

UNIVERSITY OF KWAZULU NATAL

**IMPACT OF THE DEPARTMENT OF SMALL BUSINESS AND
DEVELOPMENT ON THE PERFORMANCE OF SMALL, MEDIUM AND
MICRO ENTERPRISES IN DURBAN, SOUTH AFRICA**

By

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DECLARATION

I, **Charles Tony Simpfiwe Ngwenya**, declare that:

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23 November 2018

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ABSTRACT

This inquiry unpacks the challenges constraining the active contribution of the Small Medium and Micro Enterprises (SMME's) by putting the focus on the role that is played by institutions like the Ministry of Small Business that has been created by the government to support SMME's. The objective of the study was to find out from the SMME's the extent to which the Department of Small Business Development (DSBD) and other institutions have been able to address the factors that have been identified as hindering the growth of the SMME's. The review of literature focused on theories such as economic growth, institutional theory, network theory and social entrepreneurship theory. The extent of the literature review examined the emerging markets in terms of the authorities' handling of the SMME's performance oriented endeavours and aspirations. The study was conducted in KwaZulu Natal, within eThekweni Municipality. The population of the study comprised of 800 SMME's of which a sample of 260 was chosen. The research approach that was employed was the quantitative methodology. Data was collected by means of structured self-administered questionnaire. The results of the study revealed that the majority of SMME's have never received grants, loans, finances, favourable discounts, and favourable credits. The result of the study revealed that the majority of SMME's have never received grants, loans, finances, favourable discounts and credits from conventional banks and big companies. Furthermore the majority of the respondents indicated that DSBD has not been able to assist them as it was envisaged it would do. The study showed that the technical support, access to markets, business environment, business climate, competitive business landscape and the external environment in general is not conducive for the SMME's to thrive. The study revealed that there is a stride that DSBD is playing concerning the creations of networks, collaborative partnership and associations although less than 50% indicated so. It is recommended that the financial resources be made more accessible by the SMME's irrespective of where they are and that the policy-makers must reinforce the laws that compels big companies to spend the 3% of the post-tax profit as the compliant requirement in the support of SMME's. It is further, recommended that the DSBD should do more in stimulating the Economic Growth Factors on behalf of the SMME's should facilitate the coordination of different institutions in assisting them not to work

silos. . Lastly, the study recommended that the SMME innovation and capacity building, which translate into market opportunities, should be the focal point of attention for the DSBD.

The literature review explored various concepts, theories and typologies that influence policy directives that provides stimulus for entrepreneurial activation. Theoretical framework focused on various theories that has levelled the entrepreneurial playing field for the SMME's to thrive. The research design employed was the quantitative methodology. Data was collected by means of structured self-administered questionnaire. Furthermore, the majority of the respondents indicated that the DSBD has not been able to assist them as envisaged.

Table of Contents

Title Page	i
Declaration	ii
Acknowledgements	iii
Abstract	iv
Table of Contents	v
List of Figures	xiv
List of Tables	xxiv
Abbreviations and Acronyms	xxxiv
CHAPTER 1	1
GENERAL INTRODUCTION	1
1.1 INTRODUCTION	1
1.2 BACKGROUND OF THE STUDY	4
1.2.1 Macro Factors	4
1.2.1.1 Economic Dimension	4
1.2.1.2 Political Dimension	5
1.2.1.3 Social Dimension	5
1.2.1.4 Technological Dimensions	5
1.2.1.5 Environmental Dimensions	6

1.2.1.6	Legislative Dimensions	6
1.2.2	Micro Perspectives	6
1.2.2.1	Institutional Factors	7
1.2.2.2	The Policy Makers	7
1.2.2.3	Entrepreneurial Factors	7
1.2.2.4	The Actors and Agents of Change	8
1.3	PROBLEM STATEMENT	8
1.4	AIMS AND RESEARCH OBJECTIVES	10
1.5	RESEARCH QUESTIONS AND Strategy	11
1.6	LOCATION OF THE STUD.	11
1.7	JUSTIFICATION OF THE RESEARCH.	12
1.8	METHODOLOGY OF THE STUDY	13
1.9	CONTRIBUTIONS OF THE STUDY	15
1.10	LIMITATIONS OF THE STUDY	15
1.11	DELIMITATION OF SCOPE OF THE STUDY	16
1.12	KEY ASSUMPTIONS OF THE STUDY	16
1.13	ORGANIZATION OF THE THESIS	17
1.14	CONCLUSION	18

CHAPTER 2	19
REVIEW OF LITERATURE	19
2.1 INTRODUCTION	19
2.2 The Macro-Perspective Within The Entrepreneurial Business Landscape	22
2.3 Literature Review on SMME Learning as a Contemporary Management Discipline	23
2.4 Literature Review on the Systemic Role of Institutions in Bolstering SMME’s Entrepreneurial Capability	31
2.5 Literature Review on Policy Support by Authorities in Nurturing SMME Performance in Emerging Markets	34
2.5.1 Literature Review on the SMME Policy Intervention in Russia	36
2.5.2 Literature Review on the SMME Policy Intervention in India	37
2.5.3 Literature Review on the SMME Policy Intervention in China	40
2.5.4 Literature Review on the SMME Policy Intervention in Brazil	44
2.6 CONTINENTAL-WIDE - LITERATURE REVIEW ON THE SMME POLICY INTERVENTION	47
2.6.1 A Nigerian Perspective	47

2.6.2	A Ghanaian Perspective	49
2.6.3	A Kenyan Perspective	51
2.6.4	The African Perspective in its Entirety	53
2.6.5	Literature Review on the SMME-Policy Intervention in South Africa	57
2.7	Synthesis of Literature-Review Chapter	61
2.8	CONCLUSION	62
CHAPTER 3		63
THEORETICAL AND CONCEPTUAL FRAMEWORK		63
3.1	INTRODUCTION	63
3.2	THE ECONOMIC GROWTH PERSPECTIVE	68
3.2.1	Criticism of the Economic Development Perspective	72
3.2.2	Contribution of the Economic Development Perspective	73
3.3	THE INSTITUTIONAL THEORY PERSPECTIVE	73
3.3.1	Normative Dimension	76
3.3.2	Cognitive Dimension	76

3.3.3	Regulatory Dimension	76
3.3.4	Criticism of the Institutional Theory Perspective	78
3.3.5	Contribution of the Institutional Theory Perspective	79
3.4	THE ENTREPRENEURSHIP PERSPECTIVE	80
3.4.1	Endogenous Performance Enablers for SMME's	80
3.4.1.1	Risk Assumption	81
3.4.1.2	Innovation	82
3.4.1.3	Self-Confidence	83
3.4.1.4	The Relationship Building Significance	84
3.4.1.5	Quality of Work & Integrity	84
3.4.1.6	Search and Analysis of Information	85
3.4.1.7	Initiative & Results Orientation	86
3.5	THE NETWORK THEORY	87
3.5.1	Content-Networking Relationship	87
3.5.2	Governance-Network Approach	88
3.5.3	The Organizational-Structure Network Dimension	88
3.5.4	Twenty First Century Networking Configuration	89
3.5.5	The Significance of the Network Process	89

3.5.5.1	Relatively Simple Dyadic-Network Model	90
3.5.5.2	Density-Oriented Network Model	90
3.5.5.3	Multi-Dimensional Inter-Organizational Network Exchange	90
3.5.6	Criticism of the Network Theory	91
3.5.7	Network Theory Contribution in This Inquiry	93
3.6	THE SOCIAL-ENTREPRENEURSHIP APPROACH	94
3.6.1	Criticism of the Social-Entrepreneurship Approach	97
3.6.2	Contribution of the Social-Entrepreneurship Perspective	98
3.7	CONCLUSION	99
CHAPTER 4		100
RESEARCH METHODOLOGY		100
4.1	INTRODUCTION	100
4.2	PARADIGMS AND PHILOSOPHICAL ASSUMPTIONS OF THE STUDY	102
4.2.1	Positivist Paradigm	104
4.2.2	Interpretivist/Constructivist Paradigm	105

4.2.3	Transformative Paradigm	105
4.2.4	Pragmatic Paradigm	105
4.3	RESEARCH DESIGN AND METHODOLOGY	106
4.3.1	Qualitative Research Methodology	109
4.3.2	Quantitative Research Methodology	109
4.3.3	Mixed-Methods Research Methodology	111
4.3.4	Selected Research Methodology	112
4.4	THE LOCATION OF THE STUDY	113
4.5	THE STUDY RESEARCH POPULATION	114
4.5.1	Sampling Technique	116
4.5.2	Probability Sampling Methods	118
4.5.3	Non –Probability Sampling Methods	119
4.6	DATA-COLLECTION INSTRUMENTS	119
4.6.1	Construction of the Research Instrument	121
4.6.2	Steps of Valid and Reliable Questionnaire	122
4.6.3	Administration of the Research Instrument	123

4.7	PILOT STUDY	124
4.8	RELIABILITY AND VALIDITY OF STUDY.....	127
4.8.1	Reliability	127
4.8.2	Validity	129
4.9	MEASUREMENT-ERROR STRATEGY AND MANAGEMENT.....	131
4.10	DATA COLLECTION	131
4.11	STATISTICAL TECHNIQUES	133
4.12	ETHICAL CONSIDERATIONS	134
4.13	RESEARCH LIMITATIONS	135
4.14	CONCLUSION	135
	CHAPTER 5	137
	INTERPRETATION AND DISCUSSION OF THE RESULTS	137
5.1	INTRODUCTION	137
5.2	BIOGRAPHICAL PROFILE OF THE SMME'S	138
5.3	SUMMARY OF BIOGRAPHICAL DESCRIPTIVE STATISTICS	141

5.4	BIOGRAPHICAL DESCRIPTIVE STATISTICS FOR OBJECTIVE 1	146
5.5	SUMMARY OF OBJECTIVE 2: DESCRIPTIVE STATISTICS	150
5.6	SUMMARY OF OBJECTIVE 3 DESCRIPTIVE STATISTICS	156
5.7	SUMMARY OF OBJECTIVE 4 DESCRIPTIVE STATISTICS	160
5.8	SUMMARY OF OBJECTIVE 5 DESCRIPTIVE STATISTICS	164
5.9	INFERENTIAL STATISTICS	165
5.10	VALIDITY OF THE STUDY.....	184
5.11	TOTAL VARIANCES	186
5.12	CRONBACH'S MODE (MEASURE OF RELIABILITY)	187
5.13	TEST STATISTICS: MANN WHITNEY TEST	187
5.14	ANALYSING NORMALITY OF A DISTRIBUTION: SHAPIRO-WILK TEST AND NORMALITY QQ PLOTS	188

5.15	TEST STATISTICS KRUSKAL WALLIS TEST: VARIABLE GROUPING	191
5.16	FACTOR PRINCIPAL COMPONENT ANALYSIS	193
5.17	CONCLUSION	199
CHAPTER 6	201
	INTERPRETATION AND DISCUSSION OF THE FINDINGS	200
6.1	INTRODUCTION	200
6.2	ENABLING THE ACCESS TO FINANCIAL RESOURCES	200
6.3	THE ROLE OF INSTITUTIONS THAT EMPOWERS THE SMME'S	201
6.4	FACILITATION OF THE WINDOW OF OPPORTUNITIES FOR THE SMME'S	203
6.5	ENABLING BUSINESS LANDSCAPE ENVIRONMENT	204
6.6	THE ENTREPRENEURIAL CULTURE AND MIND-SET	206
6.7	THE RELEVANCE OF NETWORKS AND THE EXTERNAL RESOURCES	207
6.8	THE RED TAPE AND THE ACCESSIBILITY OF THE DSBD OFFICES	208
6.9	THE SIGNIFICANCE OF ACCESS TO INFORMATION AND EXPERTISE	208

6.10	THE CONSOLIDATION OF TECHNOLOGY REQUIREMENTS AND THE READINESS OF SMME'S	209
6.11	THE ACTIVISM AND TRANSPARENCY OF DSBD AT LOCAL AND PROVINCIAL LEVEL	210
6.12	REVITALIZATION OF THE TOTAL ENTREPRENEURIAL ACTIVITY	211
6.13	RELEVANCY OF SMME EXPOSURE TO ENTREPRENEURSHIP CURRICULUM	212
6.14	CONCLUSION	213
CHAPTER 7		214
RECOMMENDATIONS AND CONCLUSIONS		214
7.1	INTRODUCTION	214
7.2	THEORY GENERATION FROM THE THESIS	214
7.3	RESEARCH OBJECTIVES AND RESPONDENT APPRAISAL	216
7.4	DEMOGRAPHIC INFORMATION FROM PRIMARY DATA	217
7.5	ANSWERS TO RESEARCH QUESTIONS	218
7.6	RECOMMENDATIONS	227
7.7	RECOMMENDATION FOR FUTURE RESEARCH	233

7.8	CONTRIBUTION OF THE STUDY TO BUSINESS/PUBLIC SECTOR SUPPORT	234
-----	--	-----

7.9	CONCLUSION	236
-----	------------------	-----

FIGURES

FIGURE 1.1	Map of the City of Durban	10
------------	---------------------------------	----

FIGURE 2.1	Blooms' Original and Revised Different Levels Of Learning and Thinking Taxonomies	20
------------	--	----

FIGURE 2.2	Stylized Macro-Perspective Within The Entrepreneurial Business Landscape	22
------------	---	----

FIGURE 2.3	The Entrepreneurial Process of Learning And Identification of Opportunities	27
------------	--	----

FIGURE 2.4	Conceptual Entrepreneurial Learning Model	29
------------	---	----

FIGURE 2.5:	Global Competitive Index Framework Report	33
-------------	---	----

FIGURE 2.6	Challenges Facing SMME's From the Indian Perspective	38
------------	---	----

FIGURE 2.7	Country Specific, Industry Specific Challenges For SME's In India	40
------------	--	----

FIGURE 2.8	The Relationship Between Entrepreneurship and Economic Development in the Nigerian Context	49
------------	---	----

FIGURE 2.9 Africa Attractiveness Survey: Perceived Barriers to Investment	55
FIGURE 2.10 Expert Ratings of The Entrepreneurial Eco-System of The Global Entrepreneurship Monitor	57
FIGURE 3.1 Three Economic Objectives for Entrepreneurship	68
FIGURE 3.3 Virtual Change Learning Model (VLCM)	85
FIGURE 3.4 Stylized Determinants of Business Success SMME's	90
FIGURE 4.1 Research Onion	103
FIGURE 4.2 A Conceptual Model of Qualitative Research	109
FIGURE 4.3 A Conceptual Model Of Quantitative Research	110
FIGURE 4.4 Demographics & Population Distribution in South Africa	113
FIGURE 4.5 Sampling Frame In Relation To Population and Sample	114
FIGURE 4.6 Functionalistic Research Process	133
FIGURE 5.1 Normal Q-Q Plot of DSBD facilitation of SMME Access to markets	190
FIGURE 5.2 Normal Q-Q Plot of institutions assisting SMME's Whether they are easily accessible	190

FIGURE 5.3 Histogram detailing whether DSBD has facilitated SMME access to the markets	192
--	-----

FIGURE 5.4 Scree Plot detailing Eigenvalues of Component Variables	197
--	-----

TABLES

TABLE 1.1 DSDB Strategic Cardinal Pillars	9
---	---

TABLE 3.1 Developing Economies Institutional Profiling	76
--	----

TABLE 3.2 McKinsey Eight Essentials of Innovation	85
---	----

TABLE 4.1 Independent & Independent Variable Relationship	110
---	-----

TABLE 4.2 Sample Size for a Given Population Size	117
---	-----

TABLE 4.3 Probability Samples & Non-Probability Samples Considered in a Research Inquiry	119
--	-----

TABLE 5.1: Frequency Table Detailing SMME's Gender Profile	138
--	-----

TABLE 5.2 Frequency Table Detailing Enterprise Location	138
---	-----

TABLE 5.3 Frequency Table Detailing Educational Achievements	139
--	-----

TABLE 5.4 Frequency Table Detailing Years' Operating the Enterprise	139
---	-----

Table 5.5	Frequency Table Detailing SMME's Annual Turnovers (R in Millions)	140
TABLE 5.6	Frequency Table Detailing Personnel Profiles Employed by SMME's	140
TABLE 5.7	Frequency Table Detailing Enterprise Life Cycle	140
TABLE 5.8	Summary of Biographical Descriptive Statistics	141
TABLE 5.9	Frequency Table Detailing Whether or Not the Respondents Received Finance in the Form of a Grant Contribution as a Beneficiary SMME's	142
TABLE 5.10	Frequency Table Detailing Whether or Not the Respondents Received Finance in the Form of a Loan as Beneficiary SMME	142
TABLE 5.11	Frequency Table Detailing Whether or Not the Respondents Received Finance Requiring Collateral Security	143
TABLE 5.12	Frequency Table Detailing Whether or Not the Respondents Received Favourable Credit	143
TABLE 5.13	Frequency Table Detailing Whether or Not the Respondents Received Favourable Discount	144

TABLE 5.14	Frequency Table Detailing Whether or Not the Respondents Received Funding	144
TABLE 5.15	Frequency Table Detailing Whether or Not the Respondents Accessed Funding for Their Enterprises from One of the Country's Major Retail Bankers	144
TABLE 5.16	Frequency Table Detailing Whether or Not the Respondents Successfully Obtained Funding from State Sponsored Financial Development Institutions (FDI's)	145
TABLE 5.17	Summary of Objective 1 Descriptive Statistics	146
TABLE 5.18	Frequency Table Detailing Whether Respondents Believe DSBD Playing an Important Role for the SMME's to Achieve Their Full Potential	147
TABLE 5.19	Frequency Table Detailing Whether the Respondents Have Requested Financial, Technical and Operational Assistance from DSBD	147
TABLE 5.20	Frequency Table Detailing Whether the Respondents are of the Opinion that DSBD have Facilitated Their Business Access to Market Opportunities	148
TABLE 5.21	Frequency Table Detailing Whether or Not the Respondents Believe That the Business Landscape Environment is Levelled for the SMME's Prosperity	148

TABLE 5.22	Frequency Table Detailing Whether Or Not the Respondents Believe the Present Business Climate is Offering SMME's Sufficient Opportunities to Thrive	149
TABLE 5.23	Frequency Table Detailing Whether Or Not the Respondents Believe as the Business Owner They Understand the Demands of the Competitive Environment	149
TABLE 5.24	Frequency Table Detailing Whether or Not the Respondents are of the Opinion That the External Environment Is Conducive Enough for the SMME's To Fulfil Their Full Potential	150
TABLE 5.25	Summary of Objective 2: Descriptive Statistics	150
TABLE 5.26	Frequency Table Detailing Whether or Not the Respondents Believe That the Red Tape Should be Reduced e.g. When Formally Registering Their Enterprise	151
TABLE 5.27	Frequency Table Detailing Whether or Not the Respondents Believe the DSBD Office are Easily Accessible at the Provincial and Local Level	152
TABLE 5.28	Frequency Table Detailing Whether or Not the Respondents Believe That the Institutions That are Meant to Assist and Support the SMME's are Easily Accessible to the SMME's	152
TABLE 5.29	Frequency Table Detailing Whether Or Not the Respondents Believe That It Is Important for the SMME's To Join the Networks	153

TABLE 5.30	Frequency Table Detailing Whether or Not the Respondents Have Participated in the Network Activities Organized by DSBD	153
TABLE 5.31	Frequency Table Detailing Whether Or Not the Respondents are Of the Opinion That the DSBD Has Facilitated the Information Sharing Sessions	154
TABLE 5.32	Frequency Table Detailing Whether or Not the Respondents Believe it is Important for The DSBD to Promote the Set Aside for Business Opportunities	154
TABLE 5.33	Frequency Table Detailing Whether or Not the Respondents in Their Opinion Believe That DSBD Encourages Inter Organizational Structure Network Dimension	155
TABLE 5.34	Summary of Objective 3 Descriptive Statistics	156
TABLE 5.35	Frequency Table Detailing Whether or Not the Respondents Have Gone Beyond Their Own Geographical Territory	157
TABLE 5.36	Frequency Table Detailing Whether or Not the Respondents Believe DSDB Has Assisted Their Enterprise to Access Markets in Other Provinces	157
TABLE 37	Detailing Whether or Not the Respondents Believe That the Type of Business That They are Operating Does Require the Latest Technology for Better and Improved Performance	158

TABLE 5.38	Frequency Table Detailing Whether or Not the Respondents in Their Opinion the DSBD is Doing Enough to Promote Their Readiness as the SMME'S to Compete at All Levels	158
TABLE 5.39	Frequency Table Detailing Whether or Not the Respondents Possess Formal Qualification Necessary for the Business That They are Operating	159
TABLE 5.40	Frequency Table Detailing Whether or Not the Respondents Believe the DSBD Is Visible Enough in Advocating, Lobbying and Advancing the Objectives of the SMME's	159
TABLE 5.41	Summary of Objective 4 Descriptive Statistics	160
TABLE 5.42	Frequency Table Detailing Whether or Not the Respondents Believe the Low Total Entrepreneurial Activity (TEA) of the SMME's is as A Result of the Lack of Concerted Effort by the DSBD	161
TABLE 5.43	Frequency Table Detailing Whether Or Not the Respondents Share the Sentiment That the Onus is on Their Shoulders as the SMME's to Influence the Entrepreneurial Policy Direction	161
TABLE 5.44	Frequency Table Detailing Whether or Not the Respondents Believe the Socio-Economic Ills of Mismanagement, Corruption, Maladministration, Graft, Greed, Nepotism and Favouritism Do Not Affect the SMME's	162
TABLE 5.45	Frequency Table Detailing Whether or Not the Respondents Have Approached DSBD to Assist in Addressing the Business Challenges That Their Enterprise Faces	162
TABLE 5.46	Frequency Table Detailing Whether or Not the Respondents in Their Opinion the Policy-Makers are Doing	

Enough in Making a Constructive Contribution in the Reduction of the Three Social Ills	163
---	-----

TABLE 5.47 Frequency Table Detailing Whether or Not the Respondents They Have Collected Sufficient Resources, Tools and Expertise Required for the Successful Running of Their Business	163
--	-----

TABLE 5.48 Frequency Table Detailing Whether Or Not the Respondents Believe That the Current Business Enterprise That They are Operating is In Line With the Job Whilst Formally Employed	164
--	-----

TABLE 5.49 Summary of Objective 5 Descriptive Statistics	165
--	-----

TABLE 5.50 Correlations for Objective 1 Detailing Associations or Relationships Between the Two Variables: “Finance in the Form of a Loan” And “Funding Access”	164
---	-----

TABLE 5.51 Correlations for Objective 2 Detailing Associations or Relationships between Variables “I Understand the Demands of the Competitive Environment” and “the External Environment is Conducive for SMME Full Potential “.	167
--	-----

TABLE 5.52 Correlations for Objective 3 Detailing the Association Between Two Variables: “Importance for DSBD to Promote Business Opportunities” and “Participation in Network Activities Organized by DSBD”	169
---	-----

TABLE 5.53 Correlations for Objective 4 Detailing the Association Between Two Variables “Latest Technology Required For Better and Improved Performance” and “I Have Formal Qualification to Operate”	172
--	-----

TABLE 5.54	Correlations for Objective 5 Detailing Relationship Between Variables “Policy-Makers are Making Constructive Contribution to Reduce Social Ills” and “Current Business Operation in Line With Job Whilst Formally Employed”	174
TABLE 5.55	Regressions for Objective 1	177
TABLE 5.56	Regressions for Objective 2	178
TABLE 5.57	Regressions for Objective 3	180
TABLE 5.58	Regressions for Objective 4	181
TABLE 5.59	Regressions for Objective	182
TABLE 5.60	Validity of the Study	184
TABLE 5.61	Total Variances	186
TABLE 5.62	Cronbach’s Mode (Measure of Reliability)	187
TABLE 5.63	Detailing Mann Whitney Mean Rankings Groupings Between Male & and Female Owned SMME’s.	187
TABLE 5.64	Detailing Mann Whitney Sum Rankings groupings Between Male & and Female Owned SMME’s	188
TABLE 5.65	Detailing the Mann Whitney test	188
TABLE 5.66	Detailing Kolmogorov-Sminorv and Shapiro- Wilk Test of Normality	189
TABLE 5.67	Detailing the Mean rankings	191
TABLE 5.68	Kruskal - Wallis Test Statistics	192

TABLE 5.69	Detailing the Mean Median Group Rankings	192
TABLE 5.70	Descriptive Statistics detailing Mean & Standard Deviation on Principal Component Analysis	193
TABLE 5.71	KMO and Bartlett's Test detailing Measure of Sampling Adequacy	193
TABLE 5.72	Extraction Method: Principal Component Analysis: Component Matrix	194
TABLE 5.73	Extraction Method: Principal Component Analysis: Communalities	195
TABLE 5.74	Principal Component Analysis Total Variance	197
TABLE 5.75	Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization	198
TABLE 5.76	Descriptive Statistics on Factor Analysis for Principal Component Analysis	198
TABLE 5.77	Component Score Coefficient Matrix	199
TABLE 7.1	Finance Oriented Recommendations	216
TABLE 7.2	Objectives Categorization with Variables.	229

ABBREVIATIONS AND ACRONYMS

ANC: African National Congress
BB-BEE: Broad Based Black Economic Empowerment
CIPC: Companies and Intellectual Property Commission
CSD: Central Supplier Data Base
DSBD: Department of Small Business Development
DTI: Department of Trade and Industry
EME: Emerging Micro Enterprises
GE: Generic Enterprises
GEM: Global Entrepreneurship Monitor
FSP: Financial Services Provider
HDI's: Historically Disadvantaged Individuals
IDP: Integrated Development Plan
LED: Local Economic Development
NDP: National Development Plan
PDI's: Previously Disadvantaged Individuals
QSE: Qualifying Small Enterprises
RSA: Republic of South Africa
SARS: South African Revenue Services
SDG: Sustainable Development Goals
SMME: Small, Micro, Medium and Micro Enterprises
SPSS: Statistical Package for Social Sciences
TEA: Total Entrepreneurial Activity
WEF: World Economic Forum

REFERENCES 238

ANNEXURES

ANNEXURE 1: Letter of Informed Consent 252

ANNEXURE 2: Research Instrument 255

ANNEXURE 3: Ethical Clearance 263

ANNEXURE 4: Gate Keeper's Letter 265

ANNEXURE 5: Editor's Report 267

	CHAPTER 1 GENERAL INTRODUCTION	
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1.1 INTRODUCTION

This chapter provides the background of the study. It goes on to provide the problem statement and the aims and objectives of the study followed by the research questions and strategy employed. Furthermore, the chapter provides an indication of who formed the population of the study from which the sample was drawn. The chapter also provides justification why the study was embarked on and what contribution the study is going to make to the body of knowledge and policy makers. The methodology of the enquiry is also provided, also giving an indication as to what limitations, delimitations and key assumptions the researcher had to deal with. The organization or structure of the thesis is also presented which eventually paves a way to chapter 2 that focuses on the literature reviewed.

