the fundamental assumptions needed to choose a methodology. Interpretivism, feminism, postmodernism, positivism (and post-positivism), interpretivism, and critical inquiry are the main theoretical schools of thought.

The third section, research methodology, which is the study design that guides the choice of research methodologies, represents the strategy and action plan (Al-Ababneh, 2020).

According to Cooper and Schindler (2014) and Dhlomo (2019), the epistemological perspective is a framework meant to address the study's goals. The epistemological perspective for this study was positivism. To put it simply, the epistemology is the lens through which the research is seen. Positive knowledge, according to Ormston et al. (2014) and Al-Saadi (2014), is considered to be objective, value-free, generalizable, and reproducible (Dhlomo, 2019).

According to Kivunja and Kuyini (2017), ontology examines a researcher's fundamental assumptions about the nature of existence and being. It is concerned with the basic features or core of the social phenomenon that researchers are studying, as well as the assumptions that researchers make in order to accept anything as true or rational. It facilitates the conception of the nature, structure, and conclusions that scholars believe can be drawn from reality. Knowing the philosophical assumptions made about the nature of reality is necessary to comprehend how researchers interpret the facts they gather. They can better concentrate their thoughts on the significance of the research issue, how to approach it, and how they might contribute to its solution by using these assumptions, ideas, or claims (Kivunja, and Kuyini 2017).

The realists' ontology which essentially holds that facts are facts and should be viewed as such is the one that this study has embraced because literature indicates that philosophical assumptions about the reality of nature are important while collecting research data (Dhlomo, 2019). According to De Caro (2015), there should be two concerns posed when talking about realism from an ontological perspective: first, whether or not particular things actually exist, and if so, whether or not they do so independently of the brains that think about them. The first goal of this research is to determine how reputation management affects small and medium-sized enterprises (SMMEs). The second goal is to determine whether or not reputation management helps SMMEs gain a durable competitive advantage. This fits nicely with the previous two-question framework (De Caro 2015; Dhlomo, 2019).

The nature of reality, the differences between it and our perception of it, and how these impact everything around us are the main topics of study in ontological philosophy (Chege and Otieno, 2020). According to Chege and Otieno (2020), research assumptions are related to the realities that are experienced throughout the investigation, the definition of reality, and the researcher's understanding of existence.

A researcher's ontological assumptions are their beliefs about the nature of reality. The study area or topic domain such as improving the performance of rural SMME business owners is

precisely what is meant by reality. The researcher believes the performance is a study of human behaviour, namely that of small and medium-sized business owners. Because of this, the technique used for this study will be guided by the choice of realism ontology, helping to accomplish the study's goals and finally provide a response to the research issue.

6.2.2 Epistemology Philosophy

Epistemology is the area of philosophy that studies the nature, source, extent, and "how we know what we know" (Sumner and Tribe, 2004; Landiyanto, 2018). Because it provides a philosophical framework for figuring out what knowledge is feasible and how to ensure that knowledge is sufficient and genuine, Crotty (1998) claims that epistemology is essential (Landiyanto, 2018).

Epistemology is the theory of knowing that is integrated into the methodology through the theoretical perspective, according to Al-Ababneh (2020). Epistemology, in general, relates to the beliefs we have about the kind of knowledge that exists and the means by which knowledge about the outside world can be obtained. (Al-Saadi, 2014; Sol, and Heng, 2022) claims that epistemology is a viewpoint that aids in our understanding of the outside world. It incorporates information and, by definition, represents a specific understanding of the contents of that knowledge (Al-Saadi, 2014; Sol, and Heng, 2022).

Epistemological presumptions pertain to human knowledge, including what real knowledge is, whether it can be known, and how a researcher can acquire and use it (Dlamini, 2020). A researcher's knowledge assumption is known as an epistemic assumption. *What constitutes dependable and valid knowledge? How can we get it and share it? Since the subject matter of rural SMMEs is known to come from a variety of fields, the information will also be various. For example, the information could be in the form of textual data from surveys or questionnaires, numerical data like the number of SMMEs, or even graphic data like sociograms, resource maps, and social maps. As long as they are supported by a systematic process of inquiry, facts, views, anecdotes, and narratives are all acceptable forms of information in extension study* (Dlamini, 2020).

6.2.3 The Importance of Assumptions in Research Philosophies

According to (Tengli,2019) assumption in research philosophy are crucial as follows:

- Research assumptions serve as a tour guide, instructing you on how to conduct the study and what role you should play, including whether or not subjectivity can be communicated while maintaining objectivity. They advise you on possible courses of action.

- At several stages, the researcher must defend their work.

6.3 RESEARCH DESIGN

Study design refers to the application of evidence-based procedures, policies, and standards that provide the tools and framework needed to conduct a research study. The study design is among the initial methodological decisions made by the investigators (Majid, 2018). Philosophical "assumptions drive methodological decisions," hence there is a relationship between the research's philosophical stance and study design. The study design is influenced by the population, phenomena of interest, sampling techniques, research question, and aims (Majid, 2018).

Boohene and Agyapong (2017) assert that the epistemological stance that a researcher takes shapes the manner that they approach problems and the approaches that they use to solve them. This is due to the fact that the underlying presumptions of each viewpoint have significant effects on how one goes about looking into and trying to gain "knowledge" about the social world. Therefore, different underlying presumptions are probably going to lead researchers to choose different approaches (Boohene et al, 2017; Khandav and Khanam,2023).

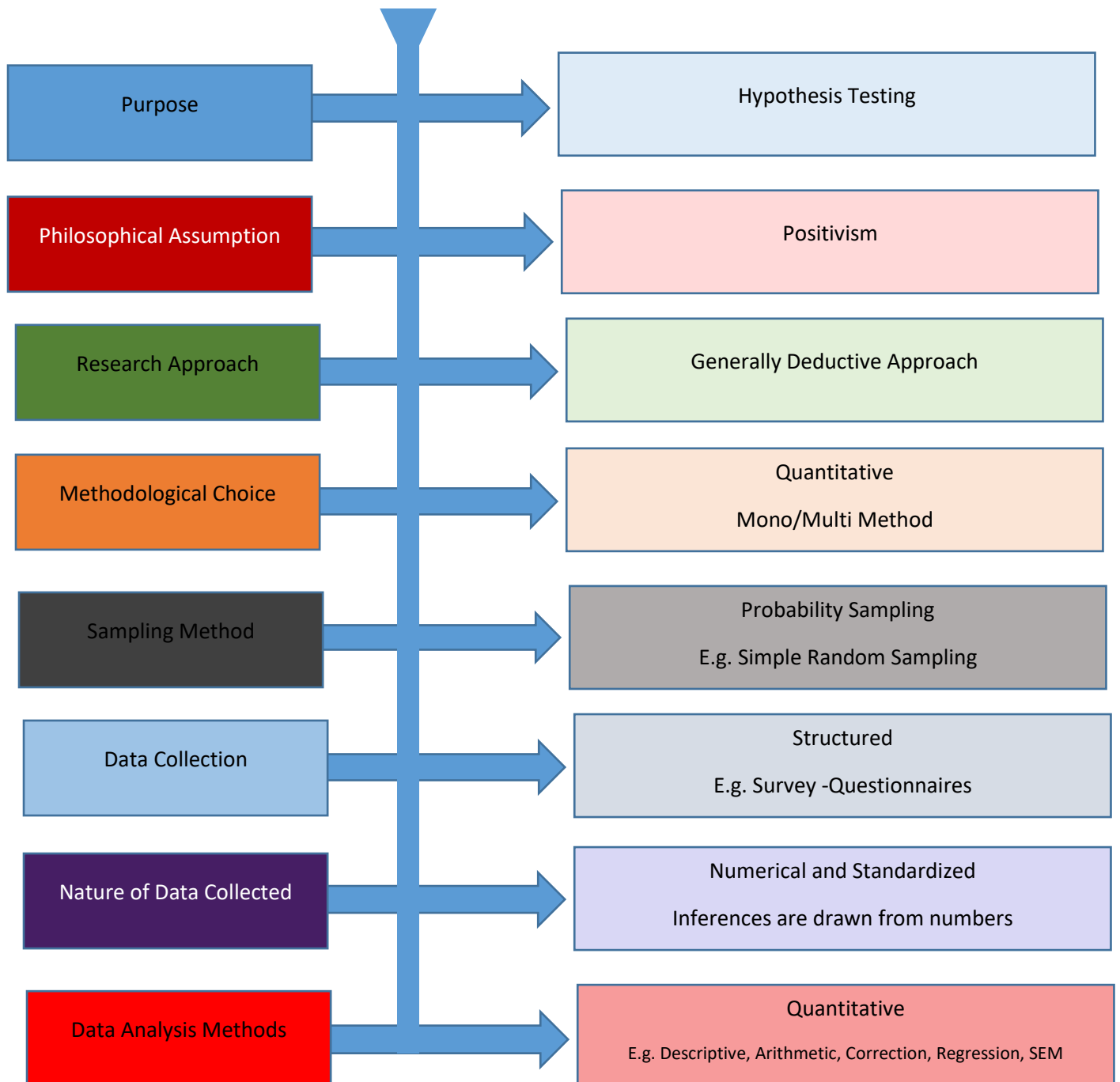
Pandey and Pandey (2015) adopt the stance that there are only a number of compromises rather than ideal answers to any research approach in their advice on research choices. There are different research options, thus the investigator must provide justification for the strategy selected as every method has unique benefits and drawbacks as well as unique ways to gather and analyse data (Pandey and Pandey ,2015; Khandav and Khanam,2023).

Because most entrepreneurship in Africa is informal, unstructured, and unregistered, there are issues with conducting research on the subject. Researchers in the field are frequently forced to use conceptual and exploratory approaches in their investigation due to the challenges associated with data collection. Data collection on entrepreneurial firms in developing nations is impeded by inadequate record keeping, low literacy rates, and apprehension about disclosing information to tax authorities (Boohene and Agyapong, 2017).

There are a number of different research designs, according to the literature, and it is the researcher's responsibility to select the one that will best direct the research process (Ngulube, 2014). The right study design is determined by the research philosophy, even though the researcher has the last say in the matter. The research subject, paradigm, and design should

all flow naturally into the last step of the research plan (Dlamini, 2020). Research literature also indicates that quantitative approaches are more methodologically structured than qualitative approaches (Dlamini, 2020).

FIGURE 6.2 SCHEMATIC REPRESENTATION OF QUANTITATIVE RESEARCH DESIGN



Source: Saunders (2019).

Successful study requires an effective research design, according to Saunders' (2019) previous Schematic Representation of Quantitative study Design. The schematic representation of quantitative study design by Saunders (2019) serves as a comprehensive guide for researchers embarking on quantitative inquiries. It delineates the various components and stages involved in the research process, offering a structured approach to inquiry. At its core, the framework emphasizes the importance of clarity, coherence, and systematic planning in research design, all of which are indispensable for achieving meaningful and valid results.

The first crucial aspect of Saunders' framework is the identification of research objectives and questions. Before delving into data collection and analysis, researchers must articulate clear and concise research objectives that delineate the purpose and scope of the study. These objectives serve as guiding beacons, steering the research process in the right direction and ensuring alignment between research aims and outcomes. Once the research objectives are defined, researchers proceed to the formulation of hypotheses or research questions. Hypotheses provide tentative explanations or predictions about the relationships between variables, while research questions probe into specific phenomena or issues under investigation. Saunders' framework underscores the importance of formulating hypotheses or research questions that are precise, testable, and aligned with the research objectives.

With research objectives and questions in place, the next step in Saunders' framework involves the selection of an appropriate research design. The choice of research design depends on various factors, including the nature of the research questions, the level of control desired by the researcher, and the availability of resources. Common research designs outlined in Saunders' framework include experimental, quasi-experimental, correlational, and descriptive designs, each offering distinct advantages and limitations.

The research fits nicely into a descriptive research design because the research problem was clearly specified, and all study-related variables were well-established. Research challenges typically call for a detailed study plan to be created before the investigation is carried out. This study's empirical research design was quantitative, and structured questionnaires were used to collect data. The primary focus of quantitative research is gathering data in numerical form (Boohene et al, 2017). A quantitative study is typically described as having a deductive method, meaning that the results logically flow from the premises (Sileyew, 2019).

6.4 RESEARCH METHODOLOGY

The process that researchers use to carry out their research is known as research methodology. They define their goal and challenge, then use the information gathered throughout the study time to deliver their findings (Sileyew, 2019). This section on research methodology also illustrates how the final research findings will achieve the aim of the investigation. Thus, this section covers the research strategies that will be used during the study procedure (Sileyew, 2019).

The techniques for collecting research data, the study's research methodology, the target population, sample size and sampling plans, and the data processing technique are all included in this part. Finally, it looks at the strategies and limitations that were used to get this data.

6.5 METHODS

This study applied the nomothetic approaches. Nomothetic approaches refer to a systematic and generalizable approach to understanding phenomena by identifying and establishing patterns, laws, or principles that apply universally or across a significant population (Dorling, 2010). Nomothetic approaches in research emphasize the discovery of general laws, principles, or patterns that can be applied universally across various contexts (Gomm, Hammersley, & Foster, 2000). Unlike idiographic approaches, which focus on understanding unique individual cases, nomothetic research aims for broader generalizations. It employs quantitative methods, statistical analyses, and standardized measures to uncover regularities and trends within populations.

The nomothetic approach in this study involved the collection and analysis of quantitative data from a representative sample of rural SMMEs in Limpopo Province. Through surveys, questionnaires, and structured interviews, researchers gathered data on various aspects of SMME operations, including financial performance, market dynamics, access to resources, and regulatory environments.

Furthermore, statistical techniques such as regression analysis, correlation studies, and hypothesis testing were employed to identify significant factors influencing business performance among rural SMMEs. By analysing data at a population level, the study aimed to draw generalizable conclusions and formulate recommendations applicable to a broader spectrum of rural businesses in Limpopo Province.

The nomothetic approach facilitated the identification of key determinants of business success and failure among rural SMMEs, thereby informing the design of targeted interventions and policy initiatives. By uncovering patterns and trends within the data, researchers could delineate actionable insights aimed at enhancing the overall resilience and competitiveness of rural enterprises in the region. Moreover, the study's nomothetic approach enabled comparisons across different geographical areas within Limpopo Province, allowing researchers to discern variations in business dynamics and performance drivers. Such comparative analyses shed light on regional disparities and highlighted the need for context-specific interventions tailored to the unique challenges faced by SMMEs in diverse rural settings.

The researcher might become more conscious of the presumptions and beliefs he or she applies to their research by being clear about the fundamental assumptions of the paradigm being used. Even while they aid in understanding, each paradigm nevertheless has advantages and disadvantages of its own. Using various paradigms might also result in fresh, original ideas and insights (Kivunja et al, 2017).

These various ideologies or paradigms can be broadly divided into positivism, interpretivism, critical realism, and pragmatism, according to Rehman and Alharthi (2016) and Dlamini (2020). As a result, while it is outside the purview of this study to delve into the specifics of each research paradigm, the following subsections offer an overview of the research components that researchers most frequently employ in the various paradigms.

6.5.1 Positivism

Positivism refers to a philosophical stance and methodological approach that emphasizes the importance of empirical evidence, objectivity, and the scientific method in understanding and explaining phenomena. It originated in the early 19th century and gained prominence in the social sciences as a response to the subjective and speculative nature of earlier philosophical and scientific inquiries. Positivism posits that knowledge can be obtained through systematic observation, experimentation, and the application of logical reasoning (Comte, 1855).

Originating from the works of Auguste Comte, a French philosopher of the 19th century, positivism advocates for the application of empirical methods and the reliance on observable phenomena in the pursuit of knowledge. At its core, positivism asserts that meaningful understanding of the world can be achieved through systematic observation, measurement, and analysis.

One of the central tenets of positivism is its emphasis on objectivity and neutrality in the research process. Positivist researchers strive to minimize personal bias and subjective interpretations, instead focusing on empirical evidence and verifiable facts (Guba & Lincoln, 1994). This commitment to objectivity aligns with the positivist belief that the natural and social worlds operate according to regular, observable patterns that can be studied and understood through scientific inquiry (Yong, Husin, and Kamarudin, 2021).

In the realm of social sciences, positivism has had a profound impact on the development of research methodologies, particularly in fields such as sociology, psychology, and economics. Positivist approaches emphasize the use of quantitative data and statistical analysis to uncover patterns and relationships within social phenomena (Smith, 2015). By employing standardized measurement techniques and rigorous research designs, positivist researchers seek to uncover generalizable laws or principles that govern human behaviour and societal processes (Yong et al., 2021).

The application of positivist principles in research often involves the formulation of hypotheses and the testing of these hypotheses through systematic observation and experimentation. Through the collection and analysis of empirical data, researchers seek to either confirm or refute their initial hypotheses, thereby advancing scientific knowledge and understanding. This iterative process of hypothesis testing and refinement lies at the heart of positivist inquiry, driving the accumulation of evidence and the refinement of theoretical frameworks over time.

In addition to its emphasis on objectivity and empirical evidence, positivism also prioritizes the use of deductive reasoning in the formulation of research questions and hypotheses. Drawing on established theories and principles, positivist researchers develop hypotheses that can be logically deduced from existing knowledge and then empirically tested through observation and experimentation. This deductive approach allows researchers to systematically build upon existing knowledge and refine theoretical models in light of new evidence.

While positivism has been influential in shaping modern research practices, it is not without its criticisms and limitations. Critics argue that the positivist emphasis on objectivity and quantification may overlook the subjective and qualitative aspects of human experience. By focusing solely on observable phenomena and measurable variables, positivist approaches may fail to capture the complexity and richness of social phenomena, leading to oversimplified explanations and interpretations (Shah, 2019).

Moreover, positivism has been criticized for its assumption of an objective, value-free stance towards research. Critics argue that all research is inherently value-laden, shaped by the

cultural, political, and ideological contexts in which it is conducted. Positivist approaches may thus inadvertently reproduce existing power structures and inequalities, reinforcing dominant narratives and marginalizing alternative perspectives. Despite these criticisms, positivism remains a dominant paradigm in many scientific disciplines, offering a systematic and rigorous framework for the pursuit of knowledge. Its emphasis on empirical evidence, objectivity, and deductive reasoning continues to shape research practices and methodologies, driving advancements in our understanding of the natural and social worlds (Park, Konge, and Artino, 2020).

Shah (2019); Park et al. (2020) assert that there is no one "superior" research approach philosophy. Some things are "better" done by philosophers than by others. Which is "better" depends, as usual, on the research issue or questions the investigator is attempting to address. As the "onion" suggests, research rarely fits cleanly into a single philosophical subject in practise (see Figure 6.1). Research in business and management frequently combines positivist and interpretivist ideas, possibly indicating a realistic perspective (Shah, 2019).

This study adhered to the positivist research approach in light of the previously provided rationale.

6.5.2 Interpretivism

Interpretivism in research represents a critical framework through which researchers seek to understand the complex tapestry of human experience, behaviour, and social constructs. This paradigm rests on the fundamental belief that reality is subjective, deeply embedded in social processes, and constructed through the interactions and interpretations of individuals (Bryman, 2016). Unlike positivism, which posits a single, observable reality that can be objectively measured, interpretivism argues that reality is multiple and constructed, making it essential to delve into the subjective meanings and interpretations of people to understand their actions and interactions within their social contexts (Saunders, Lewis, & Thornhill, 2019).

At the heart of interpretivism is the conviction that human behavior is not just a response to external stimuli but is imbued with meaning and purpose that individuals ascribe to their actions and the world around them (Klein and Myers, 1999). This perspective draws heavily on the philosophical underpinnings of phenomenology and hermeneutics, emphasizing the importance of understanding individuals' lived experiences and the ways in which they interpret and give meaning to those experiences (Schwandt, 2000). Through this lens, researchers are not detached observers but engage deeply with the subjective experiences

of their participants, often employing qualitative methods such as interviews, ethnography, and participant observation to gather rich, detailed data that captures the nuances of human life (Denzin and Lincoln, 2011).

Interpretivism also underscores the dynamic and fluid nature of social reality. It acknowledges that individuals are not only shaped by their social environments but also actively shape those environments through their actions, interactions, and interpretations (Berger and Luckmann, 1967). This interplay between individuals and their contexts highlights the complexity of social phenomena and the need for research approaches that are flexible, adaptable, and sensitive to the specificities of the contexts being studied. By focusing on the meanings people ascribe to their experiences, interpretive research seeks to uncover the ways in which social realities are constructed, maintained, and transformed (Crotty, 1998).

The emphasis on context in interpretivism also points to the importance of understanding the historical, cultural, and social factors that influence how individuals interpret their experiences and the world around them (Geertz, 1973). This contextual sensitivity allows researchers to appreciate the diversity of human experience and the myriad ways in which people from different backgrounds and cultures construct meaning. It challenges the notion of universal truths and instead advocates for an appreciation of the plurality and complexity of human life (Lincoln, Lynham, and Guba, 2011). The interpretivist approach has profound implications for research methodology. Given its focus on subjective meanings and the social construction of reality, interpretive research typically eschews large-scale quantitative methods in favour of qualitative approaches that allow for in-depth exploration of individuals' perspectives and experiences (Flick, 2014). Techniques such as in-depth interviews, focus groups, and ethnography are favoured for their ability to capture the complexity of human behaviour and the rich, contextualized data they produce.

These methods enable researchers to explore phenomena in their natural settings, providing insights into the ways in which social structures, norms, and values shape, and are shaped by, individual and collective actions (Silverman, 2017). Moreover, interpretivism is not just a methodological stance but also an ethical commitment to understanding and representing the voices and perspectives of research participants with empathy and respect (Tracy, 2010). It demands reflexivity on the part of the researcher, a critical awareness of their own biases, assumptions, and the potential impact of their research on the communities they study. This reflective stance is crucial for ensuring that interpretive research is conducted ethically and that the knowledge it produces is both credible and meaningful (Morrow, 2005).

6.5.3 Critical Realism

Critical Realism, a philosophical approach to understanding the nature of reality and the sciences, offers a nuanced middle ground between the empirical observability of Positivism and the interpretive flexibility of Constructivism. Initially developed by Roy Bhaskar (1975), Critical Realism posits that the world is composed of an observable reality and underlying mechanisms that are not always visible but can be discerned through scientific investigation (Bhaskar, 1975).

At the heart of Critical Realism is the ontological position that reality exists independently of our thoughts and perceptions, but our knowledge of this reality is inevitably mediated through social, cultural, and linguistic frameworks (Bhaskar, 1975). Unlike Positivism, which asserts that knowledge is only valid if it is based on observable and measurable phenomena, Critical Realism acknowledges the existence of real mechanisms, structures, and entities that operate behind the observable surface of phenomena (Easton, 2010). These mechanisms, although not directly observable, can be understood through their effects, enabling researchers to infer their presence and understand their functioning.

Critical Realism also diverges from Constructivism, which posits that reality is socially constructed and knowledge is contingent upon social processes and interactions. While acknowledging the importance of context, culture, and perception, Critical Realists maintain that these do not fully constitute reality but rather influence our understanding and interpretation of it (Archer, Bhaskar, Collier, Lawson, and Norrie, 1998). This stance allows Critical Realism to offer a more comprehensive approach to research, one that seeks to understand not just how phenomena are constructed and interpreted, but also how they are caused and structured (Kapoor, Ratnakar, Bhowmick, and Qureshi, 2022).

The methodology of Critical Realism is characterized by its emphasis on explanatory depth. Researchers operating within this paradigm strive to uncover the underlying mechanisms and structures that give rise to observable phenomena (Sayer, 2000). This involves a process known as “retrodiction”, where researchers move from the observed effects back to the possible causes, forming hypotheses about the nature of the underlying mechanisms (Bhaskar, 1975). Through this process, Critical Realism encourages researchers to go beyond mere description and correlation, pushing for a deeper understanding of causality and change. (Kapoor et al., 2022).

