



University of Venda

**THE ROLE OF ENTREPRENEURIAL LEADERSHIP ON THE  
BUSINESS PERFORMANCE IN SMALL, MEDIUM, AND MICRO  
ENTERPRISES IN THE VHEMBE DISTRICT, LIMPOPO PROVINCE.**

**By**

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## DECLARATION

I, Mutshidza Kingsley Muenda (student No 18009829), hereby declare that this research for a master's degree candidate in Business Management at the University of Venda has not been submitted previously for any degree at this or another university. It is original in design and execution, and all reference material contained therein has been duly acknowledged.

Signature: *Muenda M.K*

Date: June 2024

## DEDICATION

This research is dedicated to my parents, who have been the foundation of my life and the source of my inspiration. Their love, support, and guidance have been invaluable, and I am eternally grateful for all they have done for me. Their unwavering belief in my abilities and their sacrifices to provide me with the best opportunities have been instrumental in my academic journey. This research reflects their dedication and hard work.

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## ABSTRACT

In recent years, Small, Medium, and Micro Enterprises (SMMEs) in South Africa's Vhembe District have been pivotal in driving economic growth, fostering job creation, and sparking innovation within the region. Despite their significant contributions to the local economy, these enterprises face formidable challenges that impede their performance and sustainability, including limited access to financial and human resources, fierce competition from more giant corporations, and the unpredictability of market conditions. The study's main objective was to explore how various entrepreneurial leadership styles affect small, medium, and micro enterprises in the Vhembe district regarding overall business performance. To address this knowledge gap, the study utilised the interpretive paradigm and employed a qualitative research method with an exploratory design. In addition, the study employed in-depth interviews to examine the role of entrepreneurial leadership within the socio-economic and cultural context of the Vhembe District. Theoretical frameworks, such as transformational, authentic, and servant leadership, are examined for their relevance to the South African business landscape. The study scrutinised various dimensions of entrepreneurial leadership, including strategic decision-making, innovation orientation, employee motivation, and risk management. The study selected 16 participants through purposive sampling to ensure diverse perspectives and experiences were represented. Data collection was conducted through interviews, and data presentation and analysis were done using Atlas.ti 23. The study limited the evaluation of SMMEs' performance to specific metrics and non-financial indicators, including innovation and employee satisfaction. This approach allowed for a focused examination of how different leadership styles influenced aspects of performance. The study focused on a specific geographical area and was centred around that area, which may have impacted the relationship between leadership styles and SMMEs' performance since the qualitative study used ATLAS.ti to identify patterns and themes emerging from participants' responses.

The study's findings highlighted the positive influence of leadership styles such as transformational and collaborative leadership on financial outcomes, innovation, creativity, and customer satisfaction. However, SMMEs faced significant challenges in

implementing these leadership styles, including internal resistance, external constraints, and resource limitations. Entrepreneurs emphasised the importance of leadership development programs, employee empowerment, flexibility, and strategic decision-making to foster an adaptive organisational culture. These findings provide actionable insights for enhancing entrepreneurial leadership within SMMEs in the region. Some findings aligned with the literature, while others diverged, thus enhancing detailed perspectives on the role of entrepreneurial leadership in SMMEs. The discussion revealed how these leadership traits influence diverse aspects of SMMEs' performance in Vhembe, highlighting the intricate interplay between entrepreneurial leadership and SMME outcomes. The alignment of findings with existing literature strengthens and validates the theoretical foundations established in previous research. Specifically, the study provides empirical evidence that substantiates the claims and assertions made by scholars in the field. By corroborating and extending upon established theories, the findings comprehensively understand how entrepreneurial leadership styles impact various facets of Small, Medium, and Micro Enterprises (SMMEs) in the Vhembe district. This validation contributes to the credibility of existing theories and expands the knowledge base by introducing context-specific insights and highlighting the intricate dynamics at play in the unique socio-economic environment of the Vhembe district. Therefore, the study fortifies and adds depth to the existing theoretical framework, contributing to advancing knowledge in this critical domain. The study illuminated distinctive aspects of entrepreneurial leadership within the Vhembe district, unravelling context-specific nuances that distinguished it from broader contexts. These unique aspects provided actionable insights tailored for SMME owners, managers, policymakers, and other regional stakeholders. By pinpointing the specific characteristics and intricacies of entrepreneurial leadership relevant to the local socio-economic environment, the study offered targeted guidance for decision-makers to formulate strategies and policies aligned with the distinctive features of the Vhembe district. This approach ensured that recommendations and interventions were finely tuned to address the challenges and opportunities inherent to the local business landscape, fostering more effective and contextually relevant outcomes. These insights can inform targeted strategies and policies to support and nurture entrepreneurship within the SMME sector. Areas for further studies include exploring broader geographical contexts, assessing financial metrics, and investigating the scalability of entrepreneurial leadership in varied

business landscapes. This study contributes to economic development and job creation by informing best practices for fostering entrepreneurial leadership in SMMEs. Recommendations include tailored leadership development programs, promotion of employee empowerment, flexibility in leadership approaches, and enhancing leadership awareness. This study calls for future research to explore broader contexts and assess financial metrics while contributing to the global discourse on fostering entrepreneurial leadership in SMMEs.

### **Keywords**

Business performance, Entrepreneurship, Entrepreneurial Leadership, Leadership, organisational performance, SMMEs (Small, Medium and Micro Enterprises), Vhembe district.

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## LIST OF ABBREVIATIONS

SMMEs- Small, Medium and Micro Enterprises

SME- Small and Medium Enterprises

DSBD- Department of Small Business Development

# CHAPTER ONE: INTRODUCTION AND BACKGROUND

## 1.1. Study background.

Entrepreneurship and leadership are often used as two interrelated concepts that are vital and critical to the success of any organisation. Entrepreneurship involves developing and creating new ventures; leadership refers to the ability to inspire, motivate, and guide others toward a shared vision (Northouse, 2021). Although they are established concepts, entrepreneurship and leadership should be more frequently examined. Entrepreneurship involves creating, managing, and operating a novel enterprise to generate financial gains despite the inherent risk (Long, 2020). However, entrepreneurship can also be viewed more broadly as a process of effecting change by addressing significant issues and challenges in society, typically by introducing novel products or services or creating new markets (Staff, 2022).

Those who excel at entrepreneurship are known for identifying promising prospects and transforming them into profitable business ventures (Long, 2020). Influential and skilled leaders should be able to communicate effectively with their subordinates and team members to build relationships and team morale among all teams. Leaders inspire team members to take ownership of their work and create a culture and environment for continuous improvement (DuBrin, 2020). The amalgamation of entrepreneurship and leadership can influence innovation and progress in developing small and medium-sized enterprises (SMMEs). Those with both traits can recognise novel prospects, take calculated risks, and motivate their team to pursue a shared objective. Businesses and organisations that adopt an entrepreneurial approach and prioritise proficient leadership techniques can adapt to fluctuations in the market, gain a competitive edge, and attain sustained success (Sun, Wang & Wen, 2021). According to Al-Ani, Shukralla, and Al Naser (2019), entrepreneurial leadership requires an individual to have unique skills and traits, such as creativity, risk-taking, vision, communication, and adaptability.

## 1.2. Context of the study

In the context of this study, organisational performance refers explicitly to the performance metrics of Small, Medium, and Micro Enterprises (SMMEs) in the Vhembe District, focusing on three key areas: operational performance, customer satisfaction, and employee engagement. Operational performance involves the

efficiency and effectiveness of business operations, which includes productivity levels, quality of goods and services, and the overall smooth functioning of business processes (Neneh, 2019). This aspect is critical for SMMEs as it directly influences their ability to compete and sustain in the market. Customer satisfaction measures how well businesses meet the expectations and needs of their clients. High customer satisfaction indicates that SMMEs successfully deliver value, essential for building a loyal customer base and ensuring long-term business success (Sun et al., 2021).

Employee engagement refers to employees' commitment, motivation, and organisational involvement. Engaged employees are more likely to contribute positively to the business, fostering a productive work environment and driving innovation (Yanta and Zikmund, 2021). These specific performance metrics are crucial for understanding the impact of entrepreneurial leadership and learning orientation on SMMEs in the Vhembe District. The study aims to provide a detailed assessment of how these businesses can enhance their performance and achieve sustainable growth by focusing on these areas (Musara and Fatoki, 2020).

Several studies have investigated the effect of entrepreneurial leadership on SMME business performance. For instance, Neneh (2019) found that entrepreneurial leadership positively impacts SMMEs' performance, innovation, and internationalisation. Another study by Yanta & Zikmund (2021) demonstrated that founder-led firms with a higher degree of entrepreneurial leadership experience faster business growth and have a higher likelihood of survival. Nevertheless, despite the growing interest in entrepreneurial leadership in the context of SMMEs, there still needs to be more consensus on defining and measuring the concept. Yanta and Zikmund (2021) argue that prevailing leadership theories and models cannot capture SMMEs' unique characteristics and challenges. Musara and Fatoki (2020) suggest that entrepreneurial leadership may need to be narrower and encompass many traits and behaviours that may not necessarily contribute to SMMEs' business performance. Thus, further research is needed to develop a more comprehensive understanding of the role of entrepreneurial leadership in SMMEs' business performance.

### **1.3. Research problem statement.**

In recent years, SMMEs in the Vhembe District of South Africa have significantly contributed to economic growth, job creation, and innovation. Despite their critical role

in the local economy, SMMEs in Vhembe face numerous challenges, including limited resources, intense competition, and unpredictable market conditions. The need for effective entrepreneurial leadership becomes paramount, as it is believed to have a profound impact on these enterprises' overall performance and success (Maziriri & Chivandi, 2020). Despite their pivotal role in the economy, SMMEs still face many challenges that hinder their business performance and sustainability. One of the most pressing challenges that SMMEs encounter is the limited availability of financial and human resources. With constrained access to capital and skilled talent, these enterprises often struggle to invest in research and development, innovation, and modern technologies (Karim & Chowdhury, 2018). Additionally, fierce competition from larger corporations and established players in the market puts additional pressure on SMMEs to carve out their niche and differentiate themselves.

Furthermore, the unpredictable and volatile nature of the market conditions presents a constant obstacle for SMMEs. Fluctuations in consumer demands, economic downturns, and shifts in industry trends significantly impact the performance and survival of these enterprises (Caulfield, 2022). Navigating these uncertainties requires adept and visionary leadership capable of making strategic decisions and seizing opportunities. In this context, the role of entrepreneurial leadership becomes paramount. Entrepreneurial leaders exhibit a visionary approach and a propensity for calculated risk-taking and can identify and exploit opportunities creatively (Dudovskiy, 2022). They are forward-thinking and agile, capable of adapting to changing circumstances and turning challenges into opportunities for enhancing business performance and fostering innovation. However, the extent to which entrepreneurial leadership influences SMMEs' business performance remains debatable. While some studies have highlighted a positive association between entrepreneurial leadership and business performance (Dudovskiy, 2022), others have yielded inconclusive or contradictory results (Makhubelavatho & Khawula, 2021). This knowledge gap necessitates a comprehensive investigation to understand better the impact of entrepreneurial leadership on SMMEs' performance.

## **1.4. Aim and study objectives.**

### **1.4.1. Aim**

The study explores how various entrepreneurial leadership styles affect Small, Medium and Micro Enterprises in the Vhembe district regarding overall business performance.

### **1.4.2. Research objectives.**

- To explore how entrepreneurial leadership influences the performance of Small, Medium, and Micro Enterprises in the Vhembe district.
- To determine challenges Small, Medium, and Micro Enterprises face when implementing various entrepreneurial leadership styles.
- To ascertain how various entrepreneurial leadership styles can be implemented to increase organisational performance and leadership among Small, Medium and Micro Enterprises in the Vhembe district.

## **1.5. Research questions.**

### **1.5.1. Main question**

How do different entrepreneurial leadership styles influence the overall business performance of Small, Medium, and Micro Enterprises in the Vhembe district?

### **1.5.2. Sub-questions**

- How do different entrepreneurial leadership styles affect the overall business performance of Small, Medium, and Micro Enterprises in the Vhembe district?
- What are the common barriers Small, Medium, and Micro Enterprises encounter when implementing entrepreneurial leadership styles?
- What are the strategies and approaches for implementing various entrepreneurial leadership styles to enhance organisational performance and leadership within Small, Medium, and Micro Enterprises in the Vhembe district?

## **1.6. Conceptual framework**

The conceptual framework allows the study to delve deeply into the participants' perspectives, experiences, and meanings related to entrepreneurial leadership and its influence on SMMEs' business performance. The study generates rich and contextually relevant data through interviews, providing valuable insights into the complexities of entrepreneurial leadership in the Vhembe District's SMMEs. The

analysis of this data helps develop a comprehensive and detailed conceptual framework that reflects the intricacies and dynamics of the phenomenon under investigation. The study uses the following key concepts as a guide.

### **1.6.1. Entrepreneurial leadership**

This concept represents the various qualities, behaviours, and approaches entrepreneurial leaders exhibit in SMMEs. It may include vision, risk-taking, innovation, adaptability, and employee empowerment (Awad, Ali & Awad, 2021).

### **1.6.2. Learning orientation**

Learning orientation in entrepreneurial leadership emphasises the organisation's commitment to continuous learning, knowledge acquisition, and improvement. This concept explores how a learning-oriented approach influences decision-making, innovation, and the ability to adapt to changing market conditions (Awad et al., 2021).

### **1.6.3. Impact on organisational outcomes**

It explores the impact of entrepreneurial leadership and learning orientation on various organisational outcomes within SMMEs. These outcomes include customer satisfaction, operational performance, and employee engagement (Awad et al., 2021).

### **1.6.4. Innovation Capacity**

Innovation capacity is essential for the competitive advantage and sustainability of Small, Medium, and Micro Enterprises (SMMEs). It refers to an organisation's ability to develop new ideas, processes, products, or services that enhance performance. Entrepreneurial leadership, characterised by visionary thinking, risk-taking, creativity, and passion, fosters innovation capacity (Kuratko et al., 2020). Moreover, a learning orientation, which includes open-mindedness, adaptability, and a long-term vision, further supports an innovative environment (Laforet, 2018). Organisations with high innovation capacity can improve operational performance, enhance customer satisfaction, and increase employee engagement (Camisón & Villar-López, 2019). By prioritising innovation, SMMEs can navigate complex and dynamic business environments, ensuring sustained growth and resilience (Rosenbusch et al., 2019).

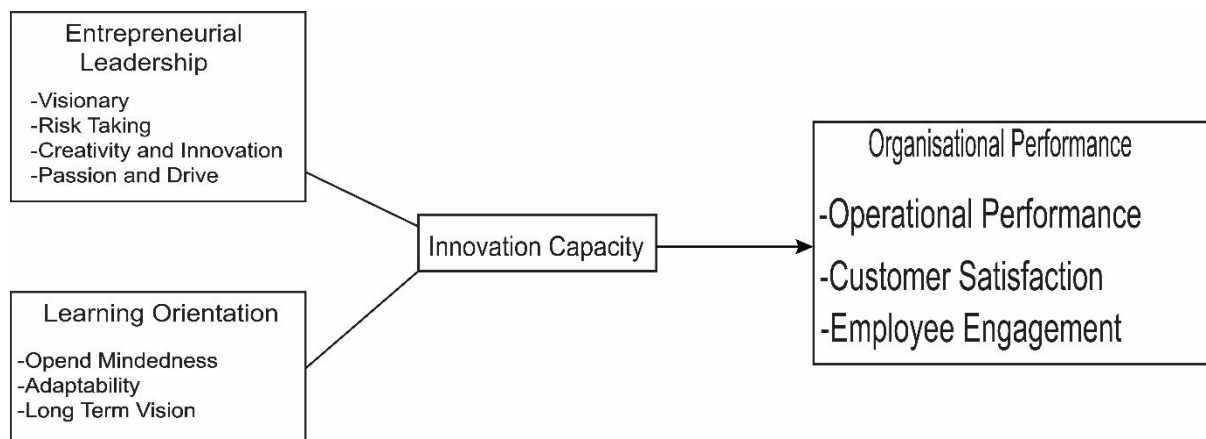
### **1.6.5. Justification for Inclusion**

1. **Relevance to Entrepreneurial Leadership:** Entrepreneurial leadership inherently involves promoting continuous learning and fostering innovation within the organisation. These elements are critical in navigating the

uncertainties and complexities of the business environment, particularly in the Vhembe District.

2. **Empirical Support:** Recent studies underscore the importance of learning orientation and innovation capacity in enhancing organisational performance. For example, Laforet (2018) highlights that a learning-oriented approach can significantly boost an organisation's adaptability and innovation potential. Similarly, Kuratko et al. (2020) demonstrate that entrepreneurial leadership directly influences innovation capacity, which drives business performance.
3. **Practical Implications:** Understanding how learning orientation and innovation capacity contribute to organisational outcomes helps devise strategies to improve SMMEs' resilience and growth. This practical insight is crucial for developing actionable recommendations for SMME leaders.

**Figure 1: Conceptual framework**



Source: Researcher's construct

### 1.7. Justification of the study

This study is significant because SMMEs are critical economic drivers for business performance and job creation. SMMEs account for a large share of employment, innovation, and value creation in many economies, and they face various opportunities and challenges in a dynamic and competitive environment. The study thoroughly investigated how various entrepreneurial leadership styles can be implemented to increase organizational performance. Entrepreneurial leadership combines leadership and entrepreneurship skills that involve setting a clear vision, fostering innovation,

being proactive, and taking risks. The study explored how different dimensions of entrepreneurial leadership affect organizational performance, such as sales, customer satisfaction, employee engagement, and social responsibility. The study investigated the challenges SMMEs face when implementing various entrepreneurial leadership styles. The study also contributed to the literature on entrepreneurial leadership and SMMEs' business performance by providing new insights and evidence from a developing country's perspective. The study also provided practical implications and recommendations to SMME owners, leaders, managers, and employees as they decide how to use entrepreneurial leadership to increase organizational productivity.