1.2 BACKGROUND OF THE STUDY

According to Olawale and Garwe (2010) the failure-rate of Small, Medium and Micro Enterprise's (SMME's) is alarming, especially in the pre-start phase and this is a cause for concern considering the potential of their contribution to the economic growth. This trend and pattern does not augur well for South Africa as a country with an emerging economy where, according to the World Economic Forum's (WEF) Global Entrepreneurship Monitor (GEM) study on entrepreneurship across the globe, the Total early start-up of Entrepreneurial Activity (TEA) in South Africa is relatively low. The performance of SMME's in emerging and developed economies is a prediction of the socio-economic prosperity and development of both (Gumbi and Mnkandla, 2015).

This view was earlier advanced by Modimogale and Kroeze (2009) who maintain that there is a direct correlation between SMME performance and the positive trends in the Gross Domestic Product (GDP). The high unemployment levels in the country (as evidenced in the 2016, Q3 unemployment figures of 27.1%) are increasing as a result

of the low economic growth being experienced. These levels of unemployment are exceptionally high amongst the population's youth in the 18-35 group, where, according to the National Youth Development Agency (NYDA) a staggering 54% are unemployed. The unemployment figure was fast approaching the six (6) million mark during the 2016, Q3 counting of those individuals who are job-seekers and supposed to be economically active participants and contributing to the country's economic growth and tax revenues. The economy has not been growing at the rate which will be able to absorb the job entrants into the labour market where an entrepreneurial activity is of paramount importance in order to reduce this plight. The institutional and the stakeholder scenario, especially at the municipal level, which is the focal point of this inquiry, will be scrutinized, diagnosed and dissected to identify the obstacles and barriers that hinder this entrepreneurial expansion.

The realization by the authorities and the policy-makers of the significant role that is on the shoulders of the SMME's in addressing the socio-economic challenges of joblessness, income inequality and poverty, helps and assists in the process of stimulating job-creation and improving economic output. This inquiry is about the impact of the Department of Small Business Development in minimizing the challenges faced by SMME's and the stimulation of their performance at a local municipality level. Various scholars have highlighted the significance of the role of SMME's in the contribution to economic growth within the broader entrepreneurial sphere (Nichter and Goldmark, 2009 ; Le Roux and Bengesi, 2014). In developing economies, the subdued culture of entrepreneurship, lack of expertise, poor networking capabilities and the inability to secure finance and credit, constrains SMME progress and sustainability (Lim and Kimura, 2009).

Goal Number Eight (8) of the Sustainable Development Goals (SDG), which has since replaced the Millennium Development Goals (MDG), of the United Nations Development Programme (UNDP), is the promotion of the inclusive, participatory and sustainable economic growth. An African Proverb says, "If it rains, it rains for everybody". In the context of the study, this translates to both the larger industries and the Small, Medium and Micro Enterprises. The prospects of SMME performance hinge on its global marketing potential and outlook in terms of its tactics, strategy and cultural alignment (Knight, 2000). Globally, 200 million people are jobless and six

hundred (600) million jobs have to be created in a decade's time to attain social cohesion and global economic growth, as noted in the SDG's targets. While globally, the fluctuations of economic instruments like the currency exchange rates, the rising consumer-price inflation (CPI), the low levels of business confidence, the unfavourable interest rates and the stock-market turbulence have not made matters easy for emerging economies like South Africa. Credit-rating agencies were in the country during 2016, in the Fourth Quarter (Q4), to assess the country's potential as an investor destination.

There was a high probability of a further downgrade to junk status, which would invariably render the country as a risky investor destination, which would, therefore, increase the cost of borrowing from the financial markets while casting pessimism and uncertainty within the investor community. The geo-political permutations of the United Kingdom's Brexit in 2016 and the shock National election results of 2016 in the United State of America of a conservative candidate for presidency, which took the world by surprise, continue to raise uncertainty in terms of the global economic prosperity and outlook.

Weak economic growth is not conducive for SMME's to sustain their growth prospects as this influences to the consumers' purchasing power and stagnates the progress of the country's economic development. The DSBD could assume a fundamental role in promoting the SMME's in an effort to level the business playing field. This could be of particular significance to the local municipality level that has now to deal with major socio- economic ills ravaging the hopes and dreams of a better quality of life for all and sundry. The other predicaments that are beyond the control and the organization of the SMME's are the borrowing costs of the monetary authorities.

This compounds the challenges and frustrations confronting the SMME's which impede their progress and warrants institutions like the DSBD to take to the centre-stage to promote entrepreneurial transparency and activism to sustain the aspirations of the SMME's. The SMME industry is construed as the main driver of employment-creation, productivity development and export stimulation in both industrialised and emerging economies (Toma, 2014). While the DSBD is still in its infancy, having been established in 2014, some progress must have been achieved by now. It is on the

basis of this consideration that a study to gauge how this new ministry is coping with these challenges is important. The study should enable the new ministry to obtain information early enough to change and align their policies. The study should also serve as a starting point, which should pave the way for other, future, related studies and research in this field and discipline.

1.2.1 Macro Factors

The role that is played by the external and exogenous factors in the field of entrepreneurship could make or break the SMME's success and sustainability. Consequently, it is of great importance for SMMEs to understand these dynamics that are ordinarily beyond the control, organization and the manoeuvring of SMME's yet are crucial for their success. These external factors are listed below in an attempt to introduce them into the structure and the organization of the inquiry and they are as follows:-

1.2.1.1 The Geo-Political Dimension

The country can boast of a state of the art bill of human rights and a universally admired modern constitution, applicable to the legislative, judicial and the executive spheres of governance. All citizens in the country enjoy political enfranchisement, human rights and the freedom of expression and speech. Since the dismantling of the inhumane Apartheid regime in 1994, the country has enjoyed political stability which is evidenced by the smooth transition of the political administration from Nelson Mandela, who was the country's first democratically-elected president and who, after serving one term of office, passed the leadership baton to President Thabo Mbeki. The current state President Jacob Zuma continues to observe the democratic principles and resolve which accommodates everyone to be equal according to the laws of the country. The political scene has therefore set the tone for entrepreneurial activity to flourish and to realize its full potential (Beall et al., 2005).

1.2.1.2 Economical Dimension

The economic scene has been characterized as experiencing both 'tailwinds' and 'headwinds', just like the major economies of the world. This typifies our country as an economic actor in the global village (Van Stel et al., 2005) . The economy continues to be linked through trade with other economies in the global village which is evidenced by our visible participation in the import and export relationship with them (Carree and Thurik, 2003). The country is dependent on global economic trends and is also susceptible to economic global permutations, turbulences and trading patterns (Wennekers et al., 2010b) . The ramifications in the economic landscape have a direct impact on the entrepreneurial activity of the SMME's whether in terms of currencies, imports, commodity prices, exports, trade agreements, or international relations, to name a few (Wong et al., 2005 ; Valliere and Peterson, 2009 ; Gardner et al., 2014).

1.2.1.3 Social Dimension

Social dynamics play a crucial role in the entrepreneurial sphere. Here one could cite factors like labour, the educational levels, the socio-political demographics, and the work ethics of the personnel that the country produces. Social stability in the country has been relatively constant with the exception of the service delivery strikes and the higher learning education student's upheavals of late, but otherwise the social scenario remains relatively calm. It is, therefore, important that, in terms of social cohesion, an equilibrium ought to be struck between the optimisation of the social-value creation and its commercial value (Narayan, 2002 ; Hsiang and Burke, 2014).

1.2.1.4 Technological Dimensions

While the country is classified as an emerging economy with net-commodity exporter tendencies, there are sectors that are at the leading edge of business sophistication and in the forefront of innovation in the financial and manufacturing sectors. Technology transfer could provide much amelioration for the SMMEs if it could be extended and augmented further, for instance through the increase of public-private partnerships (Schleimer and Riege, 2009). The higher learning institutions could take a leading role in accelerating this endeavour by up scaling the technological,

technological skills transfer and engineering capacities of scores of individuals who, in turn, would contribute into the reduction of joblessness (O'shea et al., 2005).

1.2.1.5 Environmental Dimensions

The country is signatory to the COP 21 United Nations Climate Change Paris 2015 protocol in terms of a green climate and the safeguarding of the environment by curbing carbon emissions (WEF Global Risk, 2015). The threat of global warming has been a priority of the authorities in the country in order to curtail the destruction of the environment as a result of the gas emissions that are destroying it (WEF Global Risk, 2015). . The country fully embraces except for the reliance upon coal-fired plants that generate electricity. The green energy initiatives, which is a sign that it is sensitive to the environmental degradation, practices which is a good exercise on behalf of the SMME's and their future well-being.

1.2.1.6 Legislative Dimensions

The country has the Supreme Courts, Appeal Courts and the Constitutional Court which complement the human rights and the equality-for-all before-the-court and the doctrine that nobody should be denied justice as we are all equal before the law. The legislative realm is fully anchored in our society and is protected by the Constitution of the Republic.

1.2.2 Micro Perspectives

The factors that pertain to the entrepreneurial attributes of SMME's, in terms of their inherent attributes that prepare them to be thrown in at the deep end of the entrepreneurial competitive environment, will be looked at. These range from their characteristics as entrepreneurs, the entrepreneurial process that they go through, as well as the lifecycle phases coupled with the growth strategies that complement their business concept and models (Hitt et al., 2011, Sirmon et al., 2011) . These elements include the expertise and the competencies that they possess, both the internal and the external resources for the venture, the productivity impetus that augments their

strategy, the market niche that they have carved for themselves and the strategies to remain relevant to the customers and to gaining brand or customer loyalty.

1.2.2.1 Institutional Factors

The narration of the three elements that inform the institutional factors which are the normative, cognitive and the regulatory dimensions will be dealt with at length in an effort to fully comprehend their contribution to the entrepreneurial business landscape. Various scholars (North, 1990; Kostova, 1999; Busenitz et al., 2000) have emphasised the significance of the role of the institutional influence on the aspirations of the SMME's in either promoting or hindering the entrepreneurial activity and participation.

1.2.2.2 The Policy Makers

The role of stakeholders will be factored into the discourse because of their role in facilitating an environment that seeks to improve the performance of the SMME's. These very same policy-makers are also human beings and human beings are also fallible. The significant dimension would be to identify and expose those characteristics that might appear to be falling into the trap of the dereliction of duty in terms of their tasks and obligations that are meant to be contributory factors to the benefit of the SMME's (Audretsch et al., 2007 ; Foxon and Pearson, 2008) .

1.2.2.3 Entrepreneurial Factors

The entrepreneurial variables of innovation, risk orientation as well as opportunity-recognition will be dealt with and unpacked in such a way that they clarify the role that the entrepreneurs ought to play in order to bolster their chances of success (Mitchelmore and Rowley, 2010) . It must be remembered that entrepreneurial activity in an emerging-market economy like South Africa is still confronted by a variety of predicaments that thwart the progress and development of SMME's (Woodward et al., 2011) .

1.2.2.4 The Actors and Agents of Change

This section refers to the officials whose expected tasks and actions are to execute the policy directives that have been established by the policy-makers and the authorities. According to the Auditor-General's findings for the financial year 2015/2016, more than R 43 billion has been categorised as either irregular or fruitless expenditure. This highlights a culture of lack of accountability and business ethics, while SMME's are there to provide much-needed products and services to take the country forward (Ntim et al., 2013).

1.3 PROBLEM STATEMENT

The DSBD has been in existence for the past three 3 years, established in 2014, however the Total start-up Entrepreneurial Activity (TEA) in the country is still low as indicated by Global Entrepreneurship Monitor (GEM) Report of 20116-2017. The GEM report could be contextualized with the Global Competiveness Index (GCI) of 2016-2017 report, which indicate that South Africa has regressed in terms of rankings in the competitiveness stakes. The SMME continue to lack support in respect to the availability of finances, capital and credit-facility just to mention but a few. The study attempted to arrive at a significant business and management oriented intervention and solution by the policy-makers that could make a tangible and constructive contribution to this predicament that support the SMME's to perform optimally.

The ANC-led government formed the National Planning Commission (NPC) in 2012 under the Ministry in the Presidency whose main tasks were to develop policies and strategies that would help them to address challenges faced by the nation such as poverty, inequality and unemployment. Informed by the recommendations by the National Planning Commission (NPC), President Zuma presented a nine (9)-Point Plan which has prioritised support for the participation of the Small Medium and Micro Enterprises to bring them from the periphery of the business landscape into the mainstream economy.

The National Development Plan under the auspices of the NDP set out to achieve by 2030, the creation of approximately six (6) million jobs. The NPC, informed by

successes of the other developing economies such as Brazil and India, comprehended that such a target could be achieved through the stimulation of the Small Medium and Micro Enterprises (SMME). This would invariably act as a catalyst for job-creation and contribute to productivity and economic growth.

The DSBD realized that for 500 000 jobs per year to be created, which is in line with the aspiration of the NDP, the institutionally-manifested barriers and obstacles getting in the way of SMME's needed to be thrashed out. These predicaments have been contextualised within the five (5) cardinal and fundamental pillars listed in table 1.1.

Five Cardinal Pillars of the DSBD

Cardinal Pillar Types	Elucidation
One	The creation by the policy-makers of an environment that is conducive to an enabling regulatory and legal SMME participation.
Two	Assistance, upliftment and support of SMME's through the mechanism of the SMME development.
Three	Facilitation and acceleration of collaboration and co-existence between government Departments and SMME's.
Four	Networks, Partnerships, market linkages, stakeholder participation and management.
Five	Empowerment through accessibility of information and knowledge by SMME's.

Table 1.1 Source: DSDB Strategic Cardinal Pillars

It is on the basis of this consideration that the inquiry is set to establish benchmarks and milestones that could guide the DSBD in achieving its mission and the realization of its vision, which is to assist the SMME's in making a tangible and a constructive contribution to economic growth and to the reduction of joblessness. This inquiry should afford an opportunity for the DSBD to be able to access information early enough to adapt and align their interventions. It should also serve as the bedrock,

which should provide the mechanisms for other studies , research in this field and discipline such as indicating the opportunities for the SMME's.

1.4 AIMS AND RESEARCH OBJECTIVES

The study examines and assesses the impact of the role of the Department of Small Business Development (DSBD) in terms of its promotion of the performance of Small Medium and Micro Enterprise (SMME) in Durban, South Africa, in order to compete strategically and professionally in the mainstream-business landscape.

In this study, the researcher sought to provide contribution to the expanding body of literature and knowledge on the impact of the relevant authorities' attempts to create a business climate conducive for accelerated competitive SMME performance for the achievement of the National Development Plan objectives of an inclusive economic growth and the reduction in unemployment.

In order to accomplish the aims and objectives of the study, the following broad objectives were formulated namely:

- Investigating and assessing the institutional mechanisms role required to create and facilitate access to the financial and non-financial resources on behalf of the SMME's;
- Examining the economic growth factors that contribute to the support of SMME's within the context of the local government sphere;
- Identifying the benefits of the establishment of networks, collaborative partnerships and desirable associations that are relevant for the SMME's to prosper and grow;
- Analysing the benefits of accessing the knowledge, information and expertise required for the SMME's optimal performance; and
- Examining the impeding factors that act as obstacles and barriers hampering the acceleration of SMME growth and prosperity.

1.5 RESEARCH QUESTIONS AND STRATEGY

- What is the institutional mechanism's role in creating and facilitating access to financial and non-financial resources on behalf of the SMME's?
- What are the economic growth factors that contribute to the support of SMME's within the context of the local government sphere?
- Why the establishment of networks, collaborative partnerships and desirable associations is relevant for the SMME's to prosper and grow?
- What are the benefits of accessing the knowledge, information and expertise required for the SMME's optimal performance?
- What are the impeding factors that act as obstacles and barriers retarding the acceleration of SMME growth and prosperity?

1.6 LOCATION OF THE STUDY

The location of the study was the EThekweni Municipality area as defined by the Demarcation Board in terms of the local municipality boundaries, in the Province of Kwa-Zulu - Natal. EThekweni municipality is enjoying the status of being a Metro-type of a municipality situated in the coastal region of Kwa-Zulu – Natal on the shores of the Indian Ocean. EThekweni Municipality is a culturally diverse city that is an epitome of the 'Rainbow Nation'. It can also boast of a Zulu Monarch as its traditional heir. The City is mainly urbanised and it has one of the biggest harbours on the African Continent. It is a vibrant city with manufacturing, services and the tourism sector as the main drivers of its economic activity.

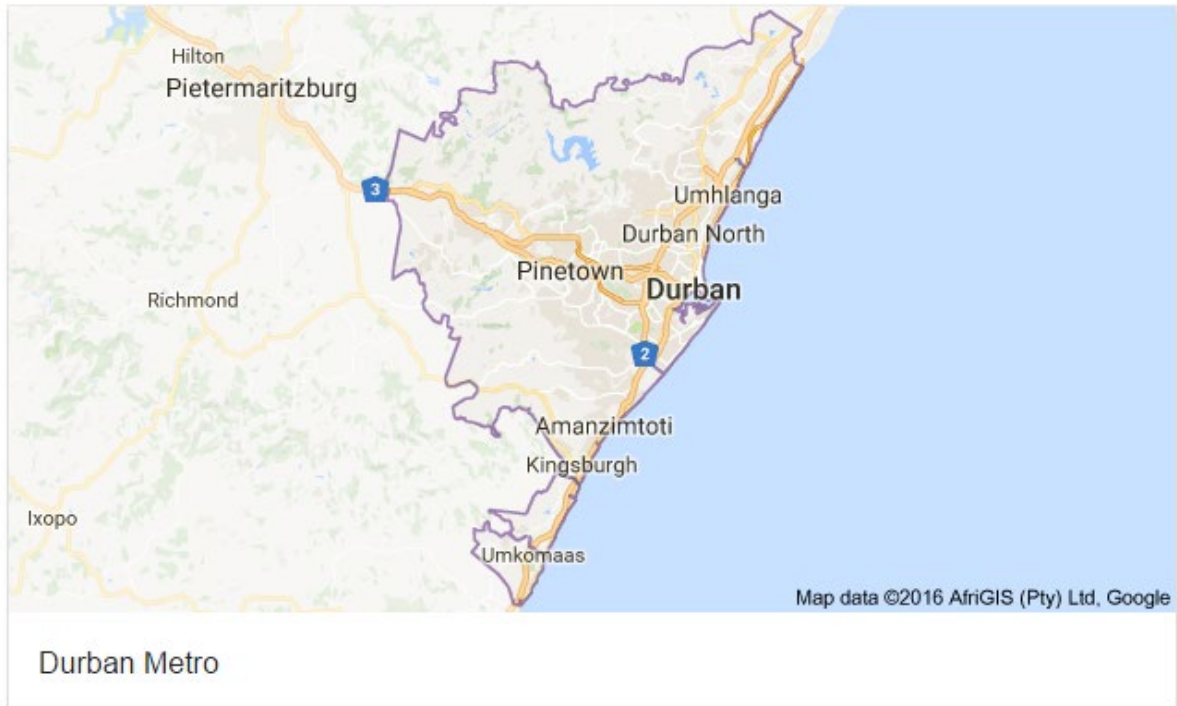


Figure 1.1 Map of the City of Durban.

1.7 JUSTIFICATION OF THE RESEARCH

Various stakeholders, globally, continentally, nationally, provincially, as well as locally, create policy and programs of intervention in an effort to facilitate the provision of entrepreneurial interventions and solutions. This attempt, specifically in an emerging economy like the one South Africa has, necessitates a fresh and unique approach to continue to invigorate innovative, inventive and creative contributions in order to enable SMME's to realize their full potential. The undertaking of such studies underscored by (Herrington et al., 2010; Mboniyane and Ladzani, 2011) the fundamental and profound significance of the continued discourse within the field of entrepreneurship (Mahadea, 2012 ; Preisendörfer et al., 2012) . Unemployment, amongst other socio-economic ills, is just one case in point that detracts from the gains that have been achieved since the dawn of a democratic dispensation and the peaceful transition for every citizen in the country to enjoy the political enfranchisement, enshrined in the Bill of Rights and in a progressive modern constitution.

The important data that the inquiry will attempt to extrapolate from a variety of sources including, amongst others, the academic, the, economic, commercial, managerial, experiential and methodological. These will form the basis of a credible inquiry. This data will be designed in a manner that the phenomena under investigation should yield the desired results that the study proposes to achieve, while paving a way for similar studies to be examined in the future. The systematic bridging of the gap within the existing pedagogical field of study and, particularly, the areas of economic growth, entrepreneurship, institutional theory and network theory will be investigated and synthesized.

The envisaged result of the enquiry and the outcome will be in the form of a proposed conceptual framework that should demonstrate uniqueness in terms of the originality, independence of thought, practicability of its application and the general academic merit of the investigation. In summary, the rationale and justification for this inquiry is that it should determine-

- The scientific relevance and the need for the inquiry within a particular parent discipline and sub-disciplines;
- The pertinent data and information within which the inquiry will add to the broader body of knowledge
- The innovative and the unique nature of the findings;
- The, implication of the inquiry results and insights; and
- The allowance for findings of the study, which could be scientifically disproven in a similar but different context.