Critical Realism's approach to causality is particularly noteworthy. Unlike traditional views that see causality in linear terms, Critical Realism acknowledges that causality is often complex and multifaceted, with multiple mechanisms and structures interacting in dynamic ways (Danermark et al., 2002). This perspective is especially valuable in social science research, where phenomena are frequently the result of intricate interplays of social, economic, political,

and cultural factors. By embracing this complexity, Critical Realism enables researchers to develop more nuanced and comprehensive explanations of social phenomena.

Furthermore, Critical Realism's commitment to understanding the stratified nature of reality – distinguishing between the empirical (what is experienced), the actual (what happens), and the real (the mechanisms, structures, and powers that cause what happens) – offers a robust framework for investigating social phenomena (Bhaskar, 1975). This stratification acknowledges that what we observe (the empirical) is just the tip of the iceberg, and that a deeper exploration of the actual and the real can yield richer insights into the workings of the world (Kapoor et al., 2022).

In practice, Critical Realism has been applied across a wide range of disciplines, from sociology and education to health research and management studies. Its influence is particularly evident in studies that aim to understand complex social issues such as inequality, health disparities, and organizational dynamics. By allowing for a deeper investigation into the causes and structures underlying these issues, Critical Realism has enabled researchers to propose more effective and targeted solutions (Kapoor et al., 2022).

This epistemological background is helpful because it advances our knowledge of the dynamic interactions that occur in social relationships. As a result, it helps people form positive relationships in the context of psychotherapy and in all other contexts where they attempt to support one another in a constructive manner. This goal is tied to a number of duties, one of which is to fairly serve clients who have committed themselves to the care of a psychotherapist in order to enhance their reality and experience. This is not a question about the qualifications and limitations of our expertise (Sternek, 2021).

This idea has distinct applications in social science than it does in natural science. Because human activities (agency) build (or produce) culture and society, society is always changing because human behaviour is dynamic (or changeable). Because of this, there is a reciprocal influence wherein people shape society, which in turn influences what people do. In contrast to natural laws, cultural and societal norms are specific to a given place and period of time and are not universally applicable. That is to say, they occasionally and depending on the location (Alderson, 2021). According to Vincent and O'Mahoney (2016), Critical Realism necessitates a thorough comprehension of any social context, extending beyond the visible and looking into the processes (structures or causes) underlying any event.

A crucial paradigm for peace studies and social campaigning in general is critical realism. Additionally, it's critical for democratization initiatives and, by extension, all social projects involving group action, since they all hinge on the notion of agents (people) uniting at a level

that will transcend and/or balance their divergent and/or conflicting human interests (Rutzou, 2016; Alderson, 2021).

Ultimately, it can be challenging to operationalize critical realism. While many critical realisms work in sociology and organization studies are consistent with the theory, Vincent and O'Mahoney (2016) claim that these works do not provide a comprehensive list of entities, qualities, causal mechanisms, triggers, and other pertinent conceptions. By providing a common language for defining objectives that go beyond appeals to "common sense," critical realism enables sociological research to gain from precisely defined analytical goals (Alderson, 2021).

6.6 RESEARCH APPROACH: QUANTITATIVE

Quantitative research design methods and measures produce specific, quantifiable values (Kothari, 2007). The data that has been acquired is the result of actual measurements and observations. Similar to questionnaires, these methods typically require a substantial time and planning commitment and have closed-ended responses (Asenahabi, 2019).

Data is analysed quantitatively using an analytical process. Rovai et al. (2014) state that quantitative researchers believe there is an objective reality that exists independently of observations and that the world exists outside of themselves. They go on to argue that in order for this objective reality to be comprehended for the sake of research, it must be divided into smaller, more manageable bits that serve as the study objectives or hypothesis. The researcher can generate data or test hypotheses using a variety of data gathering strategies thanks to the linkages between the variables in the objectives (Asenahabi, 2019). The qualities of qualitative research are listed in the next page.

TABLE 6.3 QUANTITATIVE RESEARCH

Criteria	Quantitative
Purpose	The aim is to make predictions by analysing cause and effect relationships to test theories.
Group Studied	Participants are chosen randomly from a larger population.
Variables	Specific factors are under scrutiny.
Type of Data Collected	Data comprises numbers and statistics.
Form of Data Collected	Quantitative data is gathered through precise measurements of participants using systematic and verified data collection tools.
Type of Data Analysis	Analysis aims to uncover statistical relationships.
Objectivity	Objectivity is crucial.
Role of Research	Researchers maintain objectivity by ensuring subjects are unaware of biases and withholding participant background details.
Results	Findings are generalizable and applicable to other populations.
Scientific Method	The method is confirmatory or top-down, where data is used to test theories and hypotheses.
View of Human Research	Human behaviour is seen as regular and predictable.
Most Common Research Objectives	Objectives typically include description, explanation, and prediction.
Focus	Focus is narrow, centering on testing specific hypotheses.
Nature of Observation	Behaviour is observed in controlled environments to identify causes.
Nature of Reliability	Reliability is based on a single objective reality.
Final Report	Statistical reports include correlations, and the participation of study subjects enhances the relevance of results.

Source: Apuke (2017).

According to Table 6.3, quantitative research is grounded in traditional scientific research and produces numerical data. Its primary objective is to establish causal relationships, also known as associations, between two or more variables.

The methods used in quantitative research constitute a spectrum of positivist paradigms (Ngulube, 2014). Positivism is an epistemological perspective that influences positivist paradigms; as a result, the researcher does not engage or interact directly with the participants of the study. According to Chigada (2014), the goal of employing quantitative research methods is to gather information from a sizable sample of individuals who are spread out geographically. In order to gather data from sample elements in a research field, questionnaires with a list of alternatives for respondents to select from were necessary (Dlamini, 2020).

Research methodologies can be broadly divided into three categories: mixed, qualitative, and quantitative. Specifically, qualitative research endeavours to enhance our comprehension of individuals and their surroundings by gathering and evaluating non-numerical data (Adedoyin, 2020). A qualitative research approach rests on a pre-existing epistemological stance based on instrumentalism knowledge generation. It is also a method for looking into and fully understanding the processes and underlying reasons of individual or group behaviour. Participatory methods are also categorised as qualitative approaches in this setting due to these commonalities. By employing this method, the researcher considers subjectivity, experiences, and personal history while interpreting the meaning of the data (Landiyanto, 2018; Adedoyin, 2020).

6.7 SAMPLING, SAMPLING TECHNIQUE AND SAMPLING FRAME

FIGURE :6.3 RESEARCH METHODOLOGY PROCESS



Source: Researcher (2022)

6.7.1 Sampling

Finding and interpreting facts, updating theories or laws in light of new information, and applying theories or laws in practical settings are among the goals of research (Majid, 2018). Sampling is a technique that allows one to make inferences about the population or make generalisations about it based on a selected subset of the total population. This is essentially determined by the technique used to choose the sample (Taherdoost, 2019).

Sampling, according to Mujere (2016), is the act, process, or method of choosing a suitable quantity or a representative percentage of a population to ascertain parameters or characteristics of the overall population. Women, 2016). Singh (2019) claims that sampling is a quick method for examining people, organizations, and communities, among other things. As a result, sampling can be described as a procedure or approach for choosing research subjects so as to make inferences or offer solutions concerning the cosmos or the population at large. Sampling is the process of selecting a subset of a larger group for research in order to extract a predetermined number of individuals, cases, or observations from a specified universe, according to Mildred Parton (2019). The process of choosing a statistically

representative sample of individuals from the population of interest is known as this because there are typically too many people in the population of interest for every research study to be able to include all of them as participants. According to Majdid (2018), a good sample is a statistical representation of the population of interest that is deemed too big to provide a meaningful response to the research question.

Psychologists choose a sample or subgroup of the population that is most likely to be representative of the target population because it is practically impossible to research every member of the target population (Singh, 2019). To generalize findings from the sample to the targeted audience, the researcher chose rural SMMEs in the province of Limpopo that fit the desired demographic. The researcher can be more certain that the findings can be applied to the target population if the sample is more representative (Taherdoost, 2019).

Sampling errors, sample sizes, sample kinds, and sampling techniques are all covered in information on sampling in research. Additionally, the usage of various sampling procedures, as well as their advantages and disadvantages, are discussed (Majid, 2018). Because convenience sampling is a readily accessible method, it will be utilised to select participants in this study. Convenience sampling is a common sampling strategy used by researchers since it is less expensive and simpler to use than alternative methods. Usually, convenience sampling is employed to get around a lot of the restrictions on research. For example, it is easier to use SMMEs as a section of the sample than it is to target unidentified enterprises (Singh, 2019).

6.7.2 A Sample

A sample, according to Taherdoost (2019), is a group of research participants. The people who take part are called "participants." A sample is a limited subset of a statistical population, and its traits are analysed to learn more about the general characteristics of the population (Mujere, 2016). It can be characterized as a group of respondents, or individuals, chosen for the purpose of a survey from a wider community. Using a sample in research can reduce costs and time when an appropriate sampling strategy, a enough sample size, and the necessary protections are put in place to prevent sampling and measurement errors (Mujere, 2016). Majid (2018) states that although observing a subset of the population is less expensive than observing the full population, a sample can readily yield the required population information. It is impossible to ensure that a sample is a perfect representation of the population from which it came (Kapoor et al., 2022).

A proper sample size is necessary in order to generalize from a random sample without bias or sampling error. People who are conducting surveys for the first time can become confused

by what is appropriate because it relies on a range of variables. This is due to the fact that, in this case, the size of the sample as a whole which is chosen based on the population's complexity, the researcher's objectives, and the types of statistical manipulation that will be employed to analyse the data is more significant than the percentage of the research population that is sampled. Although it is true that larger samples have a lower chance of biased results, larger samples may quickly have decreasing returns, which must be considered against the researcher's resources. To put it bluntly, larger sample sizes decrease sampling error, but they do it more slowly (Singh,2019).

6.7.3 Determination of a Sample size

The primary duty of the researcher is to determine the sample size. Sample size determination refers to the process of selecting the appropriate number of observations or participants for inclusion in a research study (Kaur, 2021). It involves balancing the trade-off between the desire for precision and the constraints of time, cost, and practical feasibility. The total number of sampling units at the researcher's disposal is the sample size (Singh, 2019).

The primary goal of sample size determination is to obtain results that accurately represent the population of interest while minimizing sampling error and bias. The significance of sample size determination lies in its critical role in ensuring the validity and reliability of research findings (Ukpere, et al., 2024). Specifically, Oribhabor and Anyanwu (2019) emphasized that an appropriate sample size is necessary for any research because too small sample size is not a good representative of the population. Too small sample size may lead to committing Type I error, which is the probability of wrongly rejecting a particular finding when it in fact to be accepted. Ukpere, et al., (2024) added that a sample that is too small may lack the statistical power to detect meaningful effects or relationships, leading to Type II errors (false negatives) and potentially overlooking important insights (Ukpere, et al., 2024).

A sample size generally depends on five study design parameters: minimum expected difference or also known as the effect size, estimated measurement variability, desired statistical power, significance criterion, and whether a one- or two-tailed statistical analysis is planned (Oribhabor et al., 2019). Based on Statistical Power, this parameter is the power that is needed from the study. As power is increased, sample size increases. While high power is always desirable, there is an obvious trade-off with the number of individuals that can feasibly be investigated, given the usually fixed amount of time and resources available to conduct a research or investigational study (Oribhabor et al., 2019).

In the third quarter of 2020, there were 2.36 million SMMEs in South Africa, down 11%, or 290 000, from 2.65 million in the previous year, according to the South African Development Agency (SEDA, 2021). Even though the economy was improving, 50,000 additional small and medium-sized enterprises (SMMEs) shuttered their doors in the third quarter of 2020. The SMME sector, which accounts for 90% of all jobs in the economy, maintained a generally stable overall structure despite the severe effects of COVID-19. In the final quarter of 2020, 243924 SMMEs were registered in Limpopo. In the final quarter of 2020, SMMEs were distributed as follows: The Quarterly Labour Force Survey (QLFS Stats SA, 2020; SEDA, 2021) reported that 6.5 percent of respondents were official, 85.2 percent were informal, and 6.3 percent were other (SEDA, 2021).

6.7.4 Sampling Technique

Selecting a sample approach before looking at the different kinds of sampling methods is not a good idea. As previously said, depending on the sampling approach chosen, conclusions about a population or generalisations about current theory might be drawn from sampling (Singh, 2019).

Statistical sampling results in presumptions on the kind of sample that researchers can employ. While there are various methods for sampling, the researcher can only extrapolate to a broader population using random (probability) samples. Every item in the population has an equal chance of being included in the sample when probability sampling is utilized. Creating a sampling frame beforehand and selecting a sample from it using a computer program that generates random integers is one method of achieving random sampling. Probability or random sampling is the least biased approach for a given degree of sample error, but it can also be the most time- and energy-consuming (Taderhoost, 2019).

To enable generalization, the study employed Convenience (non-probability) sampling method. Sample records are chosen at random from a predetermined frame, and each record has an undetermined chance of being selected. Sample statistics can be computed for this process (Harvard College, 2021).

6.7.5 Sampling Frame

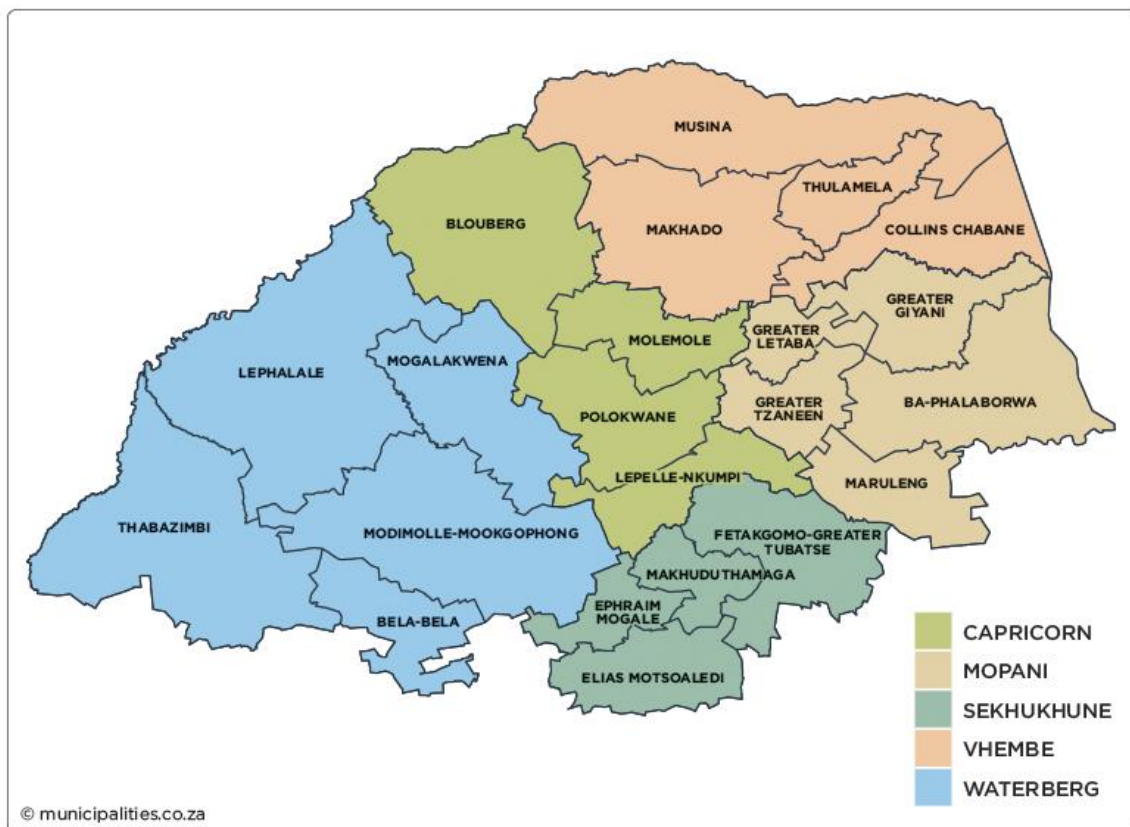
According to Harvard Research Programs (2021), a sample frame serves as the sample's source. A sample frame, which can be a list or, in an emergency, a collection of processes that could yield a list, can be created from a well-planned and executed random sample. Mujere (2016) states that the sample frame is either substantially similar to the population being studied or exactly the same as that population. Obtaining a list of the population from

which the units are chosen is sometimes preferable when choosing units to include in the sample. When employing specific sampling techniques, such as probability sampling techniques, this is the case. You may refer to this list as the "sampling frame" (Mujere, 2016; Kapoor et al., 2022). Sample frames are not ideal; not every record within will result in eligible survey respondents.

6.7.6 Target Population

A population, according to Collins and Hussey (2009), is a collection of individuals or things from which data is gathered. A population, according to Saunders et al. (2012), is the total number of people who live in a place. According to Ngulube, Romm, and Mathipa (2014:), a population is a collection of people who live in a specific geographic area and have similar traits, behaviours, and ways of doing things. According to Marsden and Wright (2010), the target population is the collection of factors the researcher is trying to investigate. Ngulube et al. (2014)'s definition neatly fits the parameters of our investigation. The Limpopo Province's SMME owners and/or operators will be the target population. All SMMEs in the study region will be considered by the researcher, based on the third quarter 2020 SEDA (2021) registry of 243 924 SMMEs. Since the researcher additionally included the formal distribution of 8.5 percent SMMEs in the study region during the fourth quarter of 2020, the minimum number of entrepreneurs surveyed inside the formal sector of SMMEs for this study was 377. Based on the results of sample size computation, this study needed 377 participants to complete the survey based on Convenience Sampling approach. The study area is shown on the map in the next page.

FIGURE 6.4: MAP OF LIMPOPO, SOUTH AFRICA



Source: <https://www.bing.com/images/search>

6.8 DATA COLLECTION PROCEDURES

Both primary and secondary data sources were used to get the data for this investigation. A questionnaire was used as the main source of data for this investigation. The data from the SMMEs was gathered using structured questionnaires; however, desk research was also utilised to gather secondary data from government offices, non-governmental organisations, and supporting institutions, as well as published materials like newspapers, journals, magazines, and textbooks.

The SMME owners and/or operators received the questionnaires in order to gather first-hand data for processing in order to respond to the research questions. There were three sections to the questionnaire.

3.6.1 Section A of the Questionnaire

Concentrated on the biodata of the respondent firms such as:

- Age of the firm

- Form of ownership
- Nature of the firm
- Number of employees of the firm
- Average monthly turnover of the firm

3.6.2 Section B of the questionnaire

This comprised a range of inquiries designed to address the study's goal.

These inquiries examined, among other things, the difficulties SMMEs have obtaining credit, the alternative financing choices available to them, and how affordable they perceive the cost of financing to be.

3.6.3 Section C of the questionnaire

This section examined the growth and future of small and medium-sized enterprises (SMMEs), focusing on whether or not they intend to continue expanding their businesses with financial assistance in the near future.

6.7 DATA ANALYSIS

Within the Excel spreadsheet, data was entered. For descriptive data and hypothesis, the spreadsheet was moved to the Statistical Package for the Social Sciences (SPSS). Frequency and descriptive statistics were used in the reporting, and graphs, charts, and tables are used to show the results.

Factor analysis's overarching goal is to condense data so that connections and patterns are simple to read and comprehend. It aids in the isolation of constructs and concepts because it is typically used to gather variables into a small number of clusters based on shared variance. Confirmatory Factor Analysis (CFA), the primary factor analysis method, was used in this investigation. CFA represents variables and factors using path analysis diagrams and makes an effort to validate hypotheses (Yong, and Pearce, 2013; Arifin, 2019).

Finally, convergent and discriminant validity were examined using the Cronbach alpha reliability index with standard error of measurement. There will be tables, charts, and other visual aids used to display the data (Zikmund, 2003; Yong, and Pearce, 2013 and Dlomo, 2019).

Since descriptive statistics was deemed to be the best analytical method, it was utilised to determine the challenges SMMEs have while trying to obtain bank loans. The tabulation of

data from a survey with closed-ended questions made it easier to comprehend the problems raised by the respondents and to contribute to the creation of a conceptual framework that will support rural SMMEs in Limpopo Province in improving their business performance, as stated in the first chapter's objectives. After that, a hypothesis will be developed and put to the test using the proportion test.

6.8 ETHICS

Guidelines for the responsible conduct of research are provided by research ethics. Furthermore, it ensures a high ethical standard by training and supervising researchers while they do research. The social effects of research are the subject of ethical concerns. Research ethics covers all aspects of research activity, including planning, carrying out, and disclosing research that involves human experimentation as well as scientific misconduct such data fabrication, fraud, plagiarism, and breaking research regulations (Jena, 2020).

While conducting their study, researchers have a number of responsibilities to attend to, including conducting their work with honesty, objectivity, and integrity. Participants' agreement must be obtained before they may participate, and researchers are required to respect all individuals, including their cultures, values, religions, and socioeconomic backgrounds. It is the responsibility of researchers to protect participant confidentiality, identity, and personal information (Parveen and Showkat, 2017).

6.9 SUMMARY

This chapter's section provides a detailed explanation of the technique that was applied in the empirical investigation to identify the difficulties faced by entrepreneurship and small enterprises in rural areas. The main approaches for gathering data for a quantitative study that were covered included testing, surveying, and observation. The rationale for selecting structured questionnaires as the main method of data collection over other comparable approaches came next. To provide small business owners and managers a chance to voice their opinions, some of the questions were either closed-ended or open-ended. As a reliability indicator, the researcher used the Cronbach alpha coefficient to guarantee the calibre of the structured questionnaires. There was discussion of two different kinds of sampling procedures: probability and non-probability sampling approaches. The convenience non-probability sampling approach was determined to be the most appropriate for the research, and the rationale behind this decision was explored. Two skilled fieldworkers distributed the structured research questions across the Limpopo research sites.

CHAPTER SEVEN

DISCUSSION OF EMPIRICAL STUDY'S RESULTS

7.1 INTRODUCTION

The unprocessed data is interpreted into insightful information in the chapter's conclusion. The empirical study aimed to offer a framework of support for enhancing the business performance of small and medium-sized companies (SMMEs) in rural Limpopo Province, South Africa. Topics of discussion on the research findings are the age, gender, race, and greatest level of education of small business owners and managers.

7.2 SURVEY RESULTS

Survey's data came from individual responses. It is usually the case that some of the people who were asked for information will not be willing to respond in the way that is expected of them. Tables 7.1 following display the study's response rate.

TABLE 7.1: RESPOND RATE OF THE SURVEY

Limpopo Province (Study Area)	Target		Usable Questionnaire		Discarded Questionnaire	
	Number	Percentage (%)	Number	Percentage (%)	Number	Percentage (%)
	377	100	364	96.5	13	3.5

A total of 377 owner-managers of SMMEs from the Limpopo Province of South Africa were the focus of this study, as can be seen in the above Table. Table 7.1 also showed that a total of 364 totally completed questionnaires were gathered, 13 of which were deleted, and 364 of which were statistically analysed, indicating a 96.5 percent response rate.

7.3 DATA DESCRIPTION

Data analysis is a crucial methodological stage in doing quantitative research. Four critical methodological elements that influence the validity of inferences that guided the research procedure for this study are the calibre of the created measures, appropriate management of missing data, appropriate degree of measurement of a dependent variable, and model verification. Despite being extremely detailed, instructions for performing data analysis in quantitative studies sometimes downplay their significance. Using graphs and real-world examples with contingency tables, the researcher analysed data using the Statistical Package

for Social Sciences (SPSS) (Abulela, and Harwell, 2020). For a more detailed SPSS output, refer to the appendix C that is included.

In statistics, sample size refers to the number of unique samples that are used to gather data. This poll used a sample size of 364 respondents to find out what the general population thought and experienced (Andrade, 2020).

7.4 BIOGRAPHICAL INFORMATION OF THE RESPONDENTS

TABLE 7.2: GENDER OF THE RESPONDENTS

Gender	Frequency	Percent (%)
Male	209	57.4
Female	155	42.6
Total	364	100.0

Table 7.2 presents the gender distribution of respondents, totalling 364 individuals. Males constitute the majority at 57.4% (209 respondents), while females represent 42.6% (155 respondents). This data suggests a gender imbalance in the sample, with males being more represented than females. The figures offer insights into the gender demographics of the surveyed population, indicating a higher participation of males compared to females within the sample group.