The findings of this study hold valuable implications for SMME owners, managers, policymakers, and stakeholders. By gaining a deeper understanding of the significance of entrepreneurial leadership in driving business success, these stakeholders can develop targeted strategies and policies to support and foster entrepreneurship in the SMMEs sector. Moreover, this study contributed to the existing literature on entrepreneurship, leadership, and SMMEs. By consolidating and validating previous findings and extending the knowledge base in this critical area, the study paved the way for future research. It informed best practices in fostering entrepreneurial leadership for the growth and sustainability of SMMEs. In doing so, it also contributed to the overall understanding of the role of SMMEs in economic development and job creation on a global scale.

### **1.8. Delimitations of the study**

The study limited the evaluation of SMME performance to specific metrics and non-financial indicators, including innovation and employee satisfaction. This approach allowed for a focused examination of how different leadership styles influenced specific aspects of performance. The study focused on Vhembe District as a specific geographical area that may have impacted the relationship between leadership styles and SMMEs' performance. The study provided localized insights and accounted for context-specific variables by narrowing the research context.

### **1.9. Operational definitions**

#### **Entrepreneurship**

Entrepreneurship is creating, developing, and managing a new business venture to make a profit by identifying and exploiting a market opportunity. It involves taking risks,

being innovative and adaptable, and having the ability to manage resources and develop a viable business plan. Entrepreneurship is an essential driver of economic business performance and development, as it creates jobs, generates wealth, and fosters innovation and competition (Hisrich, Peters, & Shepherd, 2021).

## **Leadership**

Leadership refers to the ability of a company's management to establish ambitious objectives, swiftly make essential decisions, surpass their rivals, and motivate individuals to excel to the best of their abilities (Twin, 2022). According to Northouse (2021), leadership is a process whereby an individual influences a group of individuals to achieve a common goal. Similarly, Yukl (2021) defines leadership as influencing others to understand and agree about what needs to be done and how to do it and facilitating individual and collective efforts to accomplish shared objectives.

## **Small, Medium and Micro Enterprises (SMMEs)**

(Small, Medium, and Micro Enterprises) are smaller businesses categorised based on their size, employee count, turnover, or assets. They play a vital role in economies worldwide, contributing to employment and economic growth. SMMEs face unique challenges due to their smaller scale, but governments offer support programs to foster their development and success (Kalidas et al., 2020).

## **Entrepreneurial leadership**

Entrepreneurial leadership is characterised by risk-taking, innovation, and vision. It involves inspiring others to pursue new opportunities and adapt to change for organisational growth and success (Awad Sawaeen, Ali, & Awad Alenezi, 2021). This leadership style is based on the idea that competitive environments require leaders who can think innovatively and implement change quickly (Gupta, Turban, Wasti, & Sikdar, 2020).

## **Business performance**

Business performance pertains to a company's measurable results and achievements about its objectives, goals, or key performance indicators (KPIs). It involves assessing how effectively a business executes its strategies to deliver value to stakeholders, including shareholders, customers, employees, and the community. It is crucial in

evaluating an organisation's long-term success, growth, and sustainability (Terpiłowski, 2022).

### **1.10. Thesis structure**

The structure of the thesis is as follows:

#### **Chapter one**

Chapter one consists of the background of the study, the context of the study and the problem statement. This chapter also discusses the aim and objectives, research questions, significance of the study, delimitations, and operational definitions.

#### **Chapter two**

Chapter Two reviews the literature on entrepreneurship, leadership and organizational performance. An overview of relevant theories and concepts related to entrepreneurial leadership and SMME business performance is also discussed. The chapter also examines previous research and studies in the field, identifies gaps or controversies in the existing literature, and develops a conceptual framework that integrates relevant theories and concepts.

#### **Chapter three**

Chapter three describes the research paradigm, research design (quantitative, qualitative) and data collection methods. Sample selection, data analysis procedures, and ethical considerations are also discussed in chapter three.

#### **Chapter four**

Chapter four presents and analyzes the collected data. It also discusses the relationship between entrepreneurial leadership styles and SMMEs' performance. The findings about the research objectives and existing literature are also discussed.

#### **Chapter five**

Chapter five interprets the empirical findings and compares the findings with previous research and theories. It also discusses the implications of the findings for theory and practice.

#### **Chapter Six**

Chapter six provides a conclusion of all the relevant chapters. Objective conclusions were clearly outlined and discussed in line with the relevant literature.

## **References**

This section lists all sources cited in the thesis.

### **1.11. Chapter summary**

This chapter discussed the background of the study, the research problem, the study's context, the study, the justification of the study, the research aim, objectives, and questions. The chapter also gave the study's conceptual framework and a brief introduction to the study at hand. The next chapter, Chapter 2, will offer a comprehensive review of the literature about entrepreneurial leadership, business performance, and the unique dynamics of SMMEs. This critical analysis will identify gaps in existing knowledge and guide the formulation of the study's theoretical framework.

## CHAPTER TWO: LITERATURE REVIEW

### 2.1. Introduction

In today's rapidly evolving business landscape, SMMEs play a pivotal role in fostering economic growth, innovation, and job creation. Often hailed as the backbone of economies worldwide, these enterprises face numerous challenges and opportunities as they strive to carve a niche in competitive markets (Enaifoghe & Makhosazana Faith Vezi-Magigaba, 2023). Among the many factors influencing the success and sustainability of SMMEs, leadership stands out as a critical determinant; specifically, the concept of entrepreneurial leadership has gained prominence as a powerful driver of SMME performance (Enaifoghe & Makhosazana Faith Vezi-Magigaba, 2023). Entrepreneurial leadership encapsulates a dynamic and forward-thinking approach to guiding and managing an organisation, characterised by visionary thinking, risk-taking propensity, and a penchant for innovation (Covin & Slevin, 2019). This form of leadership is inherently intertwined with the entrepreneurial spirit that drives individuals to identify, pursue, and exploit opportunities in pursuit of business growth and success (Hisrich et al., 2021). As SMMEs operate within resource-constrained environments and often confront heightened uncertainties, the role of entrepreneurial leadership becomes even more pronounced. This literature review delves into the multifaceted role of entrepreneurial leadership in shaping the performance of SMMEs by examining various scholarly works, theoretical frameworks, and conceptual frameworks. This chapter aims to illuminate how entrepreneurial leadership practices impact multiple dimensions of SMME performance.

This chapter examines the role of entrepreneurial leadership on SMME's business performance and explores various concepts and their meanings. It also provides a historical overview of the entrepreneurial and business trends in the SMMEs sector. It also investigates the multiple factors that influence the effectiveness of SMMEs in different industries while reviewing existing literature on the role of entrepreneurial leadership in the innovation and creativity of small and medium-sized enterprises.

### 2.2. Entrepreneurship

Entrepreneurship is creating and managing a business venture to achieve a profitable outcome. It involves identifying a market need or opportunity and acting to meet or exploit it by developing a product or service (Covin & Slevin, 2019). According to Sun

et al., (2021), entrepreneurship is a multidimensional process that requires a combination of skills, characteristics, and strategies. These include creativity, risk-taking, innovation, leadership, perseverance, and the ability to manage various aspects of the business, such as finances, operations, human resources, and customer relations (Sun et al., 2021). Successful entrepreneurs must navigate the different stages of business development, from generating ideas to product development, marketing, financing, business performance and expansion. In addition, they must build and maintain strong networks with the business community, customers, and suppliers. Networking is essential for accessing resources such as financing, expertise, and advice, as well as for building a customer base and establishing a positive reputation in the marketplace (Sun et al., 2021). Entrepreneurship takes various forms, from small-scale ventures initiated by individuals to large corporations created by teams of investors. The motivations for starting a business can also vary, such as pursuing a passion, solving a particular problem, or aiming for financial gain or societal impact. Regardless of the form and motivation, entrepreneurship entails identifying opportunities and taking calculated risks to meet those opportunities (Covin & Slevin, 2019).

### **2.3. Leadership**

Leadership has been described as the ability to direct and inspire individuals or a group of people toward a common goal or vision (Antonakis & Day, 2018). Effective leadership has been shown to foster creativity and innovation, enhance productivity and employee engagement, and create a positive work environment (Northouse, 2021). This encompasses establishing a well-defined course for the group or organization, defining goals, and inspiring and empowering others. The success of any organization relies significantly on effective leadership since it plays a crucial role in fostering innovation, creating a positive working environment, and improving productivity and employee engagement (Northouse, 2021).

### **2.4. Entrepreneurial leadership**

Entrepreneurial leadership is a style that blends effective leadership practices with entrepreneurial qualities. It involves identifying and pursuing new opportunities, taking calculated risks, driving innovation, and promoting organizational business performance and success (Gupta, Turban, Wasti & Sikdar, 2020). Entrepreneurial leaders exhibit visionary thinking, creativity, proactiveness, and a willingness to

challenge established norms (Gupta, Turban, Wasti & Sikdar, 2020). They are driven by the desire to create value and adapt to changing business environments. They foster an entrepreneurial culture within their organizations, encouraging employees to think innovatively and contribute to business performance and development (Covin & Slevin, 2019). Entrepreneurial leadership also involves specific behaviours and practices such as promoting collaboration and teamwork, effectively communicating the organization's vision and goals, and embracing feedback and continuous learning (Kuratko, 2020). These leaders prioritize talent development and strive to instil an entrepreneurial mindset among their employees (Hisrich & Shepherd, 2019). By adopting entrepreneurial leadership, organizations can effectively navigate change, capitalize on opportunities, and achieve long-term success in today's competitive business landscape (Kuratko, 2020).

Entrepreneurial leadership's impact on SMMEs extends beyond traditional paradigms, influencing various dimensions of organizational dynamics. Entrepreneurial leaders drive profitability and foster a culture of innovation and adaptability crucial for SMMEs. One of the distinctive features of entrepreneurial leadership is its ability to navigate uncertainty, especially in the face of market fluctuations and economic downturns (Hisrich & Shepherd, 2019). With their forward-thinking approach and agility, entrepreneurial leaders can transform challenges into opportunities, thereby positively influencing the business performance of SMMEs. The intersection of entrepreneurship and leadership becomes particularly relevant in the context of SMMEs' resource constraints. The limited financial and human resources availability often impedes their ability to invest in research, development, and technological advancements (Karim & Chowdhury, 2018). Entrepreneurial leaders, characterized by creativity and risk-taking (Al-Ani et al., 2019), are well-positioned to address these challenges. They can inspire a culture of resourcefulness, where constraints are viewed as catalysts for innovation rather than impediments to growth.

However, successfully implementing entrepreneurial leadership in SMMEs is not a one-size-fits-all endeavour. The contextual details of each enterprise play a crucial role. The study by Johnson (2019) indicates that tailoring leadership strategies to the specific challenges and opportunities of each SMME is essential. This bespoke approach ensures that entrepreneurial leadership practices align with the business environment's unique characteristics. However, it must be noted that the adoption of

entrepreneurial leadership may encounter resistance within SMMEs. The study by Maziriri and Chivandi (2020) highlights employee scepticism and cultural shifts that may hinder the transition to an entrepreneurial leadership style. Overcoming these barriers requires strategic communication and a phased approach to change management, as highlighted by the participant insights in the study.

## **2.5. Business performance**

According to Ahmed (2018), business performance can be defined as the combined output of an organisation considering its interactions with the external and internal environment. Thus, business performance encompasses three dimensions: (1) individual performance within specialised organisational units, (2) performance of organisational units within the comprehensive framework of organisational policies, and (3) business performance within the economic, cultural, and social environment (Ahmed, 2016). While organisational performance comprises these three aspects, it differs substantially from each aspect when considered independently. It is distinct from individual and unit performance despite being influenced by both factors and the effects of the social, economic, and cultural environment. Performance is the essence of all organizational processes and activities and is crucial to survival (Ahmed, 2016). Furthermore, Ahmed (2016) suggests that organizational performance represents an organization's achievements distinguished from its objectives. The study defines business performance as evaluating and measuring an organization's success in reaching its objectives and goals. It involves analysing different facets of the business, such as operational efficiency, customer satisfaction, employee productivity, market share, innovation, and risk management.

## **2.6. Theoretical framework**

### **2.6.1. Theories relevant to the study**

#### **2.6.1.1. Introduction**

Effective leadership plays a pivotal role in steering organizational achievement and effectiveness. Three prominent theories, namely the Trait Theory of Leadership (TTL), the Transformational Leadership Theory (TLT), and the Full-range Leadership Theory (FLT), emerge as valuable sources of insight into the complexities of leadership dynamics. These theories provide distinct viewpoints on leadership qualities and behaviours, enriching our comprehension of how leadership styles can influence SMMEs in the Vhembe District and their overall operational success (Awad *et*

*al.*,2021). The TTL asserts that leaders inherently possess specific traits and attributes that differentiate them from non-leaders. According to this theory, specific individuals exhibit innate characteristics predisposing them to leadership roles (Sandybayev, 2019). Traits like intelligence, self-assuredness, determination, and decisiveness are common traits among influential leaders (Sandybayev, 2019). Within the context of the study concentrated on SMMEs in the Vhembe District, the Trait Theory offers insights into how these leadership attributes impact organizational effectiveness. By understanding which attributes foster effective leadership, particularly in the face of the unique challenges encountered by SMMEs, one can guide initiatives for developing capable leaders. Investigating how these traits interact with the entrepreneurial leadership styles under examination can clarify the most efficacious combinations of traits and styles for driving performance improvements (Sandybayev, 2019).

The TTL and TLT present distinct perspectives for analysing leadership dynamics within SMMEs. While the TTL illuminates inherent leadership attributes that can shape organizational performance, the TLT accentuates the significance of inspirational leadership practices in nurturing innovation and progress (Cornell & Drew, 2022). By exploring these theories, the study seeks to unveil the impact of leadership styles on SMMEs' performance and leadership effectiveness within the Vhembe District. Adding to this discourse is the FLT, which provides a comprehensive framework that delves into the flexibility of leadership styles to adapt to situational needs and follower readiness levels. Developed by Bernard Bass and Bruce Avolio in 1991, the FLT encompasses laissez-faire, transactional, and transformational leadership styles, offering a spectrum of approaches leaders can employ to navigate various challenges and opportunities. This inclusive theory complements the existing perspectives by elucidating the interplay between leadership behaviours, traits, and outcomes, thus enhancing our understanding of leadership's multifaceted role in the SMMEs landscape (Cornell & Drew, 2022).

### **2.6.1.2. Trait Theory of Leadership (TTL)**

The Trait Theory of Leadership (TTL), also known as the 'Great Man' theory, originated in the early 20th century and is attributed to the works of Thomas Carlyle and Francis Galton (Northouse, 2021). This theory posits that influential leaders possess inherent traits and qualities that distinguish them from non-leaders. According to TTL, specific

individuals are naturally predisposed to leadership roles due to their specific characteristics. Traits such as intelligence, self-confidence, determination, and decisiveness are believed to be shared among influential leaders (Northouse, 2021). According to this theory, leadership effectiveness is primarily determined by the leader's intrinsic qualities rather than learned skills.

#### **2.6.1.2.1. Assumptions of Trait Theory**

The Trait Theory of Leadership operates on several key assumptions. Firstly, it assumes that leadership traits are innate, meaning they are inherent qualities individuals are born with and cannot be developed through training or experience (Zaccaro, Green, Dubrow, & Kolze, 2018). This perspective implies a natural predisposition towards leadership, distinguishing leaders from non-leaders based on these inborn characteristics. Secondly, the theory presupposes consistency across various situations. It holds that these traits remain stable and manifest in different contexts, suggesting that an individual who exhibits leadership traits in one scenario will likely demonstrate them in another (Judge, Piccolo, & Kosalka, 2018). Thirdly, TTL assumes that these traits are distinguishable and measurable, allowing for the identification and categorisation of individuals based on their leadership potential (Zaccaro et al., 2018). This view simplifies the complex nature of leadership by focusing on specific, observable characteristics.

#### **2.6.1.2.2. Advantages of Trait Theory**

The simplicity of Trait Theory is one of its most significant advantages. Focusing on observable traits provides a straightforward approach to identifying potential leaders. This simplicity makes it accessible and easy to understand for both scholars and practitioners. Moreover, the predictive value of Trait Theory is another notable advantage. By identifying specific traits that are commonly associated with successful leaders, it helps predict who might emerge as a leader in various situations. This can be particularly useful in organizational settings for leadership selection and development (Kirkpatrick & Locke, 2020). Additionally, the theory's focus on inherent traits assists organizations in selecting individuals with leadership potential. By recognizing these traits early, organizations can place individuals in roles where they are likely to succeed and thrive. This predictive capability can streamline leadership development programs and enhance succession planning (Judge et al., 2018).

### **2.6.1.2.3. Disadvantages of Trait Theory**

However, Trait Theory also has several disadvantages. One major critique is its overemphasis on traits while ignoring situational factors and the role of followers in the leadership process. Leadership is not solely about the leader but also about the context in which they lead and the people they lead (Ng, & Feldman, 2019). This narrow focus can lead to an incomplete understanding of leadership dynamics. Furthermore, Trait Theory offers limited developmental guidance. Since it emphasizes inherent traits, it provides little insight into how individuals can develop or improve their leadership qualities. This can be discouraging for those who believe that leadership skills can be cultivated through experience and training (Götz, Stieger, & Reips, 2020). Lastly, the potential for bias is a significant drawback. By suggesting that certain traits are necessary for effective leadership, the theory may reinforce stereotypes and lead to biased selection practices, potentially overlooking capable individuals who do not fit the prescribed mold (Ng, & Feldman, 2019).