1.8 METHODOLOGY OF THE INQUIRY

The role of the methodology in the inquiry could be described as the structural foundation for the ordering of reliable responses to the research questions when answered as accurately as possible by the respondents (Creswell , 2013) . The methodology selected by the researcher was undertaken to solicit as much data as possible that could be analysed and which would offer the credible and appropriate findings that the inquiry envisaged to achieve. The researcher took into account the contributory constructs, variables, assumptions and problems in the selected research design (Sekaran and Bougie, 2013) . This was premised on the paradigm of the

inquiry, the philosophical perspective of the phenomenon under investigation, the conceptual framework underpinning the theoretical dimension of the inquiry, as well as the body of literature that has been contributed by various scholars within the entrepreneurial business landscape.

While the consideration of the qualitative research methodology was contemplated, the researcher eventually opted for the selection of a quantitative research approach, which is grounded in the statistical and numerical processing and analysis as the most suitable method in this particular inquiry. The research design, informed by the research instrument, took into consideration the factors that would expedite the effective garnering and collating by the researcher of data (Hair Jr et al., 2015). These factors ranged from the budgetary implications, time constraints, and accessibility of the inquiry participants and the intrinsic academic value contribution that the study should make within the sampling connotations (Nicholas, 2011).

The research instrument was constructed in a manner that should be user-friendly and easily comprehended to reduce the non-participatory element as well as to promote the enthusiasm of the respondents in the provision of responses. This is in line with the utility significance of the questionnaire envisaged by the researcher that the majority of the respondents would be computer-literate and conversant with English as the medium of communication that has been used in this study. The researcher was also sensitive to the fact that South Africa has eleven (11) official languages but English was construed as the most widely used medium of communication across the length and breadth of the country.

The questionnaire was divided into two sections. While Section A dealt with the demographic set of question, Section B dealt with the content of data that was to be analysed, the unit of analysis in his inquiry comprised the SMME's within EThekweni Business Support Unit: Tourism & Markets.

The researcher selected the Statistical Package for the Social Sciences software (SPSS) version 24 as a method for data analysis. The descriptive statistics, frequency tables, graphs and inferential statistics were chosen for the most part of the data analysis. The researcher did take into the consideration the optimisation of the

response-rate while most of the categories in Section two were limited to not more than eight (8) questions per category in a set of questions.

1.9 CONTRIBUTIONS OF THE STUDY

As recommended in this study, If the government could re-inforce the law that compels big companies to spend 3% of the post-tax profit as the compliant requirement in the support of SMME's, it is envisaged that the challenge of lack of funding for SMME's could be alleviated. The study emphasize the conversion of policies into deliverables on the part of the institutions such as DSDB. It must be noted that the main problem with the South African policies is that they deliverables and this study put an emphasis on such deliverables to be attained. The study therefore reiterates the enforcement of the policies which will invariably in the instance of this study facilitate the support of the SMME's. It is envisaged that when policies are enforced as recommended in this study, fewer SMME's will close down and those continue to operate could inevitable achieve their optimal performance. The study highlight the fact that South African SMME's limit their business scope to the South African market. The recommendation that suggests that there should be a concerted effort by the institutions such as DSBD to encourage the South African SMME's to broaden market reach beyond the borders of South Africa. The study highlighted a very low rate networking amongst South African SMME's. To this extent the study recommends that there must be a deliberate and purposeful intervention by the institutions networking opportunities.

1.10 LIMITATIONS OF THE STUDY

The respondents were required to complete the electronic version of the research instrument and therefore, ideally they should have had access to the Internet or the WIFI-hot spots in order to be able to open their e-mails and to download and save it. This could create reluctance and despondency as most of the respondents operate as SMME's and therefore, their operational budgets constrain them. Nevertheless, the short duration of the survey made it reasonably affordable and the benefits of the survey should have persuaded even the doubting Thomas's' with regard to the immediate benefit to the respondents. Since most of the respondents are registered with EThekweni Municipality BSU –Tourism & Markets, they were sceptical at first and

hesitant to participate in a non-SEDA initiative and they had to be persuaded by the EThekweni Municipality BSU –Tourism & Markets official to participate in the enquiry.

1.11 DELIMITATIONS OF SCOPE OF THE STUDY

According to the objectives of this inquiry the institutional organization which is represented by the DSBD was selected in an effort to accelerate its strategic intervention in acting as a catalyst for the optimal performance of SMME's who are its main beneficiaries and custodians. The nexus between the dependent variable, that being the SMME's, within which the inquiry seeks to analyse, the institutional role of the DSBD, which is the independent variable, triggered the selection in terms of practicality and relevance in this particular study. The delimitations in terms of the inquiry's scope provided a systematic direction, context, location, population and methodology clearly facilitated the ability to relate the extant literature, theoretical analysis, and conceptual framework to the methodology chosen for the inquiry. These delimitations provided a concrete and explicit selection of the research objective, research questions and appropriate instrument for data collection which was based on the paradigmatic stance and the philosophical structure of the inquiry as articulated in respective chapters. Therefore, the delimitations enabled the researcher to set frontiers and realistic parameters which would could remain within the control of the researcher in an effort to yield reliable and valid results in terms of the findings of this inquiry.

1.12 KEY ASSUMPTIONS OF THE STUDY

Both the tacit and basic assumptions in this inquiry relate to a plausible, legitimate and academically-inclined set of beliefs, problems, principles and values. The discourses from the academic, business-oriented, management-inclined and socio-economic sectors reflect the inexorable reality that the SMME contribution to the economic prosperity and wellbeing in both the emerging and developed market cannot be ignored. The assumptions in the inquiry will be based on the inferences that will be deduced and these should facilitate generalization to the broader population in an independent, original and systematic manner. The assumptions relating to the characteristics of the data and, specifically, the statistical analyses of the inquiry in

terms of variables, will adhere to the statistical model which is commensurate with the research-methodological approach in the research design.

1.13 ORGANIZATION OF THE THESIS

Chapter 1 provides the introduction and the background to the study. This is followed by the problem statement, aims and research objectives. Subsequent to the above, closer attention is drawn to the research questions and strategy. The location of the study is specified, followed by the justification of the research and the contribution that it should make to the body of knowledge on the subject. The delimitations of scope and key assumptions lead to the outline of the structure of this particular thesis and the chapter summary.

Chapter 2 reviews the comprehensive analysis undertaken of the conceptual framework contributed by the various scholars in the fields of economics, entrepreneurial studies, institutional theory and the network theory. The proposed conceptual framework to be developed in this research will be premised on the systematics, the critical analysis and examination of the existing concepts, theories, assumptions, values and beliefs.

Chapter 3 attempts a scholarly review of the literature commencing with the critical analysis of SMME learning as a contemporary management discipline which sets the tone for the narrative in policy-support by authorities who are endeavouring to nurture SMME performance in emerging markets. The literature and the scholarly contributions come initially from the BRICS countries as well as chosen counterpart on the African continent (Nigeria and Ghana) and closer to home in South Africa and are extensively reviewed as well.

Chapter 4 elucidates the broad research methodology that has been adopted in this inquiry commencing with the research paradigms and philosophical assumptions of the inquiry. This is followed by the research design and methodology while the location, population and sampling of the study is comprehensively dealt with thereafter. Data collection instruments and the pilot study take the chapter to the section on reliability and validity. The explication on measurement error-strategy,

management, data collection and statistical techniques follows. The ethical considerations and research limitations are also dealt with while the Summary and Conclusion close the Literature Review Chapter.

Chapter 5 provides a detailed presentation and the assessment of the data analysis that has been collected by the researcher from the participating respondents.

Chapter 6 focuses on the detailed information on the findings of the study

Chapter 7 provides the limitations of this inquiry and of the conclusions that have been drawn from it, as well as recommendations for similar further research while the implications for theory and practice will also be brought to the fore.

1.14 CONCLUSION

The background of the study was elucidated on and commenced with both macro and factors as well as micro factors that set the tone for the SMME's to operate and run their enterprises within the entrepreneurial perspective. This was followed by problem statement that described amongst other things the nature in which the DSBD has positioned its five strategic cardinal pillars that are meant to propel SMME's to greater heights. The research objectives and questions culminated in the focus on the justification and the methodology of the study. The contribution of the study within the broader entrepreneurship as the field of study and a research discipline was discussed while taking into account the location of the study, which is at local municipality level. The structure of the thesis was explicated accurately, while the limitations, delimitations of scope and key assumptions of the study were sufficiently articulated. The next chapter will focus on the literature review specifically on various regions and markets that constitute developing and emerging economy dynamics from an entrepreneurial perspective.

	CHAPTER 2 LITERATURE REVIEW	
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2.1 INTRODUCTION

This chapter lays a foundation with an overview of the theory and approaches within entrepreneurship as an autonomous and fully-fledged field of study within the fields of management, business studies and administration. Over and above entrepreneurship as a burgeoning and intellectually stimulating field, other contributing disciplines ranging from strategic management, supply chain management, marketing management and various other management disciplines will be collated and organized in this study. This should facilitate a coherent maximisation of the review of literature in a critically appropriate and systematic manner that resonates with the application, analysis, synthesis and evaluation of the existing knowledge, as articulated in Bloom's Taxonomies' (Krathwohl, 2002).

Whilst the significant contributions to the field of entrepreneurial management should be recognised, the analysis of the macro perspectives that have paved the way for the evolution of this fascinating discipline must not be neglected. According to Sekaran and Bougie (2013:49), a literature review is the process whereby the researcher chooses to interrogate scholastic, (published or non-published) material that addresses similar topics to those being investigated in the particular study.

Forehand (2010:2) confirmed that, in as far as the contribution of Bloom's taxonomies is concerned, the cognitive-oriented dimension, affectively- inclined stance and psychomotor domain corresponded to knowledge, attitudes and competencies respectively in a tripartite structural organization. Like-minded scholars in this particular field of entrepreneurship have grounded the literature review in the researcher's endeavour to align his proposed solutions to the management-oriented problems with similar contributions. The figure below encapsulates the transition from the original Blooms Taxonomy that has been revised and redefined by other scholars over the past half a century or so and the researcher's own views that reflect the

integration of technology and the digital influence. Recently, Pinder-Darling (2015) commented on the significance of the contribution of the Bloom's Taxonomy to the pedagogical landscape, especially in the context of assessing and reviewing the body of literature. This demonstration was further illustrated by Forehand (2010:3) in his elucidation of the transition from the old version to the new revised version of Bloom's taxonomy.

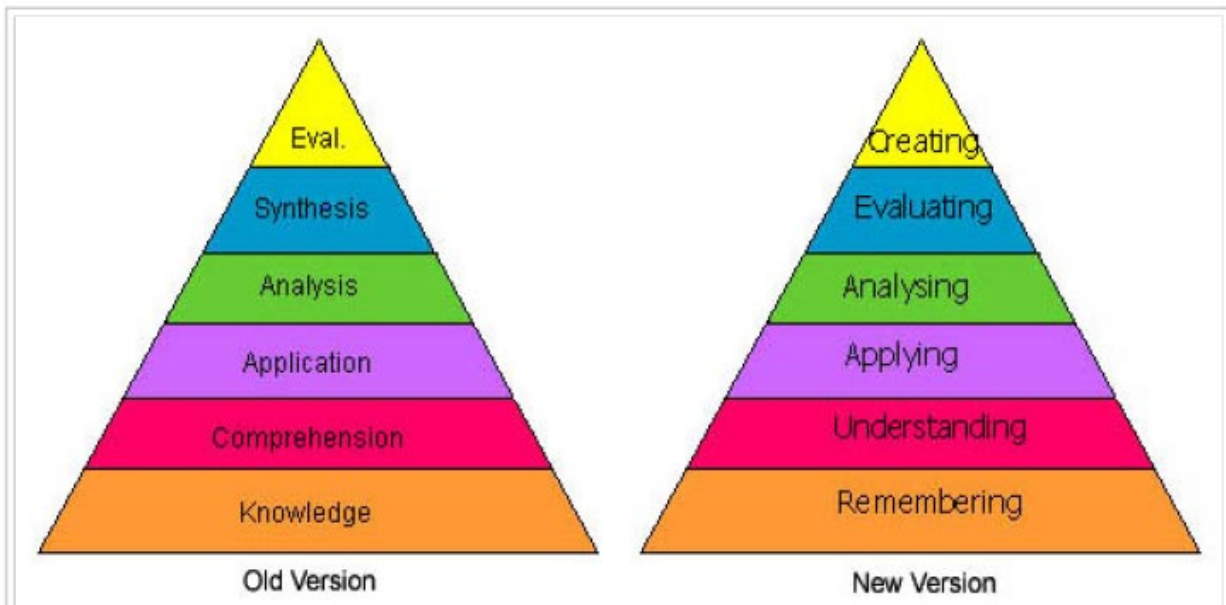


Figure 2.1:- Source Forehand (2010:3)

According to Boote and Beile (2005) generativity in the literature review could be described as the recognition by the researcher and acknowledgement of the body of knowledge produced by other scholars within a similar research discipline and scholarship field that could be used in the researcher's study. This approach facilitates the attainment of the research work that has the sophistication, rigour, thoroughness, high quality and substantive perspective as a result of the work that has been done before, as it lays the foundation for similarly- related inquiry. In the pursuit of the objectives of this study, this chapter attempted to critically examine the contributory literature that has been explored earlier by other reviewers. The analysis culminated in the application and the synthesis of the theoretical and methodological contributions by the researcher to a new perspective. Consequently, the contribution to the body of knowledge will be comprehensively achieved and promoted in the study findings and

the drawing of objective, measurable, valid and reliable conclusions concerning the phenomenon being studied. Boote and Beile (2005) further posited that not only should the synthesis be undertaken, but the critical location and evaluation of the information presented by other scholars should also be adhered to in the systematic review of literature.

The research in this inquiry, with regard to the structuring , framing and organization of the methodology in this chapter, used the concept-centric as opposed to the author-centric approach, which will form the centrality of this method in facilitating a comprehensive synthesis of the existing reviews of literature (Webster and Watson, 2002). The terminology that categorises the different types of SMME's varies according to various regions or geopolitical space and, for the purpose of this study that will be taken into consideration. The researcher uses the following terminological variations that have been followed in the literature namely:

SMME's: Small Medium and Micro Enterprises

SME's: Small and Medium Enterprises

MSME's: Micro, Small and Medium Enterprise's

MSE's: Micro, Small and Enterprise's

SBE's: Small Business Entrepreneurship

In an institutionally, culturally and socio-economically-oriented transitional society like South Africa, the review of literature the researcher adopted the philosophical perspective encapsulating the assumptions of a transformative-emancipatory world view (Creswell, 2013: 38). Creswell (2013), added further that, the transformative emancipatory world maintains the view that the inquiry execution ought to focus on the issues of diversity, inequalities, empowerment, social injustices, oppression (apartheid) and the overall domination by one section of the population over the other. This inquiry will be sensitive to those elements and extra caution will be taken by the researcher in exercising a cautiously optimistic stance, especially during the data collection phase of the study. The transformative-emancipatory paradigm and methodology, should act as an appropriate theoretical frame of reference in the execution of the review of literature by the researcher. Furthermore, the researcher should acknowledge that, even though certain gains and progresses have been made

in the country in terms of economic transformation, a lot still needs to be done to alleviate the socio-economic ills of unemployment, poverty, inequality, crime, and corruption. These areas have to be addressed if improvement is to be made in the quality of life of all the country's citizens and not only in the lives of the privileged few.

2.2 THE MACRO-PERSPECTIVE WITHIN THE ENTREPRENEURIAL BUSINESS LANDSCAPE

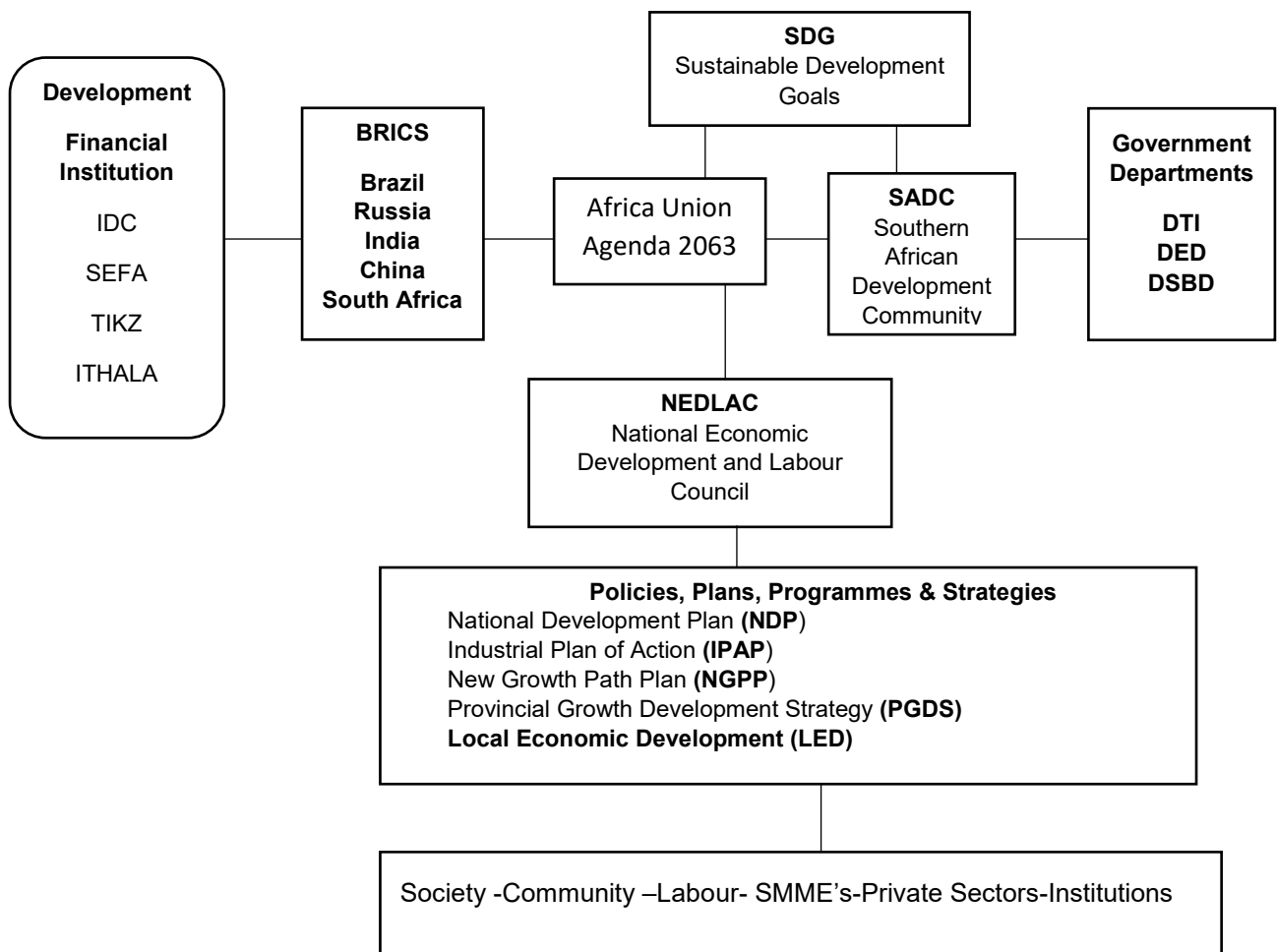


Figure 2.2: Source: Geo-political Stakeholder Mapping created by the researcher

The transformative and the pragmatic steps that have been adopted by global organizations like the United Nations (UN) in addressing the challenges confronting the world should be noted. Chief among these is the pronouncement of the Sustainable Development Goals, 2016 (SGD), which replaces the Millennium Development Goals (MDG's) which reached expiry date in 2015. Among seventeen

(17) SDG's goals, goal eight highlights the promotion of sustained, inclusive and sustainable economic growth, full of productive employment and decent work for all. Therefore, the focus of this study is to invigorate the performance of the SMME's in order to achieve a decent living for all. South Africa, as an emerging market economy, has joined other developing economies like Brazil, Russia, India and China by bolstering its economic global footprint and has become an active player in the broader shared market. Continentally, South Africa is a member of the Africa Union that acts as the watchdog for Africa. In the Southern hemisphere, South Africa is a member of the regional Southern African Development Community (SADC) which further establishes the country as a major regional, continental and global player, contrary to the times when the country was isolated during the Apartheid era.

The reality is that, currently, as mentioned the country is confronted by the social problems. This is especially true in the public sector including the state-owned enterprises (SOE's). Subsequent to the aspirations of the SDG's, the country has crafted a National Development Plan (NDP), under the Ministry in the Presidency that, amongst other things, has voiced the determination to create six (6) million jobs by 2030. The creation of the NDP seeks to augment the aspirations of the Industrial Plan of Action Policy (IPAP) under the auspices of the Department of Trade and Industry, which aims to boost employment rates.

The Economic Development Ministry, has also formulated the New Growth Path Plan, which should act as a catalyst in the creation of a conducive environment for economic growth prospects for. These policies will be explained later. It seems evident that the authorities are trying, but the next challenge is the implementation and the execution of these and other similar policy directives. Closer to home the province of KwaZulu Natal has also crafted a Provincial Development Growth Strategy (PDGS) that has categorised various districts into economic developmental nodes upon which they will concentrate in pursuit of their goals which they aim to realise by 2030. While this study is focused on the EThekweni Municipality geopolitical area, it is important to mention that, at a local level, the Metro also has a function that is popularly known as the Local Economic Development Department (LED). The LED function ought to have a similar agenda of encouraging the SMME's, together with the other

government agencies, in the realization of the entrepreneurial objectives in terms of performance and success.

2.3 LITERATURE REVIEW ON SMME LEARNING AS A CONTEMPORARY MANAGEMENT DISCIPLINE

Entrepreneurship, like various other management disciplines has its origins in epistemological and ontological foundations and perspectives. It is, therefore, not immune to the challenges that other fields of study face in this knowledge-based era. Ladzani and Van Vuuren (2002:155) indicated that, for the entrepreneurial performance to be attained, it should be tackled three (3) ways, taking cognizance of business skills, providing motivational inspiration and most notably, introducing an entrepreneurial training intervention. The realisation of entrepreneurial performance and success depends on the entrepreneurial need for achievement, risk-taking and the identification of marketing opportunities (Ladzani and Van Vuuren, 2002). The risk-taking ability, which stems from the entrepreneur's ability to be innovative and creative, culminates in the ability to prepare a bankable business plan and the application of other business skills like financial, operational, legal, communication, marketing and human resources management.

According to Harrison and Leitch (2005:355) entrepreneurship, as a management field of study, comprises of trans-disciplinary, heterogeneous, hierarchical and transient elements. Harrison and Leitch (2005) argued further that the contextual and multidisciplinary nature and reality of entrepreneurship, as a management discipline of knowledge production, is amplified and substantiated by synthesis of theoretical to practical application. This process manifests itself in creativity or innovation, calculated risk appetite, diffusion and information spill over, manoeuvring, intuition and the general of competence of the entrepreneurs. Cope (2005:3) maintained entrepreneurship be construed as an evolutionary process within the learning framework as opposed to the vagaries of both personality and behavioural perspectives.

Cope (2005) asserted that the function of entrepreneurship is a dynamic lifelong experiential expedition within the organizational precinct. The cumulative nature of

knowledge acquisition, comprehension and application by the entrepreneur, within the socio-economic setting, augurs well for the transformation of learning into practicality. Entrepreneurial knowledge acquisition also occurs while the entrepreneurs attempt to make sense of various enterprise resources connectivity, processes and systems (whether technical or operational). Therefore, the entrepreneurial knowledge acquisition is concluded by the innovation of products, customer interface right up until the market penetration (Ravasi, 2005:7). Therefore, the entrepreneurial learning context and process will vary depending on the life cycle of the enterprise as well as on the past and existing competency attributes of the entrepreneur while the environmental factors could also play a part.