TABLE 7.3: AGE OF THE RESPONDENTS

Age	Frequency	Percent (%)
18-20	14	3.8
20-29	98	26.9
30-39	138	37.1
40-49	62	17.0
50-59	32	8.8
60+	20	5.5
Total	364	100.0

Table 7.3 presents the age distribution of respondents. The largest proportion falls within the 30-39 age range, comprising 37.1% of the total respondents, followed by the 20-29 age group at 26.9%. The 18-20 and 40-49 age brackets constitute 4.7% and 17.0% respectively. The 50-59 and 60+ age categories represent smaller segments, with 8.8% and 5.5% respectively. It's

notable that the survey captures a diverse age range, with the majority falling between 20 and 49 years old. The data suggests a significant representation of adults in their prime working and family-building years, while also including a notable proportion of younger and older individuals. This distribution could influence various analyses and decisions, indicating potential trends, preferences, or needs across different age demographics within the surveyed population.

TABLE 7.4: MARITAL STATUS OF THE RESPONDENTS

Marital Status	Frequency	Percent (%)
Single	166	45.6
Married	135	37.1
Divorced	34	9.3
Widowed	13	3.6
Living Together	16	4.4
Total	364	100.0

Table 7.4 presents the marital status distribution of 364 respondents. The largest segment comprises singles, accounting for 45.6% of the sample, followed by married individuals at 37.1%. Divorced respondents represent 9.3%, while widowed individuals make up 3.6%. Those living together constitute 4.4% of the total. The data offers insights into societal trends and demographic patterns. The prevalence of singles might reflect delayed marriages or a growing acceptance of singlehood. The substantial married population suggests a traditional inclination towards formal unions. The presence of divorced and widowed individuals highlights the prevalence of marital disruptions and life transitions within the community. The category of 'Living Together' signifies alternative relationship arrangements gaining recognition. Overall, the table underscores the diverse marital statuses within the respondent population, illustrating societal dynamics and individual choices regarding partnership and commitment.

TABLE 7.5: RACE CLASSIFICATION

Race Classification	Frequency	Percent (%)
Black	251	69.0
White	42	11.5
Coloured	27	7.4
Indian	35	9.6
Others	9	2.5
Total	364	100.0

Table 7.5 presents race classification data with frequencies and percentages. It reveals a significant predominance of Black individuals, comprising 69.0% of the total sample, indicating a demographic majority within the studied population. Conversely, White, Coloured, and Indian individuals represent smaller proportions at 11.5%, 7.4%, and 9.6%, respectively. The term "Coloured" likely denotes individuals of mixed racial heritage. Interestingly, the category "Others" represents 2.5% of the sample, suggesting a diverse racial composition beyond the primary classifications. The table's total sum of 364 respondents confirms a comprehensive representation of the population under study. The disparities in frequencies underscore societal dynamics, historical contexts, and possibly the impacts of systemic inequalities influencing racial distributions within the surveyed demographic.

TABLE 7.6: HIGHEST ACADEMIC QUALIFICATION

Academic Qualification	Frequency	Percent (%)
Lower than Matric	41	11.3
Matric	150	41.2
Certificate	71	19.5
Vocational Qualification	20	5.5
Diploma	48	13.2
Degree	34	9.3
Total	364	100.0

Table 7.6 displays the distribution of respondents' highest academic qualifications. The table illustrates that the majority of respondents hold a Matric qualification, constituting 41.2% of the sample. Following Matric, Certificates account for 19.5%, while Diplomas and Degrees represent 13.2% and 9.3% respectively. Lower than Matric qualifications are held by 11.3% of

respondents, while Vocational Qualifications represent the smallest portion at 5.5%. The table's total sums up to 100%, reflecting the entire sample size of 364 respondents. This distribution suggests a diverse educational background among the respondents, with a significant proportion having completed secondary education (Matric) or vocational training. The data could indicate a varied skill set among respondents, potentially influencing their employment opportunities and career paths based on their respective academic qualifications.

TABLE 7.7: OCCUPATIONAL BACKGROUND

Occupational Background	Frequency	Percent (%)
Unemployed	100	27.5
Self Employed (Owned small business)	128	35.2
Employed (Administrative, Clerk, etc.)	68	18.7
Farm Worker (Farm manager, Supervisor, Farm Assistant)	36	9.9
Government Employee (Nurse, Educator, Police Service)	21	5.8
Top Executive Management	11	3.0
Total	364	100.0

Table 7.7 illustrates the occupational backgrounds of a sample population, totalling 364 individuals. It outlines various categories and their corresponding frequencies and percentages within the sample. Notably, the data portrays a diverse range of occupations. Self-employed individuals, comprising small business owners, represent the largest proportion at 35.2%, signifying entrepreneurial activity within the sample. Conversely, unemployment stands at 27.5%, indicating a significant portion of the population faces joblessness. Employed individuals in administrative and clerical roles make up 18.7%, showcasing the presence of office-based employment.

The table also highlights occupations in agriculture, with farm workers comprising 9.9% of the sample, and government employees, such as nurses and educators, representing 5.8%. Additionally, top executive management accounts for 3.0% of the sample, indicating a smaller but notable presence of high-level leadership roles. Overall, the data provides insights into the occupational diversity within the surveyed population.

TABLE 7.8: YEARS OF SELF-EMPLOYMENT

Years of Self-employment	Frequency	Percent (%)
Less than one (1) year	35	9.6
1-3 years	82	22.5
4-5 years	73	20.1
6-10 years	129	35.4
More than 10 years (Please specify)	45	12.4
Total	364	100.0

Table 7.8 illustrates the distribution of individuals based on their years of self-employment. It categorizes respondents into five groups: less than one year, 1-3 years, 4-5 years, 6-10 years, and more than 10 years. The data indicates that the majority of respondents fall into the 6-10 years category, comprising 35.4% of the total sample. This suggests a significant presence of established entrepreneurs or individuals who have sustained their self-employment ventures for a considerable period. Additionally, those with 1-3 years and 4-5 years of self-employment experience make up substantial portions of the sample at 22.5% and 20.1%, respectively. It signifies a notable influx of new entrepreneurs within the past few years. Conversely, the group with less than one year and those with more than 10 years of self-employment represent smaller percentages of the sample, at 9.6% and 12.4%, respectively.

7.5 OPERATIONAL AND BUSINESS INFORMATION

This section covered the organization of the involved SMMEs and provide details on their operational information.

TABLE 7.9: LOCATION OF THE BUSINESS

Business Location	Frequency	Percent (%)
Vhembe	130	35.7
Capricorn	127	34.9
Mopani	107	29.4
Total	364	100.0

Table 7.9 addresses the question G1, Section G of the questionnaire aimed at indicating the location of the operation. Results indicate that most of the participating owner-managers - 130/364 (35.7%) operate within the Vhembe District Municipality. Another group - 127/364

(34.9%) - within the Capricorn District Municipality. Polokwane is in the Capricorn District Municipality and is also the capital city of the study area. Lastly, 29.4%, operate their SMMEs within the Mopani District Municipality.

TABLE 7.10: OPERATIONAL DAILY BUSINESS HOURS

Operation Daily Business Hours	Frequency	Percent (%)
Less than 7 hours	37	10.2
7-10 hours	184	50.5
10 hours	107	29.4
More than 10 hours	36	9.9
Total	364	100.0

The analysis in Table 7.10 outlined that 50.5% owner-managers operate for between 7-10 hours per day, while 29.4% spend at least 10 hours daily. Some participating owner-managers, 10.2%, operate for less than 07 hours a day and owner-managers who operate for more than 10 hours daily constitute 9.9%.

TABLE 7.11: THE SIZE OF BUSINESS (IN TERMS OF EMPLOYEES)

Size of Business (Employees)	Frequency	Percent (%)
1-3 Part-time workers	70	19.2
4-6 Part-time workers	90	24.7
1-3 Full-time workers	89	24.5
4-6 Full-time workers	90	24.7
Only myself and two family members	10	2.7
Spouse and I	15	4.1
Total	364	100.0

Section G of the questionnaire, labelled as Question G3, aimed to determine the scale of the companies involved based on their workforce size. This information is detailed in Table 7.11. Employee size can therefore influence business growth and sustainability independently of other contributing factors. The owner-managers of SMMEs were given a choice of seven categories based on literature.

According to an analysis of the data, SMMEs with four to six part-time employees and full-time employees have consistency rates of 24.7 percent. Following this were 1-3 full-time

employees, who make up 24.5 percent; 1-3 part-time employees, who make up 19.2 percent, were also employed on a part-time basis. A business maintained by an owner-manager and two family members accounts for 2.7 percent of SMMEs, whereas businesses run by a husband and wife alone account for 4.1 percent. The study finds that both full-time and part-time employees run the majority of enterprises.

TABLE 7.12 PRODUCT DISTRIBUTION AND MARKETING

Marketing and Distribution	Frequency	Percent (%)
Local community in the district (local market)	207	56.9
Distribute to other provinces	103	28.3
National and International markets	19	5.2
All the above	29	8.0
Other: (Please specify)	6	1.6
Total	364	100.0

Table 7.12, located above, corresponds to question G 4 in Section G of the questionnaire, aimed at identifying the methods used by SMMEs for marketing and distributing their products. In this context, owner-managers were prompted to select from five options for distributing products and services, as outlined in Table 7.12 above. Analysis indicated that the majority of SMMEs market (sell) or distribute their products or services locally, Limpopo Province and account for 56.9%. Only 28.3% distribute their products or services nationally; while others distribute their products or services locally, nationally, and internationally, which account for 8.0%. The remaining 1.6% do not have any specific target of market and product distribution.

TABLE 7.13: CLASSIFICATION OF INDUSTRY SECTOR

Industry Sector	Frequency	Percent (%)
Retail trade (stationery)	43	11.8
Wholesale trade	51	14.0
Manufacturing	60	16.5
Construction	37	10.2
Transport/distribution	19	5.2
Accommodation and restaurant (guest houses, bread and breakfast)	20	5.5
Food industry	13	3.6
Agriculture/forestry/fishing	22	6.0
Garden services	8	2.2
Repairs of home appliances	7	1.9
Internet services (mobile communication services)	12	3.3
Wedding planner	20	5.5
Funeral services	6	1.6
Beauty saloon	13	3.6
Travel and tours services	15	4.1
Travel and tours services	12	3.3
Cell phone repairs	6	1.6
Total	364	100.0

Table 7.13 presents a breakdown of industry sectors along with their frequencies and percentages. It provides insights into the distribution and composition of various sectors within a particular context, likely a survey or a census. Retail trade (stationery), wholesale trade, and manufacturing emerge as the most prevalent sectors, comprising 11.8%, 14.0%, and 16.5% of the total, respectively. These sectors represent the backbone of the economy, involved in the production and distribution of goods. Other sectors like construction, accommodation and restaurant services, agriculture/forestry/fishing, and transportation contribute significantly as well, albeit to varying degrees.

Interestingly, service-oriented sectors such as wedding planning, funeral services, beauty salons, and travel and tour services also feature, reflecting the diversity of economic activities

present. Some niche sectors like garden services, repairs of home appliances, and cell phone repairs constitute smaller portions of the total, highlighting specialized areas of economic activity. The table's comprehensive breakdown offers a snapshot of the economic landscape, shedding light on the distribution of industries within the surveyed area and indicating areas of strength and specialization.

TABLE 7.14: AGE OF BUSINESS

Year/s	Industry Sector	Frequency	Percent (%)
1	Garden Services	51	14.0
2	Wedding Planner	41	11.3
3	Cell phone repairs	31	8.5
4	T.V repairs	26	7.1
5	Fridge Repairs	42	11.5
6	Carpentry services	29	8.0
7	Agriculture /forestry/ fishing	26	7.1
8	Painting services	12	3.3
9	Textile retail services	12	3.3
10	Internet services (mobile communication services)	30	8.2
11	Plumbing services	2	.5
12	Locksmith services	10	2.7
13	Taxi industry	1	.3
14	Bus industry	8	2.2
15	Electrical Services	5	1.4
16	Travel and Tours	4	1.1
17	Beauty Saloon	3	.8
20	Guest houses	6	1.6
21	Restaurant	4	1.1
24	Funeral Services	1	.3
26	Repairs of home appliances	2	.5
27	Building Construction	3	.8
29	Transport/ Distribution/ Delivery	2	.5
30	Food industry	8	2.2
31	Manufacturing	2	.5
57	Wholesale Trade	3	.8
Total		364	100.0

The objective of Table 7.14 was to assess the business's age as a measure of its long-term viability and sustainability, factors that potentially contribute to job creation. Consistent with literature on small businesses, owner-managers were presented with different age categories to select from in order to ascertain the duration of their business's survival.

The yearly schedule is as follows; 11.3% operate within a period of 02 years' 8.5% within a period of 03 years; 7.1% at a period of 04 years; 11.5% operate within a period of 05 years, 8.0%) operate within a period of 06 years, 7.1% within a period of 07 years; 3.3% within a period of 08 years; 3.3% operate within a period of 09 years; 30/364 (8.2%) within a period of 10 years; 2/364 (0.5%) within a period of 11 years; 2.7% within a period of 12 years; 0.3% for a period of 13 years; 2.2% over a period of 14 years; 1.4% operate within a period of 15 years; 4/364 (1.1%) operate within a period of 16 years; 0.8% in a period of 17 years, 1.6% operate within 20 years, 1.1% within a period of 21 years; 1/364 (0.3%) operate within a period of 24 years; 2/364 (0.5%) over a period of 26 years; 0.8% within a period of 27 years; 0.5% operate within a period of 29 years; 2.2% within a period of 30 years, 0.5% over a period of 31 years, and 0.8% operate for a period of 57 years.

TABLE 7.15: BUSINESS LEGAL STATUS

Legal Status of the Business		Frequency	Percent (%)
Sole proprietorship		117	32.1
Partnership		58	15.9
Close corporation		18	4.9
Company (private)		68	18.7
Company (public)		14	3.8
Business Trust		38	10.4
Not registered		50	13.7
Other: (Please specify)		1	3
Total		364	100.0

Since company ventures are founded with different legal ownership statuses, Table 7.15 above discusses the legal state of the businesses. For example, companies registered under private ownership are required to undergo an annual audit, which affects the company's ability to make responsible and prudent management decisions. Because of the nature of SMME enterprises, the respondents were given a choice of different legal statuses for ownership.

The legal ownership status of the owner-managers, or entrepreneurs, as delineated in Table 7.15 above. The findings showed that, overall, 117/364 (32.1%) of the firms were run as sole proprietorships; private corporations comprise 68/364 (18.7 percent) of the legal business ownership, while registered partnership businesses make up 58/364. (15.9 percent). Out of the total businesses, 50/364 (13.7%) are not registered with the South African Revenue

Services (SARS); 38/364 (10.4) account for those registered as business trust. Close corporation account for 18/364 (4.9%); public companies account for 14/364 (3.8%). Lastly, 1/364 (0.3%) owner-manager did not indicate the type of business ownership.

TABLE 7.16: PATH TO BUSINESS OWNERSHIP

Path to Business Ownership	Frequency	Percent (%)
Started the business myself	239	65.7
Bought the business	63	17.3
Joined family business	44	12.1
Took over existing family business	11	3.0
Others: (Please specify)	7	1.9
Total	364	100.0

The analysis of the findings examines how owner-managers initiated their respective business endeavours. Of the respondents, 65.7% initiated their businesses independently, while 17.3% purchased existing businesses. Additionally, 12.1% established their own businesses through joint family ventures. The data indicates that 3.0% of owner-managers inherited existing family businesses, while 1.9% either lacked understanding or were uncertain about the origins of their businesses, thus refraining from specifying their choices.

TABLE 7.17: SOURCE OF START-UP FUNDING

Source of Start-up Funding	Frequency	Percent (%)
Started the business myself	239	65.7
Personal savings	225	61.8
Borrowed or gifted(donated) from relative or friend	77	21.2
Household/spouse	31	8.5
Sold previous business	15	4.1
Bank loan	12	3.3

To ascertain the initial source of start-up money for the SMMEs, go to Section G of the questionnaire and question G9, as presented in Table 7.17 above. There were six funding options available for SMMEs to select from in table 4.17 above.

According to an analysis of the data, 61.8% of participants had started their own enterprises with money they had saved for themselves. 21.2 percent of people who borrowed money or

got donations from friends or family came after them. The banks helped 3.3 percent of people in total obtain loans. It also revealed that households and spouse financial assistance made up 8.5 percent, with borrowed funds coming in second at 6.19 percent; 4.1 percent of the funding came from the sale of their prior businesses; and 1.1 percent did not reveal the source of the funding for their initial business ventures.

TABLE 7.18: INDICATE THE PREMISES WHERE THE BUSINESS OPERATES

	Premises of Business	Frequency	Percentage (%)
	Work from home (home-based)	126	34.6
	Central business district (CBD)	140	38.5
	Outlying business area	52	14.3
	Near district taxi rank	34	9.3
	Agriculture land	12	3.3
	Total	364	100.0

There were four types of business locations available to the owner-managers of SMMEs. According to the results analysis, over half of the respondents, or 43.30 percent, run their enterprises out of the Central Business District (CBD); 34.6% of the businesses are home-based, meaning they operate out of individual residences; the other 14.3% operate out of outlying business locations. While 3.3 percent of owner-managers run their companies on established agricultural property, 9.3 percent of owner-managers run their companies close to the District taxi rank.

TABLE 7.19: THE SIZE OF BUSINESS (IN EMPLOYEES).

	Size of Business	Frequency	Percentage (%)
	Myself	58	15.9
	2-5	160	44.0
	6-10	108	29.7
	11-25	33	9.1
	26-50	5	1.4
	Total	364	100.0

Table 7.19 provides an answer to Question G 11, Section G of the questionnaire. The purpose of this section was to gather the required data about the number of employees and to further ascertain if SMMEs may be classified. As seen in Table 7.19 above, the owner-managers of SMMEs were given a choice of five employee categories, ranging from "myself" to between 25 and 50 employees.

The results show that the majority of owner-managers 44.0% claimed that they employed between two and five people; 29.7% said that their companies employed between six and ten people; and 15.9% said that they were the only proprietors of their companies. A further 9.1% of owner-managers reported that they had given job offers to between 11 and 25 people; in contrast, 1.4 percent of owner-managers had hired between 26 and 50 people.

TABLE 7.20: BUSINESS TURN-OVER

	Size of Business	Frequency	Percentage (%)
	Less than R30 000	46	12.6
	R30 000 – R50 000	190	52.2
	R50 000 – R100 000	87	23.9
	R100 000 – R500 000	39	10.7
	Over R500 000	2	0.5
	Total	364	100.0

Table 7.20 presents data pertaining to Section G of the questionnaire, which focused on the yearly turnover of the surveyed companies. As per the National Small Business Act No. 102 of 1996, amended, the overall yearly turnover stands as a fundamental aspect of business operations. A rise in annual revenue serves as a crucial gauge of a company's well-being and is indicative of its success or sustainability. Table 7.20 delineates the five categories of annual turnover available for selection by owner-managers.

The findings illustrate the annual turnover of the SMMEs participating in the study. The results reveal that a majority of 52.2% of owner-managers of SMMEs report annual turnovers ranging between R30,000 to R50,000, followed by 23.9% falling within the R50,000 to R100,000 bracket. Additionally, 10.7% indicate turnovers ranging from R100,000 to R500,000. Approximately 12.6% of small businesses report annual turnovers below R30,000, while 0.5% register turnovers exceeding R500,000.

TABLE 7.21: OWNER-MANAGER (ENTREPRENEUR) CHILDHOOD EXPERIENCE

	Childhood Experience	Frequency	Percentage (%)
	Yes	161	44.2
	No	203	55.8
	Total	364	100.0

Table 7.21 provided in the preceding section examines the inquiry G 13, Section G of the questionnaire, aimed at assessing whether the childhood backgrounds of owner-managers

influenced Small, Medium, and Micro Enterprises (SMMEs) and entrepreneurial activities in rural areas. Respondents were prompted to select either "Yes" or "No" in response to this question.

The analysis of the findings revealed a significant divergence between individuals who possessed childhood exposure to entrepreneurship and those who initiated SMME operations without such prior experience. Specifically, 44.2% of owner-managers indicated they had exposure to entrepreneurship during their childhood before establishing their businesses, whereas 55.8% did not have such experiences.

TABLE 7.22: FIRST-TIME BUSINESS OWNERSHIP

	First Business Experience	Frequency	Percentage (%)
	Yes	169	46.4
	No	195	53.6
	Total	364	100.0

Table 7.22 corresponds to query G 14 in Section G of the survey, aiming to ascertain whether owner-managers were new to business ownership. Respondents were asked to choose between "yes" or "no". Examination of the collected data reveals that the majority, constituting 53.6%, are not new to business ownership, while 46.4% indicated otherwise.

7.6 DATA MODELLING

Data modelling, which describes how data is implemented as part of an IS, is a crucial component of information system (IS) design. Data modelling concepts are derived from the progression of IS development paradigms, which are derived from the advancement of technology developments in computers (Jaakkola and Thaheim, 2020).

For the purposes of this study, data modeling was adopted, because the process of data modelling creates an analytical framework of business performance and how its variables relate to each other. Both conceptual and logical levels - latent and observed variables of business performance were modelled. Latent variables were modelled using Principal Components Analysis (PCA) whereas observed variables were modelled using Pearson's coefficient of correlation, thus, the two models represent a NOVEL Structural equation model of business performance (Jaakkola and Thaheim, 2020).

7.7 ACCURACY MEASUREMENT

Accuracy of an analytical method may be defined as, “Closeness of test results obtained by the method to true value”. i.e. measure the exactness of analytical method. It is expressed as percent recovery by the assay of known amount of analyte in the linearity range (Chavan and Desai, 2022). The accuracy of analytical results of any study depends on the validity and reliability of both data collection and the statistical tools adopted during analysis. Reliability of a data collection tool is necessary to ensure that all items of the tool collect data that correlates to a common construct, in this study, business performance (Takavol, 2011; Chavan and Desai, 2022). The concepts of accuracy are defined in turn below.

7.7.1 Data reliability

Ensuring Reliability of data collection tools inherently ensures heteroscedasticity assumptions underlying many statistical models, PCA, are met. Cronbach alpha is a widely used measure of reliability of data collection tool in survey analysis. Cronbach alpha ranges from 0 to 1, where 0 shows no reliability and 1 shows absolute reliability of the data collection tool in ensuring internal consistency of items in the tool (Sürücü, and Maslakçı, 2020; Chavan and Desai, 2022).

7.7.2 Data validity

Even with reliability of data collection tools guaranteed, analytical results can still be distorted by the poor, or the lack thereof, validity of data collection tools. Validity of a tool is guaranteed if and only if variations of each item in the tool is caused only by attributes intended for measurements (Borsboom:2011; Sürücü, and Maslakçı, (2020). Multi-collinearity exists when there is at least one pair-wise significant correlation in a set of items from a single data collection tool, therefore, multi-collinearity measures are necessary to ascertain the validity of data collection tools. Another underlying assumption of the PCA ensures that measured variables are orthogonal - no multi-collinearity. The severity of multi-collinearity can be measured through the factorisation of pair-wise correlation matrix of items measured through the tools and the process produces correlation matrix factor. Factors ranges from 0 to 1 - an indication of multi-collinearity to orthogonality. Multi-collinearity can be reduced by systematic process identifying and removing its sources (Sürücü, and Maslakçı, 2020; Chavan and Desai, 2022).

7.7.3 Statistical reliability

The reliability of statistical models depends on whether structural assumptions underlying the models used are met. The PCA assumes that a set of inter-related, measured variables can be factored into a set of independent principal components. The sum of squared loadings of a set of fewer PCA, is a measure of variation in a set of inter-related, measured variables explained by variation in that set of fewer PCA. The measure Average Variance Explained (AVE), ranges from 0 to 100 and the higher measure shows suitability of the linear structural assumption underlying the PCA. The AVE are calculated from the PCA model (Sürücü, and Maslakçı, 2020; Chavan and Desai, 2022).