### **2.6.1.2.4. Limitations of Trait Theory**

The limitations of Trait Theory further highlight its weaknesses. One of the main limitations is its failure to consider the contextual nature of leadership. Different situations require different leadership styles and traits; the theory does not account for this variability. This contextual neglect means that Trait Theory may not be universally applicable across all scenarios (Zaccaro et al., 2018). Additionally, Trait Theory does not adequately address the dynamic nature of leadership. Leadership roles and requirements evolve, and a static set of traits may not be sufficient to navigate these changes. This oversight limits the theory's applicability in rapidly changing environments (Kirkpatrick & Locke, 2020). Finally, inconsistent findings in research pose a significant limitation. Despite extensive studies, there is no definitive set of traits for leadership success. Different studies have identified different traits, leading to a lack of consensus and questioning the theory's reliability (Judge et al., 2018).

This relevant theory provides valuable insights into the entrepreneurial leadership approach, emphasising innovation, risk-taking, and adaptability. For instance, taking calculated risks, adapting to changing market conditions, and exhibiting confidence can benefit both entrepreneurial leaders and leaders within SMMEs (Smith & Barrett,

2018). Understanding the role of specific traits within the entrepreneurial leadership framework becomes crucial in the context of the study. The study can establish a deeper connection between the TTL and the study's objectives by identifying which traits are most conducive to effective leadership in SMMEs operating in the Vhembe District. Moreover, the TTL's emphasis on the innate qualities of leaders connects with the notion that effective leadership goes beyond adopting specific behaviours; it requires leaders to embody certain qualities that resonate with the entrepreneurial spirit (Wang, Oh, Courtright, & Colbert, 2019). Examining how the identified traits within the TTL intersect with the characteristics of influential entrepreneurial leaders in SMMEs can offer a comprehensive understanding of leadership dynamics in these enterprises (Hiller, DeChurch, Murase, & Doty, 2021).

By exploring the intersection between the identified traits within the Trait Theory and the characteristics of influential entrepreneurial leaders in SMMEs, the study contributes to a comprehensive understanding of leadership dynamics in these enterprises. This connection underscores how specific traits resonate with the entrepreneurial spirit required for SMMEs to excel and thrive in the competitive landscape.

### **2.6.1.3. Transformational Leadership Theory (TLT)**

The TLT, pioneered by James MacGregor Burns (1973) and further developed by Bernard Bass (1973), delves into leaders' profound influence over their followers and organizations. This theory posits that leaders can inspire and motivate their teams toward shared goals and visions. This leadership style goes beyond transactional exchanges and focuses on creating transformative organizational change by fostering a sense of shared purpose and commitment among team members (Lancefield & Rangen, 2021).

Several vital components stand out within the theory's framework. First is "Idealized influence," where transformational leaders serve as examples, setting ethical and moral standards for their followers to emulate. By displaying integrity, a strong sense of values, and unwavering commitment to the organization's vision, these leaders earn the respect and trust of their teams. Additionally, "Inspirational motivation" is a hallmark of transformational leadership. Leaders practising this style are adept at articulating a compelling vision that resonates with their followers. By communicating

this inspiring vision, leaders motivate their teams to surpass their expectations and actively contribute to the organization's success (Liu, Li & Zhang, 2021). This element establishes a sense of purpose that fuels engagement and commitment among team members. Transformational leaders also engage in "Intellectual stimulation," encouraging their teams to think creatively, question assumptions, and embrace innovation (Nair, 2023). By challenging the status quo and valuing novel ideas, these leaders cultivate an environment that nurtures critical thinking and problem-solving skills, essential for navigating the complexities of contemporary business landscapes (Wang, Oh, Courtright & Colbert, 2019).

Moreover, "Individualised consideration" characterizes transformational leaders' approach to interactions with their team members. Recognising that everyone has distinct strengths, needs, and aspirations, these leaders personalize their guidance and support. This tailored approach fosters a sense of trust and belonging, reinforcing the idea that each team member's contributions are valued and essential (Wang, Oh, Courtright & Colbert, 2019). The transformational leadership style resonates deeply with the entrepreneurial approach, which emphasizes innovation, adaptability, and growth. In exploring the interplay between transformational leadership and entrepreneurial leadership within the unique context of SMMEs, the study can uncover how these practices influence employee engagement, organizational culture, and business performance. The theory's emphasis on inspiring motivation and fostering intellectual stimulation aligns seamlessly with the dynamic mindset required for SMMEs to thrive and succeed in competitive markets (Liu, Li & Zhang, 2021). Moreover, the individualized consideration intrinsic to transformational leadership echoes the personalized nature of leadership within SMMEs. With smaller teams and close-knit interactions, entrepreneurial leaders often play a multifaceted role in guiding their enterprises. The TLT offers insights into how leaders in SMMEs can create a motivating environment that nurtures innovation, adaptation, and collaborative success.

#### **2.6.1.4. Full-range Leadership Theory (FLT)**

The Full-Range Leadership Theory (FLT) is a comprehensive framework encompassing a continuum of leadership styles, including transformational, transactional, and laissez-faire. This theory explores how leaders can adapt their behaviours to effectively motivate and influence their followers, depending on the

context and the needs of their team or organisation (Serrat, 2021). FLT provides insights into leadership development, performance management, and organisational dynamics (Lindberg, 2021). Bernard M. Bass and Bruce J. Avolio developed the Full-Range Leadership Theory in the 1980s. The theory is an extension of James MacGregor Burns' transformational and transactional leadership concept. Bass and Avolio expanded upon Burns' ideas by introducing a broader range of leadership behaviours, including laissez-faire leadership, to capture the full spectrum of leadership styles. The development of FLT was grounded in extensive empirical research and aimed to provide a more nuanced understanding of how different leadership styles affect organisational outcomes (Avolio & Bass, 2020).

#### **2.6.1.4.1. Assumptions of Full-Range Leadership Theory**

FLT operates on several key assumptions. Firstly, it assumes that leadership is not a one-size-fits-all approach; instead, it exists on a spectrum where leaders can display varying degrees of transformational, transactional, and laissez-faire behaviours depending on the situation (Antonakis & Day, 2018). Secondly, the theory posits that effective leadership requires adaptability, where leaders must be capable of shifting their style to meet the evolving needs of their followers and the organisation. Thirdly, FLT assumes that different leadership styles impact followers differently; transformational leadership is generally seen as the most effective in fostering high levels of commitment and performance, while laissez-faire leadership is often the least effective (Ng & Feldman, 2019). Lastly, FLT recognises that both intrinsic and extrinsic motivators play a role in influencing follower behaviour, with transformational leadership leveraging intrinsic motivation and transactional leadership relying more on extrinsic rewards and punishments (Wang et al., 2019).

#### **2.6.1.4.2. Advantages of Full-Range Leadership Theory**

One significant advantage of FLT is its comprehensiveness. By encompassing a wide range of leadership behaviours, it provides a holistic view of leadership that can be applied across various contexts and organisational settings. This versatility makes it a valuable tool for leaders looking to enhance their effectiveness and adaptability (Braun et al., 2018). Additionally, FLT's emphasis on transformational leadership highlights the importance of vision, inspiration, and individualised consideration, which have been shown to lead to higher levels of follower satisfaction, commitment, and performance (Wang et al., 2018). The theory's practical applicability is another

advantage, as it offers clear guidance for leaders on adjusting their styles to different situations and follower needs, thereby promoting better leadership development and performance management (Lindberg, 2021).

#### **2.6.1.4.3. Disadvantages of Full-Range Leadership Theory**

Despite its strengths, FLT also has several disadvantages. One critique is its complexity; the broad range of behaviours encompassed by the theory can make it challenging for leaders to understand and apply all aspects effectively (Zaccaro et al., 2018). Additionally, while beneficial, the emphasis on transformational leadership may overshadow the importance of transactional and even laissez-faire behaviours in specific contexts. This can lead to an over-reliance on transformational approaches, potentially neglecting the utility of other styles (Judge et al., 2018). Furthermore, FLT can be resource-intensive, as developing the ability to switch between different leadership styles requires significant time, effort, and training, which may not be feasible for all organisations or leaders (Lindberg, 2021).

#### **2.6.1.4.4. Limitations of Full-Range Leadership Theory**

The limitations of FLT include its contextual dependency; while the theory suggests adaptability, it does not provide specific guidelines for how leaders should adjust their styles in every possible situation. This lack of prescriptive detail can limit its practical utility (Antonakis & Day, 2018). Additionally, the measurement of leadership behaviours within FLT can be subjective, relying heavily on self-reports and follower perceptions, which may introduce biases and affect the accuracy of assessments (Ng & Feldman, 2019). Another limitation is that FLT primarily focuses on the leader-follower dynamic, potentially overlooking other critical factors such as organizational culture, structure, and external environmental influences that also impact leadership effectiveness (Braun et al., 2018). Finally, while transformational leadership is widely celebrated, there is a risk of it being seen as a panacea, leading to unrealistic expectations and pressure on leaders to constantly exhibit high levels of transformational behaviors, which may not always be sustainable or appropriate (Wang et al., 2019).

## **2.6.2. SMMEs Background**

### **2.6.2.1. The impact of entrepreneurial leadership on the performance of SMMEs.**

The role of leadership styles in shaping the entrepreneurial orientation and performance of SMMEs has been a subject of comprehensive research across various geographical contexts. In South Africa, the study "The Impact of Leadership Styles on the Entrepreneurial Orientation of Small and Medium Enterprises," conducted by Dzomonda, Fatoki, and Oni (2017), delves into this intricate relationship. Recognising that leadership within SMMEs extends beyond operational control, the study investigates how different leadership styles influence how SMMEs embrace entrepreneurial behaviours. The study's geographical focus on South Africa, a country characterized by unique economic and social dynamics, lends context-specific insights that can resonate with similar emerging markets. Kuwait et al. (2021) explores the impact of entrepreneurial leadership on SMMEs performance in Malaysia. Their research, utilizing a meta-analysis of previous studies, underlines the positive effect of entrepreneurial leadership on organizational outcomes. The study emphasises the significance of entrepreneurial competencies like creativity, innovation, and risk-taking in fortifying SMMEs' competitive edge and long-term viability (Kuwait et al. 2021). While acknowledging the importance of entrepreneurial leadership, the researchers advocate for further exploration of moderating factors and experimental methodologies to deepen our understanding of its relationship with business performance.

In the United Arab Emirates (UAE), Sandybayev's (2019) study centres on effective entrepreneurial leadership within SMMEs. The study establishes a positive correlation between entrepreneurial leadership and organizational performance by introducing a conceptual model encompassing visionary, proactive, risk-taking, and innovative dimensions. This research not only underscores the potency of entrepreneurial leadership in enhancing SMMEs' effectiveness but also provides insights into its varying impacts on financial and non-financial performance. Furthermore, Paladan's (2015) "Transformational Leadership: The Emerging Leadership Style of Successful Entrepreneurs" investigates accomplished Filipino entrepreneurs' leadership styles in Malaysia. This study highlights the prevalence of transformational leadership behaviours, such as inspirational motivation and fostering a sense of purpose, among

successful entrepreneurs (Sandybayev's, 2019). Such behaviours create an environment that encourages employee motivation, creativity, and collaboration, ultimately guiding businesses toward success.

These studies underscore the critical role of entrepreneurial leadership styles in shaping SMMEs' orientation and performance. From South Africa's unique business landscape to Kuwait's empirical analysis and the UAE's conceptual model, these research endeavours enhance our understanding of how leadership practices drive SMMEs' success across diverse contexts.

#### **2.6.2.2. The challenges SMMEs face when implementing various leadership styles.**

Small, Medium, and Micro Enterprises (SMMEs) constitute a vital component of economies, contributing to net exports, job creation, poverty alleviation, and the reduction of income inequality (Zulu, 2021). These enterprises also make substantial contributions to economic expansion. In South Africa, the significance of SMMEs remains a focal point in policy discussions (Mohamed et al., 2020); this is particularly true considering that SMMEs expedite socio-economic development. In ongoing efforts to foster the growth of SMMEs, the South African government has introduced various policy interventions outlined in the National Development Plan (NDP). An illustrative instance is in 2014 when the Department of Small Business Development (DSBD) assumed a pivotal role in the government's endeavours to accelerate economic transformation. The DSBD facilitated the establishment of competitive and sustainable entrepreneurs, small enterprises, and cooperatives (Mnguni, 2018).

Recently, considerable attention has been directed towards a research area concerning the obstacles encountered by SMMEs while incorporating diverse forms of entrepreneurial leadership styles within the South African context (Mnguni, 2018). Entrepreneurial leadership, a pivotal aptitude that entrepreneurs can adopt, holds the potential to augment their leadership evolution and facilitate competitive, sustainable business expansion (Mhlongo & Daya, 2023; Urban, 2021). Nevertheless, a noteworthy predicament prevails where a significant number of SMMEs in South Africa lack the requisite proficiencies and approaches associated with entrepreneurial leadership, which are indispensable for navigating the intricate and ever-evolving business landscape (Mhlongo & Daya, 2023; Urban, 2021). The performance and

viability of SMMEs in the South African context are significantly impacted by a host of challenges, including inadequate financial resources or funding, a dearth of financial literacy, limitations in infrastructure, insufficient training opportunities, technological deficiencies, and the presence of crime and corruption (Mhlongo & Daya, 2023; BusinessTech, 2022; Caban, 2022). These factors collectively impede their effectiveness, product quality, and competitive stance within the market. Hence, it is imperative to delve into a comprehensive exploration and comprehension of these challenges in the entrepreneurial ecosystem in South Africa. Additionally, devising potential resolutions and interventions to surmount these challenges becomes critical.

Research findings demonstrate that compared to other developing nations, South Africa faces a pronounced challenge with SMMEs failure rates, where approximately 60% to 80% of such enterprises fail within their initial and subsequent years of operation (Leboea, 2017). The elevated failure rate can be attributed to an unfavourable entrepreneurial environment that hampers the growth and expansion of businesses (Matekenya & Moyo, 2022). The 2015 SMMEs Growth Index results reveal that hindrances to small business growth encompass external factors and challenges, such as burdensome regulations, high labour costs, limited funding availability, challenging local economic conditions, elevated municipal expenses, inadequate service delivery, and heightened competition. This assertion is corroborated by Caban (2022) who highlights that lacking managerial expertise and skills, a deficient entrepreneurial culture, and a lack of market access are notable contributors to SMMEs' failures.

Mhlongo & Daya, (2023) underscore the impact of inadequate institutional support and financial resources on the sustainability and effectiveness of South African SMMEs. This view is also shared by Ozili, & Outa (2018), who note that SMMEs exhibit weaker linkages with other organizations, encountering difficulties in obtaining essential information to sustain their objectives. The challenges confronting SMME sustainability are intricately linked to deficient management and leadership skills, resulting from insufficient leadership exposure and inadequate training and education, leading to deficits in technical and managerial competence (Fodor & Pînzaru, 2018). Navigating the complex and uncertain business landscape poses multiple hurdles for entrepreneurs as they contend with intricate interactions between individuals, ideas, and beliefs while striving to comprehend their surroundings (Li, Zhang & Zhang, 2019).

Effective management decisions in today's interconnected environment require more comprehensive strategic models. These models must account for the increasing interdependence among various environmental factors (D'Agostino, Nunzia Carbonara, Pellegrino & Zema, 2019). To achieve this, entrepreneurs should enhance their ability to think holistically and address systemic issues. D'Agostino, Nunzia Carbonara, Pellegrino & Zema, (2019). suggest that one way to accomplish this is by gaining a deeper understanding of systems thinking and applying it within entrepreneurial contexts.

Incorporating entrepreneurial leadership styles into the South African SMMEs landscape presents opportunities and challenges. While the government's focus on fostering an entrepreneurial ecosystem and addressing the challenges faced by SMMEs is evident, a comprehensive understanding of the intricate interactions between leadership styles, organizational challenges, and contextual factors is essential for these enterprises' sustainable growth and success.

### **2.6.2.3. Implementation of entrepreneurial leadership styles, SMMEs performance and leadership.**

Within the intricate business landscape of South Africa, notable for its unique blend of challenges and opportunities, the significance of embracing adaptive leadership approaches becomes especially pronounced. This imperative is underscored by the diverse and dynamic nature of the workforce, which necessitates leadership styles capable of driving innovation and collaboration across various cultural and demographic dimensions (Chen & Marlow, 2020). Transformational leadership is a beacon in this regard, as it can ignite innovation and stimulate a collaborative spirit that transcends conventional boundaries. Concurrently, authentic leadership emerges as a compelling paradigm, aligning with the ethos and values deeply rooted within the local workforce while fostering a culture of trust and ethical conduct (Chen & Marlow, 2020). Considering historical and socio-economic disparities that persist within South Africa, the philosophy of servant leadership takes on an elevated relevance. According to Tsai, Chang, & Peng (2018), this leadership style aligns with the principles of socially responsible leadership and underscores the significance of community engagement. By championing the interests and well-being of stakeholders and society, servant leadership encapsulates a form of leadership that is intrinsically attuned to the needs of the broader community. Integrating these multifaceted

entrepreneurial leadership styles is a formidable approach that fortifies organizational resilience, propels employee engagement to higher echelons, and bestows heightened strategic flexibility. The resultant amplification of performance and leadership efficacy becomes a salient hallmark within the complex tapestry of the South African business arena.