Politis (2005:408) advances two possible scenarios concerning the knowledge transition that befall the entrepreneurs and he called them 'exploitation' and 'exploration'. Entrepreneurial exploitation occurs when the entrepreneur has to replicate a decision that has been made before while exploration refers to the new actions and behaviours that have not been experienced by the entrepreneur. Despite the contributions pointed out by Harrison & Leitch (2005); Cope (2005); Ravasi & Turati (2005) and Politis (2005), entrepreneurs face lack of discernment concerning experiential learning more especially in the new venture exposition. Politis (2005) objection is which aspect, between knowledge acquired and experience acquired, has greater influence in assisting the entrepreneurs to solve entrepreneurial problems and to provide-solutions to them.

Undoubtedly the entrepreneurs' personal experience acts as the foundation for more formally acquired entrepreneurial knowledge and therefore, we can use the saying that 'experience is the best teacher' because there is no substitute for experience. Therefore, these scholars maintain that knowledge and learning acquisition invariably acts as the ultimate objective for most entrepreneurs whether in the start-up phase, growth phase, maturity phase or in the decline phase. Marketing management and general management literature Keskin (2006:399) support the interrelatedness in entrepreneurship between market orientation, learning and innovation capability. According to Keskin (2006), the synergistic effect between the marketing orientations which connect the need to satisfy, which an entrepreneur should possess and the associated learning orientation result in a successful enterprise performance. The

SMME literature has succeeded in the market over the past two decades because it is contextualized within the innovative and creative impetus. The market is the pinnacle of any product or service that has been created by the SMME's and success there will necessitate huge emphasis on optimisation of the learning orientation, market orientation and the speed of innovation by the entrepreneurs

While this study attempts to dissect the turnkey solutions for the SMME performance and sustainability, Keskin (2006: 411) adds that, while in the context of the emerging market economy, in most cases, the literature, theory, and the attention of practice and methodology is of crucial and significant importance for both practitioners and researchers alike. Corbett (2007:99) maintains that the success of the enterprise depends on the congruency and correlation between the general ability by the entrepreneur to value and exploit the human capital and that this is derived from knowledge acquisition and the identification of business opportunities. He states further that experiential learning plays a key role in the entrepreneurial field as the new knowledge depended on the prior entrepreneurial knowledge that had been assimilated earlier.

The entrepreneur in the experiential learning traverses through the initial apprehension of knowledge, which ideally ought to be comprehended. This comprehension stimulates and reorganises the new knowledge within the cognitive thought processes in an abstract and lateral conceptualization of the process of information acquisition. The next stage, which has been termed the intension or the extension, facilitated the entrepreneur's transition via specific human capital in terms of competencies in order to identify new opportunities for the enterprise to embrace (Corbett 2007:101). This process is expressly depicted in figure 2.3:

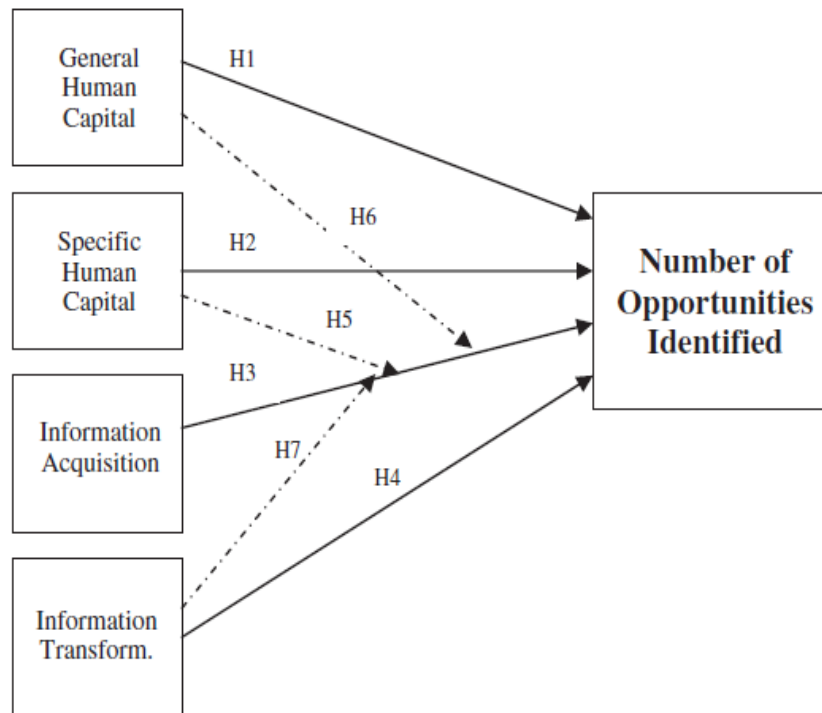


Figure 2.3: Source – Corbett (2007:101)

The common denominator in Corbett’s articulation of the knowledge pipeline within the entrepreneurial environment, is the inevitable process of learning which originates from apprehension, right through to comprehension, with the subsequent intention and the culmination to extension of the market opportunity identification and capturing by the entrepreneur. Law and Ngai (2008) affirmed that, in the process of knowledge acquisition in an organizational setting, the knowledge inventory utilizes the individual and, in this study, the entrepreneur is the repository of that particular information. This exercise facilitates the sharing of learning by individuals in their quest for the knowledge management which is pivotal for the entrepreneurial performance and success.

Consequently, the business process improvements (BPI) by SMME’s, in terms of efficiencies and optimization, coupled with the knowledge sharing learning (KSL), is a catalyst for increased turnover and realisation of profits (Law and Ngai, 2008). The assertions by Law and Ngai (2008) should be revisited in knowledge management research studies in terms of the learning practices that this study could not dwell on in

an elaborated manner, but it should be mentioned that the SMME's should not take the sharing aspect of knowledge with their peers for granted. Based on the review of literature, by Audretsch and Monsen (2008), we note the phrase 'Personal Entrepreneurship Capital', which postulated the promotion of entrepreneurial behaviour and actions in relation to social capital. This phrase contextualized the way the entrepreneur operates in terms of attitudes, skills and behaviour that are directly related to the social factors in which the business operates. The underlying factor is that the entrepreneur, based on the learning and the knowledge acquisition at his or her disposal, is able to consolidate various value-adding mechanisms that are geared towards business growth and prosperity (Audretsch and Monsen, 2008).

According to Franco and Haase (2009) a distinction was advocated on the various category levels in the learning space in terms of acquisition, improving and dissemination as depicted in the conceptual entrepreneurial learning model in figure below:-

- the individual level which resonates appropriately with SMME business type;
- The group level; and
- The organization-wide level.

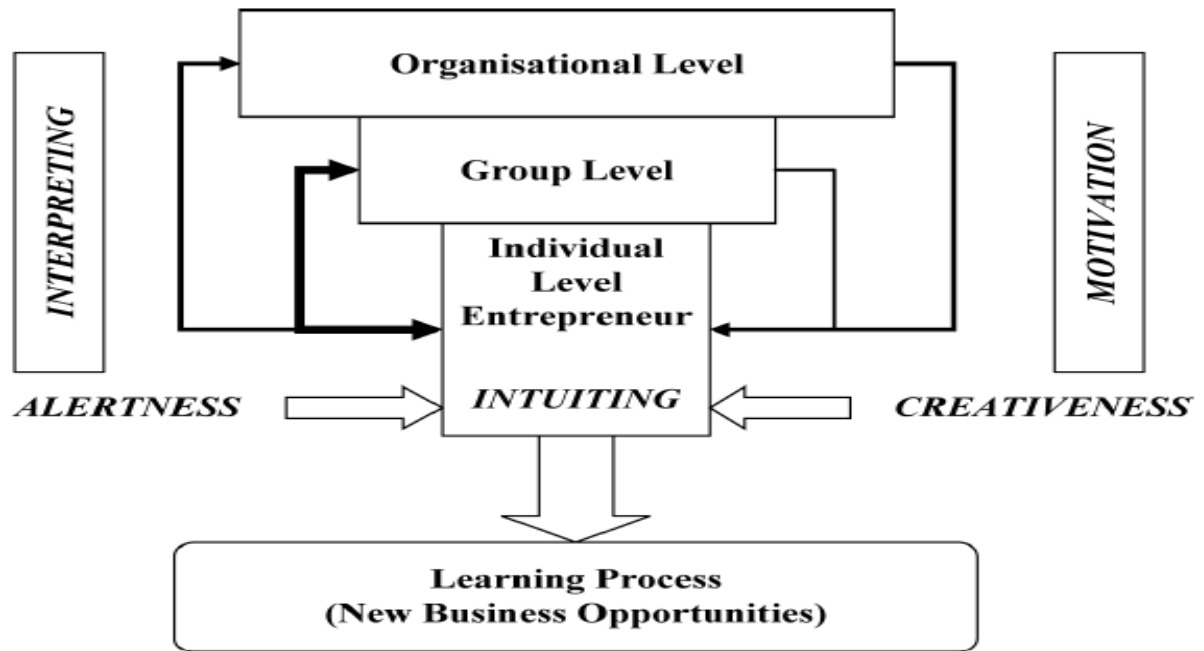


Figure 2.4: Source - Franco and Hearse (2009:632)

The challenge confronting SMME's, whether in the emerging market economy or in a developed economy, will inevitably be to strike an equilibrium between learning tendency and the external factors that have a direct bearing on entrepreneurial performance (Franco and Haase, 2009). This paved the way for the conceptualization by Franco and Hearse (2009) of the entrepreneurial sensing and interpreting learning theory within the organizational context.

Franco and Haase (2009) and Popescu & Simion (2012:205) listed specific programmes aligned to the curriculum design for the entrepreneurial learning namely: strategic management, financial management, project management, a business plan that could entice investment interest and an IT-oriented business programme. Popescu and Simion (2012) suggested further that the entrepreneurship programmes should complete the comprehensive-curriculum-design-ideal, especially when considering the e-learning environment. Firstly in terms of the entity and its economic environment, secondly in terms of creativity and innovation, thirdly with regard to business administration, fourthly in terms of managerial finance, followed by communications and negotiations, and lastly in terms of information technology (IT)

for Business (Popescu & Simion, 2012) . It should be noted at this stage that, the Social Networking to complement these curriculums has also gained impetus for the entrepreneurs in their endeavour to access appropriate information and knowledge. Zahra et al. (2011) focused on the unlearning of some of the practices posing the question of whether unlearning might be the precursor to learning within the entrepreneurship capability and thus redirecting the organisation of memory. This view corroborates the earlier contribution by Tsang and Zahra (2008) who highlighted the significance of unlearning as another dimension which stimulates further learning in the same way that an individual can relinquish previous actions and behaviour in order to embrace new ones.

There seems to be an inverse relationship between the entrepreneurial programmes intervention, which results in improvement in beneficiary business knowledge, practice, and business performance. These systematic interventions programmes relate grants access, finance, counselling, mentoring, and access to capital/ finance and credit. Additionally, targeted to benefit entrepreneurs are skills and expertise such as business, management and vocational programmes which invariably yield desirable effect on SMME businesses (Choo and Honorati, 2014) .This assertion has been made earlier by Aidis et al.(2008) who undertook an investigation into various institutions utilizing the factor-analysis methodology to study factors that influence entrepreneurial activity. Wang and Chugh (2014) argued that the systematic review of literature advanced three aspects of entrepreneurial learning styles namely:

- Firstly, exploration and exploitation of opportunities by the entrepreneurs;
- Secondly, individualistic-oriented learning coupled with collectivism (organization-wide) entrepreneurial learning style; and
- Lastly, the entrepreneurial learning style deals with the intuition and the cognitive-sensing approach and style.

2.4 LITERATURE REVIEW ON THE SYSTEMIC ROLE OF INSTITUTIONS IN BOLSTERING SMME'S' ENTREPRENEURIAL CAPABILITY

The systemic inability that drives anti-competitive tendencies in business environment and that seems to thwart the potential prosperity of the SMME's to sustain and make long-term profits, inevitably contributes to high levels of unemployment. *The Global Competitiveness Report of 2014-2015* by the World Economic Forum (WEF) emphasized twelve (12) strategic pillars for the SMME's to flourish (Refer to Figure below). These pillars are the fundamental or basic requirements, followed by efficiency facilitation/catalysts and innovation/creativity/research & development and business sophistication. SMME's could benefit if they could be exposed, at an earlier stage, to entrepreneurship-training, which should include and encourage networking competency, the development of an entrepreneurial mind-set for calculated risk-taking and innovative thinking and the development of competitive traits (Li et al., 2008).

The Chinese SMME's have continued to demonstrate capability to trade beyond their borders and spread the reach of their export capability all over the world. The SMME's exposure to Higher Learning improves and facilitates the acquisition of Business Planning skills, soft skills competencies, due-diligence comprehension and financial-statements comprehension and interpretation (El-Khasawneh, 2008). SMME's face the problem of the Monopoly-factor. An example of this can be found in the Agricultural Industry where there is massive 'gate-keeping' preventing small producers from making inroads into the supermarket value chains by being perpetually overlooked while preference continues to favour big producers (Muchopa 2013: 35).

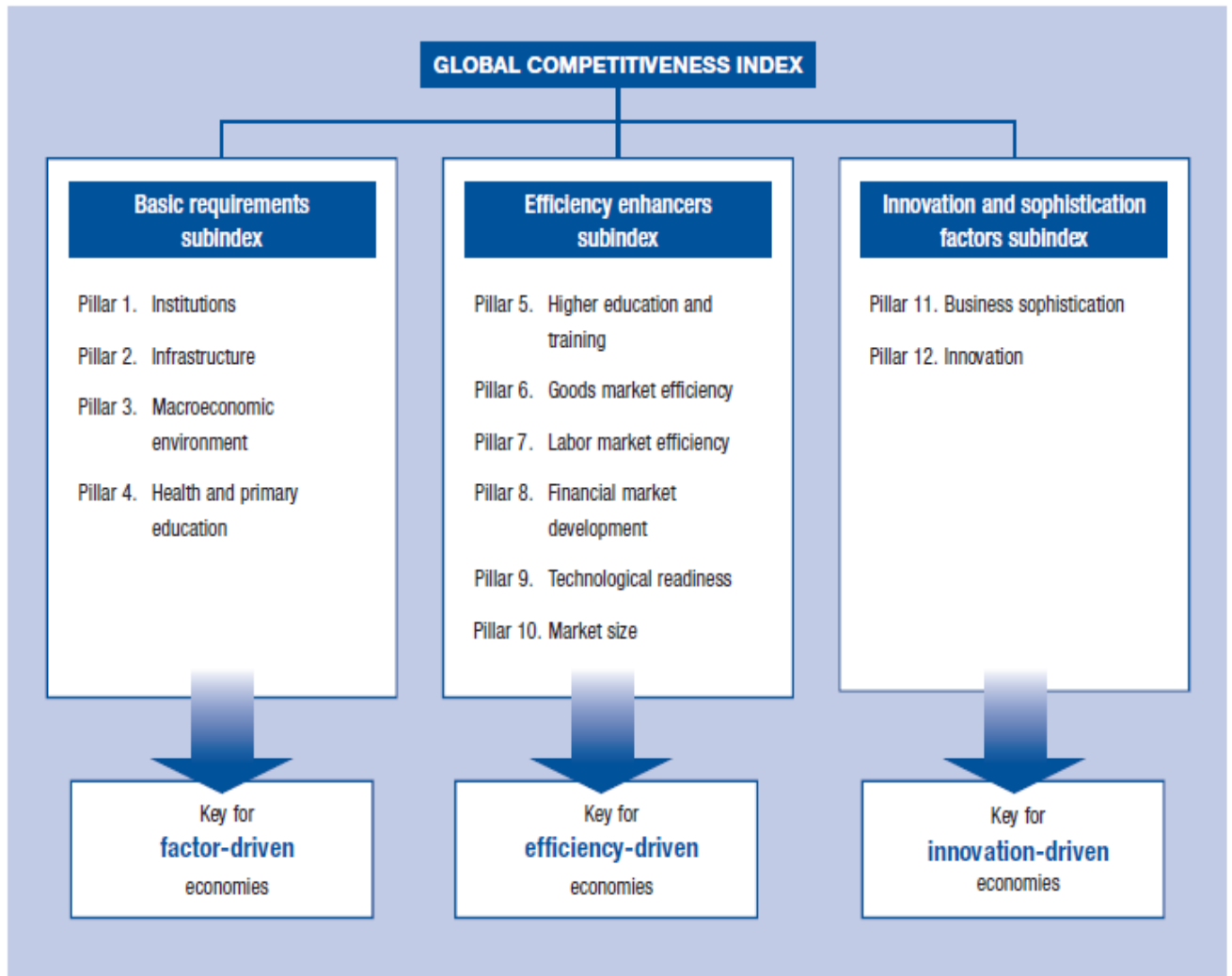
In the EThekwini Municipality market, for instance, where buyers and sellers trade in perishable commodities, there is not a single SMME who operates his or her business in this space while the demographic realities show that the Previously Disadvantaged Individuals (PDI's) constitute more than 70% of the population (Second Quarter of 2016). The PDI's participate in the second tier of distribution mainly as informal traders who survive on a subsistence form of trade as hawkers and taxi rank-sheltered SMME's. Structural transformation and change intervention on the part of the

authorities who have been entrusted with bridging the opportunity gap, leaves so much to be desired. According to Muchopa (2013) the change in culture and attitude in the entire agriculture value chain for instance is long overdue and it is a ticking time bomb waiting to explode. Muchopa (2013) further argued that authorities need to adopt concerted efforts to facilitate SMME-inclusivity in order for them to participate competitively. This should have a desirable multiplier-effect and the subsequent spill-over in entrepreneurial diversity generation and inclusion, could transcend to the realisation of economic development. (Toma et al., 2014). India, as a developing economy, in the early 1990's relaxed the market economic conditions to be pro-SMME's and this developed favourable market conditions that propelled India to be one of the leading developing economies and transformed its economic landscape (Chari and Dixit, 2015).

Global Entrepreneurship Monitor (GEM), findings on SMME culture corroborate that the developing economies of BRICS should incorporate cultural tendencies and behaviours that will nurture business ethics, transparency and corporate governance in which entrepreneurs can thrive (Woodside et al., 2016). Through this support, nurturing the SMME culture could make a fundamental contribution to the reduction of the GINI co-efficient (income inequality distribution) and this should make an improvement in the quality of life (QOL) of many South Africans. According to the Happy Planet Index (HPI), South Africa is ranked amongst the lowest in the world as a result of the income inequalities, amongst other factors. The SMME activation in terms of their entrepreneurial support for instance could assist in alleviating this predicament.

According to the Entrepreneurial Capability Research Institute, (*The Global Entrepreneurship Monitor GEM - survey 2015/2016*), the higher the level of entrepreneurial activation of the SMME's, the higher the level of economic growth could be. There is a direct correlation between entrepreneurial contribution and economic prosperity in both developed and emerging economies. This is further substantiated by Acs et al. (2008) where he states that for entrepreneurship to thrive it should be contextualised within three phases namely:

- The factor-inclined phase;
- The efficiency-driven phase and ; and
- Lastly, the Innovation (creativity)-propelled stage.



Note: See the appendix for the detailed structure of the GCI.

Figure 2.5: Schwab (2015:9)

In line with the GEM model figure 2.5 above, developed economies have a higher propensity to obtain incentives from the institutions within their country than do the emerging markets. Such incentives given to the SMME's include, finance and credit access, labour-oriented contracts, tax relief and other general programmes that are conducive for the SMME's businesses which could allow them to flourish, especially nascent businesses (Acs et al., 2008:229). According to Shane and Venkataraman (2000) the entrepreneurs not only discover opportunities, but also exploit these which

is systematically consolidated by the individual characteristics of that particular entrepreneur. This view is explained further, within the economic development domain, by Toma et al. (2014:438) where they say that role of entrepreneurship could be a means to reduce unemployment, and increase the quality of life as well as to increase the economic wellbeing of its society. Toma et al. (2014) further contended that the emerging markets came to the realization that, as a result of the diminished bureaucracy the rate of job creation was expedited while the contribution to the Gross Domestic Product (GDP) was increased. This resulted in the expansion of SMME-led exports.

2.5 LITERATURE REVIEW ON POLICY SUPPORT BY AUTHORITIES IN NURTURING SMME PERFORMANCE IN EMERGING MARKETS

In South Africa various policies, regulatory and legislative programmes and interventions have been established to regulate the business landscape for all its role players. There is a broad range of legislation and regulations that have been established by the policy makers extending from the National Development Plan (NDP), 2030 vision, The New Growth Path (NGP) Plan, the Industrial Plan of Action Policy (IPAP), the Black Supplier Development Programme (BSDP) just to mention a few. These policies strategically act as a leveller for the stakeholders and the role players in the business landscape to enjoy and embrace a framework facilitating a conducive environment and fair play.

These pieces of legislation in the business sector have been enacted to level the playing field, especially for the SMME's. A developing economy like India, for example, set aside 20% of the budget for SMME's, particularly women-owned SMME's (Venkataramanaiah and Parashar, 2007). The regulatory environment ensured that the business environment became conducive for the empowerment of SMME's, especially the start-ups enterprises and those SMME's that are still in the development pipeline (Rogerson, 2008). Rogerson noted that the balance between the efficiency cost and the compliance cost should yield the catalytic and facilitation objectives as opposed to the constraints that hinder the growth of the SMME's. SMME's need to

firmly motivate themselves towards growth and expansion within the confines of the law and dissociate themselves from compliance-avoidance (Nichter and Goldmark, 2009). The SMME's lack of legal and regulatory knowledge is amongst the key areas of concern in their entrepreneurial advancement (Mbonyane and Ladzani, 2011). In a developing country, infrastructure establishment enhances the entrepreneurial progress if it occurs in a regulatory and legislative environment (Cho & Honorati, 2014:110). Various scholars (Venkataramanaiah and Parashar, 2007; Rogerson, 2008; Nichter & Goldmark, 2009; Mbonyane and Ladzani, 2011; Cho and Honorati, 2014) emphasized the significant role that the regulatory and the legislative environment plays in the prosperity of SMME's while taking into account the fast pace of the business environment.

The policy approach adopted in other emerging economies like India and China, for instance, who, are together with South Africa, Brazil and Russia members of BRICS, is to nurture the welfare orientation of SMME's as opposed to being wealth-creation oriented. The survival-oriented approach by authorities has its own pitfalls as this approach has become oblivious of the entrepreneurial potential of SMME's and therefore, fails to assist these traders to gravitate from the bottom of the economy towards the top (Gurtoo, 2009:185). Gurtoo (2009) also maintained that the authorities do not appreciate the contribution that these SMME's, especially in a country like India, provide to the reduction of unemployment even though this is only in the informal sector.

Prior to government intervention, policy-makers seemed to be determined to embrace the SMME sector as being necessity-driven as opposed to be demand-driven as they have removed many people from the street and make a contribution to the economic coffers in the process. Gurtoo (2009) maintained that support for SMME's was long overdue. Since this change in attitude the *Micro, Small and Medium Enterprise Development Act* came into existence with the following objectives:

- Competencies and skills set improvement for the SMME's;
- Technological innovation support and skilling of the SMME's;
- Access to markets for the SMME products and services;

- Proper infrastructure facilities access for the SMME's; and
- Bolstering forward and backward integration and linkages with big businesses.

The above was further assisted by the easing of red tape and bureaucracy and improving their accessibility to finance and credit in an effort to capitalize and resource the SMME's so that their operations and revenue generation could become more sustainable.

2.5.1 Literature Review on the SMME Policy Intervention in Russia

Gehlbach (2003) stated that the segmented the approach by the authorities was to divide the tax-base into two categories based on the amount of tax that a particular business contributed to the government coffers. According to Gehlbach (2003), SMME's were in the low taxability bracket which, brings in less revenue to the government coffers and, is, therefore, not so well looked after. On the other hand, the other category was the high taxability sector that generates higher tax revenue. This system, especially in an emerging market like Russia, was prone to be abused by over-powerful public officials who were also not pro-SMME's and thus enforced stiff regulations and bureaucratic-control.