7.7.4 Statistical validity

Statistical validity is guaranteed if and only when variations in statistical models are random rather than distributional. Ensuring statistical validity is necessary to guarantee stability when the objective of a study is to interpolate statistical parameter estimation across contexts. In effect, statistical validity is necessary during inferential analysis, hypothesis testing, and regression analysis rather than descriptive analysis (path analysis) (Sürücü, and Maslakçı, 2020; Chavan and Desai, 2022). Accuracy estimates of variables of business challenges are depicted in the following Table 7.23.

TABLE 7.23.: ACCURACY ESTIMATES OF VARIABLES OF BUSINESS CHALLENGES.

Variable	Mean	Standard Deviation	Item to total correlation	Factor loadings	Correlation Matrix factor (%)	AVE (%)	Cronbach alpha (%)
A1	5.32	1.373	0.324	0.313	0.624	0.57621	0.944
A14	5.77	1.091	0.479	0.686			
A15	5.74	1.052	0.494	0.73			
B1	5.65	1.302	0.465	0.504	0.821	0.5092	0.906
B4	5.76	1.06	0.5	0.584			
B12	5.76	1.004	0.434	0.439			
C1	5.81	1.15	0.415	0.55	0.653	0.59579	0.944
C11	6.06	1.047	0.446	0.637			

C15	5.73	1.133	0.434	0.601			
D1	4.43	1.931	0.604	0.686	0.862	0.68573	0.892
D2	4.61	5.675	0.604	0.686			
E1	5.55	1.121	0.044	0.414	0.7	0.5487	0.566
E4	5.65	1.71	0.901	0.847			
E7	6.43	6.372	-0.371	0.351			
E8	5.49	1.1	0.133	0.565			
E9	5.69	0.947	0.104	0.567			

Variables Codes for Table 7.23

7.8 RESULTS OF EXPLANATORY FACTOR ANALYSIS:

Exploratory factor analysis (EFA) is one of a family of multivariate statistical methods that attempts to identify the smallest number of hypothetical constructs (also known as factors, dimensions, latent variables, synthetic variables, or internal attributes) that can parsimoniously explain the covariation (Watkins, 2018; Schober, et al., 2018). A variety of multi-variate techniques are referred to as factor analysis, and they are used to explain how underlying factors affect a group of observed variables. Research uses exploratory factor analysis (EFA) to try and find these underlying elements (Watkins, 2018; Schober, et al., 2018; Srikram, Prasertcharoensuk, Kanjug, and Tang, 2024).

The primary purpose of EFA is to summarize data too easily, interpret, understand relationships and patterns of the observed variables in the measurement tool. In other words, the observed variables are regrouped in a limited cluster with fewer latent variables that cannot be observed based on shared variance. By regrouping the observed variables in a limited set, researchers can focus on fewer items that explain the structure, instead of considering too many items that may be unimportant in their studies, and placing these items into meaningful categories (factors) will allow them to easily conduct their studies. Therefore, this study chose the EFA to summarize data easily, interpret, understand relationships and patterns of the observed variables in the measurement tool (Sürücü and Maslakçı, 2020).

All research projects are based around variables (Marudhar. 2023). Variables are qualities, properties, or characteristics of person, things, or situations that change or vary. Variables are classified based on their nature, action, and effects on the variables. All research projects are based around variables. A variable is the characteristic or attribute of an individual, group, educational system, or the environment that is of interest in a research study (Marudhar. 2023). The process of, undertaking a research entails the consideration of measurable factors that are subject to change due to circumstances. These factors are called variables. The idea of variable is central to research because the title of a research is made up of it and it is also the focus of this study (Abiodun-Oyebanji and Olayemi, 2017; Srikram et al., 2024).

A variable as something that can take different values and the value of any particular variable depends on the condition under which it is undertaken. A variable can be E, F, G, sex, attitude, age, experience, teaching method among other (Abiodun-Oyebanji and Olayemi, 2017). Variables are concepts that may be divided into two or more categories or groupings known as attributes. The ability to divide the variables into categories enables us to study their relationships with other variables. Attributes are the grouping into which variables may be divided. As an example, "male" is an attribute of the variable, "gender,". (Abiodun-Oyebanji and Olayemi, 2017; Marudhar. (2023).

Following examination, the researcher determined that the variables listed below are important for this investigation.

7.7.1 A1-A15: Business and Operational Challenges

A1: The inability to hire skilled workers,

A14: Limited availability of essential infrastructure such as electricity, water, and roads pose constraints,

A15: Lack of assistance to help small businesses survive in the long term.

7.7.2 B1-B12: Specific Challenges of Small Business

B1: Poor education system,

B4: Inadequate basic infrastructure (roads, transportation, electricity),

B12: High crime rates.

7.7.3 C1-C15: Typical Challenges of Small Rural Business

C1: Distant travel for marketing goods or services,

C11: Insufficient initial funds for starting up,

C15: Restricted abilities in creating convincing business proposals for bank financing.

7.7.4 D1-D2: Personal Challenges of Small Business

D1: Absence of self-assurance,

D2: Intense dread of failing in business.

7.7.5 E1-E9: Perceived Success of the Business

E1: The company has seen an increase in revenue (higher sales) in recent years.

E4: The company has witnessed an expansion in inventory (more items available) or the addition of new services in recent years.

E7: The company has undergone expansion in terms of its reach (more branches, larger facilities, upgraded locations) in recent years.

E8: There has been an increase in the number of personnel employed by the company (employees, including owner-managers).

E9: Employees are considered the most valuable asset within the company.

An instrument's internal consistency is based on the correlation between different items of the same test. This correlation indicates if a number of items supposed to measure the same construct produce similar scores. For Cronbach's Alpha, computed with correlations between all pairs of items, internal consistency can vary between zero and one, although there are sometimes aberrant negative values, as well (this implies a negative average covariance among items, which could mean that while the true population covariances among items are positive, sampling error has produced a negative average covariance in a given sample of cases or that the items do not truly have positive covariances, and therefore may not form a single scale, they are not measuring the same thing) (Ursachi, Horodnic, and Zait, 2015). A general accepted rule is that of 0.6-0.7 indicates an acceptable level of reliability, and 0.8 or greater a very good level. However, values higher than 0.95 are not necessarily good, since they might be an indication of redundancy (Hulin, Netemeyer, and Cudeck, 2001; Cortina, 1993; Cronbach, 1951; Green et al., 1977; Revelle, 1979; Schmitt, 1996; Zinbarg et al, 2006; Ursachi, Horodnic, and Zait, 2015).

From the above Table 7.23, the Cronbach alpha is recommended to be at least 0.7. Only section E variables show Cronbach alpha less than 0.7. It is therefore a plausible assumption

that data in other sections, but not section E, are variables of business performance. The correlation matrix factors are at least 0.628; it is, therefore, a plausible assumption that there was no multicollinearity in data of any section. Variables in each section were selected such that they explain at least 50% of average business performance.

There are 5 dimensions of business challenges, A-E. Their measure is a sum of variables in the sections from, A to E, listed in the questionnaire. Table 7.23 measure the accuracy of the measure of these dimensions of business challenges. The Cronbach alpha is 0.404, hence, it is unlikely that these measures all lie in the domain of business challenge. There is no multicollinearity between these measures of business challenges, therefore, district components of business performance can be extracted.

TABLE 7.24 ACCURACY MEASURES FOR DIMENSIONS OF BUSINESS CHALLENGES

Section	Mean	standard deviation	Item to correlation	Factor loading	Correlation Matrix factor (%)	AVE (%)	Cronbach alpha (%)
A	95.695	14.52	0.358	0.419	0.633	0.5812	0.404
B	86.46	10.69	0.428	0.607			
C	92.49	12.7	0.423	0.604			
D	43.5	20.45	0.006	0.761			
E	68.38	10.69	0.257	0.514			

Note: Variables Codes for Table 7.24

A: Difficulties in Business Operations; B: Unique Challenges Faced by Small Businesses; C: Common Obstacles Encountered by Rural Small Businesses; D: Personal Hurdles Experienced by Small Business Owner-Managers; E: The Business's Perceived Success.

TABLE 7.25.: CORRELATION MATRIX MEASURES OF BUSINESS PERFORMANCE

Correlation Matrix ^a						
		A	B	C	D	E
Correlation	A	1				
	B	0.339*	1			
	C	0.302*	0.397*	1		
	D	0.064	-0.043	-0.087	1	
	E	0.05	0.206*	0.232*	0.144	1

Note: Significance level=0.01

Table 7.25: (SPSS Extract) Significance levels of linear correlation hypothesis test of significance.

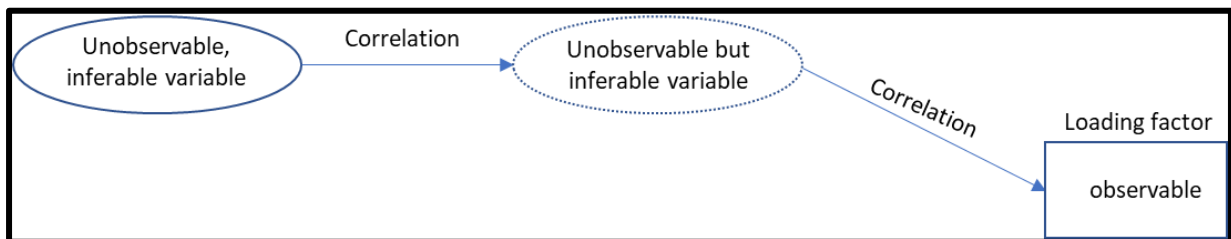
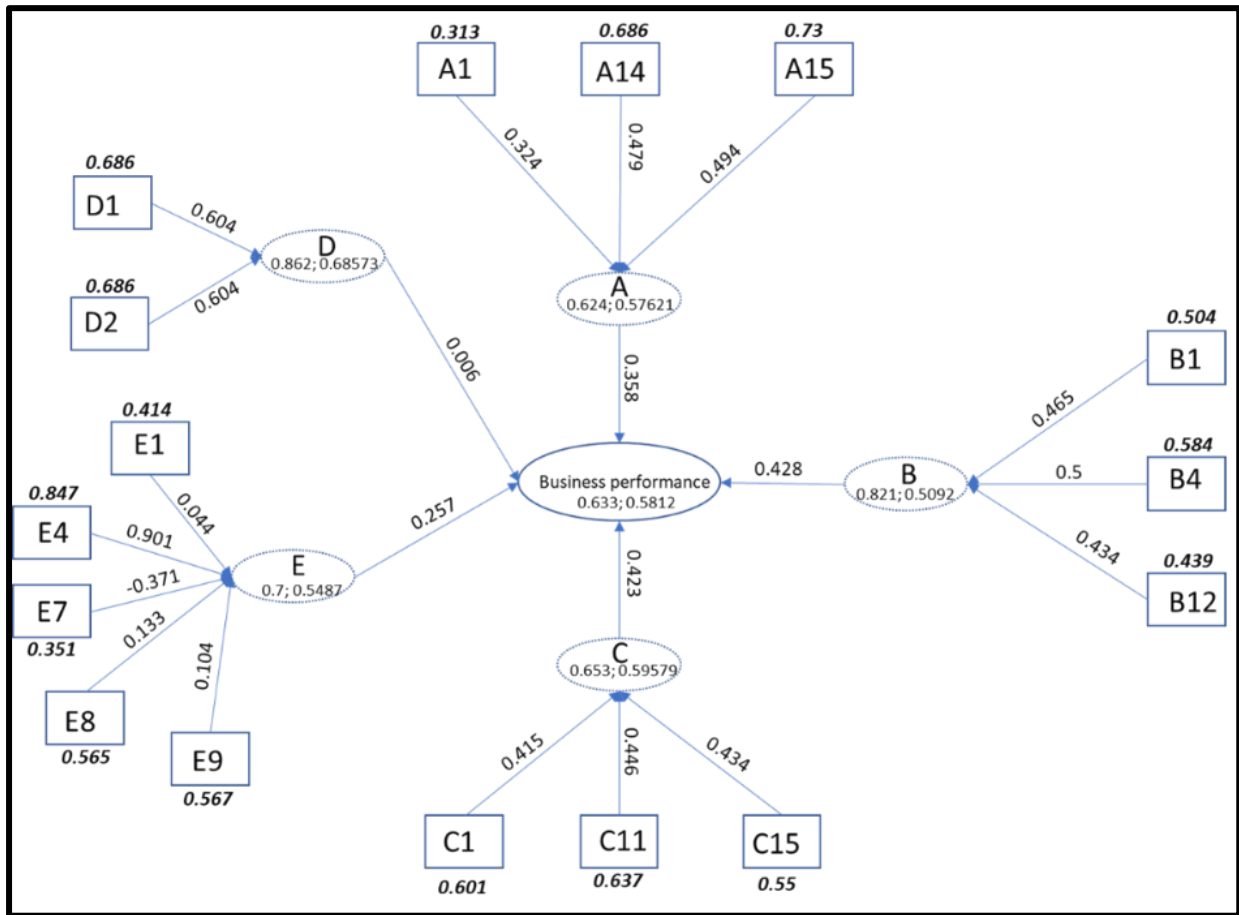
The performance of a business has five dimensions. There is no evidence to support the idea that any pair of business performance dimensions has a non-linear one-sided relationship because Table 7.25 above demonstrates that for any pair of dimensions, the hypothesis test, $H_0: \rho=0$ vs its one-sided alternative, is rejected at the five percent significance level. This implies that a linear relationship between dimensions of business performance can be assumed. It is, therefore, beneficial to employ a dimension reduction technique to this given set of variables.

Table 7.25 above shows that a significant linear relationship between unobserved and inferable constructs exist. This correlation contributes to indirect effects on business performance from other constructs, in response to changes to some other constructs.

7.6.5 Path diagram

The objective of this study included formulate strategies aimed at improving business performance. In this case, a Path model is a simplistic representation of direct and indirect effects of various measurable variables on a business performance or its distinct but related constructs which are inferred directly from measured variables. Direct effects are depicted along an arrow between the measured variables and its constructs and the degree of the effects is quantified along the path. Variables selection has been performed to retain the most informative variables. These are strategic variables selected by the modelling process and suitable for developing strategies to improve business performance. Constructs are symbolised by oval shapes and both the correlation matrix factor and AVE in relation to their constructs are shown in their respective ovals. The Path diagram follows in the next page.

FIGURE 7.1 THE PATH DIAGRAM



Note: Variables Codes: 7.26 Path Diagram

A1: Unable to employ skilful employees,

A14: Inadequate provision of fundamental infrastructure (such as electricity, water, and roads) poses limitations;

A15: Absence of support for sustaining small businesses in the long run;

B1: Substandard education system;

B4: Insufficient fundamental infrastructure (including roads, transportation, and electricity);

B12: Elevated crime rate.

C1: Lengthy travel distances to market goods or services;

C11: Scarcity of start-up capital;

C15: Limited proficiency in crafting convincing business plans for securing bank loans;

D1: Deficiency in self-assurance.

D2: Significant apprehension of business failure.

E1: The business has seen an increase in turnover (more sales) in recent years;

E4: Expansion in stock items (more inventory on shelves) or extended services has occurred in recent years;

E7: Expansion in terms of physical infrastructure (more branches, larger premises, new and improved locations) has occurred in recent years;

E8: Individuals involved in the business (including employees and owner-managers);

E9: Employees are perceived as crucial contributors to the business.

In view of the above path model above suggests that 'typical challenges of rural small businesses' are highly correlated, hence, a major source of business performance with a correlation factor of 0.423. The correlation between unobservable variables and measured variables is calculated using factor analysis.

7.7 SUMMARY

The empirical research results were thoroughly investigated and examined in this phase of the study in relation to the main, secondary, and research findings, which were presented as tables. In summary, the chapter covered the survey data that was gathered in the research region regarding the owner-managers' personal demographics and the organisational structures of the firms. The personal data on owner-managers included details about their age, marital status, level of education attained, and number of years they worked for themselves. In relation to the information on the organisational structure of small businesses, the inquiries centred on topics such as the sectors in which the businesses operate, the legal standing of the enterprise, the route to business ownership, the yearly revenue, the location of the business's establishment, and the origin of funding.

In terms of the analysed data, the path analysis showed the possibility of using endogenous business variables to improve its overall performance. When evaluating the effects of variation in endogenous business variables, it is necessary to take note of variables with significant direct effects on the overall objective. Finally, challenges faced by SMMES are not isolated as empirical evidence also suggests a positive link with challenges that are specific to research of operations. These challenges are linked to how business stakeholder perceive the success of SMMEs.

CHAPTER 8

CONCLUSIONS, MODEL DEVELOPMENT, RECOMMENDATIONS AND DIRECTIONS FOR FURTHER RESEARCH

8.1 INTRODUCTION

Entrepreneurship has the ability to stimulate economic growth and is a crucial factor in societal well-being and prosperity. Entrepreneurs are the driving force behind a cycle of creating social and economic value because they enable communities to foster job creation, boost productivity, and address societal issues through innovative entrepreneurship. Governments and stakeholders require solid, reliable data to support their decision-making regarding investment and policy in order to promote sustainable entrepreneurship and foster vibrant entrepreneurial ecosystems.

The study's theoretical and empirical findings, which are based on the difficulties facing the performance of rural entrepreneurs in particular South African regions, are presented in this chapter. Several significant obstacles that rural entrepreneurs must overcome were selected from the literature. Building a support framework for rural SMMEs in South Africa is the study's final component. The evaluations and analyses of the empirically obtained data were in line with the objectives.

As mentioned in Chapter 1, another goal of this study is to create a framework that will help rural SMMEs in South Africa's Limpopo Province function better. Entrepreneurs and Small, Macro, and Medium-Sized Enterprises (SMMEs) play a vital role in promoting an inclusive, resilient, and sustainable development in the region. Since they have been disproportionately affected by recent shocks and have been on the front lines of them, numerous governments have made an effort to support them greatly and protect them from the short-term effects of outside causes that could endanger their survival.

According to the National Development Plan, SMMEs will account for the majority of jobs in the future. This is not a new concept; a substantial amount of data confirms that SMMEs are the main employers in the modern economy, producing positions that frequently give job seekers their first opportunity to enter the official labour market. It is commonly known that South Africa has a serious skills gap, particularly in "hard" artisanal and elite professional abilities. South Africa has a sizable youth population; thus it is critical to focus youth skill development on equipping them with the knowledge and abilities needed for high-tech occupations and new business processes in an ever-evolving environment.

Studies show that South Africa has one of the highest rates of small and medium-sized enterprise (SMME) failure compared to other developing nations, with 60–80% of SMMEs failing during their first two years of operation. This high failure rate can be linked to the entrepreneurial environment, which is harmful to the growth and development of businesses, particularly in the rural areas. The 2015 SMME Growth Index lists a number of external obstacles and problems that are impeding small company growth, including complex laws, high labour expenses, funding constraints, challenging local economic conditions, high municipal costs, substandard service delivery, and rising competition.

The socioeconomic battles between Russia and Ukraine have not directly impacted SMMEs in most of the world, but they have been impacted by rising geopolitical tensions, high inflation, stricter fiscal and monetary policies, and supply-chain disruptions. Compared to the comparatively strong growth rates just prior to the war, when economies had started to recover from the impacts of the COVID-19 pandemic, firms' entry into the markets has slowed since the war's commencement. Simultaneously, the number of enterprises leaving has increased significantly, which can be attributed, at least in part, to the enormous support that was removed from COVID-19, the accompanying energy crisis, the removal of fiscal support, and tighter monetary policies.

This chapter's primary goals are to summarise the literature and empirical research, offer conclusions, and talk about developing a framework for support to improve the performance of rural SMMEs in South Africa's Limpopo Province. The chapter will next offer helpful strategies to help SMMEs survive, and it will conclude with an evaluation of how well the study's goals were met, suggestions for interested parties, and potential directions for future research.

8.2 SUMMARY OF CHAPTERS

Chapter One initiated the study, providing an overview of its introduction, background, and the problem statement. It delineated the study's objectives, research questions, justification, research gaps, purpose, and expected contributions, offering a concise overview of the study's essence.

Chapter Two provided the research context by examining existing literature on SMMEs, elaborating on their conditions, characteristics, and significance within the country's landscape. Continuing from Chapter Two, Chapter Three delved deeper into theories and concepts associated with SMMEs, with a particular focus on factors conducive to developing a supportive conceptual framework for rural SMMEs to bolster their business performance in

the Limpopo Province. Chapter Four provided a detailed development of the research topic, aligning it with the conceptual model and methodological design discussed earlier. In Chapter Five, various research philosophies and models were explored, contextualizing them within the current research landscape. Chapter Six centred on the research approach, elucidating the suitable research methodology to address the research questions in line with the chosen conceptual framework. This involved examining different study designs and methodologies, along with considerations of ethics and measures to ensure the study's validity and trustworthiness. Chapter Seven centred on data analysis and results, primarily focusing on quantitative analysis as the study's predominant method. Finally, Chapter Eight served as the conclusion and recommendation chapter, drawing together the entirety of the study and presenting recommendations for stakeholders based on the research findings. It also provided insights into potential future research avenues and implications.

8.3 ACHIEVEMENT OF OBJECTIVES

The ultimate achievement of the goals listed in Section 1.6 of Chapter 1 will determine how well this study is completed. In order to establish a clear connection between the study topic and questions, the research objectives were formulated. This study's primary objectives were to:

Objective 1: To identify factors that influence the performance of rural SMMEs.

Objective 2: To develop a conceptual framework to enhance business performance of rural SMMEs in Limpopo Province.

Objective 3: To formulate suggestions which will enhance business performance of rural SMMEs in Limpopo Province.

In short, the objective of the study was to develop a support framework for enhancing business performance of rural small, medium, and micro enterprises (SMMEs) in Limpopo Province, South Africa.

Through empirical studies and the literature, the goals have been achieved. An integrated framework was created using the findings, and it will be covered in the next section. The framework offered a methodical strategy for improving the performance of rural SMMEs in South Africa's Limpopo Province.

In line with the objectives, the research questions addressed in this research are as follows:

Main Question: What are the factors that enhance business performance of rural SMMEs in Limpopo Province?

Sub-Questions are: To answer the main research question of this study, the following are the sub-research questions addressed by this study.

- What is the conceptual framework that can be developed to enhance the business performance of rural SMMEs?
- What are the recommended solutions which will enhance business performance of rural SMMEs in Limpopo Province?

This chapter focuses on providing the conclusion to the research objectives as outlined in the next section.

8.4 CONCLUSIONS

This section provides the findings that emanated from this study in line with the study objectives. The conclusions on the objectives are pivotal as it demonstrates the attainment of the study objectives.

8.4.1 Conclusion on factors that influence rural entrepreneurship performance with regards to Objective 1:

SMMEs are essential to boosting economic activity, generating jobs, reducing poverty, and raising living standards in South Africa as a whole. This study identified a few variables affecting the performance of rural SMMEs. The development and job creation potential of many SMMEs is hindered by a number of factors, including excessive taxes; inflexible rules; limited access to business resources; inadequate market access; and a lack of education in entrepreneurship, leadership, and business skills.

In order to meet the goals, this study has determined which external and internal factors such as the labour market, markets, infrastructure, crime, corruption, and economic environment—have an impact on a business and impede the expansion of both new and existing SMMEs. The internal factors include networking, management skills, access to finance, and information technology investment and cost.