As evidenced in studies conducted across diverse geographical contexts, the resounding impact of entrepreneurial leadership on organisational performance garners global recognition. Chen & Marlow (2020) shed light on how entrepreneurial leadership styles, distinguished by their innovative essence and willingness to embrace risk, skilfully navigate challenges and astutely capitalise on opportunities, thereby propelling sustained growth. These transformative leadership practices extend beyond organisational benefits, carrying implications across sectors. They extend their reach to policymakers, educators, and researchers, illuminating pathways for fostering competitiveness and bolstering industry resilience.

#### **2.6.2.4. Significance of SMMEs in the economy**

SMMEs hold immense importance in economies worldwide, especially within developing nations. These enterprises constitute most businesses globally and wield a considerable influence on job generation and the expansion of the global economic landscape. They contribute over 50% of international jobs and about 90% of all business entities (Malpass, 2019). In developing economies, the formal contribution of SMMEs to the Gross Domestic Product (GDP) is around 40%, with an even more significant impact when informal SMEs are considered. Projections indicate that by 2030, a staggering 600 million jobs will be required to accommodate the burgeoning global workforce, rendering the development of SMMEs a paramount concern for governments worldwide (Moola, 2020). In emerging markets, SMMEs generate 70% of formal job opportunities, these entities possess a remarkable capacity to drive economic growth. They bolster tax revenue, spark innovation, and create numerous fresh employment prospects (Malpass, 2019).

Additionally, SMMEs stimulate healthy competition within their market domains, which brings out the best attributes of businesses striving for supremacy. Such a scenario results in mutual benefit for both providers and customers, fostering heightened productivity and economic efficiency. The SMME sector has, in recent years, outpaced

global industrial growth, offering quicker expansion rates. Notably, the sector's ability to generate employment with limited capital outlay constitutes its principal advantage (Malpass, 2019).

In South Africa, the SMME sector employs 47% of the labour force, contributes more than 20% to the GDP, and contributes 6% of the nation's corporate tax revenue (Liedtke, 2019). This underscores the vital need for concerted efforts from the government and other stakeholders to facilitate the operation and expansion of SMMEs, especially when addressing the challenge of job creation. Consequently, fostering SMMEs growth could propel South Africa into a phase of substantial development and enhanced employment opportunities, aligning with the National Development Plan's objective of having SMMEs account for 90% of all new jobs by 2030 (Liedtke, 2019). Given its significant impact on employment, South Africa must diligently support its SMMEs, particularly during challenging times.

#### **2.6.2.5. Emerging leadership styles of successful entrepreneurs**

Effective leadership emerges as a pivotal factor influencing the triumph of entrepreneurs in their ventures (Lindberg, 2021). As entrepreneurial pursuits unfold within the dynamic landscape of business, the significance of leadership styles gains heightened prominence, especially in the context of SMMEs. This heightened emphasis on leadership stems from its role in cultivating agility, fostering innovation, and navigating the essential need for adaptability within SMMEs. Among the array of leadership paradigms, the spotlight is increasingly drawn towards transformational leadership, which resonates profoundly within the entrepreneurial domain. Distinct for its visionary and proactive attributes, transformational leadership significantly shapes business performance, elevating its status as a driving force behind entrepreneurial triumphs (Lindberg, 2021).

The emergence of transformational leadership as a significant aspect of entrepreneurial success prompts us to delve deeper into its manifestations, implications, and relevance. This literature review aims to comprehensively explore the contemporary landscape of emerging leadership styles exhibited by successful entrepreneurs within the context of SMMEs. As we investigate the multifaceted dimensions of transformational leadership, we seek to unveil its effects on business performance, shedding light on its potential to catalyse growth, innovation, and

sustainable practices (Nair, 2023). By critically analysing the findings and synthesizing the insights from various studies, the study paves the way for a comprehensive understanding of emerging leadership styles' pivotal role in shaping the success trajectory of entrepreneurs operating in the SMMEs sector (Liu et al., 2021). Lindberg, (2021) emphasized the correlation between transformational and transactional leadership behaviours and their relevance to SMMEs, a relationship intrinsically tied to the distinctive business approaches of SMMEs and the entrepreneurial environment they inhabit.

Emerging leadership styles of successful entrepreneurs are the ones that can adapt to the changing needs and demands of the market, customers, and employees. According to Nair (2023), one of the most influential and popular leadership styles among entrepreneurs is the transformational leadership style; successful entrepreneurs also use the full-range leadership theory, a framework that describes how leaders can use different leadership styles depending on the situation and the needs of their followers. The theory has three main elements: laissez-faire, transactional, and transformational leadership.

#### **2.6.2.5.1. Laissez-faire leadership**

Laissez-faire leadership is characterized by leaders providing their team members with significant autonomy and independence. Leaders trust their employees' capabilities and judgment in this leadership style, empowering them to make decisions, solve problems, and manage tasks (Cherry, 2022). This approach can promote creativity, innovation, and a sense of ownership among team members (Jackson, 2019). However, it also requires self-motivated and disciplined individuals who can thrive in an environment with minimal guidance and structure. While laissez-faire leadership can be highly effective in fostering a culture of self-reliance and initiative, it may not be suitable for all teams or situations, as it can pose challenges regarding accountability and coordination. Laissez-faire leadership, characterized by minimal direct involvement from the leader, can have positive and negative implications for SMMEs' performance (Cherry, 2022). On one hand, this leadership style can provide room for creative problem-solving and autonomy among team members. In entrepreneurial environments, where innovation and adaptability are essential, allowing employees to take ownership of their tasks can foster a sense of right and initiative. This can align with the agile nature of SMMEs, enabling employees to respond quickly to market

changes (Jackson, 2019). However, this approach can pose challenges, especially within SMMEs with limited resources and structure. The lack of clear guidance and oversight could lead to confusion, a lack of focus, and a potential mismatch between individual efforts and the overall organizational goals. In situations where timely decision-making is vital, lacking leadership direction might hinder the ability to seize opportunities or address challenges effectively.

#### **2.6.2.5.2. Transactional leadership**

Transactional leadership is a more active and pragmatic style of leadership that focuses on results and rewards. Transactional leaders set clear expectations and goals for their followers, using incentives and punishments to ensure compliance. Transactional leaders pay attention to the quality and quantity of their followers' work and provide feedback and correction when needed (Avolio & Bass, 2018). Transactional leaders maintain the status quo effectively but may not inspire their followers' creativity, innovation, or loyalty. Transactional leadership, characterized by clear expectations, structured goals, and a system of rewards and consequences, aligns with the need for efficiency and productivity often observed in SMMEs. In the context of SMMEs, which operate in dynamic and resource-constrained environments, transactional leadership can serve as a mechanism to ensure task completion, quality control, and adherence to established procedures (Chen & Tjosvold, 2019). This style may be particularly effective when SMMEs face operational challenges or require immediate response to market demands. By setting clear performance expectations, transactional leaders can help align individual efforts with organizational goals, ensuring employees understand their roles and responsibilities.

Furthermore, the emphasis on feedback, accountability, and results-driven interactions inherent in transactional leadership can benefit SMMEs seeking to optimize resource utilization and deliver consistent outcomes. However, the transactional approach's focus on contingent rewards and punishments might limit its capacity to foster intrinsic motivation and long-term commitment among employees (Chen & Tjosvold, 2019). SMMEs often operate in dynamic and resource-constrained environments, making it essential to strike the right balance between offering extrinsic incentives (such as monetary rewards, bonuses, and promotions) and providing employees autonomy. On one hand, offering extrinsic incentives can motivate employees to achieve specific performance goals, improve productivity, and enhance

job satisfaction. In SMMEs, where resources may be limited, well-designed incentive programs can help attract and retain talent, drive innovation, and align employees with the company's objectives (Avolio & Bass, 2018). However, excessive reliance on extrinsic incentives can stifle creativity and intrinsic motivation. SMMEs often thrive on entrepreneurial spirit and adaptability, and providing employees with autonomy can foster a sense of ownership and initiative. Autonomy allows employees to take risks, experiment with new ideas, and adapt to changing market conditions more effectively (Podsakoff, MacKenzie, & Bommer, 2018).

#### **2.6.2.5.3. Transformational leadership**

Transformational leadership is a leadership style that focuses on inspiring and motivating followers to achieve exceptional performance and personal growth. It goes beyond traditional leadership approaches by emphasizing the development of a shared vision, fostering a sense of purpose, and belonging, and encouraging innovation and creativity (Alessa, 2021). Transformational leadership is the most effective and engaging style of leadership that aims to create positive change and development. Transformational leaders have a clear vision of the future and communicate it to their followers in a way that inspires them to share it. Transformational leaders also care about the individual needs and potential of their followers, and they provide support, encouragement, and empowerment. Transformational leaders foster a culture of trust, collaboration, and learning, where followers are willing to take risks, challenge themselves, and achieve extraordinary outcomes (Nair, 2023). In SMMEs, which often operate in dynamic and competitive markets, transformational leadership aligns with the entrepreneurial spirit that drives innovation and adaptability. Transformational leaders communicate a compelling future vision that resonates with employees' aspirations and organizational goals, igniting a shared sense of purpose. This can be particularly valuable for SMMEs that seek to differentiate themselves and capture market opportunities (Chen & Marlow, 2020). Transformational leaders encourage superior results from followers by using a full range of leadership, encompassing five distinct behaviours that inspire superior results from followers. Firstly, there is "Idealized influence (Attributed)," where leaders are seen as powerful, confident, and guided by inspiring ideals, shifting followers' focus from self-interest to the organisation's well-being. Secondly, "Idealized influence (Behaviours)" involves leader actions that exemplify values, ethics, moral principles,

and a compelling vision, serving as role models without using power for personal gain (Lancefield & Rangen, 2021). Thirdly, "Inspirational motivation" motivates followers to excel by raising expectations and instilling confidence in achieving ambitious goals, resulting in enthusiasm and optimism. Fourthly, "Intellectual stimulation" encourages creative thinking by challenging assumptions, seeking innovative solutions, and reframing problems while avoiding public criticism of mistakes. Lastly, "Individualized consideration" entails leaders acting as mentors, addressing individual growth needs, encouraging the pursuit of challenges, listening actively, delegating tasks for development, and offering guidance and support when required (Lancefield & Rangen, 2021).

This leadership style is a dynamic style characterized by several essential elements. It begins with charismatic leadership, where leaders possess the charisma and communication skills to inspire others with a compelling future vision. They motivate through inspirational motivation, infusing their vision with optimism and enthusiasm, driving their team towards common goals (Lancefield & Rangen, 2021). These leaders stimulate intellectual growth by encouraging creativity and innovative thinking while offering individualized consideration and acknowledging each team member's unique needs and aspirations. Idealized influence plays a role as they lead by example, setting high ethical standards that build trust and respect. Creating a shared vision is pivotal, uniting the team under a common purpose. Emotional intelligence enables them to understand and connect with their team's emotions, while continuous feedback and adaptive strategies keep the vision on track. Ultimately, transformational leadership fosters an environment of motivation, innovation, and personal growth, leading to improved organizational performance and success (Alessa, 2021). Additionally, the emphasis on individualized consideration within transformational leadership, where leaders support and empower their team members, aligns well with the agility required in SMMEs. By fostering a culture of trust, collaboration, and continuous learning, transformational leaders enable SMMEs to leverage their human capital effectively, resulting in improved problem-solving and decision-making (Chen & Marlow, 2020).

#### **2.6.2.5.4. Full-range leadership model**

The full-range leadership theory suggests that leaders can adapt their style to the situation and the follower's readiness level. For example, a leader may use a

transactional style when dealing with routine tasks or crises but switch to a transformational style when pursuing new opportunities or developing new skills (Serrat, 2021). The theory also implies that leaders can develop their skills and move from lower to higher levels of effectiveness and engagement by learning from feedback, self-reflection, coaching, and training (Lindberg, 2021). This theory offers a lens through which to examine the intricate interplay of leadership styles and their impact on business outcomes. The theory's components, laissez-faire, transactional, and transformational leadership, map onto the leadership behaviours and approaches SMMEs need to navigate successfully (Lindberg, 2021).

Exploring how the FLT interacts with entrepreneurial leadership dynamics within SMMEs can illuminate how leaders adapt their styles based on situational demands and follower readiness levels. For instance, the dynamic nature of SMMEs might necessitate a transactional approach during operational challenges and a transformational process when pursuing growth and innovation. By assessing how leaders' versatility in adopting different styles influences employee engagement, decision-making, and overall business performance, the study provides actionable insights for SMME leaders seeking to optimize their leadership strategies (Cornell & Drew, 2022).

## **2.7. Literature gaps**

Numerous scholarly inquiries have scrutinized the significance of entrepreneurial leadership in shaping SMMEs' business performance. However, certain voids persist within the literature landscape. One notable gap pertains to exploring entrepreneurial leadership styles and policies that contribute to fostering the adoption of entrepreneurial leadership within SMMEs (Bhandari, 2021). Furthermore, a notable need exists for more research concerning the enduring repercussions of distinct leadership styles on SMMEs' performance, encompassing their enduring implications on employment levels and overall productivity (Bhandari, 2021).

## **2.8. Chapter Summary**

Chapter 2 extensively examined how entrepreneurial leadership shapes Small, Medium, and Micro Enterprises (SMMEs). It emphasised the global significance of SMMEs and introduced key theories, such as the trait theory of leadership (TTL), transformational leadership theory (TLT), and full-range leadership theory (FLT), to

understand practical leadership qualities and behaviours. The chapter analysed SMME challenges in South Africa's socio-economic context and highlighted various entrepreneurial leadership styles' contributions to SMME growth, supported by theoretical studies from diverse geographical contexts. It underscored SMMEs' crucial role in global economies, emphasising their impact on employment, innovation, and economic development while identifying literature gaps for further exploration. Chapter three will focus exclusively on methodologies employed in examining entrepreneurial leadership within Small, Medium, and Micro Enterprises (SMMEs). It will detail the chosen research participants, the design of the study, and the paradigm guiding the research. The chapter will justify the selected methodologies for their appropriateness in exploring leadership dynamics within SMMEs, emphasising how these choices align with the research objectives. Additionally, it will outline the specific methods used to gather and analyse data, ensuring robustness and reliability in capturing insights into entrepreneurial leadership styles and their impacts.

## CHAPTER THREE: RESEARCH METHODOLOGY

### 3.1. Introduction

This chapter discusses the research methodology employed in the study. Methodology guides the systematic collection and analysis of data to derive meaningful insights. The study's choice of methods is instrumental in ensuring the reliability and validity of the findings. The chapter provides a comprehensive overview of the research paradigm, research approach, research design, research participants, sampling design, data collection methods, data analysis techniques, and ethical considerations underpinning the study. This methodological framework is the robust foundation upon which the study outcomes are built, allowing the researcher to address the research questions and objectives effectively.

### 3.2. Research paradigm.

A research paradigm is a collective set of shared principles and agreements that guide a researcher's understanding and approach to solving problems (Kamal, 2019). Rehman and Alharthi (2016) state that it represents a fundamental belief structure and a scientific framework encompassing considerations related to ontology, epistemology, philosophy, and research techniques. The research paradigm influences the choice of data collection and interpretation methods and shapes the preference for competing theoretical approaches (Kamal, 2019). It is essential to consider the underlying philosophical paradigms when determining their suitability for a specific research context, as they inform the research design, methodology, and analysis (Smith, 2020).

The study adopted the interpretive paradigm, which offered a distinctive and insightful approach to understanding the multifaceted aspects of human behaviour and experiences. The researcher's main aim in employing this approach was to unveil the meaning ascribed to events and experiences from the participants' viewpoints, recognizing that people's interpretations are deeply rooted in their cultural, social, and historical contexts. Furthermore, the interpretive approach places a strong emphasis on contextual sensitivity. It acknowledges that the interpretation of events is profoundly influenced by the specific cultural, social, and historical contexts in which they unfold. Therefore, researchers delved into these contextual factors to comprehensively understand the phenomenon under investigation. Hermeneutics, a central concept in

interpretive research, refers to the theory and practice of interpretation. The researcher employed hermeneutics to delve into the deeper layers of meaning in texts, symbols, or cultural practices, aiming to unearth the underlying significance that might not be immediately apparent (Creswell & Poth, 2017).

This method aligned with the nature of the research topic, which involved investigating the interplay between entrepreneurial leadership styles and the success of SMMEs. Furthermore, the interpretive approach was well-suited for capturing the rich narratives of entrepreneurs and leaders in the Vhembe District, providing valuable insights into their decision-making processes, challenges, and the impact of leadership styles on employee satisfaction and engagement (Smith, 2020). This in-depth exploration contributed to a comprehensive understanding of the research topic and generated meaningful, context-specific recommendations for regional SMMEs. The choice of an interpretive approach in this study was vital for understanding the complex dynamics within the context of SMMEs. This approach allowed the researcher to explore the subjective experiences, perspectives, and behaviours of entrepreneurs and leaders in these enterprises.

### **3.3. Research method.**

A research approach encompasses the conceptual framework, strategies, and methodologies that span from overarching hypotheses to specific techniques for collecting, analysing, and deciphering data (Dudovskiy, 2022). The decision regarding which method to investigate a particular issue constitutes a pivotal choice. The researcher's underlying philosophical standpoint and the distinct research techniques for data collection, analysis, and interpretation should be the guiding principles shaping this decision (Dudovskiy, 2022).

The study adopted the qualitative approach because entrepreneurial leadership is a multifaceted and context-dependent phenomenon that involves a complex interplay of behaviours, values, and practices. Qualitative research was particularly suited to navigate the complexity and delve deeply into the details of entrepreneurial leadership that may elude quantitative methods. It offered the flexibility to explore the 'what,' 'why,' and 'how' of entrepreneurial leadership in SMMEs, providing a richer and more comprehensive understanding of the subject (Waltz, 2022).