Slinko et al. (2005) argued further that the large enterprises could exercise anti-competitive practices that could prejudice the SMME's' participation especially in the case of government-centred opportunities. Therefore, the term 'state capture' is the situation where the politically-connected large firms have predatory practices that hinder the growth of SMME's as was the case during the Soviet Union era where entrepreneurial flexibility and orientation was hardly encouraged in Russia (Slinko et al., 2005). In Russia, for instance, which had previously had a command-oriented economic system, this resulted in suppressed entrepreneurial activity prior to the demise of such an economic system, where, according to Aidis et al. (2008) the entrepreneurs, even during the open –market economy, were more fearful of the criminals than the government officials. These officials took advantage of the poor

regulation environment which had the unenviable task of enforcing the changes for the benefit of the entrepreneurs (Aidis et al., 2008). According to Estrin and Mickiewicz (2011) there is a tendency not to trust the emerging economies when it comes to entrepreneurial activities. This prevalence could be the reason behind the low entrepreneurial levels in the transitional economies compared to the developed nations (Estrin and Mickiewicz, 2011). Estrin and Mickiewicz (2011) stated further that a paradigm shift is required to transform the attitudes and values of the policy-makers who are responsible for the state of the entrepreneurial environment. The environment must be conducive for the institution including the social, cultural, institution, governmental, private sector and financial environment that makes a holistic scenario setting for the entrepreneurial space for the flourishing of SMMEs.

The level of corruption by these officials did not facilitate this environment and therefore, entrepreneurial activity was hindered creating less economic contribution to the nation's coffers. Earlier on, comparative literature analysis undertaken in Russia and China suggests that entrepreneurs do not have a lot of faith in government authorities which is evidenced by the widespread and endemic corrupt tendencies that prevail there because they believed that they possessed too much discretionary power (Djankov et al., 2006b). China showed that it had more trust in the government authorities because it seems that it is comparatively much better off there than in Russia. A striking feature that was presented as a common denominator was the fact that bribery was considered to be a social norm by the entrepreneurs in both countries.

2.5.2 Literature Review on the SMME Policy Intervention in India

In India, institutions have been created to bolster the entrepreneurial capacity and capability of SMME's and a case in point has been the revitalization of the industrial cluster (Venkataramanaiah and Parashar, 2007). Venkataramanaiah and Parashar (2007) suggested that the industrial policy that first came into existence in 1948 (refined during the years of 1977, 1985 and 1991) facilitated the comprehensive comprehension of the entrepreneurial constraints confronting the SMME's so that the

authorities could create a more conducive trading environment. The pinnacle of this process was the debt-restriction, which made it more convenient for the entrepreneurs to access finance and capital while competing in the global business landscape.

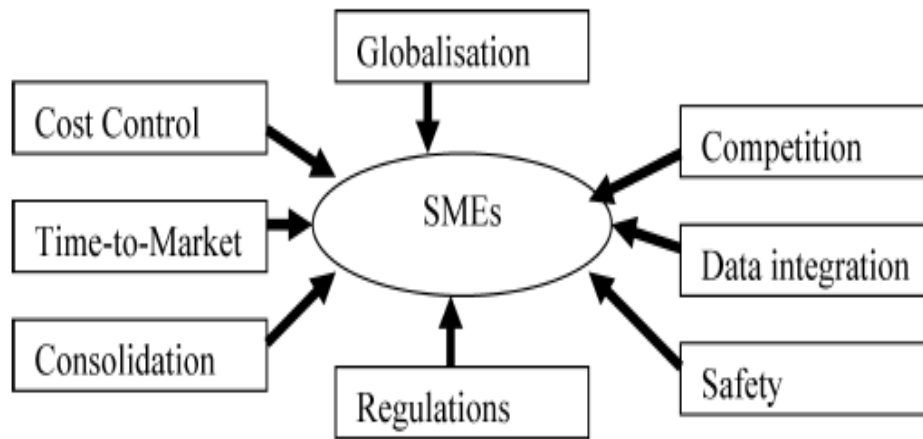


Figure 2.6: Source. Venkataramanaiah and Parashar (2007: 230)

The business climate and environment experienced by the SMME's in India was not immune to the challenges that the SMME's faced elsewhere in transitional economies, but the interventionist strategy on the part of the authorities there was clearly evident. . Such challenges (as depicted in the Figure 2.6) are a comprehensive demonstration that the emancipatory efforts on the part of the authorities not only assists the SMME's, but also yields tangible results as evidenced in the SMME contributions to the GDP and export revenues for the country as a whole (Venkataramanaiah and Parashar, 2007).

Some of the lessons learnt within the Indian economy perspective is the collaboration between the Original Equipment Manufacturers (OEM) and the SMME's. This shared synergy culminated in the access to markets, improvements in total cost management in the operations, total quality management in the standards of processes and systems, energy management and technological inclination on the part of the SMME's. According to Eunni et al. (2007) the Indian authorities went beyond the country's borders in leveraging institutionalization and fostering concerted support for the SMME's as they used Information Technology as the game-changer. In an attempt to

galvanize this institutional success mechanism, Eunni et al. (2007) identified the important role played by the SMME's in the economy and the business landscape as follows:-

- Firstly, SMME's play a huge role in being the catalysts of rapid employment-creation in an expedited fashion, more so than typical large enterprises due to the diminished SMME minimum red tape affecting them;
- Secondly, they foster competitive practices and behaviour that counteract monopolistic tendencies that are commensurate with the large business; and
- Lastly, SMMEs whether in a developed or an emerging market, facilitate and ignite the entrepreneurial culture of competency upgrade and the ability to be creative and innovative.

The permutations that the Indian authorities embarked upon translated into the SMME's ability to adapt their business focus and business models around a technologically driven modality, which subsequently incorporated Information Technology (Eunni et al., 2007). This yielded a competitive paradigm transition and shift on the part of the authorities who, consequently, embraced the concept of information infrastructure taking into account the explosion of e-commerce, internet services as well as wireless trading. Figure 6, below, encapsulates the identification by the authorities of the pressing impediments that were confronting the SMME's potential to be proactive and to be innovative thinkers and which limited their risk-taking capabilities.

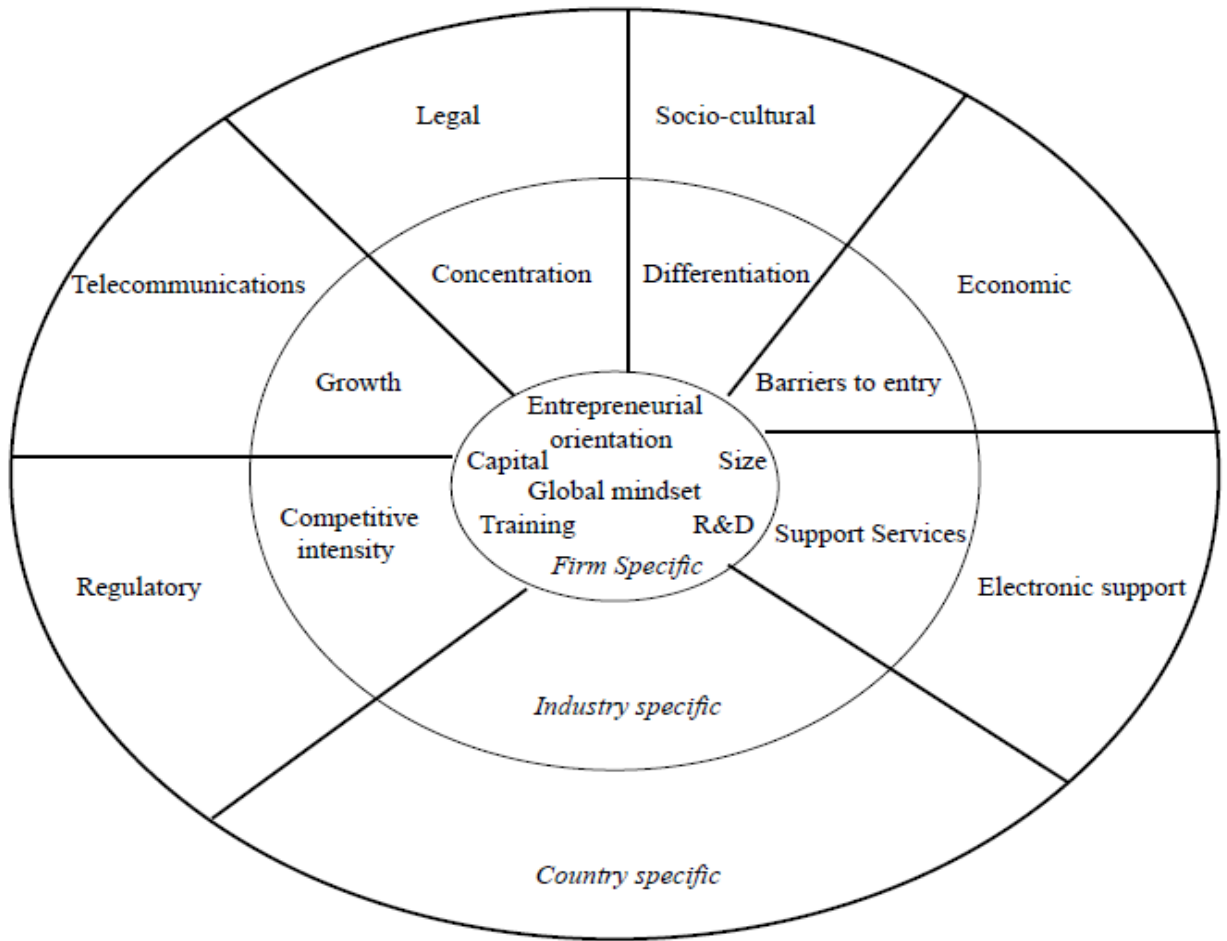


Figure 2.7. Source - Eunni et al. (2007:171)

According to the *Global Entrepreneurship Monitor Survey 2015/2016*. Indian policy-makers scored favourably in the proactive stakes in terms of the support they rendered to SMME's which is evidenced by their introduction of the entrepreneurship-curriculum at the basic school level and the relaxation of the access red tape to market for the burgeoning entrepreneurs.

2.5.3 Literature Review on the SMME Policy Intervention in China

A literature analysis and synthesis comparing China and Russia for instance Djankov et al. (2006b) suggested that the institutional machinery and policy-making on the part of the government authorities in China, was more conducive for the entrepreneurs to blossom and thrive when compared to their Russian counterpart. Djankov et al.

(2006b) findings further revealed that the Chinese local government institutions when dealing with entrepreneurs were more amenable and treated them far more favourably than the Russians which was quite encouraging for the entrepreneurs.

On the contrary, Djankov et al. (2006b) argued that the entrepreneurs preferred national policy-makers to the local authorities when executing institutional policies regulating SMME's. This assertion by Djankov et al. (2006a) is applicable to Russia and Brazil where the local government policy implementers were more susceptible to corruption and to soliciting bribery monies from SMMEs than the national policy implementers in China.

According to Xiangfeng (2007) the SMME promotion law in China, which could be described as the game-changer in the entrepreneurial sphere came into effect in 2003 with a reform mandate which supported SMME's. The roadmap for the SMME's to develop and thrive gained momentum around 2006 when the Chinese government rolled out a comprehensive strategy and game plan that encapsulated, amongst other things, an exhaustive list of favourable interventions to catapult the SMME to another level (Xiangfeng, 2007). According to Xiangfeng (2007) first on the list that the Chinese policy-makers earmarked for the growth of the SMME's was in the shape of an eight (8)-point plan:

- An unequivocal SMME policy and regulatory-driven environment with the full support of policy-makers to encourage innovation and sophistication through technological innovation and creativity;
- The encouragement of a socially-sensitive programme for the SMME's and the opening-up of network opportunities and associations for like-minded entities;
- The co-ordination of structures and barriers that impeded the development, support and growth of the SMME's;
- The uninterrupted focus on the institutional-policy reform process on behalf of the SMME's in a sustained and concerted way; Bolstering the SMME's' capacities to be competitive, not only locally, but also internationally ;

- Providing turnkey solutions and seamless finance accessibility to the SMME's and the assurance of credit guarantees with a view to the provision of resources;
- The internationalization of SMME's through global market expansion, access, participation and internationalization encouragement. This would invariably boost export efforts and revenues; and
- Lastly, monitoring and evaluation of the SMME's in a supported supervisory capacity by the policy-makers.

Xiangfeng (2007) further maintained that the policy-makers, in their pursuit to cluster the SMME's according to the industrial value chain similarities, facilitated accelerated access to finance and credit guarantees, while simultaneously reducing the stumbling blocks to off-shore market access. These policy interventions gave rise to the localization efforts in terms of centralizing the resources and the specialization through integrating with other SMME's who offered substitute or complimentary products and services while market proximity acted as the cherry on the top (Xiangfeng, 2007).

According to Lu and Tao (2010) the entrepreneurial business climate in China has made a fundamental transition from being state or command-controlled to the present open-market economy which is being driven by the market forces of supply and demand. The favourable mitigation of institutional impediments by the policy-makers in the Chinese business climate has yielded enormous opportunities for the entrepreneurs to prosper (Lu and Tao, 2010). Without these changes, the entrepreneurial prosperity in China would not have been where it is now (Lu and Tao, 2010).

The cost of compliance should be receive special attention so that it does not become an institutional barrier for the enterprise on their own, especially for those who are still on the start-up or nascent phase. (Chang and Wu, 2014). Chang and Wu (2014) further maintained that the new entrants' enterprise had to compromise and strike a balance between productivity-efficiency and compliance with existing institutions and enterprises. Therefore, it is of paramount importance that institutional barriers are

reduced in order to level the business landscape, especially between the new entrants and the much older enterprises (Chang and Wu, 2014). The decentralization of the dynamics of the economic structure, coupled to the reduction of legislative and institutional barriers, goes a long way to create a conducive trading environment while at the same time it does not compromise the quality and efficiency of standards. Long-established enterprises have stronger connections with the policy-makers, which gives them an unfair advantage in the business environment while new entrants are still in a catch-up mode (Chang and Wu, 2014). Therefore, the less the institutional barriers, the better the chances are for the SMME's, not only to survive, but to be productively competitive and to be able to make a tangible contribution to economic development and growth..

According to Bijman and Hu (2011) in the context of co-operative support and agro processing, policy-makers emphasise entrepreneurial development and support if the following interventions are in place:

- Firstly, managerial and administrative support;
- Technical and technological- oriented support;
- Financial support and credit access facilitation;
- Preferential taxation treatment;
- Quality specification guidance and support; and
- Lastly, the existence of industrial mentoring guidance.

The above intervention by the policy-makers afforded these entities the opportunity to realise the primary goal of establishing an enterprise, which is both sustainable and potentially profit making. (Bijman and Hu ,2011; Guo and Miller, 2010) advanced the theory that, in an attempt to overcome institutional and business environment barriers, the SMME's have to take consideration of the importance of extended business networks beyond just those that the government recognised officially. Accepting the truth of this will make a profound impact on the success of the entrepreneurial enterprise, especially during the early stages of the venture. The volatility of the business climate confronting the entrepreneurs, coupled with the constrained business resources, as well as the anticipated lack of support by policy-makers,

requires the entrepreneurs to build other forms of business networks (Guo and Miller, 2010).

2.5.4 Literature Review on the SMME Policy Intervention in Brazil

(Slinko et al., 2005 ; Djankov et al., 2006a) suggested that the SMME's in Brazil held the policy-makers in high esteem as they provided a trustworthy atmosphere that is conducive for entrepreneurial activity. The assertions by Djankov et al. (2006a) further argued that the business climate in Brazil created a favourable approach towards SMME's and that this facilitated a smooth transition towards being in favour of individuals being professional incumbents in the running of an entrepreneurial venture.

Scholars have not paid sufficient attention to the positive correlation between the integral role that the entrepreneurial contribution plays in developing economic prosperity, more specifically in the emerging markets, and developing economies (Audretsch and Keilbach, 2004 ; Mueller, 2007). Brazil, as an emerging market and the strongest economy in Latin America and a member of BRICS, is no exception to this phenomenon, which is characterized by the inverse correlation between entrepreneurial activation and economic growth and prosperity. On the other hand, extensive studies and scholarly contributions have been made in the context of developed and advanced economies, which have shown a positive correlation between entrepreneurial activation or stimulation and economic advancement (Baumol, 1996; Van Stel et al., 2005; Wennekers et al., 2005).

According to Acs and Amorós (2008) a concerted effort and a desirable institutional intervention by the policy-makers make a fundamental difference to the entrepreneurial success which results in economic growth and prosperity. This entrepreneurial activation that accelerates the entrepreneurial productivity spearheaded by the policy-makers has been observed mainly in the developed economies as attested by various scholars (Dias and McDermott, 2006 ; Audretsch, 2007 ; Solow, 2007 ; Baumol, 2008 ; Acs and Amorós, 2008). This assertion is also

substantiated by (Bruton et al., 2010 ; De Clercq et al., 2010) who maintain that there is a passive institutional attitude by the policy-makers in facilitating the favourable environment for new venture creation, especially in developing economies. A literature gap needs to be explored further in terms of future research in this entrepreneurial discipline within the global emerging markets. This trend does not only occur in the geo-political entrepreneurial landscape of Brazil, which is the main focus of the study, but in the whole of Latin America. According to Chao and Kumar (2010) Brazil ranked amongst the top of the emerging markets, which also includes South Africa, but it must be noted that there is a gradual transformational shift by these policy-makers in fostering the entrepreneurial sector in an effort to accelerate the creation of new business ventures .

According to Gupta et al. (2014) Brazil has, amongst its peers within the Latin America geo-political entrepreneurial landscape, the most progressive reputation in terms of nurturing a conducive environment for entrepreneurial activity since its independence from the colonial rule of Portugal in 1822 and since becoming a democracy. This approach by Brazilian policy –makers has facilitated and enhanced its global position. This could be attributed as a milestone for Brazilian policy–makers, the picture is slightly different when compared to its global counterparts like India and China. China and India appear to be lagging behind in nurturing the entrepreneurial environment is concerned in order for the SMME's to thrive and flourish as well as they do (Gupta et al., 2014).

De Clercq et al. (2010), in sharing the body of work undertaken earlier by Monolova (2008) advanced that, in the construction of the plausible body of knowledge within the entrepreneurial institutional profiling of an emerging market, three fundamental considerations considered as very important are:

- Firstly, the normative perspective which espoused the entrepreneurial orientation and culture packaged by the innovative entrepreneurship and the potential to create value while embracing a creative mind-set ;
- Cognitive domain was characterised by the acquisition of knowledge and competencies that gave rise to new venture creation and the ability to operate a business venture; and

- Lastly, a regulatory realm that encompasses the legislative environment regulated by the policy-makers in the new venture-creation in terms of support, mitigation of risks and nurturing the entrepreneurial mechanisation.

The body of work proposed by Monolova (2008); De Clercq et al. (2010) and the earlier contributions by Di Maggio & Powell (1991); and Kostova (1997) which, at a later stage, was remodelled by Busenitz (2000), produces the institutional instrument that manifests in an institutionally-friendly entrepreneurial climate.

It is mindboggling that the emerging economies like Brazil, even though they have made huge improvements in the entrepreneurial space, no tangible dents in poverty alleviation, pervasive unemployment, maladministration, mismanagement and glaring inequalities have been made. In an effort to make a dent in the reduction of these socio-economic ills that are negatively affecting transitional economies in terms of their prosperity and growth-potential, various scholars have highlighted intervention programmes that could assist in addressing this predicament.

According to Almeida (2008) a triple helix model based on the institutional collaboration between the public sector (government), the private sector and the academic sector has pioneered the incorporation of the of entrepreneurial knowledge. This approach, which was premised, on the innovation and technology transfer that could have a snowball effect in spheres of helices and could have spill over and multiplier effects on the broader entrepreneurial community thus triggering innovation and creativity. The universities, as the research centres in the context of the learning economic environment because of their autonomous capability, acted as drivers of the entrepreneurial fostering and transformation in Brazil (Almeida, 2008). This initiative by the policy-makers acted as a catalyst for technological transfer through R&D and innovative capability, which eventually created a commercialized entrepreneurial climate and culture.

In Brazil the other success story stemming from the policy-makers that has been highlighted in literature has been the focus on incubation drives in an effort to help create and sustain new ventures. The policy-makers created funding mechanisms for

the new ventures which fulfilled the role of being the seed capital for the entrepreneurs to access credit and capital (Kantis and Federico, 2012). The authorities made budget provision for the new ventures and for the establishment of the technology parks which the Technology ministry considered a priority. Technologically oriented performance criteria for the entrepreneurs were utilized as the benchmark in ensuring the return on investment on the part of the policy-makers while supporting the incubator participants.

2.6 CONTINENTAL-WIDE LITERATURE REVIEW ON THE SMME POLICY INTERVENTION

2.6.1 A Nigerian Perspective

An undeniable reality that has been invoked and deliberated on by various scholars is that there is a direct relationship between the entrepreneurial stimulation and orientation and the economic development as a contextual factor (Dias and McDermott, 2006 ; Audretsch, 2007 ; Solow, 2007 ; Baumol, 2008 ; Acs and Amorós, 2008) . Africa is no exception to this popular belief and the assertion that, for the continent to prosper, there should be a concerted effort to institutionalize and nurture the entrepreneurial business environment in a manner that is conducive for the SMME's to thrive. Therefore, nurturing the environment is a fundamental step towards achieving this feat. It has not been all doom and gloom, though, as in the case of Nigeria, for instance, where the policy-makers introduced the industrial localization strategy to boost the participation of local SMM'E's into the mainstream economy (Alarape, 2007).

This policy contributed towards the promotion and support of the substitute products to be produced in Nigeria while the other factor-input needed for the manufacturing process, like original equipment manufacturing (OEM), could be exported provided it could be integrated into the industrially- localized transaction (Alarape, 2007). According to Alarape (2007), this policy-maker driven industrialization programme encouraged Foreign Direct Investment (FDI) to collaborate with local SMME's in a

win-win approach while promoting the very same SMME's in terms of resources, linkages, networks, market-accessibility and technological knowledge transfer.

Various stakeholders and institutions used this SMME-participation programme which contributed to the economic output of the country while, simultaneously promoting job creation and SMME support. Notably, the participants in this scheme ranged from industrial SMME's, financial institutions, government and state-owned-entities, research & development (R&D) institutions and large industrial associations that already had resources. The spin-offs that yielded positive outcomes were based on the following concerted efforts by the policy-makers:

- Firstly, subsidization incentives on behalf of the SMME's that facilitated the acquisition of exported factor inputs and raw materials either on free custom and import duty and drastic discounts on rates as far as pricing was concerned;
- Secondly, rebates were provided for SMME's that had exported commodities, provided that there would be value creation and a further processing until they became finished or semi-finished products and conformed to stipulated quality standards;
- Thirdly, the moratorium and gradual write –off of the capital assets expenditure prior to the completion of the payback period in order to promote more capital incentive-investment programmes that assisted SMME's ; and
- Lastly, tax relief of up to five (5) years on most of the capital intensive expenditure investment programmes that accommodated the SMME's in the value chain.