Although entrepreneurship and small business factors have been extensively studied, comparatively little research has been done on rural enterprises in South Africa, particularly in the province of Limpopo. This study was extremely pertinent since, as a major issue in rural regions, a lack of development necessitates the implementation of targeted programmes aimed at empowering rural entrepreneurs. This study showed that entrepreneurship is an essential instrument for developing rural areas and developing nations. Because of this, more research is needed in this field in South Africa, especially with reference to the rural Limpopo areas, given the potential contribution of SMMEs and entrepreneurship to the reduction of

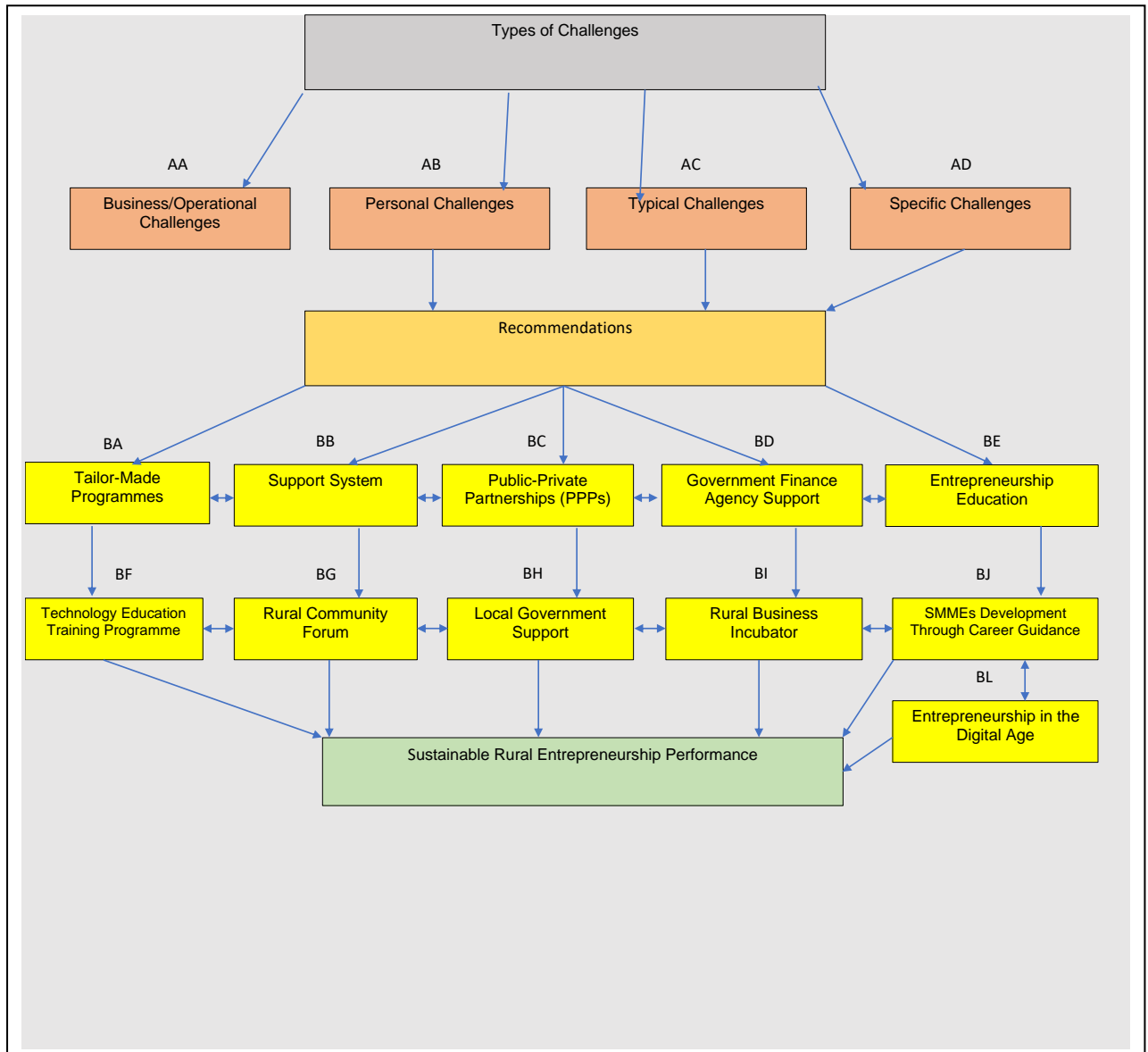
poverty and the promotion of economic growth. By accomplishing this goal, the study advanced our understanding of rural SMMEs and provided recommendations for actions that may be implemented to raise the performance of these businesses' chances of success and sustainability, thereby enhancing rural communities.

To sum up, this study made an effort to pinpoint the key elements influencing SMME performance in rural Limpopo. Three quarters of the respondents had to rely on their own funds, which the researcher believed to be a serious challenge related to financial access. The less successful firms and the more successful ones were distinguished largely by two factors: lack of bank backing and restricted access to capital. Improving SMMEs' performance, success, and sustainability may be significantly impacted by expanding their access to bank financing. It is clear from this that these are issues that affect the success of rural SMMEs, and as such, the appropriate governmental and developmental organisations need to pay attention to them.

8.4.2 In terms of the second objective, the study aimed to develop a conceptual framework that would enhance business performance of rural SMMEs in the Limpopo Province.

Running businesses in today's turbulent environment requires careful design and implementation of a winning strategy that can help them to prosper, consistently. This study sought to expand understanding around entrepreneurship and provide a framework for achieving a better rural SMMEs' performance through utilisation of firms' intangible resources, such as - tailor-made programs, support system, public privates partnerships (PPP), government finance agency support, entrepreneurship education, technology education training program, rural community forum, local government support, rural business incubator, SMMEs development though career guidance and entrepreneurship in the digital age. These intangible firm's resources will be discussed in detail, in the section under recommendations. A Support Framework for Enhancing Rural Entrepreneurship Performance figure follows in the next page.

Figure:8.1 A Support Framework for Enhancing Rural Entrepreneurship Performance



Source: Researcher (2023)

A better grasp of the different obstacles is provided by the integrative support structure above, Figure 8.1, which shows the challenges from AA to AD on the framework. The second half of the framework, which comprises of numerous recommendations to minimise the problems of entrepreneurship, is composed of BA to BL, as repeated provides an account of several frequent disadvantages that hinder entrepreneurs' capacity to create sufficient employment opportunities in addition to being strong builders of economic activity. The framework is

intended to help small business owners and managers in rural South Africa and other places by outlining the obstacles to entrepreneurship and suggesting potential solutions. In conclusion, the framework offers many categories for the difficulties impeding the economy's small business sector.

8.4.3 In terms of objective 3, the researcher purposed using empirical results to generate solutions to enhance business performance of rural SMME's in Limpopo Province

All 364 of the participating businesses in this study were operating in the province of Limpopo, South Africa, and could be classified as small and medium-sized businesses under South African classification (SMMEs). As a result, we may conclude that the study sample selected fairly represented the business sizes and geographic borders that the study intended to investigate.

8.5 RECOMMENDATIONS

The Department of National Treasury reports that South Africa's domestic economy experienced low growth, high unemployment, and insufficient fixed investment throughout the majority of the ten years preceding the COVID-19 pandemic. Long-standing structural weaknesses, such as inefficiencies in the network industries (electricity, logistics, water, and telecommunications), a lack of competition, subpar educational outcomes and skills mismatches, and the lingering spatial legacies of apartheid, were a major factor in the economy's inability to grow satisfactorily during this period. When coupled with recent economic shocks, these fundamental issues threaten the social cohesion and potential for growth of the nation. Reforming the structural framework, investing more, and strengthening the resilience of the economy are all necessary to solve these issues.

The study's suggestions indicate that by 2030, South Africa may eradicate extreme poverty and drastically reduce inequality by implementing targeted, ongoing initiatives to boost domestic competition and boost entrepreneurship performance. As a result, the nation's social compact would be strengthened, boosting investor confidence in South Africa's future.

8.5.1 Recommendations on the Path Model

This study is amongst the first that has provided a comprehensive path model (Table 7.26) within an entrepreneurship context. This paves a way for thorough understanding of ways of enhancing rural entrepreneurship performance within the body of knowledge amongst existing and prospective entrepreneurs. This model was developed to formulate strategies aimed at enhancing rural SMMEs business performance. The model provides A1, A14, A15 to B1, B4,

B12 to C1, C11, C15 to D1, and B2. Next on the model are the composition of the second E1, E4, E7, E8 and E9 of the numerous suggestions made by the literature and empirical investigations that ought to be implemented in order to reduce the difficulties associated with entrepreneurship. The model presents thorough and in-depth explanations of a few typical problems that restrict SMMEs' ability to effectively create economic activity and a sufficient number of jobs.

The findings argue that there is need to differentiate the support that is given in different phases of the business life cycle to ensure that the support is tailor made and relevant to the specific needs of that business. In addition, it is key to note that the specific business cycle phase will determine the nature of the support that is required and that the different phases of businesses call for different support needs. The findings provide evidence which supports the argument that although support is available from both the public and private sectors, there is a lack of understanding of the needs of SMMEs, leading to a mismatch. In order to avoid this mismatch, it is important that when developing SMME programmes, they must be demand-driven with a clear focus on SMME needs and expectations. Once this is achieved, the notion of one-size fits all approach will end since each SMME has its own unique set of characteristics and needs depending on the business development life cycle.

8.5.2 Recommendations on the Conceptual Framework

A conceptual framework (refer to Figure 8.1) was devised to enhance business operations positively, while also identifying factors that could impede business performance. The study investigated variations in rural entrepreneurship performance across demographics within South Africa's Limpopo Province. It contributed to the development of a support conceptual framework, marking the initial effort in guiding entrepreneurs towards sustainable enterprise performance.

Aside from delineating entrepreneurship barriers, the framework was crafted to offer potential remedies for supporting small and medium-sized enterprise (SMME) owner-managers in rural South Africa and beyond. Ultimately, the model delineates various categories of challenges faced by the SMME sector of the economy. Subsequent sections will outline programs aimed at enhancing the business performance of rural SMMEs in South Africa's Limpopo Province.

8.5.2.1 Tailor-made Programmes

SMMEs and entrepreneurship assistance programmes need to be aligned with other programmes and strategies in order to fully realise their potential. The development of entrepreneurship and SMMEs' programmes should not be limited to the local environment;

national attention to rural areas is crucial for macroeconomic growth and development. At the provincial and district levels, special attention should be paid to the owner-managers of small, medium-sized enterprises (SMMEs). This can be achieved by implementing policies specifically tailored to rural areas, which will not only support entrepreneurial activities but also promote an inclusive entrepreneurial culture among women and young people. The goal of this youth involvement strategy should be to encourage future entrepreneurship among young people. It is thought that by doing this step, the majority of the personal difficulties listed in the model will be resolved.

In order to create enough collateral for financial aid, specially designed programmes would explicitly eliminate insecure income practises and promote active participation habits among those living in rural areas. Personal obstacles (refer to section 7.26) like ignorance, lack of assistance, fear of failing, low self-esteem, and difficulty comprehending current tax laws are readily overcome. It is essential to continuously stimulate group-based financial assistance through specially designed programmes.

8.5.2.2 Support Systems

Empirical evidence suggests that the South African government should continue to promote an environment that supports entrepreneurship and the expansion of small and medium-sized businesses (SMMEs), as this enhances the creation of jobs. Government support for these entrepreneurs should also be extended; however, it should take the shape of networking opportunities and training in addition to basic financial support in the form of loans. The government ought to support the creation of certain companies that help small business owners and managers (entrepreneurs) succeed in rural areas.

Additionally, the government must support an entrepreneurial mindset. Given that the majority of SMME owners and managers in this study had completed education up to the matriculation level, "entrepreneurship" should be emphasised as a subject in schools from an early age, ideally starting in primary school. This will help those who are skilled at entrepreneurship and have mastered it. If the government hopes to reap long-term benefits from the effective expansion of SMMEs, then the subject ought to be required for everyone. The government ought to raise public awareness of the organisations that it supports. The study's conclusions revealed how ignorant the owners and managers of SMMEs were about attending seminars and workshops and using any kind of government assistance. Since the majority of SMMEs are not listed on the Johannesburg Stock Exchange (JSE), they find it difficult to raise capital. As a result, government organisations like Khula, SEDA, and DTI are needed to get involved and support the government's vision. Nevertheless, because SMMEs are still unaware of these organisations, their ability to assist is limited. Initiating more support institutions and

promoting them nationally may require ongoing analysis in order to give these institutions the much-needed access to finance and managerial training workshops. Moreover, government assistance to SMMEs can take the form of loan guarantees and subsidies. The government should also consider relaxing the laws governing businesses and commerce that limit small and medium-sized enterprises. Since the majority of SMMEs fail within the first three years of operation, this can be accomplished by reducing or eliminating taxes during this time.

Some of the personal obstacles (see Table 7.26) that people face, such as lack of confidence, pressure from extended family responsibilities, and fear of business failure, can also be lessened by the support networks. It is also advised that measures be done to keep an ongoing eye on SMMEs' operations to make sure their expectations are being fulfilled in order to give the owner-managers genuine support.

8.5.2.3 Public-Private Partnerships (PPPs)

“The public gets better, more cost-effective services; the private sector gets new business opportunities. Both are in the interests of the nation.” Finance Minister, Trevor Manuel, August 2004. This statement is a clear indication of the essential nature of SMMEs and the need to make them viable.

In order to accomplish projects and programmes that contain sustainable development objectives, sustainability involves a new strategy and new techniques. In rural areas, Public-Private Partnerships (PPPs) have significant and enduring effects on the sustainability of the social, economic, and environmental spheres. Therefore, an interdisciplinary workforce and multi-sectoral approach with wide skills related to project and programme management are essential for the future of rural sustainability. To contribute to sustainability concerns, skills and education must be based on a fundamental understanding of sustainability and the development of project management competencies.

An integrated approach has been implemented by the South African government to achieve national economic cooperation. An outcomes-based strategy is necessary in order to cooperate, coordinate, and focus cooperative planning and investment activities. The District Development Model (DDM), which presents an integrated plan for a district and metropolitan municipality, goes into additional detail about this strategy. In a similar vein, the President has released the ERRP, which is essential to the nation's economic recovery and includes SMMEs.

Despite the fact that SMMEs are often viewed as high-risk consumers, it is advised that financial institutions and other private sector providers of support for SMMEs develop solutions that cater to their specific needs. Financial institutions should work with business groups that

small and medium-sized businesses are members of in order to reduce the risk of loan non-payment. Financial institutions are losing clients to unlicensed providers of financial services because they do not accept the vast majority of this population. Additionally, in order to share responsibilities in areas where each stakeholder has strengths and avoid duplication of effort, collaboration is needed across the public, business, and higher education sectors as well as consulting firms.

The National Integrated Small Enterprise Development (NISED) will promote the development and expansion of small firms in South Africa's economy by forming strategic alliances with private sector players and promoting intra-government collaboration. The fundamental knowledge that government budgets are and will always be limited is essential for the successful implementation of the NISED. It also bolsters the government's objective of implementing more e-governance procedures and centralises budgetary allotments to MSME assistance via "one system." The curriculum should be designed to highlight all the advantages and motivating factors that come with having an entrepreneurial mindset. For example, it's important to teach young people how entrepreneurship can be utilised to create jobs, make money, and lower rates of poverty and crime.

8.5.2.4 Government Financial Agency Support

By alleviating poverty and ensuring their survival and success in the broader business landscape, Small, Medium, and Micro Enterprises (SMMEs) are creating opportunities for the community. This research examined the insights provided by scholars in various literature sources such as books, journals, and articles pertinent to the subject matter, with the aim of addressing the research inquiries. Studies on small businesses highlight the challenges faced by SMMEs, including difficulties in sustaining operations due to a lack of managerial expertise, insufficient business support, and burdensome government regulations.

SMMEs encounter obstacles such as inadequate funding for initial operations, limited access to markets, and deficiencies in managerial and technical training, as well as financial and working capital shortages. Governmental bodies can support small and medium-sized enterprises (SMMEs) by offering counselling and advisory services, thereby enhancing the performance of newly established businesses and fostering accelerated growth and development within the SME sector. Notable examples of such organizations include the Small Enterprise Development Agency (SEDA), Small Enterprise Finance Agency (SEFA), and Local Economic Development (LED) initiatives in South Africa.

Implementation of the government's small business strategy involves establishing and executing a standardized nationwide distribution network to bolster the expansion of small enterprises, as well as establishing government-funded small business support agencies at various administrative levels, which falls under the purview of SEDA. Small enterprises seeking funding of up to R3 million can avail themselves of assistance from SEFA, which provides funding options including bridging credit, revolving loans, term loans, asset finance, and working capital support. This financial initiative aims to address South Africa's high SMME failure rate, emphasizing the necessity for substantial government backing to foster, develop, and enhance entrepreneurial endeavours.

Owner-managers of SMMEs should make use of all available resources, including financial help and educational possibilities, when it comes to overcoming personal difficulties (see to Table 7.26). Implementing a longer programme of entrepreneurial education is recommended to support dependable outcomes from the utilisation of knowing and competent labour.

8.5.2.5 Entrepreneurship Education

One of the many obstacles impeding rural entrepreneurship and the development of SMMEs, according to the report, is the absence of an entrepreneurial culture. It is highly advised that comprehensive training and education in entrepreneurship be formed through a variety of state organisations, such as cooperatives or non-governmental organisations (NGOs).

To guarantee a supportive legal and policy framework for fostering the expansion and longevity of this vital domain, the South African government, under the auspices of the Department of Small Business Development, pledges to spearhead and synchronize a comprehensive strategy for fostering and advancing entrepreneurship, SMMEs, and cooperatives. The paramount focus remains on cultivating a transformed and inclusive economy propelled by innovative and sustainable SMMEs and Co-ops, particularly emphasizing enterprises led and managed by women, youth, and individuals with disabilities. Thus, the SMME and Co-ops sector remains a paramount concern for the nation.

The SMME-focused Localization Policy Framework and Implementation Programme was intended to support the expansion and development of sustainable small businesses and cooperatives, even if it did not provide favourable results. The Department is now updating its SMME Support Plan, which will make it clear how many small businesses each District should support in order to create inclusive economic growth that resolves spatial inequities and is in line with the District Development Model. We will work together with other agencies, provinces, and municipalities to carry out this plan. It is advised that the curriculum for entrepreneurship

education be designed with an emphasis on the unique needs of both the younger generation and current owner managers (entrepreneurs).

To ascertain the precise nature of rural entrepreneurship, it is imperative that the entire domain of entrepreneurship education be thoroughly investigated across all district boundaries. It's possible that small business owners and managers will be able to alter their mental models through the educational platform in order to have a greater influence on them.

With regard to personal obstacles (see to Table 7.26), small business owners and managers stand to gain the most from their acquisition of expertise. It is advised to implement an expanded entrepreneurial education programme in order to supplement the reputable results in reducing crime and hiring skilled and knowledgeable workers.

8.5.2.6 Technology Education and Training Programme

Employers in every industry want knowledgeable, skilled workers if they are to maintain long-term success in the marketplace. As a result, it is imperative for businesses, particularly those in the industrial sector, to guarantee that the knowledge, job skills, and abilities of their personnel are continuously updated, given the rapid growth of technology innovation and development. This means that providing employees with opportunities for continued education through human resource development is a crucial prerequisite for maintaining the operation and prosperity of the organisation.

Employee education should be tailored to their individual learning needs and should be updated often while keeping the needs of the business and its human resource development strategy in mind. Additionally, it must be built on a modular framework that gives the staff members flexibility in how their instruction is organised and sequenced (when, what and how they will learn). All staff levels should prioritise training as, with time, skills deteriorate and become outdated and must be renewed. Typically, emphasis is placed on the customised elements of the provided staff education and training. It is not enough for any company or organisation to simply run a training programme. Companies also need to assess whether their custom-made training and development initiatives are effective and long-lasting in achieving their goals. Evaluating people correctly is the foundation of good training. Because of this, it is crucial in practise to have a customised evaluation of the employees' performance following the completion of their training and courses.

Determining the variations in the trainees' performance following the training programme and the extent to which the learning outcomes they attained during the programme align with the specified and mandatory training objectives should be two of the evaluation's primary

objectives. As demonstrated by the case study that was provided, such an evaluation does more than merely help make training more effective. Training assessment should be a regular method since trainees are a transient group that attend programmes to acquire certain skills and then return to work to apply those skills. Proper evaluation is the foundation of good training. When new information and abilities are required over time, the staff members enrol in the training programme once more.

Empirical research has shown that there are human obstacles (see Table 7.26), such as the fact that some owner-managers lack role models, are afraid of their firm failing, are unable to use online services, and are ignorant of tax laws. It is advised that the training include a focus on effective initiatives designed for owners-managers with particular backgrounds in rural areas.

It is advised that the government provide owner-managers with access to technical and business skills in order to foster market competition, encourage entrepreneurship, and improve their managerial abilities. In conclusion, in order to provide easy entry to the labour market, the government should support the appropriate provision of technical innovation in addition to social aid.

8.5.2.7 Establishing Rural Communication Forums to Marketing Products

Rural economies are vital to the production and supply of food worldwide, but their potential for expansion is sometimes hampered by their lack of access to resources, markets, and contemporary business methods. The all-inclusive solution to these problems is the Agricultural Products Rural Entrepreneurship Management System (APREP). Empowering rural entrepreneurs through information, technology, and teamwork is the core of the APREP.

Promoting the expansion of rural entrepreneurship is the duty of governments and other stakeholders, including non-governmental organisations, educational institutions, and bankers and investors. Prior to the implementation stages, it is also necessary to develop institutions in rural areas in order to collect data on a variety of difficulties depending on particular business contexts. These strategies have the potential to reduce the current practise of offering "blanket" solutions to small business and entrepreneurial problems; instead, problems can be tailored to the particular requirements of the larger environment, such as the infrastructural problems in rural areas. Furthermore, the communication forums would facilitate the gathering of small business owner-managers and other pertinent stakeholders to address and leverage their shared difficulties (refer to Tables 7.25 and 7.26) of shared interest.

The forum's layout should be planned to offer the essential stage for addressing any issues that impede the expansion of small businesses and promote a thriving entrepreneurial scene. To the detriment of rural towns, it is currently standard practise for communication with small business owner-managers to be centralised in "large cities." Therefore, it is advised that the communication forum be set up in a way that explicitly includes each and every owner-manager of a small firm in the research region. As a result, the communication forum participants should make an effort to set up forum-style interactions amongst all small business sectors at the provincial and district levels of local government. A specific class of small business owners and managers is the only ones who are aware of the bulk of government programmes. Lack of information has been noted as one of the issues by the current investigation. Small business success is severely hampered by commercial and operational issues (see Table 7.26). For this reason, it is advised that the majority of these issues be resolved through the rural communication forum. Through communication and information exchange, more details about business specifics, including marketing capabilities and technological resources as well as market rivalry levels on a regular basis.

8.5.2.8 SMMEs and Entrepreneurship Development through Career Guidance

Support for career development includes a variety of initiatives that help people pursue successful and satisfying professions. Achieving a balance between growth-oriented goals related to talent management, productivity, and innovation and personal goals connected to leading a happy, secure, and accomplished life requires engaging in career development activities. The Whole and Retail Sector Education and Training Authority (W&RSETA) performed research on career guidance and found that entrepreneurs who have received more entrepreneur education have either been more successful or, if they are employed, have received higher compensation. This industry ought to think about incorporating an entire module on entrepreneurship into its curricular support resources. The capacity of career counselling to enable vulnerable people to organise their livelihoods, exercise entrepreneurship, and create long-lasting enterprises is crucial. The sector should develop career advice efforts for SMME owners and individuals wishing to start their own firms as part of its Integrated Career Guidance Strategy.

Success for small businesses is largely dependent on overcoming operational and business obstacles (see Table 7.26). A wide range of activities, including skill evaluations, informational sessions, mentorship, counselling, and networking, can be included in career coaching. Career counselling can be helpful because people who work in the informal economy and in rural areas are frequently ignorant of their options. According to an International Labour

Organization research on "building national career development support systems" (2021), career development support can help SMMEs and entrepreneurship in the following ways:

- Assisting people in their endeavours to retrain, train, and launch new businesses in an uncertain but opportunity-rich environment,
- Assisting thousands of people leaving the informal economy to find employment in the formal sector by obtaining professional credentials and entrepreneurial abilities,
- Fighting gender stereotypes, empowering women everywhere to take advantage of new career prospects and assisting in the formation of new values for a new generation.

8.5.2.9 Local Government Support Initiatives

Globally, small and medium-sized enterprises (SMMEs) have been the main driver of job creation and economic expansion. One of the initiatives in the South African government launched to support and encourage small businesses and reduce the high rates of unemployment, poverty, and inequality in the country is the Expanded Public Works Programme (EPWP).