### 3.3.1. Qualitative method

According to Flick (2020), qualitative research is a structured yet adaptable approach that employs narrative or descriptive methods for data collection, examination, interpretation, and presentation. This method enables researchers to delve deeply into a limited number of issues using qualitative techniques, providing an in-depth, detailed analysis. It is fundamentally an interpretative process that seeks to comprehend human behaviour through the subjective frames of reference of the participants. As Kamal (2019) highlights, qualitative research is characterized by its interactive, context-specific, human-centred, and evolving nature. It acknowledges the complex and ever-changing nature of individuals' actual environments, making it particularly suited for exploring phenomena embedded in real-life contexts.

One of the primary distinguishing features of qualitative research is its emphasis on observation, which entails immersing oneself in the natural settings of the participants. This approach strongly focuses on subjectivity, drawing insights from the diverse interpretations of how individuals perceive, act, and comprehend their surroundings. Qualitative research minimizes the use of the researcher's assumptions or estimations, aiming to capture the authentic experiences and perspectives of the participants (Roller, 2019).

In terms of data collection methods, qualitative research encompasses a wide array of techniques, including participant observations, open-ended inquiries, in-depth interviews (whether conducted through audio or video means), and detailed field notes. These methods are typically executed within the natural settings of the participants, allowing researchers to engage closely with the environment and the individuals being studied (Flick, 2020). Qualitative research is versatile and powerful for gaining profound insights into human behaviour, experiences, and social phenomena. It is particularly well-suited for addressing research questions that demand detailed, context-specific, and deeply interpretative perspectives (Roller, 2019). Qualitative research techniques prove highly effective in sparking innovation. The curious character of qualitative research involves unearthing unforeseen insights, frequently resulting in the development of fresh theories and exploring additional research avenues. Furthermore, qualitative findings have profound significance (Kamal, 2019). These investigations centre on individuals, emotions, and social contexts, cultivating a sense of proximity to the communities under examination,

setting them apart from quantitative research, which heavily relies on mathematical and logical data (Roller, 2019).

### **3.4. Research design.**

Research design is the comprehensive and fundamental framework that outlines a research inquiry's methodological strategy, structure, and organization (Yin, 2018). It acts as a strategic blueprint, systematically exploring a research problem to ensure a well-organized and rigorous study. Research design encompasses critical elements, such as the choice of research methodologies, data collection techniques, data analysis methods, and the overall architecture of the research project (Yin, 2018). The research design plays a central role in shaping the quality and validity of a study's outcomes. A well-thought-out and robust research design guarantees the systematic and coherent collection of data, their practical analysis, and their meaningful interpretation in the context of the research question or problem (Jaiswal, 2022).

Additionally, research design significantly impacts the generalizability of findings, the ability to draw reliable conclusions and the overall success of the research endeavour (McCombes, 2021). Furthermore, research design is not a one-size-fits-all concept; it is customized to the specific objectives, questions, and the nature of the research problem. Researchers are tasked with carefully selecting the most suitable research design tailored to their study's requirements (Singh, 2023). This may involve opting for an experimental design for investigating causal relationships, a qualitative design for in-depth understanding, or a mixed-method design to integrate different approaches. Research design is a vital and adaptable aspect of the process, charting the course toward discovering and advancing knowledge (McCombes, 2021).

The study employed exploratory design, a methodological approach to facilitate a more profound comprehension of the study (Smith, 2017). This design is particularly well-suited when there is limited pre-existing knowledge or literature on the topic of interest (Johnson, 2019). By employing open-ended data collection methods, such as interviews, the study aimed to explore and unravel the multifaceted aspects of the subject. Exploratory research design seeks a deeper understanding of the research questions (Smith, 2017). Through qualitative data analysis, the study aimed to uncover emerging themes and patterns that could contribute to developing or refining new theories (Johnson, 2019). This approach emphasizes flexibility in research methods,

allowing for adaptations and refinements as the study progresses and as new information is uncovered (Jaiswal, 2022). The in-depth exploration of the experiences and perspectives of individuals knowledgeable about the subject matter was considered fundamental in constructing a solid foundation for subsequent phases of the research (Singh, 2023).

### **3.5. Participants and sampling design**

#### **3.5.1. Participants**

The participant selection process for the study in the Vhembe District identified 16 participants through a purposive sampling approach to gain in-depth insights into the complexities of the local business landscape (Nikolopoulou, 2022; Dudovskiy, 2022). Several factors justify the selection of 16 participants for the study. Firstly, this method allows for acquiring in-depth insights into the complexities of the local business landscape by targeting individuals with specific knowledge and experiences relevant to the study topic. Given the resource constraints inherent in research projects, a sample size of 16 participants is feasible and manageable, ensuring sufficient time and attention can be dedicated to each participant for comprehensive data collection and analysis. Additionally, by aiming for data saturation by including diverse participants representing various sectors, business sizes, and geographic locations within the district, the study can capture the full spectrum of perspectives and nuances in the local business environment. Furthermore, drawing on previous research studies employing similar sampling approaches, such as those by Nikolopoulou (2022) and Dudovskiy (2022), provides additional support for the validity and effectiveness of the chosen methodological approach. These participants were actively involved in various SMMEs across diverse industries; inclusion criteria were established to target individuals actively engaged in SMME operations across various industries within the district, emphasising geographical representation and industry diversity. The ethical considerations in participant selection adhered to principles such as informed consent and confidentiality (Flick, 2020). Participants received comprehensive information about the study's objectives, potential risks, and benefits, emphasising their withdrawal autonomy without facing adverse consequences. This ethical framework aimed to foster a relationship of trust between the researcher and participants.

Moreover, the study process was transparently documented, elucidating the participant selection criteria, and providing clear reasons for any exclusions (Dudovskiy, 2022). This transparency allows readers to scrutinize the quality of the sample and identify potential biases. By delving into the unique experiences and perspectives of the chosen participants, the study sought to present a holistic exploration of how entrepreneurial leadership practices impact the business performance of SMMEs in the distinctive context of the Vhembe District. This careful selection and ethical approach underscore the commitment to robust research practices, ensuring the validity and reliability of the study's outcomes.

### **3.5.2. Sampling**

In addition to the purposive sampling method, the research incorporated a stratified sampling approach, defined as the systematic process of categorizing SMMEs into distinct groups based on industry types. This method aimed to ensure representation across various sectors within the SMMEs landscape in the Vhembe District (Creswell & Creswell, 2017). The stratification allowed for a more comprehensive exploration of entrepreneurial leadership's impact on business performance within different contexts. The selection criteria for participants were carefully determined, considering factors such as the number of years in operation, business size, and leadership styles employed by entrepreneurs. This multifaceted approach aimed to capture a spectrum of experiences and perspectives, enriching the qualitative data and providing a comprehensive understanding of the relationship between entrepreneurial leadership and business outcomes (Dudovskiy, 2022).

Furthermore, the study considered the temporal aspect by including newly established SMMEs and those with more extended operational histories. This temporal diversity was crucial for examining how entrepreneurial leadership evolves and its varying impact on business performance in different life stages of SMMEs (Creswell & Creswell, 2017). This approach aligns with the qualitative research aim of capturing the intricacies of entrepreneurial leadership practices and their influence on the business performance of SMMEs.

### **3.6. Data Collection procedures and instrument**

Data collection procedures encompass the systematic strategies and methodologies for acquiring essential information and data during a research study. The selection of

data collection procedures is important, given its direct influence on the precision and trustworthiness of the obtained data (Bhandari, 2021). These procedures must harmonise with the study objectives and the research problem's specific characteristics, ensuring the chosen methods' appropriateness and effectiveness. An array of data collection procedures is available, each tailored to distinct research needs and objectives (Bhandari, 2021). Interviews provide a means for the in-depth exploration of complex issues and the elicitation of qualitative data that delve into participants' perspectives (Lotame, 2019).

The study employed interviews as the primary data collection method, a choice rooted in its capacity to yield comprehensive and profound insights into the participants' experiences, perspectives, opinions, and emotional connections to the study's focal subject. A semi-structured approach was adopted to enhance the effectiveness of the interviews. This method used a predefined set of key topics and questions as an interview framework (Cote, 2021). Simultaneously, it offered the flexibility to delve further into specific areas of interest, contingent on each participant's unique responses and viewpoints. This approach was instrumental in ensuring a balance between the structured guidance required for consistency and the adaptability necessary for capturing the nuanced complexities of the study topic (Lotame, 2019). The amalgamation of structured and open-ended questioning in the semi-structured interviews enriched the data collection process, allowing for a comprehensive exploration of the predetermined areas of interest and the organic emergence of unanticipated insights (Lotame, 2019). The researcher recognised that this approach allowed a more comprehensive understanding of the participants' perspectives and experiences. The researcher made use of the following tools:

**Interview guides:** These outlines or structured questions provide a framework for the interview. The guide ensures that essential topics are covered while allowing flexibility for probing and exploration. This guide assisted the researcher in making sure only relevant questions would be asked.

**Probing questions:** Probing questions delve deeper into participants' responses, seeking clarification, elaboration, or additional insights. Probing questions encouraged participants to provide more detailed and meaningful information, enriching the collected data.

**Interviewer field notes:** Interviewers often take field notes during or immediately after interviews to document their observations, impressions, and reflections. These notes capture contextual details, non-verbal cues, and the interviewer's interpretations, contributing to a comprehensive understanding of the data.

**Audio recording:** Recording interviews allows for accurate data capture and later transcription. It helps researchers capture the richness of participants' responses, including tone of voice, pauses, and other non-verbal elements that might be missed during notetaking. The researcher used audio recording to collect data, allowing the researcher to transcribe the participant's responses.

**Transcription and coding tools:** Qualitative data analysis involves transcribing interviews and coding the data into meaningful categories or themes. Transcription tools and software can aid in efficiently transcribing and organizing interview data. The researcher used data analysis software (ATLAS.ti), which assisted in coding and analysing the data.

### **3.7. Data presentation and analysis**

Data presentation and analysis are the methods for arranging, condensing, and interpreting gathered data to extract meaningful insights, recognize patterns, formulate conclusions, and address study objectives and inquiries (Caulfield, 2019). This process entails converting raw data into a format that is easily comprehensible and amenable to informed decision-making and the derivation of valid deductions (Babbie, 2016). Data presentation involves the visual and tabular depiction of data, including structures such as charts, graphs, tables, and figures, designed to convey study discoveries effectively (Chawla & Wood, 2021). On the other hand, data analysis involves utilizing statistical, mathematical, or qualitative methodologies to unveil connections, trends, or associations inherent within the data, thus contributing to exploring and comprehending the study problem (Stevens, 2022). Ultimately, the overarching purpose of data presentation and analysis is to furnish a lucid, all-encompassing, and interpretable account of the study findings, consequently substantiating the study's objectives and making a significant contribution to the progression of knowledge in the respective field (Caulfield, 2019).

In the study, ATLAS.ti was utilized as the method for data analysis. This approach enabled the researcher to identify patterns, themes, or meanings within the data,

thereby facilitating the comprehensive understanding of participants' experiences and perspectives. ATLAS.ti is a qualitative data analysis tool employed to identify, analyse, and interpret patterns or themes within textual or visual data. It systematically organizes and categorizes data to unveil meaningful insights and comprehend participants' underlying meanings and experiences (Stevens, 2022). The study employed thematic reporting as the method for presenting its findings. Thematic reporting facilitated the structured presentation of key themes and patterns from the data analysis, offering a comprehensive account of the outcomes. This approach emphasises identifying and discussing recurring themes, concepts, or narratives within the data. The findings were organised into sections dedicated to each identified theme, supported by relevant data excerpts to provide a detailed and contextualised understanding of the study results (Stevens, 2022).

### **3.8. Reliability and validity of data**

Achieving quality in qualitative research is essential to ensure the reliability and validity of the findings. The study applied several measures of trustworthiness to enhance the credibility, transferability, dependability, and confirmability of the data collected.

#### Reliability and Dependability

Reliability in qualitative research refers to the consistency and dependability of the findings (Dudovskiy, 2022). To enhance reliability, several strategies were employed:

1. **Triangulation:** Using multiple data collection methods or sources to validate and cross-check the findings. For instance, interviews were used to comprehensively understand the phenomena studied (Cote, 2021).
2. **Peer Debriefing:** The researcher sought input and feedback from colleagues or experts throughout the research process. This helped to ensure consistency and accuracy in data interpretation by providing an external check on the research process and findings.
3. **Audit Trail:** Maintaining a clear and detailed record of the research process, including decisions made, data collection procedures, and analytical steps, enhanced reliability (Stevens, 2022). This systematic documentation allows other researchers to follow the research process and verify the findings.

#### Validity and Credibility

Validity in qualitative research pertains to the findings' accuracy, credibility, and trustworthiness (Flick, 2020). The following strategies were used to enhance validity:

1. **Credibility:** This was achieved through prolonged engagement with participants, building rapport, and conducting member checks. Prolonged engagement allowed the researcher to better understand the participants' perspectives and contexts. Member checks involved presenting the findings to the participants to ensure their perspectives were accurately represented (Hair, Black, Babin, Anderson, & Tatham, 2019).

2. **Transferability:** Detailed descriptions of the research setting and participants were provided, enabling readers to assess the applicability of the findings to other contexts. By giving a thick description, readers can determine whether the findings are transferable to their settings (Hair et al., 2019).

3. **Confirmability:** This ensures that the results are grounded in the data rather than influenced by researchers' biases. Maintaining an audit trail, engaging in reflective practices, and being transparent about the researchers' biases and assumptions achieved confirmability (Stevens, 2022). Reflective practices involve the researcher constantly questioning and reflecting on their biases and how they might influence the research process and findings.

By incorporating these measures of trustworthiness, the quality of data collected in this research was ensured, thereby enhancing the overall rigour and credibility of the study. These strategies reinforced the reliability and validity of the findings and provided a transparent and systematic approach to qualitative research.

### **3.9. Ethical considerations**

In conducting this study, a rigorous commitment to ethical principles was pivotal to ensuring participants' safeguarding and the study process's integrity. Ethical clearance was obtained from the University of Venda Ethics Committee (UVEC), adhering to the guidelines laid out by Flick (2020).

#### **Informed consent**

Participants were informed about the study's objectives, methodologies, potential risks, benefits, and their absolute right to voluntary participation. The consent process emphasised participants' autonomy, assuring them the freedom to withdraw from the study without encountering any adverse consequences (Flick, 2020).

## **Confidentiality and anonymity**

Stringent measures were implemented to guarantee the confidentiality and anonymity of participants. Identifiers were carefully protected, and personal information was stored securely, ensuring it remained confidential throughout the study.

## **Privacy**

Participants' right to privacy was diligently respected throughout every research phase. Robust data management protocols were employed to prevent the inadvertent identification of individuals or disclosure of sensitive information (Flick,2020).

## **Respect for participants' autonomy and dignity.**

Participants were accorded respect, acknowledging their autonomy and preserving their dignity. Actively engaging participants as collaborators ensured their perspectives and experiences were authentically and accurately represented.

## **Beneficence and non-maleficence**

The study was designed to maximise benefits for participants while minimising potential harm. A comprehensive risk assessment was undertaken, with appropriate measures implemented to ensure participants' overall well-being.

## **Researcher integrity**

The researcher adhered to honesty, integrity, and transparency standards throughout interactions with participants and the entire research process. Rigorous efforts were made to accurately represent the study's purpose, methodologies, and outcomes, avoiding conflicts of interest that could compromise its integrity. These ethical considerations collectively underscored the commitment to responsible and reliable research practices, fostering a research environment founded on trust and ethical conduct.

### **3.10. Chapter summary**

This chapter delved into the intricacies of the research methodology, outlining a comprehensive framework for the study. Grounded in the interpretive paradigm, the research adopts a qualitative approach to explore the multifaceted realm of entrepreneurial leadership in the Vhembe District. The choice of an exploratory design is driven by the need to navigate a topic with limited knowledge. ATLAS.ti, a qualitative

data analysis tool, serves as the method for data analysis, allowing for the identification of patterns and themes within the rich dataset obtained through semi-structured interviews. Ethical considerations underpin the participant selection process. In the next chapter, the study was interpreting and analysing the results and answering and looking at the core research questions.

## CHAPTER FOUR: RESULTS INTERPRETATION

### 4.1. Introduction

This chapter discusses the study outcomes alongside the data gathered from the participants. The data collection process involved interviews, during which respondents were questioned about their respective businesses. The study was explicitly carried out in the Vhembe District, involving interviews with 16 participants. Consequently, the information gathered from these interviews served as the foundation for the study and is deemed representative of the broader population under investigation.

### 4.2. Demographics

Vhembe District information on the entrepreneurs who are participants from the Vhembe District adds a layer of context to their diverse educational backgrounds. This district encompasses individuals with various academic pursuits, including degrees in Business Administration, Finance, Entrepreneurship, Leadership, Small Business Management, Marketing, Management, Human Resource Management, Environmental Science, Computer Science, and Engineering. The participants hail from three selected municipalities, Musina, Makhado, and Thulamela, within the Vhembe District, underscoring this study's geographic specificity. The businesses were Small, Medium, and Micro Enterprises (SMMEs), employing at most 50 people. This regional focus provides insights into the entrepreneurial landscape within these municipalities, enriching our understanding of how education and expertise contribute to the dynamic and multifaceted nature of entrepreneurship in the Vhembe District.