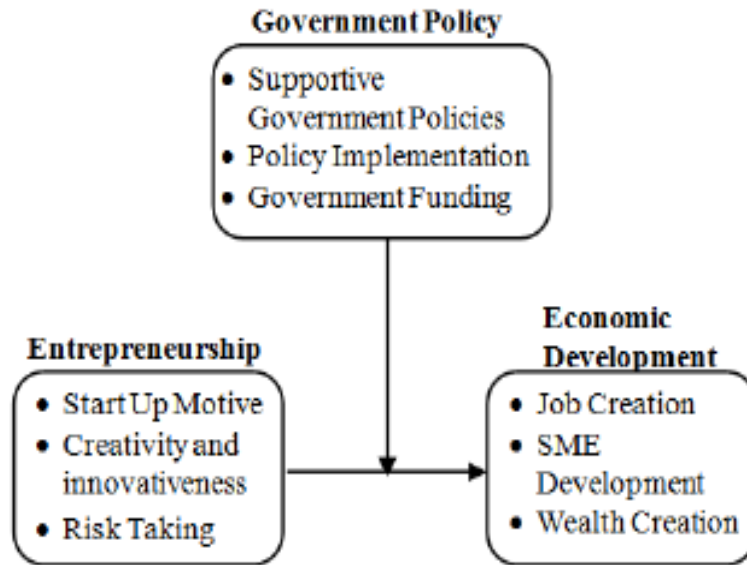


Figure 2.8 Source Obaji and Oluji (2014: 112)

The Figure above is an illustration that the policy-makers, especially at the highest level, should communicate to local government sections that they should be instrumental in entrepreneurship mobilization and should be supportive in order to promote favourable economic development (Obaji and Oluji, 2014: 112). According to Obaji and Oluji (2014), the main consideration of policy-makers should be to assist SMME's to be leaders of economic development. In the Nigerian context, policy-makers adopted the belief that the nurturing and empowering of entrepreneurs acts as a foundation in reducing unemployment. Various scholars (Aidis et al. 2010; Bruton et al. 2010; Estrin & Mickiewicz, 2011; Cho & Honorati, 2014; Co, 2015) come to realize the significance of magnifying the relevance and the appropriateness of the role that the authorities play in shaping a conducive, institutional policy and regulatory business environment for the co-existence and collaboration of both multinational or big companies and SMME's.

2.6.2 A Ghanaian Perspective

In Western Africa, the policy authorities in Ghana which is one of the fastest-growing emerging markets, are determined to create a conducive business climate and

culture for the SMME's to thrive and prosper through the introduction of an innovative-oriented policy framework (Robson et al., 2009). The policies that the government pronounced should be geared towards tangible outcomes in promoting the SMME's to acquire the technical and technological expertise and skills while mitigating the risk factors and igniting the innovative mind set. Robson et al., (2009) argued that the lack of monitoring, evaluating and enforcement by the policy makers in levelling the playing fields for the SMME's has been aggravated by red-tape, pervasive bureaucracy and corruption on the part of government officials.

This has provided the opportunity for the large multinationals to benefit from the very policy-levelling efforts that are supposed to be assisting SMME's. In Ghana there is a multitude of SMME's, albeit mainly informal, and the ownership structure of Ghana's big businesses that are in the mainstream economy is less than 5% of the indigenous Ghanaian population (Yamoah et al., 2013). Yamoah et al. (2013) further noted that the institutional framework could thwart or promote SMME's. This is dependent on the role of the policy-makers, which ought to be quantitatively enforceable and sustainable while at the same time not compromising on quality standards as perceived by the consumer. Another dimension that is indispensable and which should be promoted by policy-makers in order to improve the plight of the SMME's in their quest to succeed is the accessibility of the pertinent information that is crucial in the entrepreneurial sphere (Yamoah et al., 2013).

SMME's are now operating in a knowledge economy. This means that the knowledge involved should form part of their daily lives in terms of its comprehension and application. Various scholars argue that there is no denying that the Ghanaian policy-makers have made various attempts in the establishment of an institutional framework that should be conducive towards the sustainability of SMME's. Yet the many trading constraints confronting the SMME's still seem to diminish and obliterate the policy-makers' efforts in creating an environment that is fair to all. According to Yamoah et al. (2013) in order for the institutional framework to be more favourable for SMME's, the following recommendations have to be considered:-

- Crafting of a centrally coordinated nationally- endorsed plan by the Ghanaian policy-makers that will strategize the support and the development of SMME's as a key national priority;

- Facilitating an enabling geo-political and socio-economic business climate that should ignite and expedite a conducive and a stable business performance environment in which the SMME's can thrive;
- The cost of compliance that is burdensome for the SMME's should be re-visited by the policy-makers in order to offer some regulatory relief to them;
- The Ghanaian financial development institutions ought to have a preferential treatment in the lending of funds to SMME's so as not to stifle their aspirations with exorbitant and unrealistically high interest rates and cost of capital;
- Adhere to some regulatory expansion by the relevant policy-makers in monitoring and evaluation endeavours with re-enforcement benchmarks and milestones;
- Create an infrastructure programme that can build quality roads, infrastructure, energy supply and availability of water; and
- Allow for the modification of the onerous tax regulations that discourage the SMME's to evade tax compliance in order to boost working capital for their business.

2.6.3 A Kenyan and East Coast Emerging Economies Perspective

The body of knowledge that has been reviewed from an African perspective is from Kenya, which could also be characterized as an emerging market. Tubey (2015:281) believed that a distinction should be made between entrepreneurship-development and SMME-development so as not to create confusion between these two terms, especially in the case of Kenya. Tubey (2015), suggested that entrepreneurial development is individual-oriented as it centres on the person, while SMME-development takes the shape and form of the enterprise as an entity.

Entrepreneurial development and the SMME development by the policy-makers ought then to make this distinction when dealing with accelerating the growth and prosperity of these developments of which the one could be described as a legal persona while the other could be construed as a naturalistic persona. According to Tubey (2015); and Cunningham et al. (2014) the Kenyan policy-makers' vision 2030 has been crafted

to spearhead the entrepreneurship development programmes which encapsulate, amongst other things, the following notable interventions:-

- A near state of the art infrastructural logistical linkage on behalf of the SMME's via the access of ports, rail, air space and roads – especially for the global reach;
- An inventory and a repertoire of competent and well-educated personnel to drive the entrepreneurial process;
- Boosting the sectors that promote pro-active tourism, wildlife-viewing, and expeditions that are safari-oriented;
- Creation of a free open-market economy that is conducive to nurturing the SMME's;
- Cutting edge and sophisticated securities and a stock exchange for liberalized trade;
- Co-ordination by the authorities of networking platforms on behalf of the SMME's to other trading partners regionally and beyond ;
- Suitably appropriate technologically development-driven organizations; and.
- Economy-friendly policies.

Tubey et al. (2015) recommended an entrepreneurial-friendly climate where the policy makers create the following specific attributes that bring policy closer to centrality and practicality, namely:

- Firstly, policy driven by the inspirational culture of the SMME's that inculcates a culture of putting the people first. This also promotes the adopting of entrepreneurship as a fully-fledged career of choice;
- Consolidation of an entrepreneurship curriculum and its establishment in all spheres of the learning environment and institutions across the board; and
- Opportunities rendered to the SMME's that incorporate the funding initiatives, seed capital injection, establishment of incubators, mentorship support as well as avenues for new ventures to flourish.

The policy-makers invariably have set the tone to create an entrepreneurial climate for the SMME's so that they may make a meaningful contribution to the economic growth and prosperity, reduction in joblessness and restoration of the dignity of the Kenyan

citizens. Kenya, Tanzania and Uganda, have experienced deregulation by the policy-makers who enjoy support at the highest ministerial levels in the field of entrepreneurship, technology, science and innovation (Cunningham et al., 2014:163). Similarly to the findings by (Tubey et al. 2015; Cunningham et al. 2014) identified that the Kenyan authorities within the entrepreneurial business landscape addressed the aspects of institutionalization which encompassed innovation of SMME's, amongst other factors in the *National Development Plan Vision 2030*. According to Cunningham et al. (2014), the synopsis by the authorities highlighted the correlation between entrepreneurial activity stimulation and economic growth through innovation drive. This warrants a climate and culture that will nurture the SMME's in order to promote job creation. The alignment by the policy-makers in the planning and execution of entrepreneurial-friendly policies which were conducive for the SMME's to thrive have been evidenced in Kenya, Tanzania and Uganda, which made it convenient to align their endeavours within the policy and regulatory framework.

2.6.4 The African Perspective in Its Entirety

According to the survey by the auditing and accounting conglomerate Ernst & Young (2015), on the African continent's attractiveness as an investor destination, that was undertaken in 2015 and which is in its fifth instalment, the only continent that surpassed Africa in terms of Foreign Direct Investment (FDI) and investor confidence was Asia. The focus of this study highlighted the need for the leaders of the continent from the geopolitical scenario and the economic front to set an example that prioritises the transformational leadership and the selfless approach that puts the continent first as was displayed by the legacy of leaders such as Nelson Mandela.

Ernst & Young's (2015) report proposed that, in order to accelerate Africa's economic development while leveraging the investor confidence, a structural transformation should take place. The economic headwinds that have been experienced especially, during 2014, should not eliminate the economic growth that was experienced in the preceding years. This augurs well for the economic participation that could be boosted by, among other things, relaxing the restriction on the entrepreneurial business sphere by the authorities fuelled by this positive economic growth potential. The watchdog of

the geo-political structure that should be providing the oversight on African development is the Africa Union (AU) and the New Partnership for Africa Development (NEPAD) and it should also be their priority to elevate Africa as a top global investor-destination. The Ernst & Young (2015), report further noted that, in order to accelerate and expedite this structural transformation certain impediments, as depicted in the Figure below, needed to be decisively and authoritatively dealt with without further delay.

In an effort to improve the governance on the part of the policy-makers and the concomitant business environment, the following priorities were suggested by the Ernst & Young (2015) report:-

- Shared continental espoused values;
- Entrepreneurship orientation and activation which forms the backbone of this inquiry;
- Regional collaboration and integration for the common good;
- Infrastructure development prioritization as an investment focus; and
- Lastly, fostering partnerships for the purposes and the realization of co-existence and co-evolution amongst African Union members.

Perceived barriers to investment in Africa

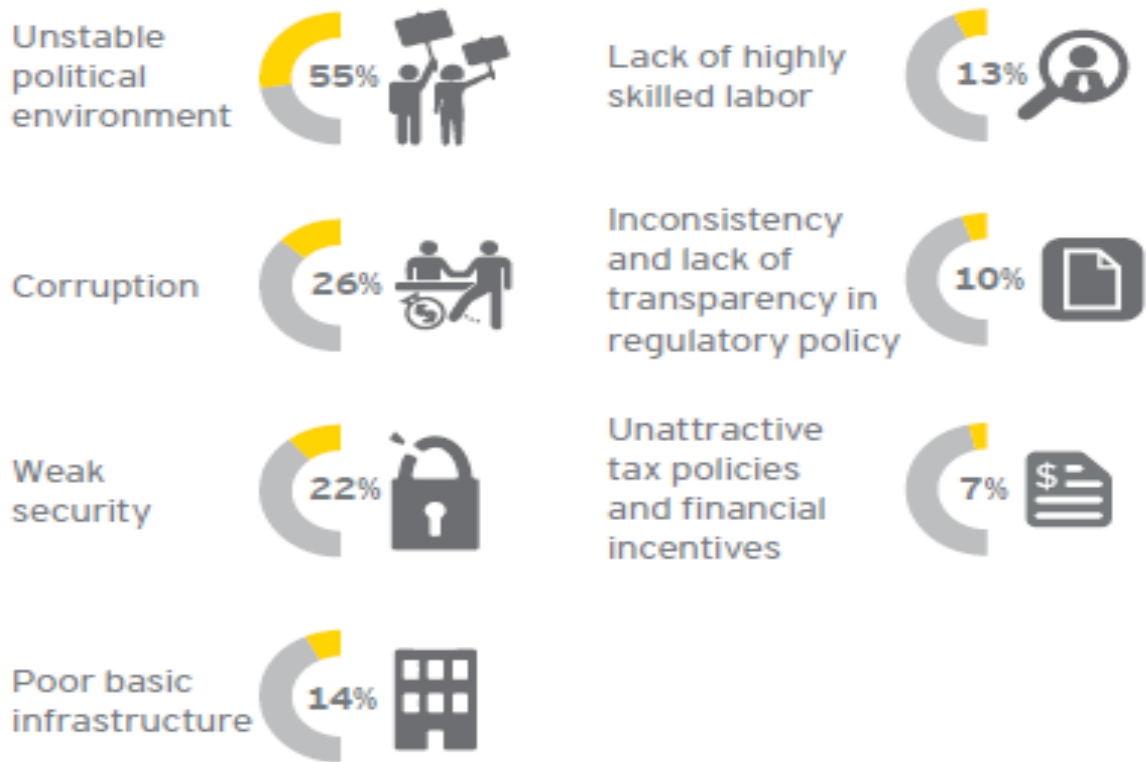


Figure 2.9: Source Ernest & Young (2015:7)

According to the *World Economic Forum, The Global Risk report*, (2014-215), which is now in its ninth (9th) instalment, a highlight was advanced in terms of interconnected global risks confronting the policy-makers and the captains of industry and Africa was not an exception. According to the WEF report, the systemic risk could be described as the aggregate risk that has a long-term negative impact on the a particular system or process in a domino effect which could prove extremely dangerous if not proactively averted or dealt with assertively.

The report further highlighted ten (10) systemic global risks that the policy-makers needed to take cognisance of. For the purpose of our inquiry, global dereliction of duty by the policy-makers will be our focal area (Kaufman, 2003). Also, for the purpose of this inquiry in particular, out of thirty one (31) global risks cited by the report, the researcher will confine his attention to the five (5) risk types that could contribute to the contextual factors which the policy-makers ought to take cognisance of. Over and

above the individualistic-oriented risks, the following risks were highlighted by the report namely:-

- ***Economic headwind oriented risks*** :- This risk-type focuses on both the monetary and the fiscal policies by the policy-makers that ensure that the entrepreneurial sphere is suitable for progress;
- ***Environmental (flora and fauna) risks***: This could be man-made or could be the result of natural disasters. This former section includes realities like biodiversity, climate change, pollution/carbon emissions, and damage to the ecosystems e.g. nuclear catastrophes while the latter could be attributed to droughts, earthquakes, floods and extreme weather conditions;
- ***Geopolitical (democratic stability) risks***: The lack of good corporate governance by policy-makers, disrespecting the country's constitutional values and putting the individuals above the citizens and marginalising the spirit of Ubuntu (humanity);
- ***Societal (citizenry activism) risks***: Disregard of -socially shared values like decent jobs, housing, infrastructure, education, health, equality and employment. Mismanagement, graft and maladministration including the white-collar crime; and
- ***Technological (creative disruption) risks***: - These involve the innovation around the research and development, creative thinking and the ability to think pro-actively by the game-changers for the betterment and the improvement of the quality of life. The cyber space and the digital world is fast becoming an indispensable part of our communities. According to the (*Global Entrepreneurship Monitor Survey, of 2015/16:8*), it is important to realise that there is a direct correlation between entrepreneurship and economic development.

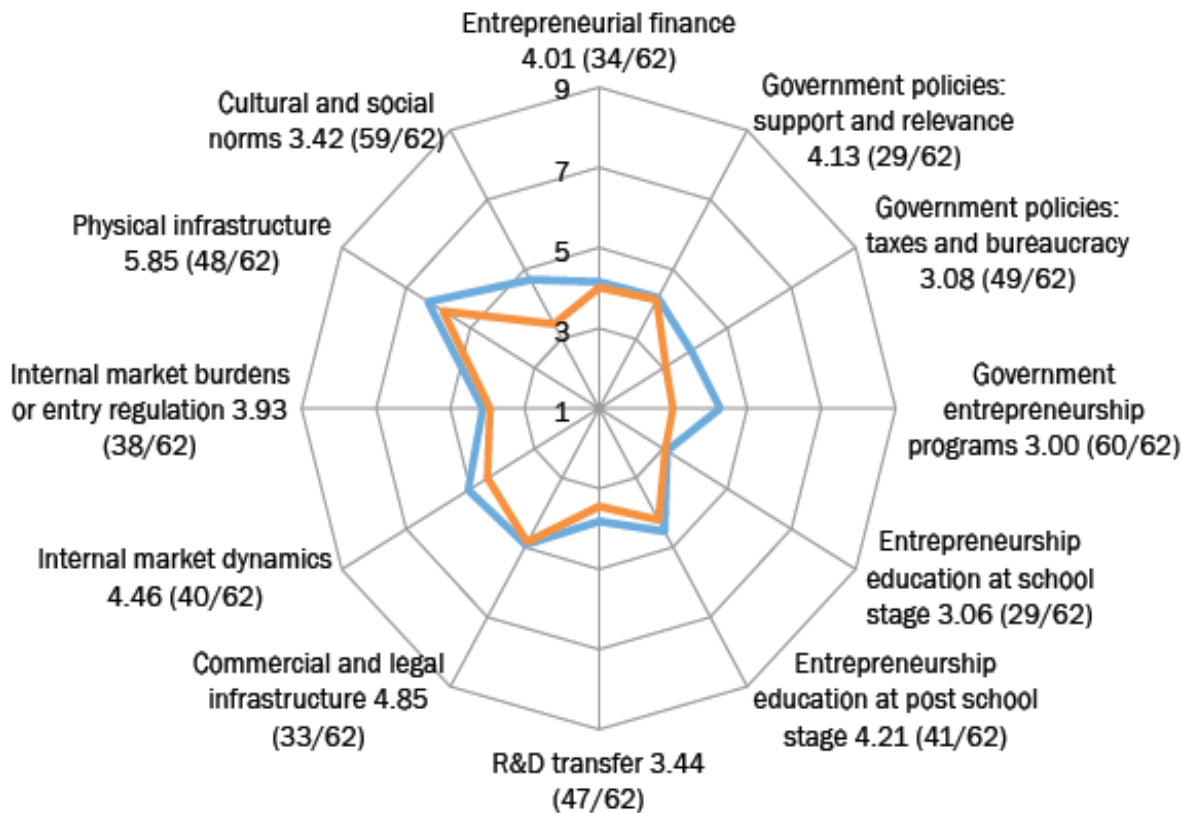


Figure 2.10: Source - Global Entrepreneurship Monitor (2015/2016:54)

The entrepreneurial eco-system of South Africa, which is the location of this inquiry, reveals that, even though the policy-makers have made a conscious decision to support the SMME's, a lot still needs to be delivered if the social ills of unemployment, poverty and inequality are to be ameliorated (*Global Entrepreneurship Monitor 2015/2016*). The South African perspective will be explored in the section below where an attempt will be made by the researcher to examine the impact by the policy-makers on the performance of the SMME's.

2.6.5 Literature review on the SMME policy intervention in South Africa

The Presidential 9 point Plan announced by President Jacob Zuma during the 2016 State of the Nation (SONA), address to recognise the importance of SMME's in the economy is long overdue. This plan will act as the accelerator of the National

Development Plan (NDP) which seeks among other things to create six (6) million jobs per annum by 2030. The role of the DSBD is to create an environment that will facilitate this.

The bureaucratic nature of the business climate, coupled with the hindrance of red tape, is not contributing to the alleviation of the plight of the SMME's according to the report by the *Economic Freedom Market's* (EFM) report. The report recommends that red tape should be removed as it is hindering the progress of SMME's and that this removal will be commensurate with pillar one (1) of the DSBD. In South Africa, the policy-makers have created the *Broad Based Black Economic Empowerment* (BBBEE), (DTI, 2007) in an effort to support the aspirations of the PHDI. This piece of legislation was activated as an extension and an improvement of the previous *Black Economic Empowerment* (BBE) provision (DTI, 2003), which only empowered a few politically-connected individuals and hence such huge inequalities this in the country.

Amongst the elements in the BBBEE, which is termed the Code of Good Practice, is that element called Enterprise Development (ED). The primary goal of ED was to facilitate and accelerate support for the SMME's through the receiving of grants, interest-free loans for direct expenses and overheads as well as other monetary benefits that could be transacted on behalf of the SMME's by the big conglomerates. The Department of Trade and Industry (DTI) also has a variety of incentive schemes that are geared towards nurturing entrepreneurial activities. Chief amongst these is the *Black Supplier Development Programme* (BSDP).

Coming closer to our province, the provincial Department of Economic Development, Tourism and Environment Affairs has also been established to level the playing fields on behalf of the SMME's. This is in an attempt, not only to contribute to the promotion of exports, but also to invigorate the entrepreneurial development with the consequent result of diminished dependency on imports while promoting localisation. Moving down to the regional and local level, the eThekweni Municipality has a local Economic Development division that has as its objectives, the support and the development of SMME's.

The role that the SMME's play in the economic development through their contribution to the stimulation of employment opportunities and to reduction of poverty is of crucial

importance in an emerging economy like that in South Africa (Smit, 2012: 6325). Smit (2012) further indicated that SMME's are mainly confronted either by economic-oriented challenges as well as enterprise-prone predicaments. While the former is exogenous-based, the latter originates from the internal process in the business. This explains why the SMME business landscape is fraught with risk scenarios which propel the proactive management approach in strategizing, evaluation, mitigation and the prioritisation of these risk factors.

In 2015 the State President of the country, in the State of the Nation Address (SONA), mentioned that the State would set aside 30% of its total procurement budget for the SMME's which should be an indication of the commitment at the highest level of taking SMME's seriously. This, in conjunction with the procurement budget that the private sector is legislated to undertake in their procurement budget, should to a great extent, be sizeable enough to assist the performance and sustainability of the SMME's in the country, specifically at the local level. Extending the SMME opportunities to the local government level, the EThekweni Metro achieved R41, 6 billion in revenue collection during the 2016-2017 financial year alone which posed the question as to where the bottleneck is and the barrier that thwarts the low levels of entrepreneurial inclusivity and integration from the SMME's vantage point. The Provincial Growth Development Strategy, under the auspices of Co-operative Governance and Traditional Affairs, should be aligned in such a manner that the collaboration attains its maximum benefit in nurturing and facilitating SMME prosperity.

According to Herrington (2010:12), the policy-makers since the dawn of the new democracy in, 1994, have been at pains to establish policies and an institutional framework for the entrepreneurial business sphere that could eventually contribute to economic development. In his words the former Finance Minister, Trevor Manuel, as early as 1995 had this to say about the important role of SMMEs when addressing socio-economic ills: "With millions of South Africans unemployed and underemployed, the government has no option but to give its full attention to the task of job creation, and generating sustainable and equitable growth." (Herrington, 2010:12). According to Mbonyane (2011), other factors that thwart the progress of the SMME's, other than the institutional and regulatory framework, range from high levels of crime, poor

infrastructure facilities, limited access to relevant entrepreneurially-oriented information as well as the general lack of appropriate experience and skills. Mboniyane (2011) further stated that the worst affected SMME's were those that were mainly located in the previously so-called black townships where substance abuse attributed as a barrier to the growth of SMME's.

Preisendörfer (2012:10) argued that the lack of entrepreneurial activities in South Africa was due to the discriminatory past during the apartheid years. Preisendörfer (2012) further elaborated that, despite the general lack of financial abundance, mineral resources and human capital, the black SMME's in general had a highly subdued entrepreneurial activity, therefore, corroborating the findings of (Herrington, 2010 & Mboniyane, 2011). According to Statistics South Africa, the black population comprise the majority, so this state of affairs, is a cause for concern if the state of unemployment, poverty alleviation and the reduction in equality is to be tackled successfully. Statistics South Africa reveals that the joblessness rate in South Africa hovered around 26.7% during the second quarter of 2016, while the economic growth improved against all expectations to an encouraging 3.3% during the second quarter of 2016, which is good news.

According to Mahadea (2012:11) one of the stumbling blocks in South Africa, compared to other developing economies like China, India and Brazil, is its high labour costs. Whether Mahadea's (2012) assertion holds water is the subject of another debate given the high level of inequality in South Africa compared to the similar developing economies. Maybe, the labour policy issue ought to be evaluated in a border perspective and could be a future subject of research. Mahadea (2012) holds that the transition of the informal SMME's into a more organized and formal recognition rests squarely on the shoulders of the authorities and that this will make a constructive contribution to the economic prosperity in the country. According to Co (2015: 95), the following five hindrances were cited as amongst the top in thwarting the aspirations of SMME's and which depict the sense of urgency for the DSB. They should embark upon the following if their role is to be effective.

These challenges were:-

- Inflation induced obstacle;
- Criminal elements including robbery and stealing;
- Labour legislation and regulatory environment;
- Taxation compliance policies; and
- Corrupt activities by the authorities and the officials.