The results of this study showed that the Expanded Public Works Programme (EPWP training)'s and support interventions for small enterprises within the programme were successful and had a favourable effect. The survey also identified other areas that required improvement, such as "after-service" assistance, or follow-ups with the small firms who were assisted. The study's conclusions suggest implementing a comprehensive small company support programme. I call the situation facing the EPWP small business support programme "piece meal and referral syndrome." Because it is difficult to accept small enterprises that have been externally recruited by other subprogrammes without a rigorous process to verify an individual's entrepreneurial skill or potential, the Program does not undertake assistance initiatives from start to finish. It appears that the difficult economic climate is encouraging unemployed people to think about starting a small business, even if they lack the necessary drive or mindset. Moulding them gets challenging if they are already enrolled in the programme with ill intentions. This study also indicated that the Small Company Support Model lacked specific funds, which prevented it from offering what I call a "end-to-end small business supports solution." In light of this, an all-encompassing and comprehensive small business support programme was suggested for implementation by EPWP, along with financial support, market access through projects or contracts, and committed assistance to guarantee a robust and all-encompassing enterprise development programme. Like many other programmes, the

emphasis should never be on the quantity of SMMEs assisted; rather, the main goals of the intervention should be the effectiveness of the support and its results.

These challenges were found through the use of a structured questionnaire as a quantitative instrument. Strict and useful support networks ought to be set up in rural areas in an effort to help owner-managers who face additional difficulties in addition to starting capital needs. Only a support system designed appropriately to assist rural owner-managers in improving educational results should be in place.

Municipalities must take the initiative to reroute the help they frequently receive from the federal and provincial levels of government in order to reach this state of things because of their close proximity to local communities and their familiarity with local situations. Such measures would be highly beneficial in mitigating the spatial disparities that are typical of local economies.

8.5.2.10 Rural Business Incubator

Studies have indicated that small and medium-sized enterprises (SMMEs) are essential to the socioeconomic advancement of nations worldwide. It is advised that owner-managers of small firms make use of the various support programmes available to them, including incubation, fundraising, networking, training, and development, in order to remove some of the obstacles that constrain entrepreneurship. Business incubation programmes have been more and more popular in recent years as a solution to the enduring problem of SMME failure in South Africa; yet, there are not many studies that objectively evaluate the effects of incubation in the country.

The South African government and other private sector players are strongly encouraged to adopt business incubation to drive SMME sustainable performance. Key to note is the need for the government to devise customised interventions which aligns to the unique needs of incubated and non-incubated firms, as their requirements significantly differ. Through effective incubation programmes, the country's NDP objectives of having SMEs contributing 90% to total employment by 2030 may well be within reach.

The government ought to think about creating rural business incubators in order to meet the demands of the small business sector, given the plethora of obstacles that the sector faces. Small enterprises can gain access to managerial, financial, and technical skills through the rural business incubator, paving the way for this industry to become more sustainable. In addition to helping small businesses be a major part of the assessment process, the establishment of the rural business incubator will give the owner-manager of small enterprises the direction and advice they need to run their operations.

8.5.2.11 Entrepreneurship in the Digital Age

Even while private enterprise is the main driver of digital entrepreneurship, economies need to create an environment that supports both digitization and entrepreneurship. To encourage entrepreneurship, there will need to be a strong legal framework, strong property rights, transparent and effective governments, open and competitive marketplaces, and strong institutions. Public awareness of entrepreneurship will be increased through educational programmes, which will support all of these projects.

Having a website or social media presence acted as a stand-in for carrying a physical business in order to investigate how information and communication technology affected entrepreneurial resilience in the context of the COVID-19 pandemic. It is hard for a business to move its operations and staff online if it does not have access to online infrastructure like a website. Digital technology has a substantial correlation with entrepreneurial resilience during COVID-19, according to empirical investigation. Ownership of a website considerably reduced the negative effects of the crisis on practically all firm performance indicators. Using an online business strategy will greatly decrease the likelihood of a temporary shutdown and lower sales during the Fourth Industrial Revolution, while increasing the likelihood of both unchanged sales and higher online sales. The report advises the implementation of an Online Hub, a government-designed portal, to enhance local connection. The goal of the Hub should be to unite all of the ecosystem's participants.

8.5.3 Recommendations to Policy Makers

This study recommends that entrepreneurship should be highly considered for job creation and economic growth purposes as they are playing a role in taking care of their family members which can be categorized as social responsibility. This should provide the premise for tax incentives benefits for the entrepreneurs; this will not only enhance the financial viability of the SMMEs but their sustainability thereof.

8.5.4 Recommendations for Limpopo Province as the study area

This section offers suggestions for how some of the issues raised throughout the study could be resolved in light of the difficulty's rural entrepreneurs face and the conclusions reached. These suggestions are predicated on specific actions that must be taken to support the

performance of rural entrepreneurship. These suggestions, which are primarily based on current research and empirical studies, are covered in more detail below:

- Additionally, it is advised that every local district have a district data base a trustworthy and current database of small businesses in place. Finding small enterprises that have been founded locally is the goal. The database should be updated with information about small business failures and new firm establishments. This will make it possible for service providers to obtain pertinent data so they can enhance their offerings.
- It is suggested that a yearly training be organised so that small business owner managers may recognise their needs and the issues they face. This might inform and educate members about chances to broaden their knowledge and experience as small business owners and managers on a local, provincial, and national level.
- The pertinent parties in the district municipalities and the province of Limpopo should be able to access the study's findings. As previously mentioned, the results can also be addressed during the newly established yearly workshop.
- Additionally, it is advised that small businesses make use of already-existing government frameworks like the Integrated Development Planning (IDP), road shows, and the proactive creation of community outreach initiatives like "imbizos," which can be used to increase public awareness of topics like bank services, local product marketing abroad, and workshops on skill development. In order to ascertain customer requests, owner-managers of small firms must discover the needs of the local markets during the "imbizo" programmes.

8.6 LIMITATIONS

Limitations of any particular study concern potential weaknesses that are usually out of the researcher's control, and are closely associated with the chosen research design, statistical model constraints, funding constraints, or other factors (Theofanidis, Dimitrios, and Fountouki, Antigoni, 2019). In this respect, a limitation is an 'imposed' restriction which is therefore essentially out of the researcher's control. Still, it may affect the study design, results and ultimately, conclusions and should therefore be acknowledged clearly in the study when submitted (Theofanidis et al., 2019).

Thus, in quantitative studies, that sample would not have been representative. With regards to measurements and testing, the research tool itself may be a limiting factor by providing “narrow results”. Time is another factor that may limit a study by distorting results. In addition, greater societal circumstances and financial trends that may coincide with the study period should be acknowledged as such. Data analysis methodology is another area of potential limitation. With regards to quantitative statistical analysis, most models can easily determine correlation between two or more variables, but again, not causation per se. (Theofanidis et al., 2019).

Key among some of the common limitations is the structured questionnaires used in this study. It is extremely difficult for owner-managers of SMMEs who intended to further elaborate on some of the performance challenges that hamper their business operations, to do so. This limitation was overcome by including a few open-end and unstructured questions which allowed the owner-managers to provide more answers to clarify some of challenges relating to small business failures.

The depth of the study mostly referred to as research sample size, is very small taking into account the population. The sample of the research is made up of 377 owner-managers of SMMEs in the Limpopo Province of South Africa. Due to the small nature of the study sample, there are a significant amount of errors that could have occurred as the study progresses; thus, changing the entire complexion of the study and its outcomes. During the period of this study, it was very difficult to ascertain the actual locations and addresses of the owner-managers, because most of them do not have permanent business locations, which are due mostly to the confidentiality clause. This limitation was overcome by applying the simple sampling technique method that was used to conduct the study.

This study was limited to Limpopo Province. This resulted in the study and data collection being restricted only to Thohoyandou, Louis Trichardt and Polokwane; hence, it would be significant and most desirable to further extend the current study to various provinces across rural provinces of South Africa to ascertain if similar findings will emerge. This study included both official and informal SMMEs, and general employees were purposely excluded because data was only collected from SMME owners and/or managers.

Several issues associated with the performance challenges that are inherent in this study, await further research in the future. This study points to various rural performance challenges that limit entrepreneurship and small business operations.

Identifying these performance challenges with negative impact on rural entrepreneurship does not determine the level of influence on rural entrepreneurship. The extension of this study is

needed to add more value to rural entrepreneurship by determining the impact of these challenges on rural entrepreneurship.

The study also suffered from the time constraints as it was supposed to be completed within a specified period; this restricted the study to being conducted within Limpopo Province only. The study also faced some financial constraints as everything from the initiation of the study to its completion was funded by the researcher.

Different challenges namely personal, specific, typical and business as well as operational challenges of rural entrepreneurship and SMMEs require further clarification and how each of the challenges impact on rural entrepreneurship. It is hoped that most scholars and academics of entrepreneurship will find these challenges within rural business environments very useful and that much assistance will be provided through similar studies to guide the SMMEs into applying the relevant strategy to curtail these challenges and enhance business performance of rural SMMEs.

Some of the research findings may be insignificant; the research findings are enriching experiences that contribute to the body of scientific knowledge by proposing a support framework for enhancing business performance of rural SMMEs in the country. The support framework will open new ways of criticism that are prescribed to enhance rural entrepreneurial performance and sustainability of SMMEs in South Africa. Further discussions or disagreement on this issue equally serve the purpose.

The support framework is worth researching further in the distant future for value and recommendations to Government action. Government structures stemming from the national, provincial and district have already showed deepening commitment towards the development of SMMEs. Thus, all of the above limitations have been clearly stated so that results are not distorted and misinterpreted by the wider readership. Unfortunately, when reporting results, 'author excitement' may easily overlook this important aspect of conducting and reporting research.

8.7 DIRECTIONS AND SUGGESTIONS FOR FURTHER RESEARCH

This study only focused on developing a support conceptual framework that will enhance rural entrepreneurship performance in Limpopo province of South Africa. A gap still exists in the body of knowledge pertaining to rural entrepreneurial intentions. Other studies could measure whether entrepreneurship performance is a variable that influence entrepreneurial intentions

especially amongst the youth and women. Further studies can also be done on measuring the impact of youth entrepreneurship on small businesses.

The benefits of qualitative research were eliminated since the quantitative research approach was used. The researcher contends that while this approach was helpful and successful in reaching the study's goals, a comprehensive qualitative investigation in the same field could yield fascinating insights into the daily activities of business owners, which in turn impact their company's success.

8.8 CONCLUSION

The inquiry illuminated the existing wealth of information regarding the operational efficacy of SMMEs in South Africa. As per the primary conclusions of the research, a blend of human, technical, financial, and managerial characteristics dictates the efficacy of SMMEs. The outcomes align with the Resource Based Theory, asserting that a business can achieve competitiveness only through complete ownership or access to distinctive, irreplaceable resources. However, there is a pervasive suggestion that both public and private sectors lack a comprehensive understanding of SMME requirements, leading to a deficiency in knowledge regarding how to bolster these enterprises.

Moreover, while the majority of aid providers from both public and private sectors cater to similar market segments, there exists a lack of cohesion among them. Consequently, this research underscores the importance of demand-oriented initiatives for SMMEs to prevent mismatches between expectations and the assistance rendered. It is recommended that the responsibilities of the public and private sectors remain separate, enabling comprehensive monitoring and evaluation of SMME performance and support schemes. Consequently, SMMEs will exhibit greater confidence in the assistance programs offered. This approach will also facilitate further exploration of the distinctive traits within the SMME landscape in South Africa. This holds significant relevance given the current dearth of literature pertaining to South Africa, necessitating reliance on content from other countries which may not mirror the unique characteristics of South African SMMEs. It is imperative to acknowledge and support South African small and medium-sized enterprises (SMMEs) to foster their growth into sustainable ventures by equipping them with requisite tools, training, and mentorship. This shift will dispel the notion of a standardized approach, recognizing the uniqueness and diverse attributes of each environment.

The study has several limitations worth noting. Firstly, the structured questionnaires used in the study posed challenges for small business owners and managers to delve deeply into the

issues hindering their operations. To address this limitation, a few open-ended and unstructured questions were introduced, allowing owner-managers to elaborate on their responses and illuminate some of the difficulties associated with small business failures. However, the depth of the study depended largely on the small research sample size, which was notably small given the population under consideration. Specifically, the research sample comprised owner-managers of SMMEs located in the Province of Limpopo. The small sample size might have introduced errors throughout the investigation, potentially altering the study's design and outcomes significantly.

Moreover, determining the actual locations and addresses of owners during the study period proved exceedingly challenging, primarily because most owner-managers lack permanent business sites, often due to confidentiality clauses. Several issues stemming from these challenges will require further investigation in the future. The study highlights various rural issues that obstruct small business operations and entrepreneurship. However, merely identifying these obstacles does not gauge their adverse impact on rural entrepreneurship. Therefore, further research expansion is necessary to understand how these obstacles influence the performance of rural businesses and to enhance rural entrepreneurship effectively.

Further insights are required to comprehensively grasp the array of challenges, both personal and operational, encountered by small enterprises and rural entrepreneurship, along with their impact on the latter. It is anticipated that scholars and academics in entrepreneurship will find these challenges within rural business settings highly informative. Similar research endeavours are expected to furnish valuable assistance in advising owner-managers on the application of pertinent strategies to alleviate these challenges. While certain findings from the research may not carry significant weight individually, collectively, they contribute to the existing knowledge base by proposing an integrated framework aimed at enhancing the performance of rural SMMEs.

These challenges introduce novel perspectives for critical examination, which are proposed to enhance the sustainability of South Africa's small enterprises and rural entrepreneurship. Whether through further discussion or disagreement, engagement with these issues is deemed beneficial. Looking ahead, a deeper investigation of these issues is warranted to ascertain their significance and formulate recommendations for governmental intervention. At various levels local, provincial, and national government bodies have shown an increasing dedication to enhancing rural entrepreneurial performance. Lastly, the conceptual framework model developed can serve as a guiding beacon for future research endeavours.

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APPENDIX A



Student number:8800199

QUESTIONNAIRE

A SUPPORT CONCEPTUAL FRAMEWORK IN SOUTH FOR ENHANCING BUSINESS PERFORMANCE FOR RURAL SMMEs IN LIMPOPO PROVINCE OF RURAL AFRICA

Contact Details:

Khathutshelo Collins Razwiedani

Cell: 0823396114/ 0716857814

E-mail: krazwiedani@gmail.com

Dear owner-manager,

Recognizing that the future of small and medium enterprises (SMEs) in South Africa is based largely on the efforts of the owner-managers of SMEs like you, we are very eager to learn about your own experiences. In particular, we seek information on what you consider to be key factors of the challenges and prospects of rural entrepreneurship development in your area. Your contribution in this survey is therefore very important to identify these factors. By completing this questionnaire, the data you provide will lead to a series of recommendations to ensure the success of rural entrepreneurship development in South Africa.

INSTRUCTIONS

Please complete this questionnaire accurately and objectively. In the absence of an option that accurately reflects your views, please choose the answer that seems relevant, and add any comment or explanation that you deem useful to illustrate your answer.

- Most questions can be answered simply by ticking a box.
- All of the answers you provide in this questionnaire **WILL BE KEPT CONFIDENTIAL**. All information given will be used for the purpose of this research only.
- The questionnaire should take **ABOUT 30 MINUTES** to complete.
- The results of this research will be presented in the thesis to be submitted to the University of Venda, as required by the doctoral degree.
- If you want a copy of the results of the study, please fill out your name, address or email in the last page of the questionnaire.
- Please return the completed questionnaire on the addresses reflected below.

Khathutshelo Razwiedani

P.O. Box 1767, Thohoyandou 0950

Cell: 0716857814

E-mail: krazwiedani@gmail.com

Please Note

This questionnaire should be completed by owner-managers of small businesses in the Limpopo Province of South Africa

All information will be treated as **STRICTLY CONFIDENTIAL** and will only be used for academic purposes.

Instructions for completion:

1. Please answer the questions as objectively and honestly as possible.
2. For the sections A to E place a cross (x) in the space provided at each question which reflects your answer the most accurately. Use the following key: **1** = Strongly disagree; **2** = Disagree; **3** = Slightly disagree; **4** = Neutral view; **5** = Slightly agree; **6** = Agree; **7** = Strongly agree.

It is essential you indicate your choice clearly with a **pen**.

3. For sections G and F, mark the applicable block with a cross (x) with the correct information.
4. Where asked for comments or to express your own opinion, keep answers short and to the point.
5. Please answer all the questions, as this will provide more information to the researcher so that an accurate analysis and interpretation of data can be made.

Thank you for your co-operation. We hope that you will find the questionnaire interesting and stimulating

SECTION A

BUSINESS OPERATIONAL CHALLENGES

In this section you have to indicate the extent to which management experience challenges are influencing your small business.

Indicate to what extent does you agree or disagree with the statements. Mark the applicable block with a cross (X).

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly agree	Agree	Strongly agree
Indicate the business and operational challenges of your business								
A1	Mangerial experience in business	1	2	3	4	5	6	7
A2	Lack of resources and basic infrastructure	1	2	3	4	5	6	7
A3	Lack of sufficient financial resources	1	2	3	4	5	6	7
A4	Inadequate accounting and management skills	1	2	3	4	5	6	7
A5	Not able to use technology	1	2	3	4	5	6	7
A6	Scarce marketing information	1	2	3	4	5	6	7
A7	Lack of suitable business location/premises	1	2	3	4	5	6	7
A8	Not able to get enough state support	1	2	3	4	5	6	7
A9	Too much competition with big businesses	1	2	3	4	5	6	7
A10	Lack of market information	1	2	3	4	5	6	7
A11	No resources to assist small businesses	1	2	3	4	5	6	7
A12	Too much restriction laws to run business	1	2	3	4	5	6	7
A13	Lack of small business assistance	1	2	3	4	5	6	7
A15	Insufficient provision of basic infrastructure (electricity, water and road networks) constrains	1	2	3	4	5	6	7
A16	No support to assist small businesses for long term survival	1	2	3	4	5	6	7
A17	Lack of sufficient training in the Limpopo Province for small businesses	1	2	3	4	5	6	7
	Other (Please specify):							

SECTION B

CHALLENGES OF RURAL ENTREPRENEURSHIP DEVELOPMENT IN LIMPOPO PROVINCE

PLEASE PROVIDE ANSWERS ACCORDING TO THE PROVINCIAL LOCATION OF YOUR BUSINESS.

Please indicate to what extent does you agree or disagree with the statements. Mark the applicable block with a cross (X).

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly agree	Agree	Strongly agree
SPECIFIC CHALLENGES OF SMALL BUSINESSES IN LIMPOPO PROVINCE OF SOUTH AFRICA								
B1	Poor education system	1	2	3	4	5	6	7
B2	Lack of skilled employees	1	2	3	4	5	6	7
B3	Problem of start-up capital	1	2	3	4	5	6	7
B4	Inadequate basic infrastructure (roads, transportation, electricity)	1	2	3	4	5	6	7
B5	Difficult regulatory and policy measures	1	2	3	4	5	6	7
B6	Insufficient marketing information and opportunities	1	2	3	4	5	6	7
B7	Local economic development does not focus on small businesses	1	2	3	4	5	6	7
B8	Absence of small business education	1	2	3	4	5	6	7
B9	Lack of general small business support by government	1	2	3	4	5	6	7
B10	Too much costs of doing business	1	2	3	4	5	6	7
B11	Lack of support from the local district municipality	1	2	3	4	5	6	7
B12	High crime rates	1	2	3	4	5	6	7
B13	Lack of competition	1	2	3	4	5	6	7
B14	Problems with suppliers	1	2	3	4	5	6	7
B15	Inability to prepare credible business plans for bank loans	1	2	3	4	5	6	7
	Specify other forms of specific challenges as experienced by small businesses:							

SECTION C

CHALLENGES OF RURAL SMALL BUSINESSES

Small businesses in rural areas are faced with typical challenges. The purpose of this section is to determine typical rural challenges that constrain small business operations in rural areas.

Please indicate to what extent does you agree or disagree with the statements. Mark the applicable block with a cross (X).

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly agree	Agree	Strongly agree
CHALLENGES OF RURAL SMALL BUSINESSES								
C1	Long distance travel to market products or services	1	2	3	4	5	6	7
C2	No access to internet services	1	2	3	4	5	6	7
C3	Lack of basic infrastructure (roads, water, transportation and electricity)	1	2	3	4	5	6	7
C4	Too much costs of doing business	1	2	3	4	5	6	7
C5	No support from district municipality	1	2	3	4	5	6	7
C6	Very difficult to employ skilled labour	1	2	3	4	5	6	7
C7	Not easy to keep younger employees	1	2	3	4	5	6	7
C8	Cash flow problems	1	2	3	4	5	6	7
C9	Ageing workforce	1	2	3	4	5	6	7
C10	High crime rates	1	2	3	4	5	6	7
C11	Lack of start-up capital	1	2	3	4	5	6	7
C12	Lack of security (collateral) for bank loans	1	2	3	4	5	6	7
C13	Problems with suppliers	1	2	3	4	5	6	7
C14	Lack of reliable and competent employees	1	2	3	4	5	6	7
C15	Limited skills to prepare credible business plans for bank loans	1	2	3	4	5	6	7
C16	Lack of competition	1	2	3	4	5	6	7
Other (Please specify)								

SECTION D

PERSONAL CHALLENGES OF THE OWNER-MANAGERS OF SMALL BUSINESSES

The South African government has over the years instituted various organs to assist owner-managers of small businesses. Yet, the owner-managers continue to experience many challenges. The focus of this section is to identify personal challenges of owner-managers that inhibit rural small businesses.

Please indicate to what extent does you agree or disagree with the statements. Mark the applicable block with a cross (X).

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly agree	Agree	Strongly agree
PERSONAL CHALLENGES OF THE OWNER-MANAGERS OF SMALL BUSINESSES								
D1	Lack of self-confidence	1	2	3	4	5	6	7
D2	Great fear of business failure	1	2	3	4	5	6	7
D3	Pressure due to extended family responsibility	1	2	3	4	5	6	7
D4	Lack of education and general training	1	2	3	4	5	6	7
D5	Lack of small business success stories and role models	1	2	3	4	5	6	7
D6	Time pressures because of work and family issues	1	2	3	4	5	6	7
D7	Lack of permanent business office	1	2	3	4	5	6	7
D8	Problem of running the business alone (no family support)	1	2	3	4	5	6	7
D9	Unable to understand existing tax policies	1	2	3	4	5	6	7
D10	Not able to use internet services for marketing opportunities	1	2	3	4	5	6	7
	Other personal challenges (Please specify):							

SECTION E

PERCEIVED BUSINESS PERFORMANCE

It is important for the business to sustain the family and to make a profit. It is also important that the owner-manager, the family and employees (if the business employs people) be happy and satisfied to work in the business. This section will measure the perceived success of the business.

Please indicate to what extent does you agree or disagree with the statements. Mark the applicable block with a cross (X).

		Strongly disagree	Disagree	Slightly disagree	Neutral view	Slightly agree	Agree	Strongly agree
INDICATORS OF SUCCESSFUL SMALL BUSINESSES								
E1	The business has experienced growth in turnover (more sales) over the past few years	1	2	3	4	5	6	7
E2	The business has experienced growth in profits (more money in my pocket) over the past few years	1	2	3	4	5	6	7
E3	The business has experienced growth in employees (we employed more people) over the past few years	1	2	3	4	5	6	7
E4	The business has experienced growth in stock items (more items on the shelves) or extended services, over the past few years	1	2	3	4	5	6	7
E5	The image of the business (how people see us), relative to our competitors, has grown over the past few years	1	2	3	4	5	6	7
E6	The business has experienced growth in customers (more customers/bigger contracts/extended services) over the past few years	1	2	3	4	5	6	7
E7	The business has experienced growth in terms of expansion (more branches, bigger building, new improved location) over the past few years	1	2	3	4	5	6	7
E8	People working in the business (employees, but also the owner-managers)	1	2	3	4	5	6	7
E9	People working in the business (employees) are viewed as the most	1	2	3	4	5	6	7
E10	The morale (job satisfaction) of our employees (included the owner-manager)	1	2	3	4	5	6	7
E11	The business keep most of the employees over the years	1	2	3	4	5	6	7
E12	Employees do no want to leave the business and work for another	1	2	3	4	5	6	7
Other personal challenges (Please specify):								

SECTION F PERSONAL INFORMATION

The following information is needed to help the researcher with the statistical analysis of data regarding the challenges and prospects of rural of entrepreneurship development in South Africa. All your responses will be treated withutmost confidentiality. The researcher appreciates your help in providing this important information.