Table 4.1: Participants demographics

Participant	Gender	Level of education	Years in business	Type of business
1	Female	Masters	10	Information Technology
2	Female	Matric	15	Food and Beverage
3	Male	Bachelors	5	Fashion and retail
4	Male	PhD	10	IT

5	Male	Diploma	20	Construction
6	Female	Matric	15	Fashion and retail
7	Male	Bachelors	4	E-commerce
8	Female	Masters	10	Healthcare
9	Female	Bachelors	6	Energy
10	Male	Bachelors	4	Education
11	Female	Diploma	3	Tourism
12	Male	Diploma	2	Agriculture
13	Female	Honours	5	Manufacturing
14	Male	Bachelors	4	IT
15	Male	Diploma	3	Construction
16	Female	Honours	6	IT

### 4.3. Research findings.

#### 4.3.1. Introduction

This section explored the research findings, delving into the core of the study's revelations. The focus was on unravelling the complexities of entrepreneurship in the Vhembe District, guided by the participating entrepreneurs' diverse educational backgrounds and experiences. By examining the data gleaned from these individuals, the study aimed to illuminate the intricate dynamics between education, leadership styles, and the performance of SMMEs. Subsequent subsections dissected key themes and patterns, providing insightful perspectives on how these factors shaped the entrepreneurial narrative in this dynamic South African region.

#### 4.3.2. Findings

The study aimed to investigate the role of entrepreneurial leadership on business performance in SMMEs in the Limpopo Province in the Vhembe District Municipality. The study aimed to achieve the following objectives.

**Table:4.2. Development of Themes and Codes from Interview Transcripts**

Step	Description	Example from Interview Transcripts	Code	Sub-theme	Final Theme
<b>Initial Coding</b>	Identify significant statements or phrases from the interview transcripts.	"Adopting a transformational leadership style had a direct impact on our financial outcomes."	Transformational Leadership	Financial Outcomes	Impact of Leadership Styles on Performance
		"Our collaborative approach ensures teams feel free to express creativity, resulting in more efficient solutions and satisfied clients."	Collaborative Leadership	Innovation and Creativity	
		"Transformational leadership played a key role in enhancing customer satisfaction."	Transformational Leadership	Customer Satisfaction	
<b>Grouping Codes</b>	Group similar codes together to form broader categories.	"Internal resistance was a real hurdle. People are comfortable with what they know, and a sudden shift was met with scepticism."	Internal Resistance	Internal Resistance	Challenges in Implementing Leadership
		"Regulations sometimes limit how much we can experiment with leadership styles. There's a need to align with certain norms."	Regulatory Constraints	External Constraints	
		"Not everyone grasps the concept of entrepreneurial leadership. It's a journey of	Lack of Awareness	Leadership Awareness	

		education within the organization."			
<b>Identifying Sub-themes</b>	Develop sub-themes by combining related categories.	"Implementing new leadership styles demands resources. From training programs to restructuring, there are financial and time implications that can be challenging for SMMEs."	Resource Constraints	Resource Constraints	
		"We initiated leadership development programs to ensure everyone understands and embodies entrepreneurial leadership."	Leadership Development Programs	Leadership Development	Implementation of Entrepreneurial Leadership Styles
		"Flexibility is vital. The business environment is dynamic, and our leadership style needs to adapt. It's about being agile and responsive to change."	Flexibility and Adaptability	Flexibility and Adaptability	
<b>Developing Themes</b>	Combine sub-themes to form overarching themes.	"Empowering employees is at the core of entrepreneurial leadership. We implemented suggestion boxes and regular brainstorming sessions to tap into the collective intelligence of our team."	Employee Empowerment	Employee Empowerment Initiatives	
		"Strategic decision-making became a focal	Strategic Decision-Making	Strategic Decision-Making	

		point. We began to consider the long-term impact of our choices, aligning them with the broader vision."			
<b>Final Themes</b>	Finalize themes that encapsulate the essence of the data collected.	"Our culture became more adaptive. Entrepreneurial leadership thrives in an environment where change is embraced, and employees are encouraged to contribute ideas freely."	Adaptive Organizational Culture	Adaptive Organizational Culture	

**Table 4.3. Main themes and Main research questions**

<b>Themes</b>	<b>Main Questions</b>
Impact of Leadership Styles on SMMEs Performance	How do different entrepreneurial leadership styles influence the overall business performance of Small, Medium, and Micro Enterprises (SMMEs) in the Vhembe district?
Challenges in Implementing Entrepreneurial Leadership Styles	What are the common barriers encountered by SMMEs in the Vhembe district when implementing entrepreneurial leadership styles?
Implementation of Entrepreneurial Leadership Styles	What strategies and approaches can SMMEs adopt to successfully implement various entrepreneurial leadership styles to enhance organizational performance in the Vhembe district?

**Objective 1:** To identify the impact of entrepreneurial leadership on the performance of Small, Medium, and Micro Enterprises in the Vhembe district.

**Objective 2:** To determine the challenges Small, Medium, and Micro Enterprises face when implementing various entrepreneurial leadership styles.

**Objective 3:** To ascertain how various entrepreneurial leadership styles can be implemented to increase organizational performance and leadership among Small, Medium and Micro Enterprises in the Vhembe district.

The following themes were developed from the study objectives.

- Impact of leadership styles on SMMEs performance.
- Challenges in implementing entrepreneurial leadership styles.
- Implementation of entrepreneurial leadership styles

#### **4.3.2.1. Theme 1: Impact of Entrepreneurial Leadership Styles on SMME Performance**

Leadership is pivotal in shaping organisational dynamics and overall performance in the intricate landscape of SMMEs. This theme delves into the multifaceted impact of entrepreneurial leadership styles on SMMEs in the Vhembe District. Entrepreneurs navigate the challenges and opportunities various leadership approaches present, influencing financial outcomes, fostering innovation and creativity, and shaping customer satisfaction. Through their unique experiences, these entrepreneurs provide valuable insights into the interconnected relationship between leadership styles and the performance metrics that define success in the dynamic environment of SMMEs.

##### **4.3.2.1.1. Financial outcomes**

The results reveal insights from participants who acknowledged the tangible impact of entrepreneurial leadership styles on the financial performance of their SMMEs in the Vhembe District. Participants 1, 4, and 10 highlighted distinct connections between specific leadership styles and their ventures' financial outcomes. Participant 1 attributed success to adopting a transformational leadership style, emphasizing creativity and market growth. Similarly, Participant 4 pointed to the positive influence of a collaborative leadership approach on cost-effectiveness and revenue generation. Participant 10 highlighted the connection between transformational leadership, educator motivation, and improved academic and financial results. This was evidenced by the expressions of participants 1, 4, and 10, shown in the following quotations.

*"In our venture, adopting a transformational leadership style had a direct impact on our financial outcomes. The emphasis on inspiring the team and fostering creativity resulted in new product ideas and increased market share."*

**(P1)**

*"The financial performance of our business improved noticeably when we shifted to a more collaborative leadership style. The open communication and collective problem-solving contributed to cost savings and better revenue streams."*

**(P4)**

*"For our educational SMME, a transformational leadership style translated into motivated educators and enthusiastic students. This positive environment led to better academic outcomes and increased financial stability."*

**(P10)**

#### **4.3.2.1.2. Innovation and creativity**

Participants who contributed insights into the impact of entrepreneurial leadership styles on innovation and creativity include Participant 2, who highlighted the positive influence of a democratic and participative leadership approach. This approach fostered a culture of innovation within their SMME, where employees felt empowered to share their ideas, contributing to developing new services and improving operational efficiency. Additionally, Participant 14, representing the IT and software development sector, emphasized the crucial role of a leadership style that encourages innovation. Their collaborative approach ensures teams feel free to express creativity, resulting in more efficient solutions and satisfied clients. This was evidenced by the expressions of participants 2 and 14 in the following quotations.

*"Our emphasis on a democratic and participative leadership approach fostered a culture of innovation. Employees felt empowered to share their ideas, leading to the development of new services and improved operational efficiency."*

**(P2)**

*"In the IT and software development sector, a leadership style that encourages innovation is crucial. Our collaborative approach ensures that our teams feel free to express their creativity, resulting in more efficient solutions and satisfied clients."*

**(P14)**

#### 4.3.2.1.3. Customer satisfaction

Participants shared insights into how entrepreneurial leadership styles influence their approach to pleasing customers. Participant 7 emphasized that transformational leadership was pivotal in enhancing customer satisfaction. By focusing on creating a motivated and engaged workforce, they witnessed a direct translation into improved service quality and positive customer relationships.

Similarly, Participant 11, representing the hospitality industry, highlighted the importance of a leadership style emphasizing guest-centric service. In their experience, this approach had a direct impact on customer satisfaction. The participatory leadership approach encouraged employees to contribute ideas, ultimately enhancing the guest experience. These perspectives shed light on the connection between leadership styles, employee engagement, and the satisfaction of customers within the context of SMMEs.

*"Transformational leadership played a key role in enhancing customer satisfaction. Our focus on creating a motivated and engaged workforce directly translated into improved service quality and positive customer relationships."*

**(P7)**

*"In the hospitality industry, a leadership style that emphasizes guest-centric service has a direct impact on customer satisfaction. Our participatory approach encourages employees to contribute ideas that enhance the overall guest experience."*

**(P11).**

Figure 4.1. Impact of entrepreneurial leadership styles on SMME performance

Source: ATLAS.ti Version 23

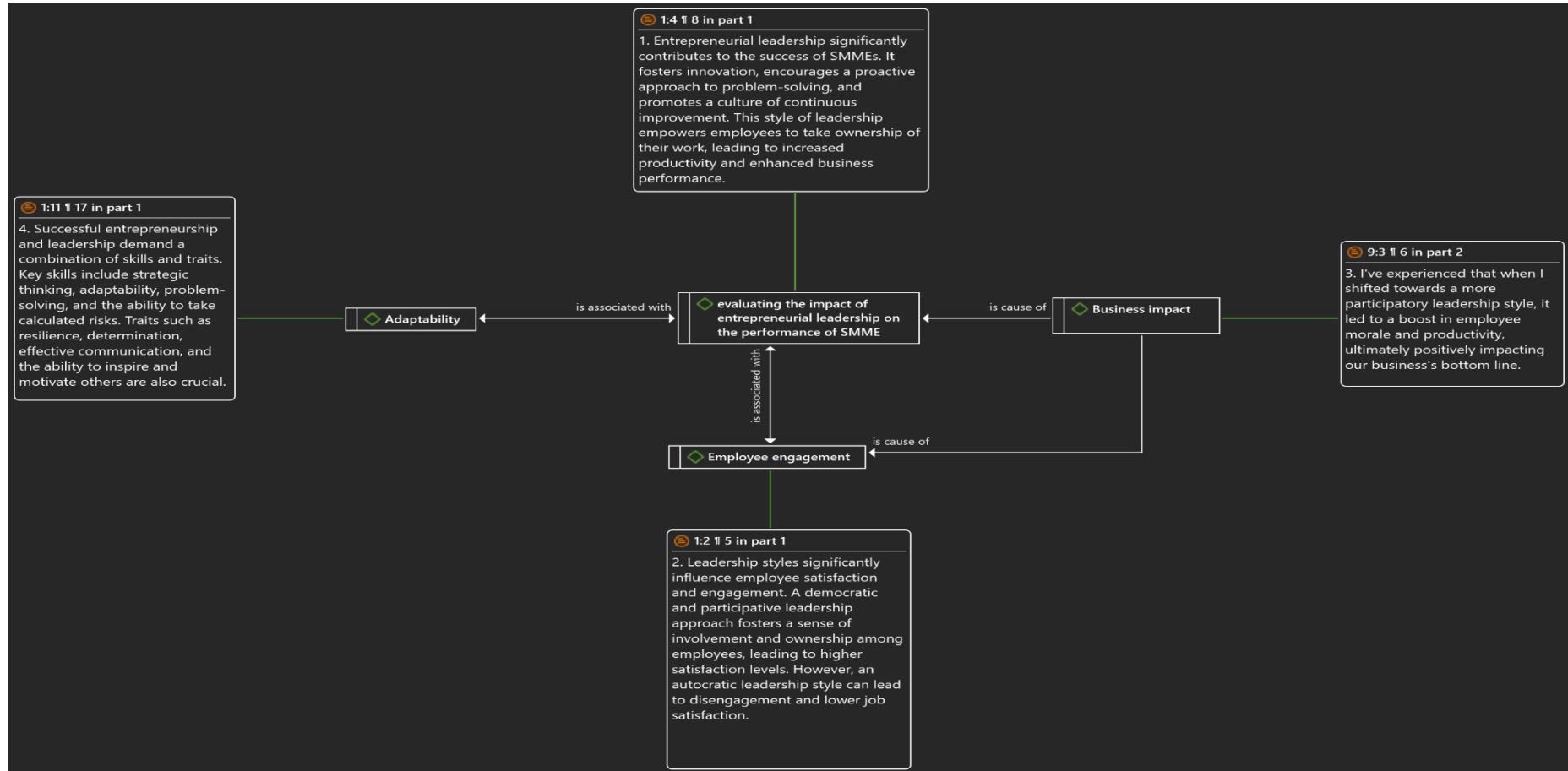


Figure 4.1. Visually represents the complex relationship between various leadership approaches and performance outcomes for small, medium, and micro enterprises (SMMEs). Central to this framework is evaluating entrepreneurial leadership's impact on SMMEs, highlighting key elements such as adaptability, employee engagement, and business impact. Adaptability is depicted as a crucial trait for effective leadership, directly influencing SMME performance. The figure illustrates that leadership styles significantly affect employee engagement, with democratic and participative approaches fostering higher employee satisfaction and involvement. This, in turn, leads to improved business outcomes, including enhanced financial performance, innovation, and customer satisfaction. The interconnected nodes demonstrate that effective entrepreneurial leadership, characterised by strategic thinking and the ability to inspire and motivate, results in a motivated workforce and favourable business impacts, thus underscoring the vital role of adaptive and participative leadership in driving the success of SMMEs.

#### **4.3.2.2. Theme 2: Challenges in implementing entrepreneurial leadership styles**

In pursuing organisational excellence, SMMEs encounter many challenges when embracing and implementing various entrepreneurial leadership styles. This theme unearths the barriers and obstacles entrepreneurs in the Vhembe District face as they navigate the complex terrain of leadership evolution. From internal resistance to external constraints, the entrepreneurs' narratives shed light on the intricate challenges that shape the adoption and execution of entrepreneurial leadership styles within the unique context of SMMEs. As we delve into their experiences, we gain a deeper understanding of the hurdles that demand strategic navigation and innovative solutions to propel SMMEs towards sustained success.

##### **4.3.2.2.1. Internal resistance**

Participants shared insights into their internal challenges when implementing entrepreneurial leadership styles within their businesses. The data illuminated the complexities of overcoming resistance from within, including cultural shifts, employee scepticism, and resistance to change. Participants shared the following about internal resistance:

*"Changing the leadership style wasn't easy. Some employees were resistant, especially those used to a more traditional approach. It took time to communicate the benefits and get everyone on board."*

**(P1)**

*"Internal resistance was a real hurdle. People are comfortable with what they know, and a sudden shift was met with scepticism. We had to show that this change was for the better."*

**(P4)**

#### **4.3.2.2.2. External constraints**

Entrepreneurs also highlighted external factors that posed challenges in implementing entrepreneurial leadership styles. These constraints ranged from regulatory issues and market dynamics to economic pressures, providing a comprehensive view of the external forces influencing leadership evolution.

*"Regulations sometimes limit how much we can experiment with leadership styles. There's a need to align with certain norms, which can be challenging when trying to innovate."*

**(P6)**

*"The market isn't always conducive to rapid changes. Economic downturns and uncertainties can limit our ability to fully embrace the entrepreneurial leadership we aspire to."*

**(P9)**

#### **4.3.2.2.3. Adaptation to organizational culture**

The entrepreneurs acknowledged the importance of aligning leadership styles with the existing organizational culture. They shared experiences of adapting and customizing entrepreneurial leadership approaches to suit the unique values and traditions of their SMMEs.

*"You can't impose a style that doesn't resonate with the existing culture. It's about finding a balance and making sure the team feels the authenticity of the leadership approach."*

**(P12)**

*"Our organizational culture is a key factor. We had to integrate elements of entrepreneurial leadership without compromising the values that define us."*

**(P14)**

#### **4.3.2.2.4. Resistance to change.**

Entrepreneurs elaborated on the resistance they encountered when introducing entrepreneurial leadership styles, emphasizing the inherent challenges associated with transforming established organizational cultures.

*"Change is never easy. When we shifted to an entrepreneurial leadership model, there was resistance from those accustomed to traditional structures."*

**(P5)**

*"Old habits die hard. Some team members were resistant to the changes, especially those who were comfortable with the way things were done before."*

**(P12)**

#### **4.3.2.2.5. Lack of leadership awareness**

Participants discussed the need for more awareness and understanding of entrepreneurial leadership among team members. This lack of clarity often impeded the effective implementation of leadership styles.

*"Not everyone grasps the concept of entrepreneurial leadership. It's a journey of education within the organization to ensure everyone is on the same page."*

**(P9)**

*"Awareness is key. Without a clear understanding of what entrepreneurial leadership entails, its benefits can be lost on the team."*

**(P14)**

#### **4.3.2.2.6. Resource constraints**

Entrepreneurs highlighted resource constraints as a substantial challenge, encompassing limitations in time, budget, and expertise required to implement entrepreneurial leadership styles successfully.