Co (2015) also added other hindrances for the SMME's including access to funding, the general perception of risk and safety conditions, cost compliance, pessimism, price regulations (fuel and energy), foreign trade and currency -instability and lack of support for new ventures. It should be mentioned that the DSBD is still in its infancy, but by the look of things it should energise itself if it is to facilitate a conducive environment in which SMME's can thrive. Make or break for the SMME's could be the result of the institutional influence which is an external factor which is beyond the influence of the market forces of supply and demand (Aidis, Estrin, and Mickiewicz, 2008; Manolova and Yan 2002; Welter, 2011). The paucity of knowledge in this regard, especially in emerging economies like South Africa, has been one of the primary factors that has inspired the researcher to explore this dilemma and to pave the way for the future research as external influences like economic, social, political and cultural factors have a direct bearing on the entrepreneurial orientation of SMME's. Irrespective of such entrepreneurial orientations like risk-taking, assertiveness and competitive edge on the part of the SMME's, the role of policy-makers, government institutions and authorities is still an area that has not been scrutinized and examined appropriately enough to benefit SMME's.

2.7 SYNTHESIS OF LITERATURE REVIEW CHAPTER

The search and review of the body of knowledge by the researcher in this inquiry adopted the typology posited by Cooper (2010) and Creswell (2013:61) that identified four hallmarks of literature review namely:-

- Firstly, the synthesis that has been discovered in related fields by other scholars;

- Secondly, the objective analysis and evaluation of previous scholarly contributions in a constructively-critical manner;
- Closing the gap between different contributions within the similar context; and
- The identification of the centrality and specificity of the scholastic-dimension gap of this inquiry.

2.8 CONCLUSION

This chapter commenced with the analysis of the macro-perspective within the entrepreneurial business landscape specifically the endogenous factors that could be construed as the external business climate for the SMME's. The discourse that followed focused on the SMME's learning as a contemporary management discipline, which act as a leverage for the SMME's to equip themselves with appropriate competencies, attributes and expertise that is paramount within the context of the Fourth Industrial Revolution era of the knowledge economy. This was followed by the examination of the scholastic contribution on the systemic role of institutions in bolstering the SMME's entrepreneurial capability, which under normal circumstances is driven by policy-makers by policy-makers and authorities alike. The institutional literature was complemented by an evaluation of policy support by authorities in nurturing SMME's performance in emerging markets in which this study is located as well. The chapter concluded by the evaluation of literature pertaining to the continental-wide on SMME policy intervention that support the SMME's performance goals. The next chapter will concentrate on the theoretical and conceptual framework that will pave the way for theory testing.

	CHAPTER 3 THEORETICAL AND CONCEPTUAL FRAMEWORK	
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3.1 INTRODUCTION

This chapter will focus on the following perspectives, theories and approaches will act as the compass and the navigating strategy in this study when constructing the conceptual framework guiding the answers to the main research questions.

These perspectives are as follows: -

- The economic growth perspective;
- The entrepreneurship theory perspective;
- The institutional theory perspective;
- The network theory perspective ; and
- The social entrepreneurship perspective.

These will focus on the concepts, assumptions, constructs, variables, theories, strategies as well as problems which are either facilitating or constraining the answers to the inquiry. The approach will also take the shape and form of a paradigmatic stance that will not only explain and predict the phenomenological focus of the inquiry, but will also systematically direct an objective and critical evaluation by the researcher. This will further be contextualized by way of the investigation and examination of various scholastic research contributions that either facilitate or constrain the variables in the inquiry. The outcome should culminate in a systematic contribution to the ongoing body of knowledge regarding the entrepreneurial business landscape. These sources within which the conceptual framework of the study will be as follows:-

- the researchers' own exposure to or, experience of the field, coupled with acquired theoretical and practical knowledge in terms of perspective and insight;
- the prior theory and other scholastic contributions in the main field and contributing fields; and

- the researcher's pilot study and findings feedback pertaining to the responses and predictions, or hypothesised statements.

Theory testing in a robust and vigorous approach will form a fundamental cornerstone in this deductive-oriented research in an effort to lay a foundation that will give shape and form of the proposed conceptual model. This chapter made provision for the knowledge, comprehension, analysis, application, synthesis and evaluation of the paradigmatic orientation and also lays a foundation for both the review of literature and the research-design methodology in the ensuing chapters. The creation of the conceptual framework paved the way towards the contribution of the turnkey and pragmatically-oriented solution that could be implemented at the local level and extended and replicated in a similar scenario elsewhere. The attempt by theories, concepts, variables, beliefs, and assumptions, was informed by various paradigms, philosophies and chosen methodologies that contributed to the body of knowledge while simultaneously investigating and stimulating further future research in this particular knowledge realm.

Taking into account the context of the entrepreneurial environment and juxtaposing it with the business climate, which has not fully recovered from the global financial crises of the second half of the previous decade. The South African entrepreneurial environment is also not exempt from the shocks that crippled many sluggish economies globally as a result of the impasse created by the financial collapse. The philosophical approach in the conceptualization of entrepreneurship as a field of study within a broader business discipline is borrowed from the definition provided by (Shane and Venkataraman, 2000). According to them, entrepreneurship could be defined as the scholarly-oriented discipline that examines the characteristics, the processes, the state of being as well as the outcome of the identification of a business idea and its conversion into a profitable opportunity, by combining the appropriate resources in the creation of value and wealth for individuals. This has been undertaken through the act of the discovery, exploration and the exploitation of those opportunities that yield the formation of new products and services, methods of productivity and the opening up of new markets while optimising the resources (Shane and Venkataraman, 2000).

According to Bhattacharjee (2012) in order to explain and analyse the phenomenon in a social context using a scientific method, the researcher must take into account the following research characteristics namely:

- **Replicability:** - Other researchers should autonomously reproduce and extend the similar scientific inquiry elsewhere and have more or less the same outcome;
- **Precision & confidence:** Precision highlights that there should be quantification of those variables in as accurate and precise manner as possible ; while confidence refers to the likelihood that the measurement accuracy is 95% or more while the margin of error could account for 5% or less;
- **Falsifiability:** A theoretical concept should be presented in such a way that it could be scientifically proven to be true or untrue. Therefore, it should be practical that it could be tested and verified; and
- **Parsimony:** - Also referred as '*Occam's Razor*' implying that a scientific research should be undertaken in a straight forward way with simplicity being the virtue and that the methods used in the inquiry should be undertaken in a cost-effective manner.

Sekaran & Bougie (2013) and Creswell (2013) complemented the scientific research dimension adopted by Bhattacharjee (2012) in terms of legitimisation of the scientific research qualities by adding other scientific research hallmarks namely:-

- **Rigour:** The application, analysis and evaluation of the theoretical variables by the researcher in the inquiry should ensure carefulness, sternness, thoroughness and firmness that culminate in the validity and the reliability of the findings that address the research questions;
- **Testability:** The responses to the research questions by the respondents should yield accuracy, precision and validity and should support the predicted hypothesis;
- **Generalization :** refers to the process of extending the findings in the scientific research from a sample to a broader population;

- **Objectivity:** refers to the neutrality and the value-free approach by the researcher and for the researcher to be as truthful and as free of bias as humanly possible; **and**
- **Purposiveness:** Refers to the notion that the inquiry should have a certain objective or purpose.

A variety of factors were taken into account in the development of the theoretical framework within the contextual realities of South Africa as a developing economy and a global player in the international business and economic landscape. It is worth mentioning at this stage that the policy framework and direction encapsulates amongst other things both the Sustainable Development Goals (SDG's) of the United Nations (U.N) and the National Development Plan (NDP) that will be cascaded and adapted to the local government level.

In this study, as an attempt at elucidation of the correlation between the independent variable (the influence of DSDB) and its cause and effect (causality) on the dependent variable (performance) of SMME's. Various theories have been integrated in an effort to test critically, to predict the acceptance or rejection of the hypothesis that the inquiry proposes, and subsequently to contribute to the relevant body of knowledge.

According to Naudé (2010) the SMME's have four stages of life-cycle development, namely the conceptualization phase, then follows the gestation phase, thereafter the infancy stage and rounded off by the adolescence stage. The conceptualization is the equivalent of the pre-start up or the nascent SMME phase, while the gestation is similar to the start-up phase, followed by the infancy stage, which is similar to the growth stage, and the adolescence stage could be inferred as the maturity stage.

According to the Global Competitiveness Report, of the World Economic Forum, South Africa, as an emerging and a developing economic activity, has a low Total Entrepreneurial Activity (TEA). In its Global Competitive Analysis Index, South Africa, in terms of entrepreneurial attributes, is in efficiency-driven economic strata, which epitomizes a low income to a middle income-efficiency driven economy as depicted in the illustration below. The ideal scenario would be to feature in an innovation-driven stratum, which is commensurate with higher entrepreneurial activation that is normally

characterized by heightened levels of business sophistication and innovation or creativity.

The entrepreneurial performance of a typical emerging economy should strive to be in the third column that is characterised by both the creativity in innovation as well as by business sophistication that mainly characterises the developed economies. The scope and focus of this inquiry takes place within the era where the South African economy is experiencing a below one (1%) percent economic growth which continues to exacerbate rather than ameliorate the three social ills of poverty, joblessness and ever-increasing inequalities. This is further worsened by the continued high levels of corruption, maladministration, mismanagement, irregular expenditure, high levels of crime and leadership crises in the form of so-called 'state capture' and court battles amongst the political parties.

It is time for everyone involved to roll up their sleeves and to put 'shoulder to the wheel' in the form of a constructive contribution to this rainbow nation that boasts world-renowned Nobel Peace Prize recipients: of Chief Albert Luthuli; Mr Nelson Mandela, Mr F.W. De Klerk and Bishop Desmond Tutu. The country has so much potential if only the leadership and the captains of industry from business, labour, government and civil society could put their ducks in a row in shaping our society for the better for everyone's prosperity, not the lucky few. If this could be achieved, the country would slowly but surely shift from being an efficiency-oriented economy into an innovation-driven economy, characterised by business sophistication and innovation capability.

This inquiry seeks to explain and predict the enabling and impeding variables, assumptions and problems that contribute to the depressed entrepreneurial activity of the SMME's within the framework of the emerging economy (Nafukho et al., 2010). While the independent and the dependent variables have been succinctly identified in the inquiry, it is imperative at this stage that the moderating variables should also be identified, which could be described as the sustainability of the SMME's over long terms notwithstanding the economic headwinds and institutional hurdles that are confronting them on a daily basis. This should culminate in the design of a

comprehensive conceptual framework that encapsulates the practical, theoretical and empirical direction of the phenomenon in this inquiry and further give room for other similar research to be pursued by other researchers.

In this inquiry, an attempt will be made to examine and assess unique approaches from the theoretical framework as well as the general information on the ground either informally or formally in an effort to produce an appropriate conceptual model. This will also be a framework which will be aligned with the literature review and the research methodology that is addressing the research question while contributing to the entrepreneurial body of knowledge and it should also pave a way for future study.

While the paradigm of the study will be the focal point of elucidation under the literature review, suffice to mention at this stage that the ontology (nature and structure of the world) and the epistemology (knowledge, comprehension and understanding within a particular methodology) underpin the philosophical approach of the researcher albeit in a management science and in a business discipline. A challenging aspect in the design and the packaging of the conceptual framework is to strike a balance between the theoretical variables and the observable factors. The former refers to the internal attributes and experiential orientation of the researcher while the latter refers to the external environment where there will be a repository of the data to be collected in the research. Therefore, the conceptual framework will contribute to the legitimisation of the synthesizing of both the personal experience, insights, and existing theories while taking cognizance of the real world that is continually evolving and unpredictable.

3.2 The Economic Growth Perspective

Schumpeter (1934) recommended that within the economic context, which incorporates both the endogenous and exogenous variables and attributes, entrepreneurs, could be characterized as those who synthesize the new idea formulation into products and services. This results in products and services that enter markets and thus economic stimulation is realized (Bouchikhi, 1993). Bouchikhi further elaborated on the distinction between the endogenous variables and

exogenous variables where the former deals with the personality, behaviour and the conduct of the entrepreneur while the latter refers to the externally oriented manifestation of entrepreneurship informed mainly by economic and sociological disciplines.

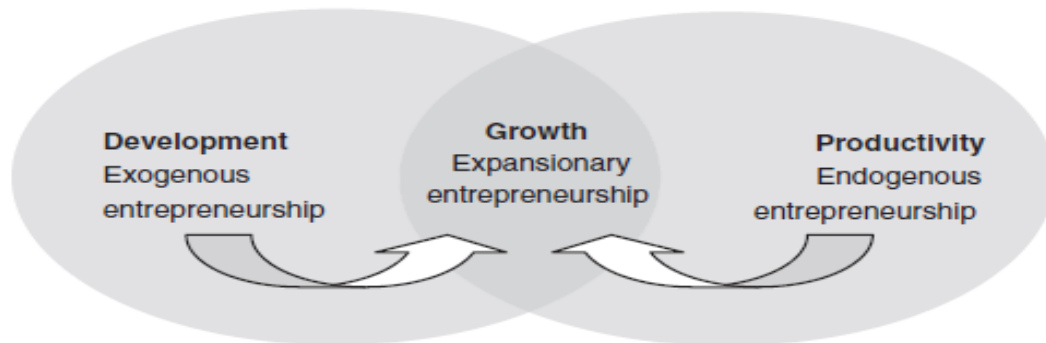


Figure 3.1 Source: O'Connor (2013)

The economic perspective is further premised on both the macro (broad) and the micro (specific-oriented) factors. The former deals with broad aspects like government spending, general production, investments and national consumption patterns, industries and sectors, trade dynamics and markets, imports and exports. The latter which is based on the specificity and actual factors of production ranging from capital, labour, entrepreneurship, demand, supply, substitutes, rivalry, complements within the context of supply and demand terrain. This further incorporates the economic dynamics and indicators ranging from the inflation rate, interest rate, the credit rating agencies, commodity prices, and currency fluctuations in terms of the exchange rates, employment levels, the citizens' per capita income, the trade deficit, the economic growth (Gross Domestic Product) patterns and the balance of payments. South Africa has also been experiencing a transition from the economically disenfranchised regime that excluded the socio-economic and materialistic endowment for the other sectors of the population.

The country has come a long way in leaps and bounds to the actual attainment of the stability, prosperity, conformity to the rule of law and the submission to the constitution of the country that aspires to embrace and cater for all. The Achilles heel that is giving

the political leaders, the captains of industries and the civic organisation representatives' sleepless nights, is the high level of unemployment, income inequality and the high level of poverty. Together with these are the endemic levels of corruption, maladministration, mismanagement, state capture, political leadership shenanigans as well as lack of enforcing good corporate governance and the lack of business ethics, especially by the authorities and the policy-makers. This is especially rife in State-Owned Entities (SOE's) and the government Departments (national, provincial and local) who still continue to receive unqualified audits from the office of the Auditor General and the on-going Public Protector investigations.

While South Africa has joined other developing nations in the form of BRICS (Brazil, Russia, India, China and South Africa) and participated in the G20 (Group of Central Bank Governors & Finance Ministers of the top 20 economies and currencies in the world). The follow up economic-oriented dilemma is how have these strategic alliances translated into the eradication of the structural economic bottlenecks that the country is experiencing? During the second quarter of 2016, the country's economic growth was less than 1% year-on-year while the population growth was hovering around 2%. The scenario where the population growth surpasses the growth in the economy is an explicit signpost that the economic trajectory is fraught with headwinds, uncertainty and pessimism. The country is sitting at just above junk-status from the credit-rating perspective and it looks like junk-status downgrade is knocking at the door if structural transformation from the economic perspective is not forthcoming sooner rather than later.

The country has vast mineral resources and therefore it is a commodity-based economy and yet most of these commodities are exported in a raw format to other countries like China, without value-added transformation into a finished product. There is a similar scenario in countries like Nigeria, Libya and Angola that have vast amounts of oil, but fall into the trap of being net-commodity exporters as their commodities are exported from their respective countries in a raw format. The very same countries import the finished products back from other countries. Therefore, the Total

Entrepreneurial Activity (TEA) and performance, not only in South Africa, but in the continent is conspicuously low.

The main focus of this study is its location in the entrepreneurship landscape which is part of a general economic, social and environmental context. According to Shane and Venkataraman (2000: 219), entrepreneurship could be defined as a process that revolves around the conversion of a business idea into a profitable wealth-creation opportunity which has a commercial value, which incorporates the act of innovating goods/product/services/processes/technologies or systems, while minimizing and mitigating the risk factor. This act involves the discovery, combination, and exploitation of new products or services, and their introduction into new markets utilising innovative production methods, while forming organizations or new ventures (Shane and Venkataraman, 2000).

The economic landscape from the entrepreneurial point of view has been dominated by big companies and organizations, but the developing economies have come to the realization that the role of entrepreneurship in the economic development can no longer be ignored. The economic perspective acted as precursor to the mushrooming of the other perspectives like the behaviourist-orientated perspective with its focus on individuality and the personality of that particular entrepreneur and, in our case, the SMME.

This also paved the way for the evolution of management science, namely social entrepreneurship (which will be the focal point of discussion later) within the framework of the socio-economic perspective which should be construed from the triple bottom line metaphor. Ultimately, the entrepreneurial perspective is in terms of its positioning as a field of study within the management science or business discipline that incorporates business innovation, profitable opportunity and risk appetite that yields a gain or some form of wealth creation. During the last decade, prior to the global financial and economic crisis, entrepreneurship was a game-changer as it made a constructive contribution to economic indicators like job creation and economic growth, more especially in the developing economies (Van Stel et al., 2005, Audretsch, 2007). The 'gold rush' in the entrepreneurial business landscape catapulted the creation of

new ventures in the different industries which gave rise to the evolvement of new entrepreneurs with new products and services while opening up the new markets.

The post financial and economic crisis era acted as a catalyst in striking a positive correlation between the entrepreneurial exploration and exploitation with the economic development (Carree and Thurik, 2003 ; Wennekers et al., 2010a, Braunerhjelm, 2010) . The role of entrepreneurship activity in stimulating the economy has taken a new turn during the second decade of this twenty first (21st) century to such an extent that the mushrooming of SMME's has taken its rightful position in the economic space while addressing the economic challenges (Braunerhjelm, 2010 ; Naudé, 2013 ; Toma et al., 2014 ; Acs et al., 2016) .

3.2.1 Criticism of the Economic Development Perspective

The country has moved, over the past two decades post the transitional period from the unjust apartheid regime to the new political dispensation, termed the 'Rainbow Nation' and it is cited as the sophisticated economy on the African continent. On the other hand the levels of high unemployment, income inequality and the poverty-stricken communities have been growing at an astronomical rate. It should also be remembered that this occurs against the backdrop of the global financial crisis and the country's over-dependency on raw minerals commodity exports while it has increased the import of finished products it ought to be the other way round in the shape and form of finished-goods export with less dependency on the other countries. The economic scenario is also exacerbated in the geo-political domain by the continued lack of genuine transformational leadership which was evidenced by the huge losses by the ruling party in local government elections for 2016 during the latter part of the second quarter. This resulted in the political ruling giant, the African (National Congress (ANC) losing three metro's namely Tshwane (formerly known as Pretoria), Johannesburg and Nelson Mandela Bay (formerly known as Port Elizabeth). The below average economic growth results in a shrinking tax revenue base which the government relies on in order to keep the socio-economic needs attended to by the authorities. The next discussion will focus on the role of institutional factors in

leveraging advantage in the economic landscape for the SMME's as either promoting or discouraging the entrepreneurial activity and performance.

3.2.2 Contribution of the Economic Development Perspective

The economic development dimension is invariably a measure and a benchmark of whether a particular country experiences economic growth or an economic slump. South Africa which has an economy that is characterised by its overreliance on commodity exports with minimum beneficiation requires a paradigm shift and transition from this net commodity-exporter dependency if the social ills of unemployment, poverty and gross inequality are to be drastically reduced. The economic wellbeing needs to become more inclusive, transparent and accommodative of all who reside in the country if the levels of crime and corruption are to be positively addressed. The economic growth has been sluggish which points to the notion that not everyone is putting in enough effort resulting in low general entrepreneurial activity.

The objective of this inquiry is systematically to synergize the role of institutional actors in making a tangible and constructive contribution to an entrepreneurial climate and culture that is conducive to the growth of SMME's. The policy-makers need to re-establish a connection with the people on the ground in an effort to understand the challenges that they encounter on a daily basis. In some instances there is a glaring dereliction of duty on the part of the authorities who have been entrusted with the duty of professional diligence, integrity and morality. The following passage will make an attempt to explain the institutional theoretical dimension which ought to complement and augment the economic climate for the SMME's to realise their full potential and to sustain their performance for the economic benefit of the country as a whole.

3.3 The Institutional Theory Perspective

The literature within the institutional theoretical domain has put an emphasis on the country-wide institutional profiling of that particular country within the entrepreneurial field of study in an international context. According Gupta et al., (2014), little

investigation of the institutional profiling within the entrepreneurial domain of the countries has been done in the emerging economies as the main concentration has been in the developed countries where the entrepreneurial activity has been far more significant. This view is also echoed by Kiss et al. (2012) who share the same sentiment in terms of the attention that has been accorded to the developed nations in this regard. The United States of America, in particular, is very active entrepreneurially. Gupta et al. (2014) further maintained that institutional variables, theories and assumptions depend on the economic development-oriented factors that need to be taken into consideration when dealing with the evolution of entrepreneurial orientation and processes.

It would be prudent at this stage to define the developing economies within the entrepreneurial field of study as those countries that have a per capita income upward of the minimum of 25 000 US dollars per annum (Kiss et al., 2012). This is shown in the figure below which records the total gross domestic output as well as the per capita income which ordinarily indicates the standard of living and the quality of life of the citizens of these developing countries. South Africa, together with the likes of India, China, Brazil and Russia, falls into that category as per the figure below. It is for this reason that the institutional environment will provide fertile ground for the examination of its relevance to the entrepreneurial identification, discovery, exploration, exploitation and sustainability. Earlier, various scholars like (North, 1990 ; Scott and Meyer, 1991 ; Kostova, 1999; Busenitz et al., 2000) emphasised the social and economic relevance and appropriateness of the role that the institutional environment facilitates in the fortification and mobilization of the entrepreneurial business landscape and the subsequent stimulation of their entrepreneurial performance.

Without clear and vivid institutional signposts, direction would seem impossible, chaotic, unstructured and thwarting the systematic co-ordination and facilitation of a smooth participation of the entrepreneurs, specifically SMME's in this inquiry. In essence, the contributions within the institutional theoretical framework of these scholars was further substantiated by the works of (Peng and Zhou, 2005); (Chiles et al., 2007);(Bruton et al., 2008) in terms of the role that the rules, norms, values, beliefs, expectations that either promote or inhibit entrepreneurial orientation for the SMME's.

S. No.	Countries	GDP (USD Billion)	Per Capita
1	Brazil*	2518	12000
2	Chile	243	13000
3	Colombia	321	7000
4	Mexico*	1185	11000
5	Peru	168	5500
6	Czech Republic	220	21000
7	Hungary	148	15000
8	Poland	532	14000
9	Russia*	1885	13000
10	Turkey*	763	10500
11	Egypt	232	3000
12	Morocco	120	3000
13	South Africa*	422	8000
14	China*	6988	5000
15	India*	1843	1400
16	Indonesia*	834	3500
17	Korea*	1164	23500
18	Malaysia	248	8000
19	Philippines	216	2500
20	Taiwan	505	21500
21	Thailand	339	5000

Table 3.1 - Source: Gupta et al. (2014:369)

According to the institutional theorist Scott (2005), the institutional theoretical framework was premised on three pillars that acted as transmitters of culture, structural orientation and routine variables, models, concepts, assumptions, theories, expectations, beliefs, ideas and constructs namely:

- Normative dimension;
- Cognitive dimension; and
- Regulatory oriented dimension

3.3.1 Normative Dimension

The normative dimension is derived from what is perceived or understood as the norms, rules, beliefs, values, actions and expected practices and procedures in that particular environment. This institutional theoretical framework was packaged, in terms of identification, discovery exploration, exploitation and, consequentially, innovative and creative thinking. The subsequent conversion of a business idea into a business venture would facilitate the development of new products and services, new production methods and open up the new markets that have value creation and wealth creation for an SMME particularly relevant to this inquiry. Therefore, as affirmed by (Veciana and Urbano, 2008), the assumptions (tacit or explicit), expectations and credibility brought about by the normative component within the entrepreneurial space should facilitate the entrepreneurial prosperity, rather than thwart and constrain it.