Mark the applicable block with a cross (X). Complete the applicable information.

F1	In which age group do you fall?	≤ 19	20 – 29	30 – 39	40 – 49	50 – 59	60+

F2	What is your marital status?	Single	Married	Divorced	Widowed	Living together

F3	Indicate your highest academic qualification.	
	Lower than matric	
	Matric	
	Certificate	
	Vocational qualification (Trade skills)	
	Diploma	
	University Degree	

F4	Indicate your past experience prior to self-employment (occupational background).	
	Unemployed	
	Self-employed (owned small business)	
	Employed (administrative clerk, secretary, cashier, teacher)	
	Farm worker (farm manager, farm supervisor, farm assistance)	
	Government employee (teacher, nurse, police service)	
	Top (executive) management	

F5	Indicate the number of years that you are self-employed.	
	Less than one (1) year	
	1 – 3years	
	4 – 5 years	
	6 – 10 years	
	More than 10 years. Please specify:	

F6 Indicate your gender.

Male

Female

F7 Indicate your race. Black White Coloured Indian Others

G8 Please specify your ethnic group:

SECTION G BUSINESS OPERATIONAL INFORMATION

Mark the applicable block with a cross (X). Complete the applicable information.

G1 In which District municipality is your business located in the Limpopo Province?

G2	On daily average, how many hours do you devote to your business operations?	
	Less than 7 hours	
	7 hours to 10 hours	
	10 hours	
	More than 10 hours	

G3	How many employees do you employed as full/part-time workers?	
	1 – 3 part time workers	
	4 – 6 part-time workers	
	1 – 3 full – time workers	
	4 – 6 full - time workers	
	Only myself and two family members	
	Myself and my spouse	
	Others: (Please specify)	

9

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G4	Where do you sell your products/services?	
	Local community in the district (local market)	
	Distribute to other provinces	
	National and International markets	
	All the above	
	Other: (Please specify)	

G5	In which industry does your business operate?	
	Retail trade (stationery)	
	Wholesale trade	
	Manufacturing	
	Construction	
	Transport/distribution	
	Accommodation and restaurant (guest houses, bread and breakfast)	
	Food industry	
	Agriculture/forestry/fishing	
	Garden services	
	Repairs of home appliances	
	Internet services (mobile communication services)	
	Wedding planner	
	Funeral services	
	Beauty saloon	
	Travel and tours services	
	Computer repairs	
	Cell phone repairs	
	Others: (Please specify the type of product or service)	

G6	How long has your business been operating in the province (years)?	
	Please specify: (number of years)	

G7	Indicate the legal status of your business (form of business ownership).	
	Sole proprietorship	
	Partnership	
	Close corporation	
	Company (private)	
	Company (public)	
	Business Trust	
	Not registered	
	Other: (Please specify)	

G8	Indicate your path to business ownership.	
	Started the business myself	
	Buy the business	
	Join family business	
	Take over existing family business	
	Other: (Please specify)	

G9	Indicate your source of start-up funding	
	Personal savings	
	Borrowed or gifted(donated) from relative or friend	
	Household/spouse	
	Sold previous business	
	Bank loan	
	Other: (Please specify)	

G10	Indicate the business premises (from where does the business operates?).	
	Work from home (home-based)	
	Central business district (CBD)	
	Outlying business area	
	Near district taxi rank	
	Agriculture land	
	Other: (Please specify)	

G11	How many permanent employees are employed by your business?							
	Myself	2-5	6-10	11-25	26-50	51-100	101-200	200+

G12	Indicate the turnover (annual sales) that your business generates.	
	Less than R30 000	
	R30 000 – R50 000	
	R50 000 – R100 000	
	R100 000 – R500 000	
	Over R50 000	

G13	Did you have any childhood business experiences or skills (i.e. parents, close family friend owned a business).	Yes	No
	If yes, who owned the business? (Please specify – i.e. father, mother, sibling, family friend, close friend.)		

G14	Is the present business the first business that you own?	Yes	No
	If no, please indicate what happened to the business previously owned.		
	Went out of business		
	Still successful		
	Sold of		
	Other: (Please specify)		

G15	If the business is no longer operational (closed) state the reasons for closure (you may choose one option or more)	
	No form of assistance (training needs, financial, infrastructure, information)	
	Inability to acquired skilled personnel	
	Unfriendly regulatory environment	
	Lack of collateral (assets) for financial assistance from banks	
	All the above	
	Other: (Please specify)	

Thank you for your support

APPENDIX B

ETHICS APPROVAL CERTIFICATE

**RESEARCH AND INNOVATION
OFFICE OF THE DIRECTOR**

**NAME OF RESEARCHER/INVESTIGATOR:
Mr KC Razwiedani**

**STUDENT NO:
8800199**

PROJECT TITLE: A support framework for enhancing business performance of rural SMME's in the Limpopo province, South Africa.

ETHICAL CLEARANCE NO: FMCL/22/BMA/18/0711

SUPERVISORS/ CO-RESEARCHERS/ CO-INVESTIGATORS

NAME	INSTITUTION & DEPARTMENT	ROLE
Prof N Chillya	UNIVEN, Business Management	Supervisor
Dr LG Nkondo	UNIVEN, Business Management	Co - Supervisor
Mr KC Razwiedani	UNIVEN, Business Management	Investigator – Student

Type: **Doctoral Research**

Risk: **Straightforward research without ethical problems (Category 1)**
Approval Period: **October 2022 – October 2025**

The Research Ethics Social Sciences Committee (RESSC) hereby approves your project as indicated above.

General Conditions

While this ethics approval is subject to all declarations, undertakings and agreements incorporated and signed in the application form, please note the following.

- The project leader (principal investigator) must report in the prescribed format to the REC:
 - Annually (or as otherwise requested) on the progress of the project, and upon completion of the project
 - Within 48hrs in case of any adverse event (or any matter that interrupts sound ethical principles) during the course of the project.
 - Annually a number of projects may be randomly selected for an external audit.
- The approval applies strictly to the protocol as stipulated in the application form. Would any changes to the protocol be deemed necessary during the course of the project, the project leader must apply for approval of these changes at the REC. Would there be deviated from the project protocol without the necessary approval of such changes, the ethics approval is immediately and automatically forfeited.
- The date of approval indicates the first date that the project may be started. Would the project have to continue after the expiry date; a new application must be made to the REC and new approval received before or on the expiry date.
- In the interest of ethical responsibility, the REC retains the right to:
 - Request access to any information or data at any time during the course or after completion of the project,
 - To ask further questions; Seek additional information; Require further modification or monitor the conduct of your research or the informed consent process.
 - withdraw or postpone approval if:
 - Any unethical principles or practices of the project are revealed or suspected.
 - It becomes apparent that any relevant information was withheld from the REC or that information has been false or misrepresented.
 - The required annual report and reporting of adverse events was not done timely and accurately,
 - New institutional rules, national legislation or international conventions A it necessary

ISSUED BY:
UNIVERSITY OF VENDA, RESEARCH ETHICS COMMITTEE
Date Considered: September 2022

Name of the RESSC Chairperson of the Committee: Prof TS Mashau

Signature 



ANNEXURE C

A SUPPORT FRAMEWORK FOR ENHANCING BUSINESS PERFORMANCE OF RURAL SMMES IN THE LIMPOPO PROVINCE, SOUTH AFRICA

ORIGINALITY REPORT



PRIMARY SOURCES

1	Submitted to University of Witwatersrand Student Paper	<1%
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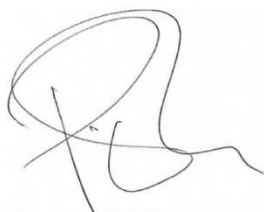
9	Internet Source	<1 %
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APPENDIX D

PROOF OF EDITING

28 January, 2024

This is to certify that I, Dr P Kaburise, have proofread the thesis titled - **A SUPPORT FRAMEWORK FOR ENHANCING BUSINESS PERFORMANCE OF RURAL SMMEs IN THE LIMPOPO PROVINCE, SOUTH AFRICA** - by KHATHUTSHELO COLLINS RAZWIEDANI (student number: 8800199). I have indicated some amendments which the student has undertaken to effect before the final thesis is submitted.



Dr P Kaburise (0794927451/ 0637348805; email: phyllis.kaburise@gmail.com)

Dr P Kaburise: BA (Hons) University of Ghana (Legon, Ghana); MEd University of East Anglia (Cambridge/East Anglia, United Kingdom); Cert. Teaching English as a Foreign Language (Cambridge University, United Kingdom); Cert. English Second Language Teaching, (Wellington, New Zealand); PhD University of Pretoria (South Africa).