*"Implementing new leadership styles demands resources. From training programs to restructuring, there are financial and time implications that can be challenging for SMMEs."*

**(P1)**

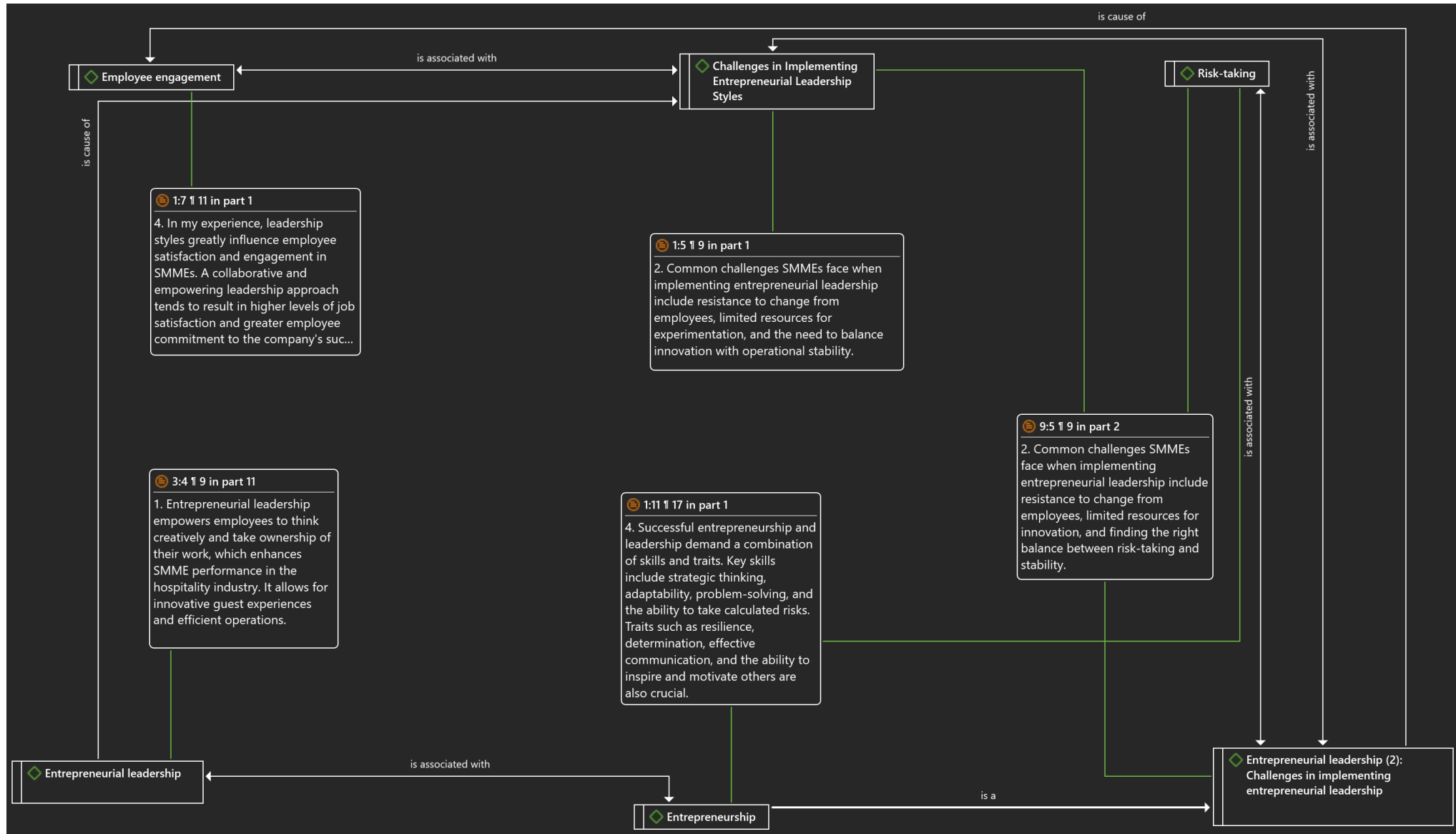
*"We faced resource constraints, particularly in terms of time. Balancing the demands of day-to-day operations with the need for change is a delicate act."*

**(P8)**

#### Figure 4.2. **Challenges in Implementing Entrepreneurial Leadership Styles**

Source: ATLAS.ti version 23

Figure 4.2. illustrates the complex dynamics faced by Small, Medium, and Micro Enterprises (SMMEs) when adopting entrepreneurial leadership. It shows that entrepreneurial leadership significantly influences employee engagement, fostering higher job satisfaction and commitment through collaborative and empowering approaches. However, implementing these styles comes with challenges, such as employee resistance to change, limited resources for experimentation, and balancing innovation with operational stability. Risk-taking is also a key element associated with both the challenges and the broader context of entrepreneurship. Effective entrepreneurial leadership encourages creativity and ownership among employees, enhancing SMME performance. Additionally, successful entrepreneurship requires strategic thinking, adaptability, problem-solving, resilience, and effective communication. The figure highlights the need for strategic and adaptive leadership to manage these challenges and drive organisational success.



#### **4.3.2.3. Theme 3: Implementation of entrepreneurial leadership styles**

Within the entrepreneurial landscape of the Vhembe District, Theme 3 delves into the practical aspects of implementing entrepreneurial leadership styles in SMMEs. Entrepreneurs provided rich insights into their experiences and strategies when applying various leadership styles to enhance organisational performance and leadership.

##### **4.3.2.3.1. Leadership development programs**

Participants discussed implementing leadership development programs tailored to foster entrepreneurial leadership skills among employees. These programs aim to nurture a leadership mindset, encourage innovation, and equip team members with the skills to contribute to the organization's growth.

*"We initiated leadership development programs to ensure everyone understands and embodies entrepreneurial leadership. It's an investment in our team and the future of the business."*

**(P3)**

*"Training programs are crucial. They help in cascading the principles of entrepreneurial leadership throughout the organization, ensuring a shared understanding."*

**(P7)**

##### **4.3.2.3.2. Employee empowerment initiatives**

Participants highlighted the significance of empowering employees to take ownership and contribute ideas. Implementing initiatives such as idea-generation platforms, feedback mechanisms, and decision-making involvement played a pivotal role in fostering a culture of employee empowerment.

*"Empowering employees is at the core of entrepreneurial leadership. We implemented suggestion boxes and regular brainstorming sessions to tap into the collective intelligence of our team."*

**(P10)**

*"Employees need to feel they have a stake in the company's success. Our initiatives include involving them in decision-making processes and recognizing their contributions."*

(P15)

#### 4.3.2.3.3. Flexibility and adaptability

Entrepreneurs emphasized the need for flexibility and adaptability when implementing entrepreneurial leadership styles. The ability to adjust leadership approaches based on evolving circumstances and organizational needs emerged as a critical factor in successful implementation.

*"Flexibility is vital. The business environment is dynamic, and our leadership style needs to adapt. It's about being agile and responsive to change."*

(P2)

*"Entrepreneurial leadership is not a one-size-fits-all. We continually assess and adjust our approach to ensure it aligns with the evolving needs of our SMME."*

(P13)

#### 4.3.2.3.4. Strategic decision-making

Entrepreneurs discussed the strategic decision-making processes they adopted under entrepreneurial leadership, emphasizing the impact on organizational performance.

*"Entrepreneurial leadership encourages strategic thinking. We moved from reactive decisions to proactive strategies, which significantly influenced our performance."*

(P3)

*"Strategic decision-making became a focal point. We began to consider the long-term impact of our choices, aligning them with the broader vision."*

(P11)

#### 4.3.2.3.5. Adaptive organizational culture

Implementing entrepreneurial leadership often necessitated organizational culture shifting towards adaptability and flexibility.

*"Our culture became more adaptive. Entrepreneurial leadership thrives in an environment where change is embraced, and employees are encouraged to contribute ideas freely."*

(P6)

*"Cultivating an adaptive culture was vital. It allowed us to respond more effectively to market changes and seize new opportunities."*

**(P15)**

#### **4.3.2.3.6. Employee empowerment and engagement**

Entrepreneurs explored the impact of entrepreneurial leadership on empowering employees and fostering engagement, ultimately contributing to enhanced organizational performance.

*"Empowering employees was a game-changer. It translated to higher engagement, and engaged employees are undoubtedly more productive."*

**(P2)**

*"Employee engagement became a priority. When employees feel empowered and engaged, the overall performance of the organization reflects that positivity."*

**(P13)**

Theme 3 sheds light on the strategies employed by entrepreneurs in the Vhembe District to implement entrepreneurial leadership styles. From structured leadership development programs and employee empowerment initiatives to the flexibility required for adaptation, these approaches collectively shape an entrepreneurial culture within SMMEs. This theme underscores the proactive steps taken by entrepreneurs to embed entrepreneurial leadership in their organizational fabric.

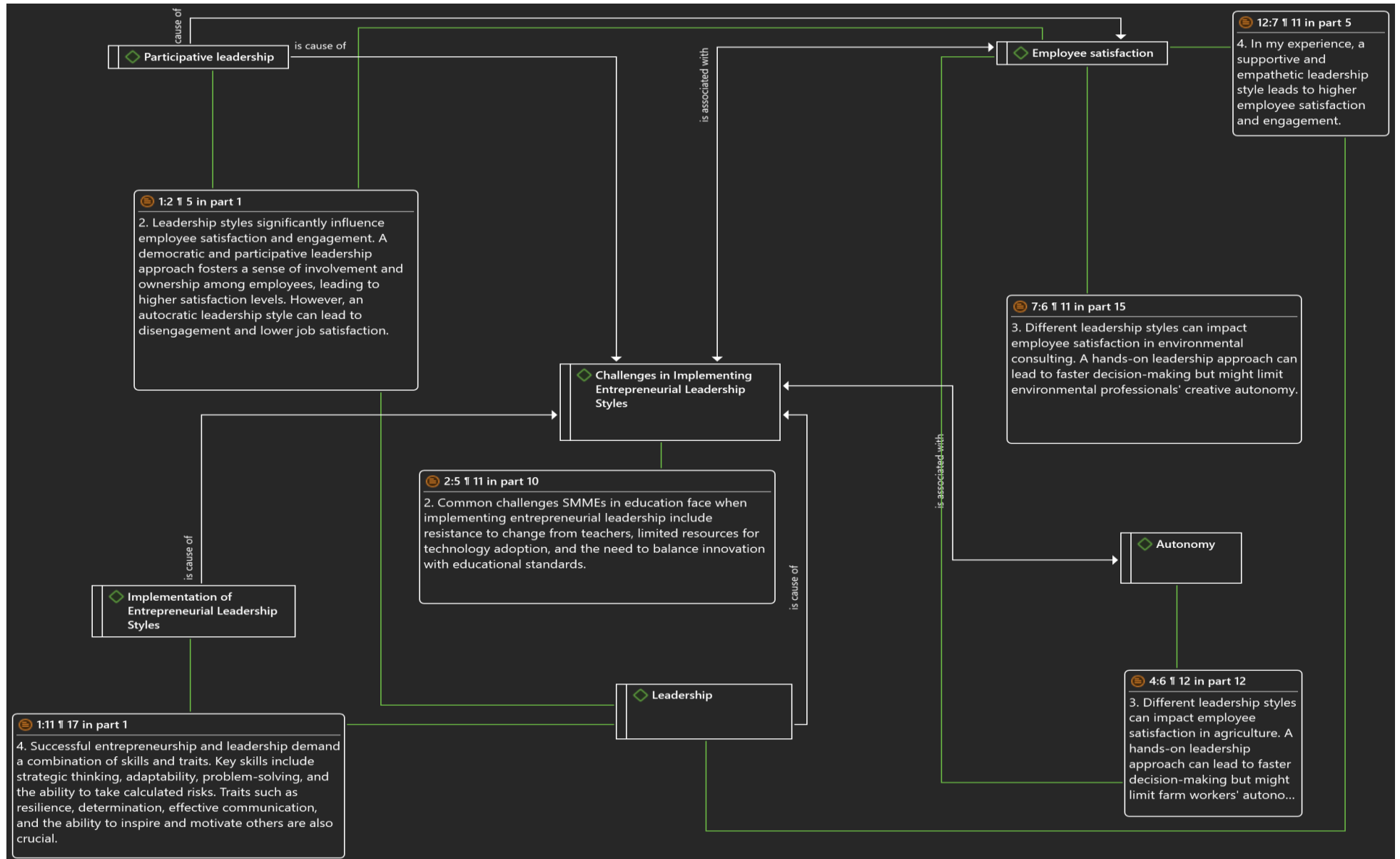
#### **Figure 4.3. Implementation of entrepreneurial leadership styles**

Source: Atlas.ti version 23

Figure 4.3. illustrates the relationships between leadership styles, employee satisfaction, and the challenges SMMEs face in adopting entrepreneurial leadership. Participative leadership, which involves democratic and inclusive practices, enhances employee satisfaction and engagement by fostering a sense of involvement and ownership. High employee satisfaction, in turn, helps mitigate challenges such as resistance to change, limited resources, and balancing innovation with operational stability.

Employee satisfaction is linked to supportive and empathetic leadership styles, which increase engagement. Autonomy, shown in the figure, is influenced by leadership styles, with hands-on approaches potentially limiting creative freedom. Effective implementation of entrepreneurial leadership requires strategic thinking, adaptability, and problem-solving, addressing these challenges while maintaining high employee satisfaction.

Overall, the figure highlights the importance of participative leadership and strategic management in overcoming challenges and successfully adopting entrepreneurial leadership styles within SMMEs.



#### **4.4. Chapter summary**

In summary, this study provides a comprehensive understanding of entrepreneurship in the Vhembe District, emphasizing the intricate dynamics between leadership styles, education, and the performance of SMMEs. The findings offer actionable insights for businesses, policymakers, and researchers navigating the multifaceted landscape of SMMEs in the region. The localized approach, coupled with a thematic exploration of crucial factors, contributes to a comprehensive understanding of the prevailing entrepreneurial leadership landscape in the Vhembe District and its implications for SMMEs across diverse industries. In the next chapter the study seeks to link the literature review, and objectives with the study findings and discuss the findings.

## CHAPTER FIVE: DISCUSSION OF FINDINGS

### 5.1. Introduction

This chapter discusses the findings from exploring entrepreneurial leadership styles of SMMEs in the Vhembe District. The chapter provides a comprehensive understanding of how entrepreneurial leadership influences organizational performance, addresses challenges, and integrates with the unique business landscape of the district. The discussion aligns with existing literature to contribute to the broader understanding of entrepreneurial leadership within the South African context. Key themes, including internal challenges, external constraints, and strategic implementation of leadership styles, are explored, shedding light on the role and impact of entrepreneurial leadership in the local business landscape.

### 5.2. Discussion of findings

The study results provide insights into the impact, challenges, and implementation of entrepreneurial leadership styles in SMMEs within the Vhembe District. The discussion begins by exploring the impact of entrepreneurial leadership styles on SMMEs' performance, followed by an analysis of the challenges faced in implementing these leadership styles. Finally, the discussion explores the practical aspects of implementing entrepreneurial leadership styles in the unique context of the Vhembe District.

#### 5.2.1. Impact of entrepreneurial leadership styles on SMME's Performance

The impact of entrepreneurial leadership styles on SMMEs in the Vhembe District encompasses various dimensions, significantly influencing financial outcomes, fostering innovation and creativity, and shaping customer satisfaction. Respondents' insights reveal a complex interplay between leadership approaches and critical performance metrics. Distinct connections between specific leadership styles and financial outcomes are highlighted, with transformational and collaborative leadership styles proving influential. The study advocates for a context-specific understanding, urging a reevaluation of conventional wisdom in entrepreneurial leadership to better align with the unique dynamics of SMMEs in the Vhembe District.

The findings from the Vhembe District exhibit a comprehensive relationship with the existing literature on entrepreneurial leadership in SMMEs. Consistent with prior research

by Dzomonda, Fatoki, and Oni (2017) in South Africa, the study aligns with the idea that entrepreneurial leadership styles positively impact financial outcomes. However, a notable departure emerges as some participants challenge the direct link between leadership styles and financial success, emphasizing the influential role of external market forces. This dissenting perspective calls for a more context-specific understanding, disrupting the consensus in the literature. Likewise, in terms of fostering innovation and creativity, the study resonates with broader literature, including the work of Awad et al., (2021) in Malaysia. However, respondents highlighted the importance of aligning leadership with organizational culture, challenging the literature's generalized approach. The positive correlation between transformational leadership and customer satisfaction aligns with studies like Sandybayev's (2019) in the UAE. However, the study introduces diverse perspectives on pleasing customers, questioning the universal applicability of specific leadership styles. In essence, the findings corroborate certain aspects of existing literature and introduce novel perspectives, encouraging a re-evaluation of conventional wisdom in understanding the impact of entrepreneurial leadership in the dynamic context of SMMEs.

### **5.2.2. Challenges in implementing entrepreneurial leadership styles.**

The study's respondents highlighted the influence of these leadership styles on financial outcomes, innovation and creativity, and customer satisfaction. Regarding financial outcomes, transformational and collaborative leadership styles were associated with improved market share, cost-effectiveness, and revenue. The impact on innovation and creativity was shown through democratic and participative leadership, fostering a culture of innovation and efficient problem-solving. Additionally, transformational leadership was vital in enhancing customer satisfaction by creating a motivated and engaged workforce. The results suggest a relationship between entrepreneurial leadership styles and SMMEs' performance metrics, challenging some prevailing notions in the literature. Challenges in implementing these leadership styles were also explored, including internal resistance, external constraints, adaptation to organizational culture, resistance to change, lack of leadership awareness, and resource constraints. The findings contribute to a more comprehensive understanding of the dynamics between leadership styles and SMME success in the Vhembe District.