APPENDIX E

(SPSS OUTPUT)

```
FREQUENCIES VARIABLES=F1 F2 F3 F4 F5 F6 F7 G1 G2 G3 G4 G5 G6 G7 G8 G9 G10
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Frequencies

Notes

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Comments		
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Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics are based on all cases with valid data.
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Warnings

No valid cases remain for If the business is no longer operational (closed) state the reasons for closure (you may choose one option or more) . A bar chart or histogram cannot be produced.

Statistics

In which age group do you fall
What is your marital status
What is your academic qualification.
Indicate your highest academic qualification.
Indicate your past experience prior to self-employment
Indicate your number of years that you are self-employed.

		(occupational background).				
N	Valid	364	364	364	364	364
	Missing	0	0	0	0	0

Statistics

		Indicate your gender.	Indicate your race.	Limpopo Province	In which municipality is your business located in the province?	On average, how many hours do you devote to your business operations as full/part-time workers?
N	Valid	364	364	364	364	364
	Missing	0	0	0	0	0

Statistics

		Where do you sell your products/services	In which industry does your business operate	How long has your business been operating in the province (years)	Indicate the legal status of your business operating (form of ownership).	Indicate your path to business ownership.
N	Valid	364	364	364	364	364
	Missing	0	0	0	0	0

Statistics

		Indicate your source of start-up funding	Indicate the premises where your business operates? (from permanent employees your business?)	How many employees are employed by your business?	Indicate the turnover (annual sales) that your business generates.	Did you have any childhood business experiences or skills (i.e. parents, close friend a business)?
N	Valid	364	364	364	364	364
	Missing	0	0	0	0	0

Statistics

If the business is no longer operational (closed) state Is the present the reasons for business the closure (you first business may choose one that you own? option or more)

N	Valid	364	0
	Missing	0	364

Frequency Table

In which age group do you fall

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under 19	17	4.7	4.7	4.7
	20 – 29	98	26.9	26.9	31.6
	30 – 39	135	37.1	37.1	68.7
	40 – 49	62	17.0	17.0	85.7
	50 – 59	32	8.8	8.8	94.5
	60+	20	5.5	5.5	100.0
	Total	364	100.0	100.0	

What is your marital status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	166	45.6	45.6	45.6
	Married	135	37.1	37.1	82.7
	Divorced	34	9.3	9.3	92.0
	Widowed	13	3.6	3.6	95.6
	Living together	16	4.4	4.4	100.0
	Total	364	100.0	100.0	

Indicate your highest academic qualification.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Lower than matric	41	11.3	11.3	11.3
	Matric	150	41.2	41.2	52.5
	Certificate	71	19.5	19.5	72.0
	Vocational qualification (Trade skills)	20	5.5	5.5	77.5
	Diploma	48	13.2	13.2	90.7
	University Degree	34	9.3	9.3	100.0
	Total	364	100.0	100.0	

Indicate your past experience prior to self-employment (occupational background).

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unemployed	100	27.5	27.5	27.5
	Self-employed (owned small business)	128	35.2	35.2	62.6
	Employed (administrative clerk, secretary, cashier, teacher)	68	18.7	18.7	81.3
	Farm worker (farm manager, farm supervisor, farm assistance)	36	9.9	9.9	91.2
	Government employee (teacher, nurse, police service)	21	5.8	5.8	97.0
	Top (executive) management	11	3.0	3.0	100.0
	Total	364	100.0	100.0	

Indicate the number of years that you are self-employed.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than one (1) year	35	9.6	9.6	9.6
	1 – 3 years	82	22.5	22.5	32.1
	4 – 5 years	73	20.1	20.1	52.2
	6 – 10 years	129	35.4	35.4	87.6
	More than 10 years. Please specify:	45	12.4	12.4	100.0
	Total	364	100.0	100.0	

Indicate your gender.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	209	57.4	57.4	57.4
	Female	155	42.6	42.6	100.0
	Total	364	100.0	100.0	

Indicate your race.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Black	251	69.0	69.0	69.0
	White	42	11.5	11.5	80.5
	Coloured	27	7.4	7.4	87.9
	Indian	35	9.6	9.6	97.5
	Others	9	2.5	2.5	100.0

Total	364	100.0	100.0
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In which District municipality is your business located in the Limpopo Province

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Vhembe	130	35.7	35.7	35.7
	Capricorn	127	34.9	34.9	70.6
	Mopane	107	29.4	29.4	100.0
	Total	364	100.0	100.0	

On daily average, how many hours do you devote to your business operations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 7 hours	37	10.2	10.2	10.2
	7 hours to 10 hours	184	50.5	50.5	60.7
	10 hours	107	29.4	29.4	90.1
	More than 10 hours	36	9.9	9.9	100.0
	Total	364	100.0	100.0	

How many employees do you employed as full/part-time workers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 – 3 part time workers	70	19.2	19.2	19.2
	4 – 6 part-time workers	90	24.7	24.7	44.0
	1 – 3 full – time workers	89	24.5	24.5	68.4
	4 – 6 full - time workers	90	24.7	24.7	93.1
	Only myself and two family members	10	2.7	2.7	95.9
	Myself and my spouse	15	4.1	4.1	100.0
	Total	364	100.0	100.0	

Where do you sell your products/services

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Local community in the district (local market)	207	56.9	56.9	56.9
	Distribute to other provinces	103	28.3	28.3	85.2
	National and International markets	19	5.2	5.2	90.4
	All the above	29	8.0	8.0	98.4
	Other: (Please specify)	6	1.6	1.6	100.0
	Total	364	100.0	100.0	

In which industry does your business operate

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Retail trade (stationery)	43	11.8	11.8	11.8
	Wholesale trade	51	14.0	14.0	25.8
	Manufacturing	60	16.5	16.5	42.3
	Construction	37	10.2	10.2	52.5
	Transport/distribution	19	5.2	5.2	57.7
	Accommodation and restaurant (guest houses, bread and breakfast)	20	5.5	5.5	63.2
	Food industry	13	3.6	3.6	66.8
	Agriculture/forestry/fishing	22	6.0	6.0	72.8
	Garden services	8	2.2	2.2	75.0
	Repairs of home appliances	7	1.9	1.9	76.9
	Internet services (mobile communication services)	12	3.3	3.3	80.2
	Wedding planner	20	5.5	5.5	85.7
	Funeral services	6	1.6	1.6	87.4
	Beauty saloon	13	3.6	3.6	90.9
	Travel and tours services	15	4.1	4.1	95.1
	Travel and tours services	12	3.3	3.3	98.4
	Cell phone repairs	6	1.6	1.6	100.0
	Total	364	100.0	100.0	

How long has your business been operating in the province (years)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	51	14.0	14.0	14.0
	2	41	11.3	11.3	25.3
	3	31	8.5	8.5	33.8
	4	26	7.1	7.1	40.9
	5	42	11.5	11.5	52.5
	6	29	8.0	8.0	60.4
	7	26	7.1	7.1	67.6
	8	12	3.3	3.3	70.9
	9	12	3.3	3.3	74.2
	10	30	8.2	8.2	82.4
	11	2	.5	.5	83.0
	12	10	2.7	2.7	85.7
	13	1	.3	.3	86.0
	14	8	2.2	2.2	88.2
	15	5	1.4	1.4	89.6
	16	4	1.1	1.1	90.7

17	3	.8	.8	91.5
20	6	1.6	1.6	93.1
21	4	1.1	1.1	94.2
24	1	.3	.3	94.5
26	2	.5	.5	95.1
27	3	.8	.8	95.9
29	2	.5	.5	96.4
30	8	2.2	2.2	98.6
31	2	.5	.5	99.2
57	3	.8	.8	100.0
Total	364	100.0	100.0	

Indicate the legal status of your business (form of business ownership).

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sole proprietorship	117	32.1	32.1	32.1
	Partnership	58	15.9	15.9	48.1
	Close corporation	18	4.9	4.9	53.0
	Company (private)	68	18.7	18.7	71.7
	Company (public)	14	3.8	3.8	75.5
	Business Trust	38	10.4	10.4	86.0
	Not registered	50	13.7	13.7	99.7
	Other: (Please specify)	1	.3	.3	100.0
	Total	364	100.0	100.0	

Indicate your path to business ownership.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Started the business myself	239	65.7	65.7	65.7
	Buy the business	63	17.3	17.3	83.0
	Join family business	44	12.1	12.1	95.1
	Take over existing family business	11	3.0	3.0	98.1
	Other: (Please specify)	7	1.9	1.9	100.0
	Total	364	100.0	100.0	

Indicate your source of start-up funding

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Personal savings	225	61.8	61.8	61.8
	Borrowed or gifted(donated) from relative or friend	77	21.2	21.2	83.0
	Household/spouse	31	8.5	8.5	91.5
	Sold previous business	15	4.1	4.1	95.6

Bank loan	12	3.3	3.3	98.9
Other: (Please specify)	4	1.1	1.1	100.0
Total	364	100.0	100.0	

Indicate the business premises (from where the business operates?).

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Work from home (home-based)	126	34.6	34.6	34.6
	Central business district (CBD)	140	38.5	38.5	73.1
	Outlying business area	52	14.3	14.3	87.4
	Near district taxi rank	34	9.3	9.3	96.7
	Agriculture land	12	3.3	3.3	100.0
	Total	364	100.0	100.0	

How many permanent employees are employed by your business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Myself	58	15.9	15.9	15.9
	2-5	160	44.0	44.0	59.9
	6-10	108	29.7	29.7	89.6
	11-25	33	9.1	9.1	98.6
	26-50	5	1.4	1.4	100.0
	Total	364	100.0	100.0	

Indicate the turnover (annual sales) that your business generates.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than R30 000	46	12.6	12.6	12.6
	R30 000 – R50 000	190	52.2	52.2	64.8
	R50 000 – R100 000	87	23.9	23.9	88.7
	R100 000 – R500 000	39	10.7	10.7	99.5
	Over R50 000	2	.5	.5	100.0
	Total	364	100.0	100.0	

Did you have any childhood business experiences or skills (i.e. parents, close family friend owned a business).

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	161	44.2	44.2	44.2
	No	203	55.8	55.8	100.0
	Total	364	100.0	100.0	

Is the present business the first business that you own?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	169	46.4	46.4	46.4
	No	195	53.6	53.6	100.0
Total		364	100.0	100.0	

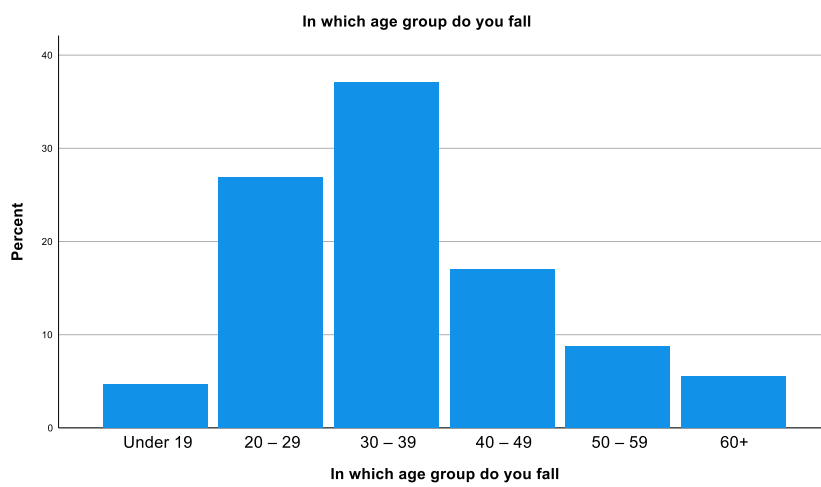
If the business is no longer operational (closed) state the reasons for closure (you may choose one option or more)

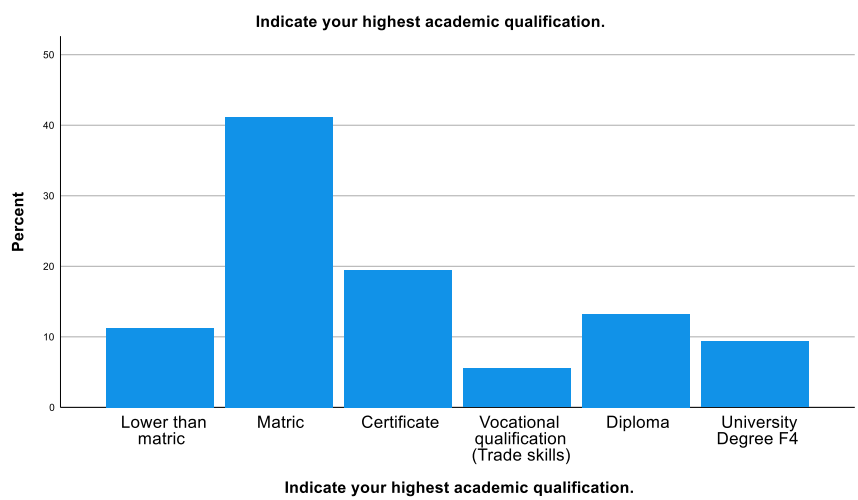
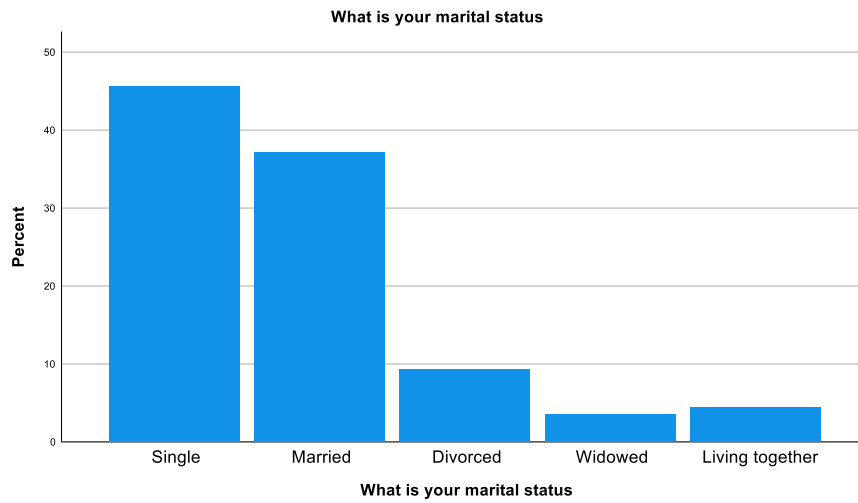
		Frequency	Percent
Missing	System	364	100.0

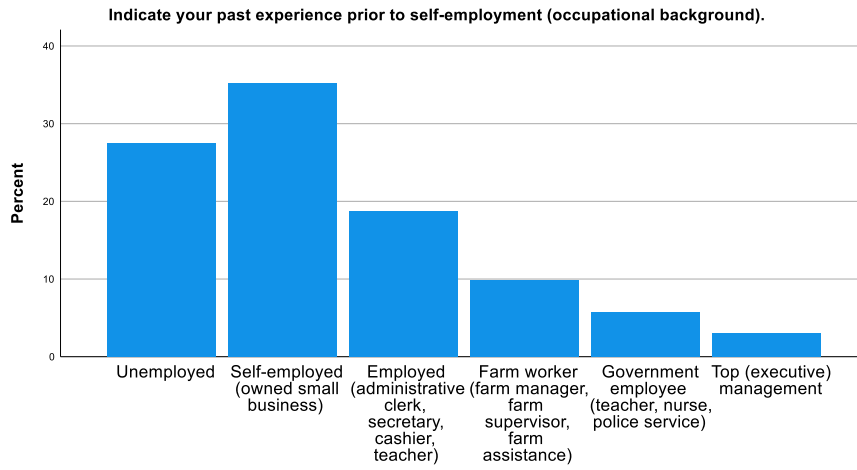
APPENDIX F

BAR GRAPHS

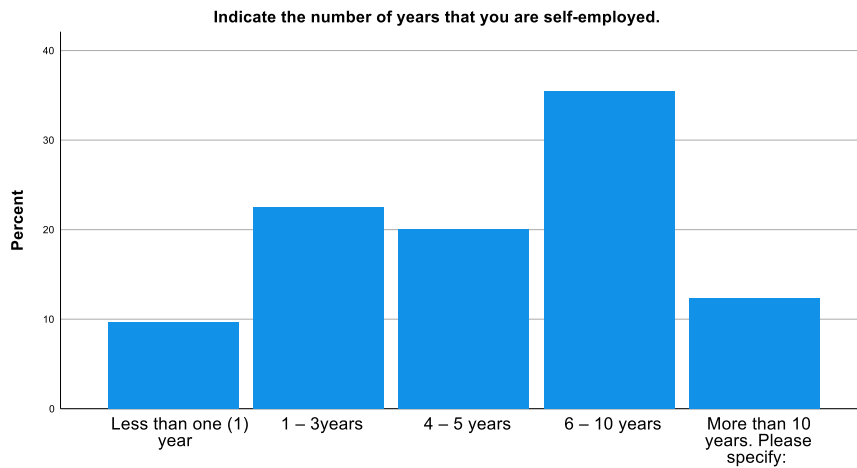
Bar Chart



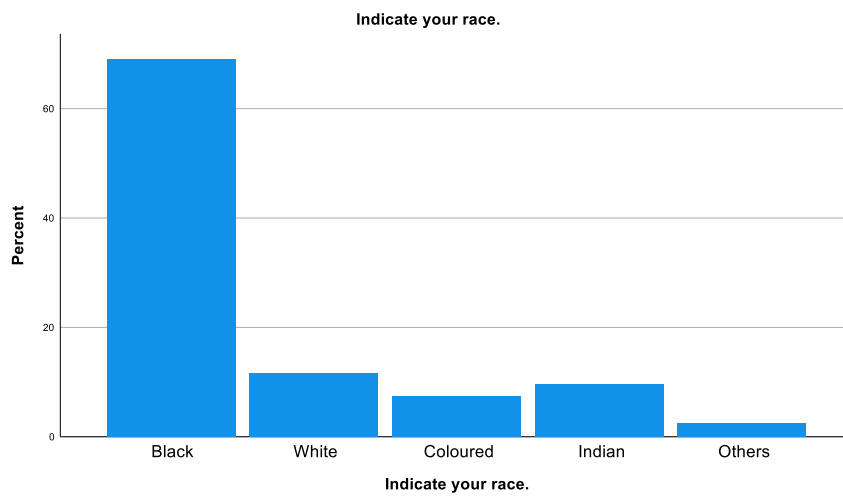
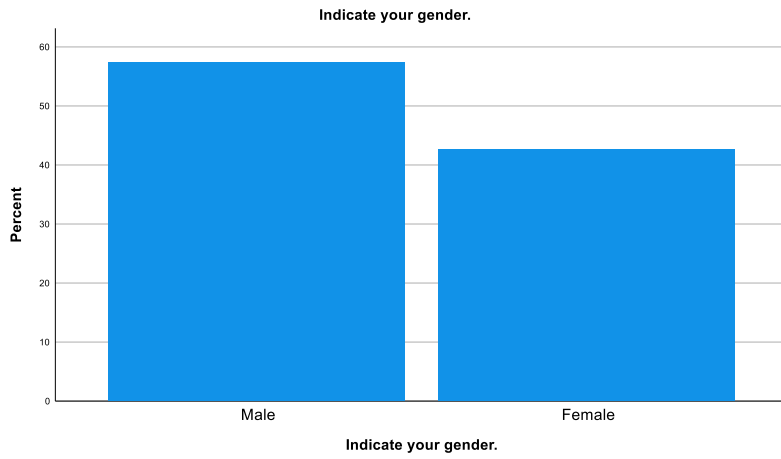


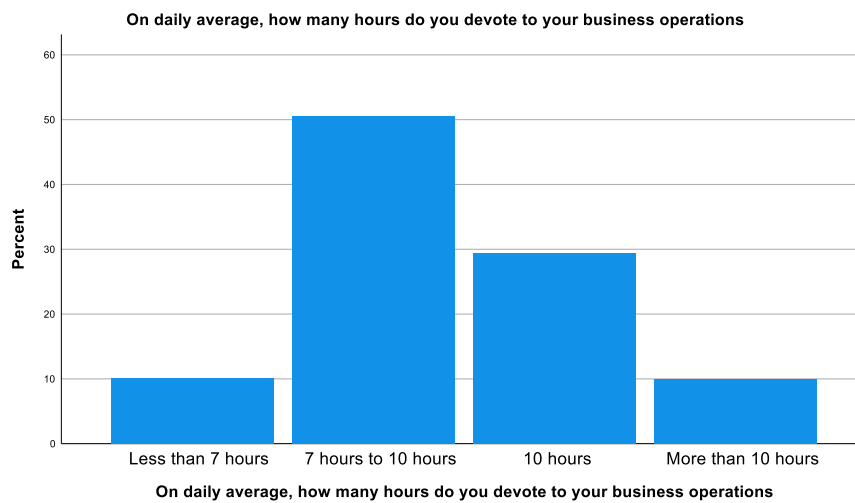
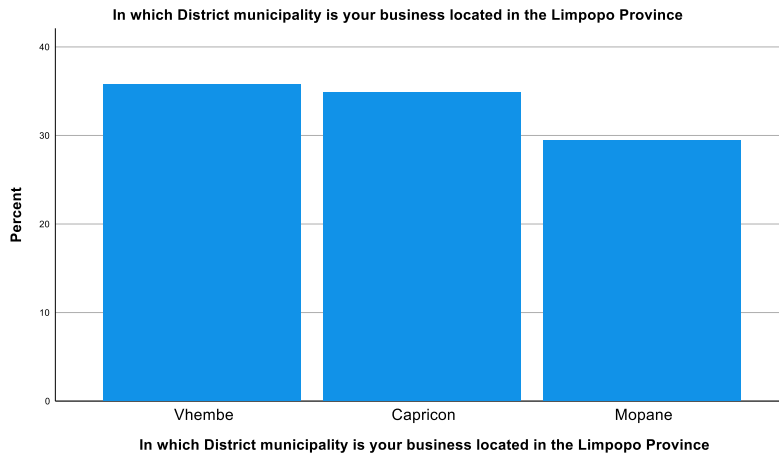


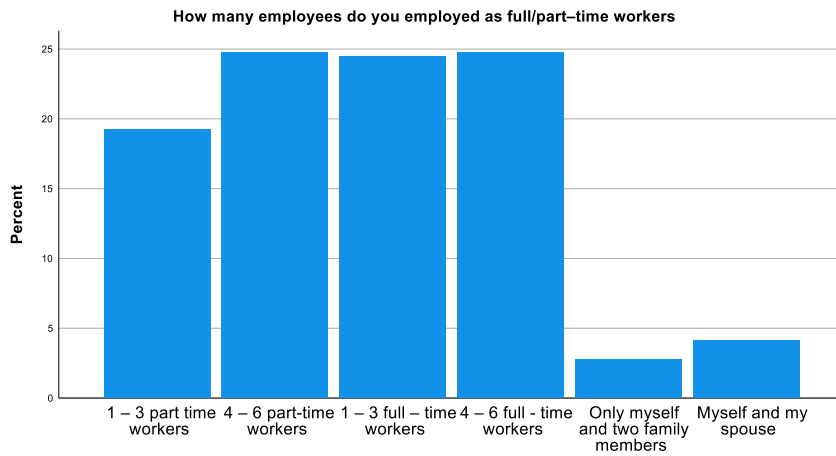
Indicate your past experience prior to self-employment (occupational background).



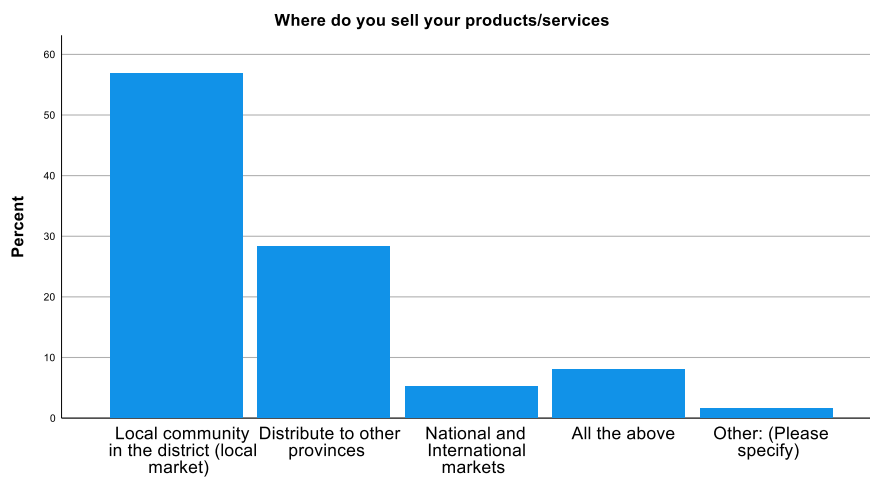
Indicate the number of years that you are self-employed.



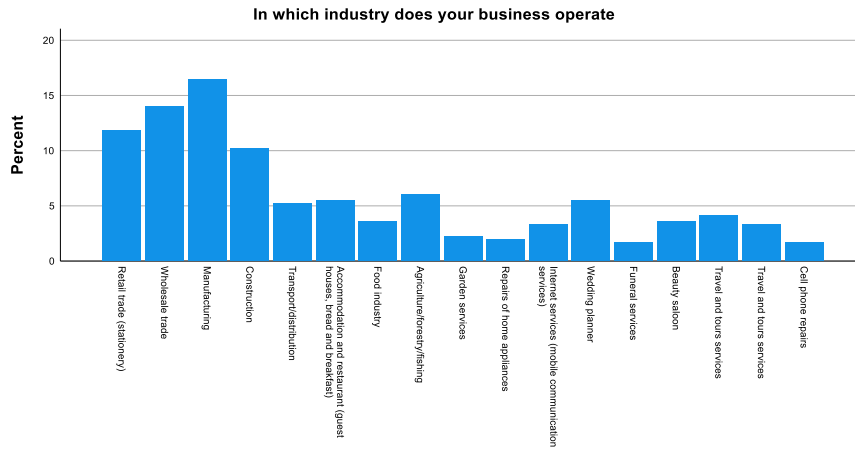




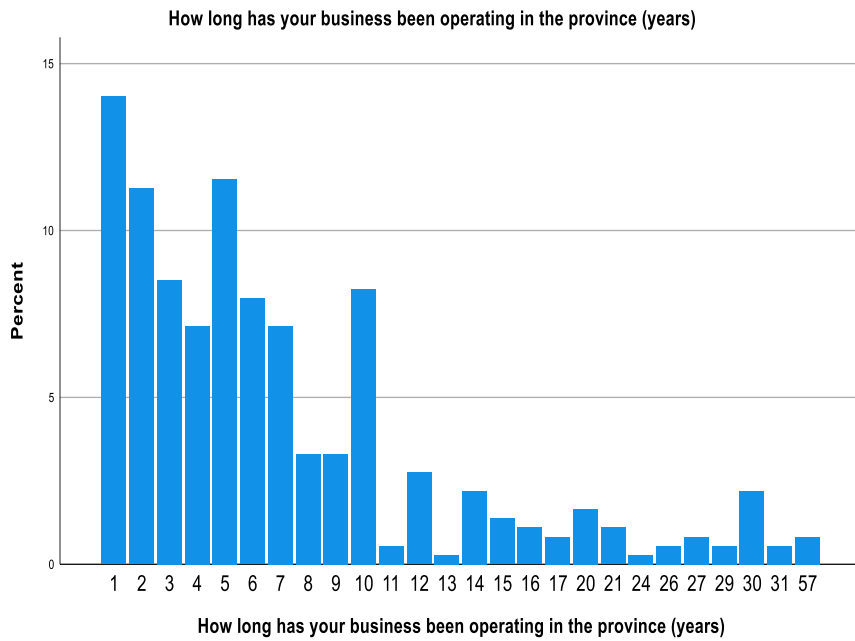
How many employees do you employed as full/part-time workers

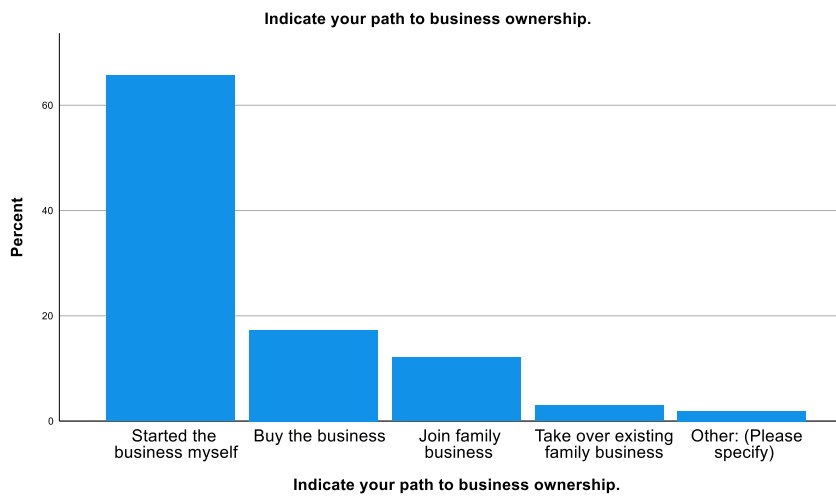
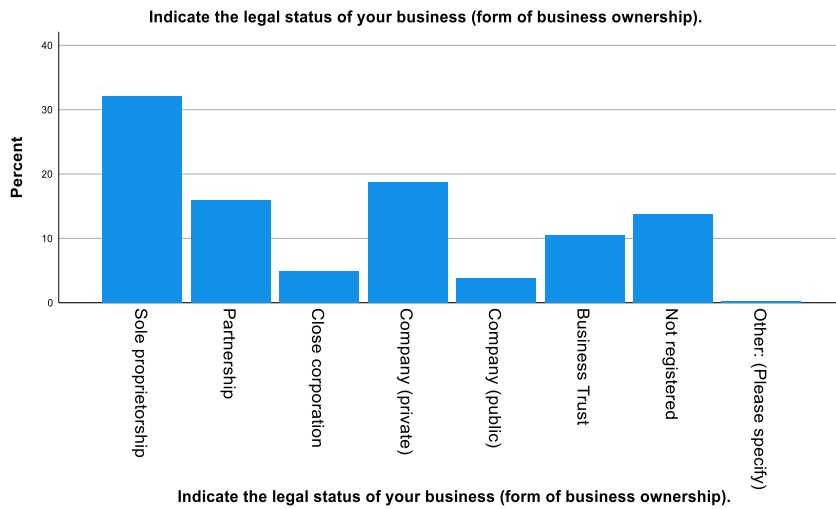


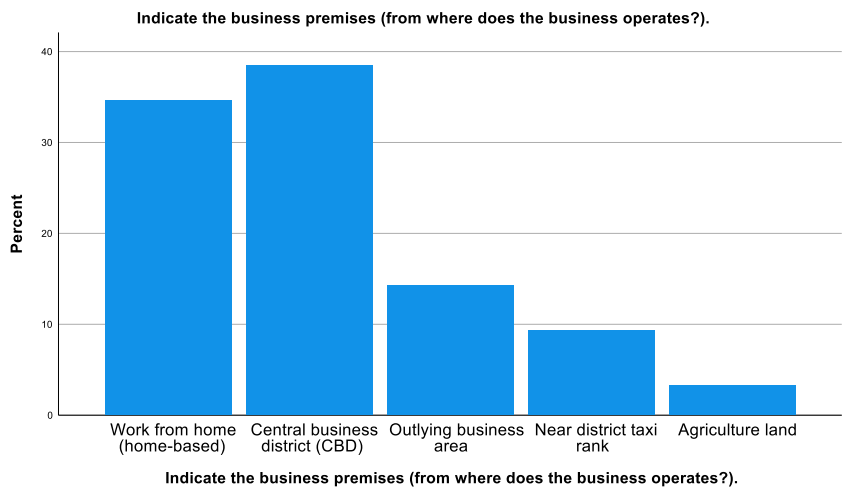
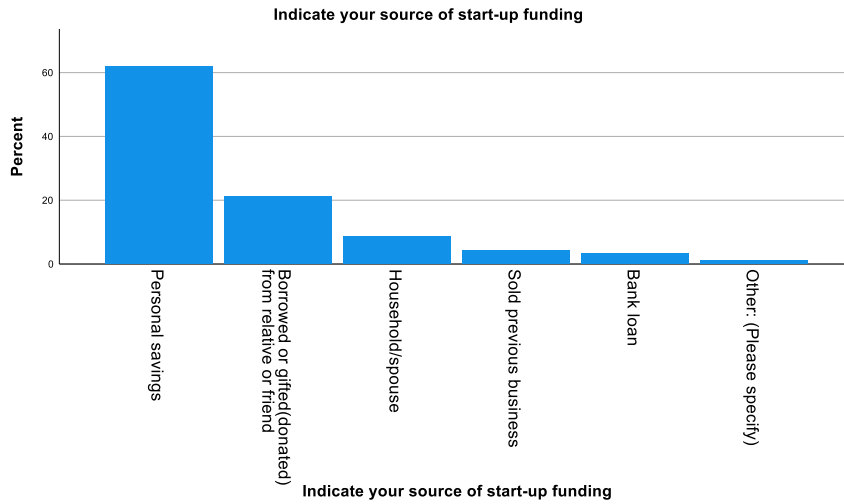
Where do you sell your products/services

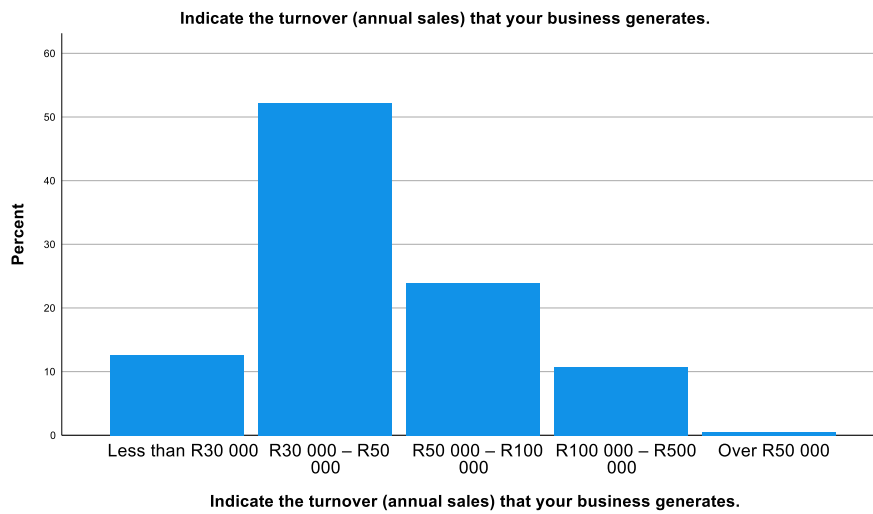
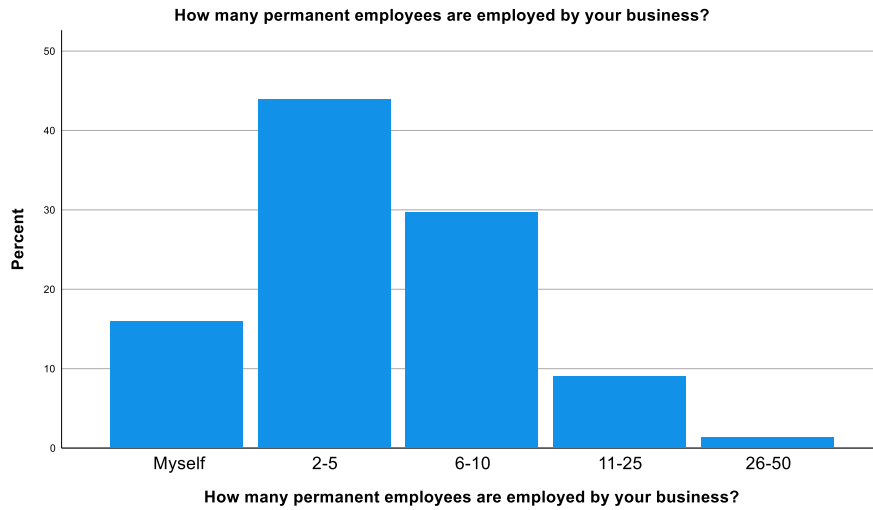


In which industry does your business operate

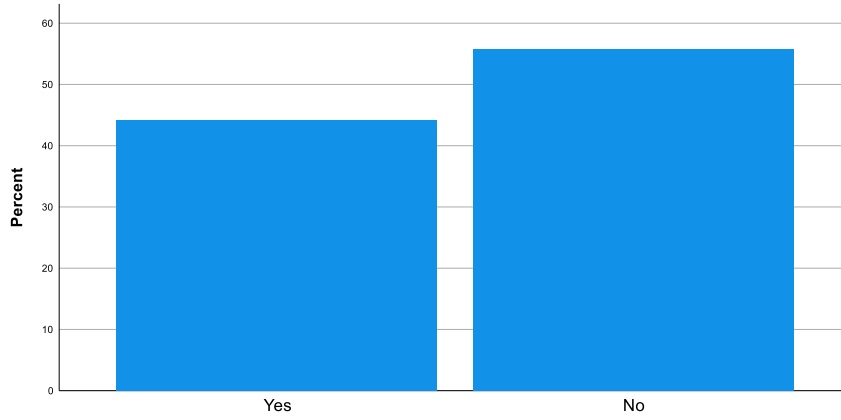






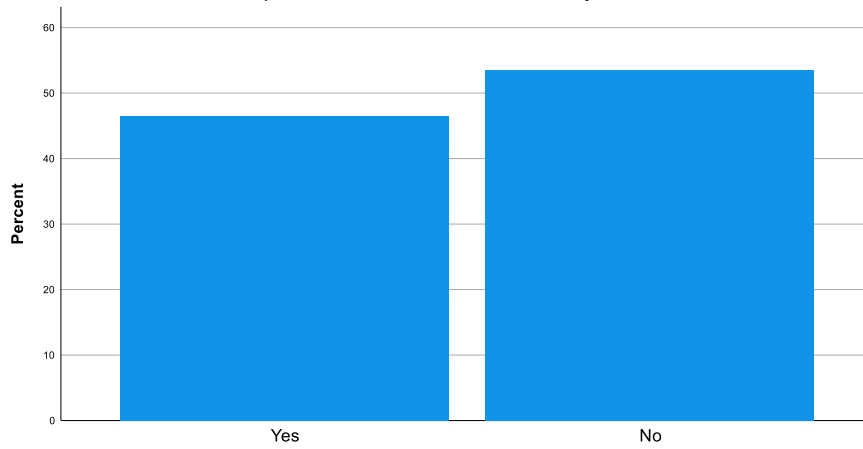


Did you have any childhood business experiences or skills (i.e. parents, close family friend owned a business).



Did you have any childhood business experiences or skills (i.e. parents, close family friend owned a business).

Is the present business the first business that you own?



Is the present business the first business that you own?