The results obtained from the study align with the literature on challenges faced by SMMEs in South Africa. The studies by Mhlongo and Daya (2023), Urban (2021), Leboea (2017), and Mthabela (2015) point out the significant obstacles that SMEs encounter in implementing entrepreneurial leadership styles. The challenges identified in the study, including internal resistance, external constraints, adaptation to organizational culture, resistance to change, lack of leadership awareness, and resource constraints, align with the broader literature discussing barriers to SMME success. Specifically, the literature emphasizes the impact of inadequate financial resources, limited training opportunities, and technological deficiencies on SMMEs' effectiveness and competitive position (Mhlongo & Daya, 2023; BusinessTech, 2022; Caban, 2022). The elevated failure rates of SMMEs in South Africa, attributed to an unfavourable entrepreneurial environment and various hindrances in small business growth, align with the findings that participants faced challenges related to regulatory issues, economic uncertainties, and market dynamics.

Furthermore, the literature discussing the importance of managerial expertise, entrepreneurial culture, and market access barriers as contributors to SMMEs failures aligns with the challenges of internal resistance, adaptation to organizational culture, and lack of leadership awareness identified in the study (Kongolo, 2010; Dodourova & Bevis, 2014; Chimucheka, 2013; Hossain, 2015). In sum, the challenges identified in the study align with the existing literature on SMME challenges in South Africa, supporting the notion that these impediments are pervasive and hinder the growth and success of SMMEs. It is vital to address these issues to ensure the sustainable development of small businesses.

### **5.2.3. Implementation of entrepreneurial leadership styles**

The results of implementing entrepreneurial leadership styles in the Vhembe District reveal practical insights into leadership within these SMMEs. Respondents underscored the importance of customized leadership development programs to nurture entrepreneurial skills among team members. These programs were positioned as an investment in both the team and the business's future success, fostering a shared understanding of the principles of entrepreneurial leadership. Initiatives promoting employee empowerment, such as idea-generation platforms and decision-making

involvement, played a pivotal role in cultivating a culture of ownership and innovation. The need for flexibility and adaptability was emphasized, with entrepreneurs highlighting the necessity of adjusting leadership approaches in response to changing circumstances. Adopting strategic decision-making processes became a focal point, influencing organizational performance by transitioning from reactive to proactive strategies. The implementation of entrepreneurial leadership also induced a cultural shift towards adaptability within organizations, creating an environment that embraces change. The transformative impact on employee empowerment and engagement was acknowledged as a pivotal factor contributing to overall organizational performance. These findings collectively illustrate entrepreneurs' proactive measures to integrate entrepreneurial leadership into the core of their SMMEs.

The results align with the literature exploring entrepreneurial leadership styles for enhanced organizational performance in South Africa. The findings resonate with Chen and Marlow's (2020) emphasis on adaptive leadership approaches, particularly transformational leadership, as instrumental in driving innovation and collaboration. The positive impact of these leadership styles on fortifying organizational resilience and propelling employee engagement corresponds with the multifaceted approach advocated by Chen and Marlow (2020). Additionally, the relevance of servant leadership, as highlighted by van Dierendonck et al. (2013), aligns with the contextual considerations of historical and socio-economic disparities within South Africa. The results reinforce the literature's assertion that integrating these diverse entrepreneurial leadership styles contributes to strategic flexibility, ultimately amplifying organizational performance and leadership efficacy. Rahim et al.'s (2015) study further supports these findings, emphasizing the transformative nature of entrepreneurial leadership styles in navigating challenges and capitalizing on opportunities for sustained growth. These resonances between the results and the literature affirm the applicability of adaptive leadership paradigms in the complex business landscape of South Africa (Rahim et al., 2015).

### **5.3. Chapter summary**

The experiences of entrepreneurs in the Vhembe District align with and reinforce established literature on entrepreneurial leadership styles within the South African context. The participants' strategies, encompassing leadership development, employee empowerment, flexibility, strategic decision-making, adaptive culture, and employee engagement, reflect the multifaceted nature of implementing entrepreneurial leadership for enhanced organisational performance, as discussed and validated by existing research.

## CHAPTER SIX: CONCLUSIONS AND RECOMMENDATIONS

### 6.1. Introduction

Chapter One established the groundwork for this study by introducing essential notions of entrepreneurship and leadership as intertwined forces crucial for organisational success. Emphasis was placed on the pivotal role of entrepreneurial leadership in guiding SMMEs through their challenges. The study covered the introduction and background, literature review, research methodology, data analysis, interpretation of results, and discussion of findings. This chapter concludes with the research objectives, offering recommendations, acknowledging study limitations, and suggesting directions for future research. The formulation of the problem statement stemmed from the identified research gap; the problem statement was formulated as follows:

In recent years, Small, Medium, and Micro Enterprises (SMMEs) in the Vhembe District of South Africa have emerged as significant contributors to economic growth, job creation, and innovation in the region. Despite their critical role in the local economy, SMMEs in Vhembe face numerous challenges, including limited resources, intense competition, and unpredictable market conditions. The need for effective entrepreneurial leadership becomes paramount, as it is believed to profoundly impact these enterprises' overall performance and success (Maziriri & Chivandi, 2020). Despite their pivotal role in the economy, SMMEs face many challenges that can hinder their business performance and sustainability. One of the most pressing challenges that SMMEs encounter is the limited availability of financial and human resources. With constrained access to capital and skilled talent, these enterprises often struggle to invest in research and development, innovation, and modern technologies (Karim & Chowdhury, 2018). Additionally, fierce competition from larger corporations and established players in the market puts additional pressure on SMMEs to carve out their niche and differentiate themselves.

The study's problem statement is formulated as follows:

The unpredictable and volatile nature of the market conditions presents a constant obstacle for SMMEs. Fluctuations in consumer demands, economic downturns, and shifts in industry trends can significantly impact the performance and survival of these enterprises (Caulfield, 2022). Navigating these uncertainties requires adept and visionary

leadership capable of making strategic decisions and seizing opportunities. In this context, the role of entrepreneurial leadership becomes paramount. Entrepreneurial leaders exhibit a visionary approach and a propensity for calculated risk-taking and can identify and exploit opportunities creatively (Dudovskiy, 2022). They are forward-thinking and agile, capable of adapting to changing circumstances and turning challenges into opportunities for enhancing business performance and fostering innovation. However, the extent to which entrepreneurial leadership influences SMMEs' business performance remains debatable. While some studies have highlighted a positive association between entrepreneurial leadership and business performance (Dudovskiy, 2022), others have yielded inconclusive or contradictory results (Roomie & Harrison, 2011).

The main aim of the study was developed from the problem statement as follows:

**Aim:** The study explores how various entrepreneurial leadership styles affect Small, Medium and Micro Enterprises in the Vhembe district regarding overall business performance.

The research objectives were developed from the aim and problem statement as follows:

**Objective 1:** To identify the impact of entrepreneurial leadership on the performance of Small, Medium, and Micro Enterprises in the Vhembe district.

**Objective 2:** To determine the challenges of small, medium, and micro enterprises when implementing various entrepreneurial leadership styles.

**Objective 3:** To ascertain how various entrepreneurial leadership styles can be implemented to increase organizational performance and leadership among Small, Medium and Micro Enterprises in the Vhembe district.

The objectives as well as the aim of the study paved the way for the formulation of the main research question (MRQ) and research questions (RQ) as follows:

**MRQ:** How do different entrepreneurial leadership styles influence the overall business performance of Small, Medium, and Micro Enterprises in the Vhembe district?

**RQ1:** What impact do different entrepreneurial leadership styles have on the overall business performance of Small, Medium and Micro Enterprises in the Vhembe district?

**RQ2:** What are the common barriers that Small, Medium, and Micro Enterprises encounter when implementing entrepreneurial leadership styles?

**RQ3:** What are the strategies and approaches for implementing various entrepreneurial leadership styles to enhance organisational performance and leadership within Small, Medium, and Micro Enterprises in the Vhembe district?

## **6.2. Conclusion of the research objectives**

In this section, the study presents a concise conclusion to the research objectives outlined. The attainment of these objectives has been central to unravelling the intricate dynamics of entrepreneurial leadership in SMMEs within the unique socio-economic and cultural landscape of the Vhembe District. The subsequent discussion encapsulates the key findings, implications, and contributions of each research objective, providing a comprehensive understanding of the role of entrepreneurial leadership in shaping SMMEs' performance in this region.

### **6.2.1. Conclusion on the impact of entrepreneurial leadership on the performance of SMMEs in the Vhembe District.**

The creativity and entrepreneurial leadership styles of SMMEs in the Vhembe District unfold across diverse dimensions, significantly shaping financial outcomes, fostering innovation and creativity, and influencing customer satisfaction. The study reveals an interplay between leadership approaches and critical performance metrics, emphasising the need for a context-specific understanding that aligns with the unique dynamics of SMMEs in the Vhembe District. Regarding financial outcomes, specific leadership styles, notably transformational and collaborative, emerge as influential. This aligns with the broader literature, suggesting a positive impact of entrepreneurial leadership on financial success. However, dissenting perspectives challenge a direct link, emphasising the influence of external market forces. This dissent disrupts the consensus in the literature, calling for a more context-specific exploration.

Regarding innovation and creativity, the study resonates with existing literature, emphasising the positive influence of entrepreneurial leadership styles. However, participants introduce a crucial caveat, emphasising the importance of aligning leadership with organisational culture. This challenges the generalisation in the literature,

encouraging a more comprehensive understanding. The positive association between transformational leadership and customer satisfaction aligns with studies in the UAE. However, the study introduces diverse perspectives on pleasing customers, questioning the universal applicability of specific leadership styles. This introduces novel perspectives, urging a reevaluation of conventional wisdom in understanding the impact of entrepreneurial leadership in the dynamic context of SMMEs. The findings corroborate existing literature and introduce novel perspectives, emphasizing the complexity and context-specific nature of entrepreneurial leadership's impact on SMMEs in the Vhembe District.

### **6.2.2. Conclusion on challenges SMMEs face when implementing various entrepreneurial leadership styles.**

SMMEs play a crucial role in South Africa's economy, contributing to job creation, poverty alleviation, and economic expansion. The South African government has implemented various policies to support SMME growth, mainly through the Department of Small Business Development (DSBD). Study findings indicate that SMMEs in South Africa experience high failure rates, primarily due to burdensome regulations, high labour costs, limited funding availability, and economic uncertainties. The study emphasizes the significance of entrepreneurial leadership in overcoming these challenges and fostering sustainable business expansion. However, a notable predicament exists where many SMMEs lack the necessary skills associated with entrepreneurial leadership.

The study's results shed light on the influence of entrepreneurial leadership styles on SMMEs. Transformational and collaborative leadership styles are associated with improved financial outcomes, innovation, and customer satisfaction. However, challenges in implementing these leadership styles were identified, including internal resistance, external constraints, adaptation to organizational culture, resistance to change, lack of leadership awareness, and resource constraints. These findings align with the broader literature on SMME challenges in South Africa, emphasizing the pervasive nature of impediments hindering SMMEs' growth. The challenges identified in the study, such as inadequate financial resources, limited training opportunities, and technological

deficiencies, resonate with existing literature, highlighting the importance of addressing these issues for the sustainable development of small businesses.

In conclusion, the study's findings highlight the relationship between entrepreneurial leadership styles and the performance of SMMEs in Vhembe District, South Africa. Addressing the identified challenges is important for the sustainable growth and success of SMMEs. Targeted interventions and support to enhance entrepreneurial leadership capabilities mitigate obstacles hindering the development of these vital contributors to the South African economy.

### **6.2.3. Conclusion on how various entrepreneurial leadership styles can be implemented to increase organizational performance and leadership among SMMEs in the Vhembe District**

Adaptive leadership approaches emerge as imperative within South Africa's intricate business landscape. This is highlighted by the dynamic nature of the workforce, requiring leadership styles capable of fostering innovation and collaboration across diverse cultural and demographic dimensions. Transformational leadership, with its ability to ignite innovation and transcend conventional boundaries, and authentic leadership, aligning with local values and fostering trust, are pivotal paradigms. The philosophy of servant leadership is important in addressing historical and socio-economic disparities by emphasizing socially responsible leadership and community engagement. Integrating these multifaceted entrepreneurial leadership styles strengthens organizational resilience, propels employee engagement, and creates strategic flexibility. Studies across diverse geographical contexts affirm the impact of entrepreneurial leadership on organizational performance. Reviewed studies highlighted how entrepreneurial leadership styles, marked by innovation and risk-taking, navigate challenges and capitalize on opportunities, propelling sustained SMMEs growth. These practices extend beyond organizational benefits, influencing policymakers, educators, and researchers, indicating pathways for fostering competitiveness and industry resilience.

The collected data indicated that customized leadership development programs are investments in teams and future success. Initiatives promoting employee empowerment, flexibility, and adaptability play pivotal roles in inducing a cultural shift towards

embracement of change. The transformative impact on employee empowerment and engagement is also important to organizational performance. These results align with existing literature emphasis on adaptive leadership approaches and the multifaceted impact on fortifying organizational resilience. Servant leadership aligns with contextual considerations in South Africa. Some studies further support these findings, emphasizing the transformative nature of entrepreneurial leadership styles. In conclusion, integrating diverse entrepreneurial leadership styles proves important for navigating challenges, fostering innovation, and enhancing organizational performance within the unique context of South African SMMEs.

### **6.3. Recommendations**

#### **6.3.1. Recommendations to policy makers**

Implement specialized leadership development programs at a policy level to address the unique challenges faced by SMMEs in Vhembe District. Advocate for policies that support and incentivize employee empowerment initiatives, such as platforms for idea generation and active participation in decision-making processes. Encourage and support a cultural shift toward flexibility and adaptability within the business environment to promote innovation.

#### **6.3. 2. Recommendations to business managers**

Implement specialized leadership development programs in their organizations tailored to nurture entrepreneurial skills among team members. Foster a culture of ownership and innovation by promoting employee empowerment through idea-generation platforms and active participation in decision-making processes. Embrace flexibility and adaptability in leadership approaches to navigate dynamic market conditions effectively.

#### **6.3.3. Recommendations to business owners**

Prioritize implementing specialized leadership development programs to enhance entrepreneurial skills among their teams. Actively promote employee empowerment initiatives, including ideas generation and decision-making involvement platforms. Advocate for a cultural shift that embraces change and adaptability within the organization.

#### **6.3.4. Recommendations to employees**

Participate actively in leadership development programs to enhance entrepreneurial skills. Engage in idea-generation platforms and contribute to decision-making processes to foster a culture of ownership and innovation. Embrace a mindset of flexibility and adaptability to contribute to a dynamic and innovative work environment.

#### **6.3.5. Recommendations to other researchers**

Conduct further research on the effectiveness of specialised leadership development programs in different contexts and regions. Explore the impact of employee empowerment initiatives on organisational resilience and innovation. Investigate the role of leadership awareness programs in enhancing entrepreneurial leadership styles within SMMEs.

#### **6.4. Study limitations.**

While this study contributes valuable insights, it is essential to acknowledge its limitations. Firstly, the research focused on the Vhembe District, limiting the generalizability of findings to other regions. The unique socio-economic and cultural context of Vhembe may influence the applicability of results to different settings. Secondly, the study's reliance on self-reported data introduces the possibility of response bias, as participants may provide socially desirable answers, or their perceptions might not fully align with objective measures. Thirdly, the cross-sectional nature of the research design captures a specific moment in time, limiting the ability to infer causation or observe changes over an extended period.

Additionally, the study primarily relied on qualitative methods, offering rich insights but potentially lacking the statistical rigour associated with quantitative approaches. Furthermore, the research was conducted within specific industries, and the findings may not fully represent the diversity in all sectors. Lastly, external factors such as economic fluctuations or policy changes may impact the dynamic nature of SMMEs, introducing elements beyond the study's control. Recognising these limitations is crucial for appropriately interpreting and applying the study's findings.

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## ANNEXURE A: INTERVIEW GUIDE

My name is Mutshidza Muenda, and I am a student at the University of Venda pursuing a master's degree in business management. As part of the requirements for the completion of this degree, I am undertaking a research project on the topic "The Role of Entrepreneurial Leadership on the Business performance in Small, Medium, and Micro-Enterprises (SMMEs)." The purpose of this project is to explore the factors that contribute to the business performance of small and medium-sized enterprises (SMMEs) through effective entrepreneurial leadership. I assure you that all information provided will be treated with confidentiality and anonymity. Your participation in this study is entirely voluntary, and you have the right to withdraw at any time without any consequences.

By answering these questions, you confirm that you have understood the above and consent to participate in this study.

Thank you for your participation.

*Muenda M.K*

Researcher's signature

May 2023

Date

### Section 1: Demographic information

**What is your highest level of education?**

1. Matric
2. Diploma
3. Degree
4. Honours

5. Masters
6. Doctorate (PhD)
7. No formal education

### **Section 2: Impact of leadership styles on SMMEs performance**

1. How do you perceive the impact of different leadership styles on the overall performance of the business?
2. In your experience, how do different leadership styles influence employee satisfaction and engagement in your business?
3. Can you share specific instances where adopting a particular leadership style has improved business performance?

### **Section 3: Entrepreneurial leadership and SMMEs business performance**

1. From your perspective, how does entrepreneurial leadership contribute to the business performance and success of Small, Medium and Micro Enterprises (SMMEs)?
2. What challenges do SMMEs commonly face when implementing entrepreneurial leadership styles?
3. How do different leadership styles influence the overall performance of SMMEs?
4. In your experience, what is the relationship between leadership styles and employee satisfaction and engagement in SMMEs?
5. What are the key skills and traits you believe are necessary for successful entrepreneurship and leadership?

### **Section 4: Business background information**

1. What industry does your business fall under?
2. How would you define entrepreneurship and leadership, and how do you see them as interrelated concepts?

3. Can you please briefly describe your role and experience in entrepreneurship and leadership?
4. In your opinion, what are the key skills and traits required for successful entrepreneurship and leadership?