3.3.2 Cognitive Dimension

The cognitive element could be described as those attributes that stem from the capability or capacities by the entrepreneurs that are informed by their knowledge, comprehension and problem-solving ability that infuses them with the energy to innovate and create new products, services, processes, technology and game-changing feature in the markets. This displays a great need to excel in what the entrepreneurs deliver given the dynamics in the entrepreneurial space like competition, rivalry, and other impediments that constrain the successful existence in a profitable and sustainable manner. The SMME's should be in a position to process the information, knowledge, skills and expertise in the manner that would contribute positively to their quest for excellent performance and sustainability (Veciana and Urbano, 2008).

3.3.3 Regulatory Dimension

The institutional theoretical framework on the regulatory dimension is underpinned by the oversight performed by the authorities in the establishment of rules, policies, laws and standards that act as leverage for the equitable playing field for all the participants. This approach fosters protection from the big players, preventing them from

dominating the entrepreneurial space and it levels the playing field for all the participants to conduct themselves fairly and responsibly. According Veciana and Urbano (2008) the oversight role in the institutional approach of inspection, monitoring, reviewing and enforcing of the rules of the game is of fundamental importance for the SMME to thrive and prosper.

The challenge that is confronting a developing economy like South Africa is that while so many laws, rules, regulations and policies have been created in the society at large, this has not translated into a tangible, comprehensive, inclusive and equitable structural transformation. Therefore, the structural impediments still act as barriers for the masses who have previously been disadvantaged and adversely subjected to prejudice and disenfranchised socially, politically and economically. Therefore, this inquiry endeavours to identify and expose the bottlenecks that need to be removed and eradicated in order to achieve a much improved entrepreneurial orientation and activity.

Articulation of drivers of entrepreneurial prosperity rests on the shoulders of the policy-makers and, specifically, for this inquiry on the shoulders of, the DSBD. The SMME's are always confronted with a plethora of challenges that manifest themselves as facilitating or constraining their successful performance and wellbeing in terms of survival, sustainability and growth prospects. The entrepreneurial activation makes a fundamental and positive contribution into any economy whether in the emerging markets or in the developed economies. It has been claimed that the emerging economies are characterized by efficient practices and tendencies. This is symptomatic in the South African entrepreneurial environment which is described as the middle-to-high income level depicting the following variables as elucidated in the *Global Competitiveness Report, 2016-2017* research namely:

- Higher learning institutions of education and training indicators;
- Goods market-oriented efficiency indicators;
- Labour market oriented efficiency indicators;
- Financial market strength indicators;
- Technological and technical prowess readiness indicators; as well as the
- Extent of the market share in terms of its size.

The institutional robustness and the comprehensive approach in the accelerated delivery of solutions in the amelioration of the impediments and the hurdles confronting the SMME's should be implemented in such manner that they improve the Total Entrepreneurial Activity (TEA) in the country.

3.3.4 Criticism of the Institutional Theory Perspective

There is a direct relationship between the economic growth theory and the institutional theoretical perspective since the former could either disorientate, disrupt or interfere with permutations occurring in the latter. This view has been confirmed by Chang and Wu (2014) in the study of the institutional impediments and the concomitant dynamics of an industry within the emerging market environment. The institutional theoretical factors shape the rules of the game that the entrepreneurial actors like SMME's have to deal with. Chang and Wu (2014) , followed on the assertions by Luo and Junkunc (2008) and Bruton et al. (2010) who reiterated that the critical role played by the institutional factors either facilitates or hampers entrepreneurial orientation and success.

The rules of the game within the entrepreneurial discipline should not hinder the productivity and the performance of the SMME's since they could act as obstacles that could make or break them. According to Samaniego (2010) and Syverson (2011), the institutional-oriented mechanism within the entrepreneurial business landscape should be the top priority for the policy-makers in an effort to motivate and inspire the productivity-orientation and the probability of survival while levelling the playing field. In the South African context, the entrepreneurial inclusivity and invigoration remains a thorny and highly -sensitive issue since political connectivity, nepotism, favouritism, cronyism and graft still forms a fundamental part of the institutional infrastructure and a constraining factor.

The office of the Public Protector (PP) is one of the constitutional bodies entrusted with the protection and well-being of the citizens. . The PP has been attempting to address one of the institutional shenanigans in the form of the State Capture that invariably contributes to the selective opening of the entrepreneurial opportunities to the politically connected individuals or organizations. The institutional framework will continue to be on shaky ground if it is constantly in the media for the wrong reasons as this negatively contributes to investor confidence and it could contribute to the country being dragged down to junk status by the credit rating agencies. The institutional framework benchmarks and milestones are there for everyone to acknowledge and embrace in order to ensure that the barriers for the SME's in the realization of their full potential of performance, growth and prosperity are addressed.

3.3.5 Contribution of the Institutional Theory Perspective

The literature has strengthened the perception that institutional memory and mechanization have played major roles in the entrepreneurial space and in the economic prosperity whether in a developing or advanced economy (Wennekers et al., 2005) . In the South African context the institutional approach could contribute significantly in the form of monitoring, evaluation and enforcement of the policies that seek to consolidate the inclusivity of SMME's in either the private sector or the public sector value chains. Therefore the structures like the Integrated Development Plan (IDP) which is a document that projects the developmental trajectory for the organization like EThekweni Municipality, ought to have a dedicated focus on the capacitation and the development of the SMME's in a transparent and an explicit way.

According to Thornton et al. (2011) the institutional theoretical framework could be further explained in terms of the content of the information, the governance mechanism and the structure of the network of the entrepreneurial space. The ability of the entrepreneurs to co-ordinate the internal and external resources is leveraged by the institutional connection and guidance. This also introduces a fascinating area for future research of the role that the institutional mechanism could play in facilitating

favourable conditions for SMME's at the local government level which could make a tangible and meaningful contribution to the economic prosperity and to the social good.

The pivotal role of the institutional approach enables the SMME's to be able to strike an equilibrium since the role that the institutional mechanism plays could be a deal-breaker and a game changer (Kalantaridis, 2007 ; Stephen et al., 2009). The undisputed reality is that the institutions are the manifestations and the derivations of socio-cultural factors that renders them prone to inherent weakness and fallibility, especially in emerging economies. This is demonstrated in the inability of the SMMEs to thrive and prosper and this situation will be to the detriment of social cohesion and economic progress and will hinder the escape from the entrapments of the socio-economic ills of hunger, joblessness and inequality.

3.4 The Entrepreneurship Perspective

Various scholars and contributors (Acs et al., 2008; De Clercq et al., 2010; Mbonyané & Ladzani, 2011; Toma et al. 2014; Gupta et al. 2014) to the economic development space have reiterated the importance of entrepreneurship for the social and economic well-being of any community and society. While in the foregoing chapters the focus was a combination and a synthesis of both the endogenous and exogenous environments, an attempt will be made in this section to synergize these two environments in an effort eventually to isolate the indicators that will contribute to the proposed conceptual model in this inquiry.

3.4.1 Endogenous Performance Enablers for SMME's

The major indicators that have been identified comprehensively and studied by various scholars over the past years have referred to the importance of entrepreneurial characteristics and competencies (Mitchelmore and Rowley, 2010).

Robles and Zárraga-Rodríguez (2015) provided an extensive list of entrepreneurial attributes and characteristics that distinguish them according to their competencies. According to Robles and Zárraga-Rodríguez (2015), there were a variety of these competencies that could be highlighted and that could contribute to the expected

competency attributes and this would resonate perfectly with the unit of analysis in this inquiry, which is SMME performance. Critical amongst these competencies, which could be described as both the intrinsic and extrinsic attributes of the SMME's are the following:

3.4.4.1 Risk Assumption

In this instance the individual(s) or organisation's propensity to create and establish a venture. This is normally undertaken by means of a combination of resources, inputs, assets, production factors and means of finance to maximise profitability and customer orientation. The precepts that facilitate risk manoeuvring are reflected within the need for achievement, while turning the business idea into an opportunity. Risk is associated with innovation which is normally compensated for by the reward/return or the profit due to the entrepreneur Chanal and Raynauld (2014) posited that there are five (5) categories of risk-activation:-

- *Acquisition*

This category refers to venture resources (tangible and intangible), new knowledge and the entrepreneur's expertise;

- *Design*

Idea-generation prior to being converted into an opportunity and a business venture. The conceptualization process might not turn out to be feasible enough to be practical;

- *Production*

This risk category refers to components that are required for processing (engineering) and the technology needed to transform the input (raw materials) into output (finished goods). This also incorporates warehousing, storage and the distribution of the final product;

- *Management*

This risk category involves relationships, linkages and networks or association which might be externally positioned. In addition, aspects like the seamless channelling of

products and venture information (intellectual property) could also require risk management; and security.

- *Dissemination*

This refers to the diffusion of the relevant solutions while taking into account the institutional reality.

3.4.1.2 Innovation

Various theories have been debated by scholars that explore the concept of entrepreneurial innovation (new products & services, new process & technology, new customers, new markets) and, for the purpose of our inquiry, the theory of planned behaviour seems to be the appropriate model to answer this (Ajzen, 1991) . The theory of planned behaviour has its origins in the reasoned action perspective which on its own is similarly premised on the individual's intentionality to execute a particular action. In tandem with these theories, Gartner (1985) had earlier proposed that an entrepreneur in the venture of creating scope , ought to be aware of the following variables :

- (i) The entrepreneur as an individual in the driving seat of the venture should be informed by the skills and competencies required by the venture ;
- (ii) The organization has its own life cycle phases and the inherent permutations that continually evolve ;
- (iii) The environment can be favourable or turbulent ; and
- (iv) The process must account for the conversion from raw material to a finished product or service.

According to Gupta (2015), the belief that innovation is only hereditary and innate could be a fallacy as the paradigm of creative disruptive innovation dispels this myth. According to Gupta (2015), the innovative capability could be acquired and learned utilizing the core competency. McKinsey (2015) who claims that there are eight (8) essentials of innovation has contributed to this notion:

Do you really innovate?	
Aspire	Do you regard innovation-led growth as critical, and do you have cascaded targets that reflect this?
Choose	Do you invest in a coherent, time- and risk-balanced portfolio of initiatives with sufficient resources to win?
Discover	Do you have differentiated business, market, and technology insights that translate into winning value propositions?
Evolve	Do you create new business models that provide defensible and scalable profit sources?
Accelerate	Do you beat the competition by developing and launching innovations quickly and effectively?
Scale	Do you launch innovations at the right scale in the relevant markets and segments?
Extend	Do you win by creating and capitalizing on external networks?
Mobilize	Are your people motivated, rewarded, and organized to innovate repeatedly?

Table 3.2: Adapted from McKinsey's (2015: 3)

3.4.1.3 Self- confidence

Fayolle et al. (2006) within the context of the theory of planned behaviour (TPB) and the Entrepreneurship Education Curriculum (EEC), believed that in the entrepreneurial teaching setting, especially involving learners, the dedication and perseverance traits culminate in self-confidence. This view is further shared by Matlay et al. (2007) and Souitaris et al. (2007) who maintained that internal factors like competencies, expertise and entrepreneurial attributes and external factors such as markets, regulation and institutions could determine the personality of the entrepreneurs. This illustrates further the appropriateness of the planned behaviour theory as a subset of the entrepreneurship perspective in this inquiry.

3.4.1.4 The Relationship Building Significance

Various scholars (Shane, 2003; Sarason, 2006; Smith and Lohrke, 2008; Wang et al, 2013) have contributed a vast collection of concepts, variables, theories and assumptions to the literature on relationship building within both the entrepreneurship and the management field of study. The creation of connectivity, linkages, relations and interaction as a socio-economic activity is at the centre of relationship building (Johannisson and Mønsted, 1997 ; Bruneel et al., 2007 ; Schallenkamp and Smith, 2009) reiterated the crucial role that networking plays in creating competitive value for entrepreneurs. This corroborates the definition by Gartner and Bellamy (2008) who view relationship-building as an all-encompassing and important consideration for the successful entrepreneur .

According to (Shane, 2003 ; Wang et al., 2013) socially-oriented relationship building could be segmented into three (3) typologies within the entrepreneurial promotional influence namely:

- (i) Opportunity seeking which mainly revolves around the entrepreneur soliciting the pertinent information and knowledge in pursuit of entrepreneurial aspirations;
- (ii) The gathering of the appropriate resources that the entrepreneur needs to mobilize the venture complements this. Ordinarily these resources range from capital, labour, finance, equipment, intangible and tangible resources, expertise and competencies; and
- (iii) Market establishment, which is the final step in the promotion of the product and services that are produced and transferred to the customer, which, in turn, will result in the profitability and sustainability of the venture.

3.4.1.5 Quality of Work & Integrity

The major challenges constraining the SMME's in achieving competitive advantage include the high cost of meeting the requirements of the Quality management system (QMS) and, to a certain extent, the ISO 9001 accreditation. In the South African

perspective the SMME's compete for business opportunities with well-established and highly capitalized conglomerates and, therefore the playing field is unfavourably biased towards the big organizations that have the financial muscle to the disadvantage of the SMME's. Institutions like the South African Bureau of Standards are a typical example of organizations that are supposed to act as facilitators to help the SMME's to succeed.

3.4.1.6 Search and Analysis of Information

The individual entrepreneur is informed by the learning model in which he or she has informally or formally been socialized. Traditionally, there are various models that have enabled the search for and the acquisition of information. The reality is, however, that the entrepreneurs are now living in the Information age which is mainly characterized by digitization and this demands both access to the internet and computer literacy which many aspiring entrepreneurs lack.

Barrett (2014) proposed an e-learning-oriented Virtual Change Learning Model (VCLM) that will provide a paradigm shift from the traditional information acquisition methodologies to the e-learning-oriented entrepreneurial curriculum adjustment and appropriation. The VCLM is comprehensively illustrated in the figure below and it offers a relevant tool for the entrepreneurs to reposition and apply the acquired information for the sustainability of their organizations. This model is based on three approaches (as per illustration below), namely, relevance, which could be equated to obtaining appropriate information, reality, which could be construed as keeping up with current trends and being informed of information which is essential for the success of the business and which is speedily available through modern technology. The other added advantage of VCLM is its ability to substitute the Face-to-Face (F2F) instruction with virtual classrooms, which would be more appropriate for the SMME's who, in many cases, cannot attend the full time learning that takes place in and class (lecture) attendance.

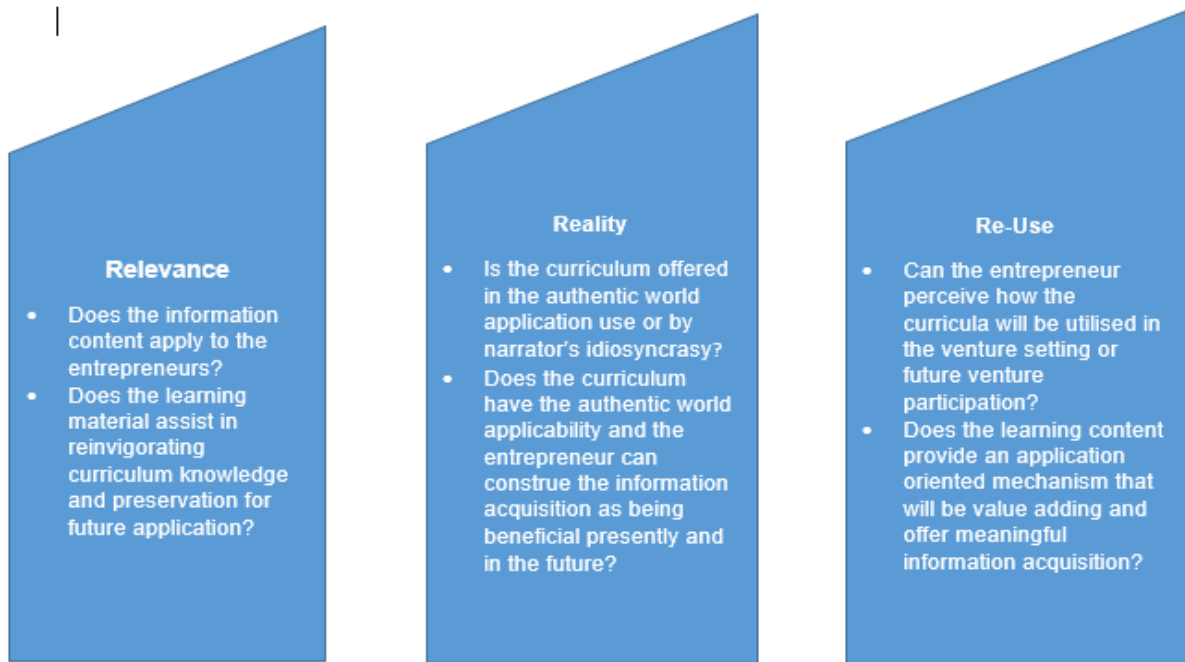


Figure 3.2 Source: Barret (2013:30)

3.4.1.7 Initiative and Results Orientation

Mitchell and Boyle (2010) proposed metrics in the form of a taxonomy in contextualizing results and an outcomes-based process approach in the new idea generation. This process-oriented approach, which resonates with entrepreneurial orientation, yielded comprehensive explication which promoted the generation of new ideas which would have been embedded in the outcome or results-oriented methodology.

The entrepreneur is expected to maximise profit and wealth-creation while minimizing losses or wastages as well as to create employment opportunities. This is an outcome that might create or stimulate the productivity capability of products or services, while, at the same time, meeting market demands and customer expectations. This view was also advanced by Goodman and Dabbish (2011) who stated that, the output (finished product or goods) is a function of performance (productivity and marketing), and they cautioned that knowledge-creation could also be realized without necessarily improving performance.

3.5 The Network Theory

According to Shane (2003) the strategic social role of network within the network space could be categorized into three different taxonomies namely, discovering and identification of the opportunity, followed by the consolidation of resources to convert that particular opportunity into a venture and ,lastly, the implementation process of that particular venture. Further to this notion of networks within the entrepreneurial space, Hoang and Antoncic (2003) elaborated further on three fundamental aspects of networks within the entrepreneurial dimension namely:

- the content or the features of the networking relationship;
- the governance mechanism regulating these network relationships; and
- the organizational structure emanating from these ‘cross-pollinations’ in the network environment.

3.5.1 Content Networking Relationship

In order to reduce the risk of uncertainty and ambiguity, the SMME’s should continually solicit information, knowledge and advice in order to remain competitive and prosperous. It would be an act of dereliction of duty by the SMME’s concerned should they not invest in the information that would ordinarily be presented in the networking opportunity spaces outside their business terrain. According to Zimmer (1986) the content characteristics within the social networks perspective, namely communication, exchange and normative-oriented content is comprised of three aspects: The communication-oriented content deals with two actors sharing information between them , while the exchange content involves distribution of commodities between actors and, lastly, the normative content deals with the expectations, assumptions, beliefs that actors should possess. Zimmer (1986) Content network is, therefore, usually accessible by reaching out to the prevailing networking platforms Vaghely and Julien (2010) categorized two dimensions of information-processing available to the entrepreneur within the opportunity, discovery and identification realm, namely tacit information and explicit information. The former depends on the entrepreneur’s comprehension and reconstruction of the information derived from the exogenous networking platform, which is mainly contributed by external actors.

3.5.2 Governance Network Approach

The dominating principle within the network governance dimension is the element of trust and influence that is based on the belief that the extended business relations could yield a positive and beneficial outcome for the SMME's. However it might be difficult for the SMME's to always be alert to the forces of supply and demand that permeate the market terrain and to be aware of any exploitation or of being misled. In other words, they must be discerning and vigilant and only acknowledge relevant information. The legitimization of networks in terms of information acquisition, processing and application with the resultant opportunity discovery and identification could positively be augmented by the less bureaucratic nature of open-ended network governance (Jones et al., 1997).

The mutual and symbiotic platform presented by network governance translates into the exploration, exploitation and intuiting of new opportunities rendering growth-potential for entrepreneurs (Shane and Venkataraman, 2000 ; Eckhardt and Shane, 2003). The governance network scenario improves and stimulates the vigilance of SMME's to opportunity identification and it contributes to the co-ordination of relationships and contacts in this hyper-competitive entrepreneurial business landscape (Kirzner, 1997 ; Ardichvili et al., 2003).

3.5.3 The Organizational Structure Network Dimension

According to Hoang, the dimension of the entrepreneurial network structure could be defined as the wittingly intentional and, in some cases, indirect linkages between the actors (Hoang et al, 2003). The individual SMME assumes the central role and position and connects with the other network actors, or the participants who are co-existing within the network the success of this is based on the overlapping relationship between them (Hoang et al., 2003). These network relationships can be identified and quantified by the magnitude of the network, locus of control of the actors, intensity and density of the relationships (interpersonal or inter-organizational) as well as the bonds that tie them together.

3.5.4 Twenty First Century Networking Configuration

There are a plethora of programmes, policies, rules, interventions, strategies, plans and directives by policy-makers and the authorities that are presented in the entrepreneurial life expectancy and cycles are so complex and full of dynamism and are mainly exterior to the SMME's (Hoang et al, 2003) . This is especially serious in an emerging economy like South Africa's which has been experiencing a recession. The competitive space warrants and SMME's to devise means that will enable them to be more empathic to its entrepreneurs and which would invariably improve the country's subdued low total entrepreneurial activity (TEA).

The network space, envisaged by this inquiry, aspires to transcend the frontiers of the focus of this study and reach out, not only to the national and to continental, but also to the global potential represented by the trade agreements and linkages that continue to be enjoyed by the selected few in our society (Coviello, 2005). This economy is described as the 'knowledge economy' that is characterized by the social networks, ecommerce, cloud computing, wireless technology and the ubiquitous information technology and communication media. This bombardment of knowledge and information requires cautious examination by the SMME's in their pursuit of the entrepreneurial success that appropriate use of networks could bring in order to ensure the superior performance of their businesses.

3.5.5 The Significance of the Network Process

At an earlier date, Larson and Starr (1993), in their analysis of the network process model, contributed towards viewing the network process from the perspective of entrepreneurs This is also affirmed by Hoang and Antoncic (2003) who corroborated this model as correct in the explication of the network entrepreneurial context. The networks could be both formal and informal and the common denominator is the human beings who are the main actors in the network puzzle involved in the relationship exchanges between the entrepreneurial actors. According to Smith and Lohrke (2008), the network dimension could be segmented into three categories namely:-

- Relatively simple dyadic networks;
- A density-oriented network model ; and
- Multidimensional inter-organizational network exchanges.

3.5.5.1 Relatively Simple Dyadic Network Model

This is the initial stage for the SMME's to forge relations and trust from the fundamental dyadic exchanges from the network perspective. In this stage the venture might still be nascent and will affectively reach out to those who are in close circles who might be former colleagues, college-mates and the other closer community members (Smith and Lohrke 2008).

3.5.5.2 Density-Oriented Network Model

This networking stage for the SMME shows a transition from the nascent stage to a more formal post start-up and it involves the conversion of the previous networking ties and linkages to a more socio-economic oriented phase. Which is characterized by the affective joining of associations and formations e.g. Chambers, Institutes that could inadvertently provide the venture with resources like information, market leads and sales pitching avenues that are external to the venture's scope.

3.5.5.3 Multidimensional Inter-Organizational Network exchange

At this stage the affective and cognitive trust in the network pipeline has diminished as the relations are also becoming less personal and this inclines the transition to be highly professional. This networking stage is also characterized by the chartering into an unknown business terrain and exposes the venture to multi-pronged linkages and exchanges with multiple processes and actors. The venture is firmly in the growth stage of its life cycle and at this phase has made multiple connections and associations. Obtaining accreditations could be ascribed to the phases as per Figure 3.3 namely:-

- *Phase 1* :That focus on the personal and essential dyadic stage
- *Phase 2* deals with dyadic socioeconomic exchanges and

- Phase 2 expands to Organisational exchanges stage.

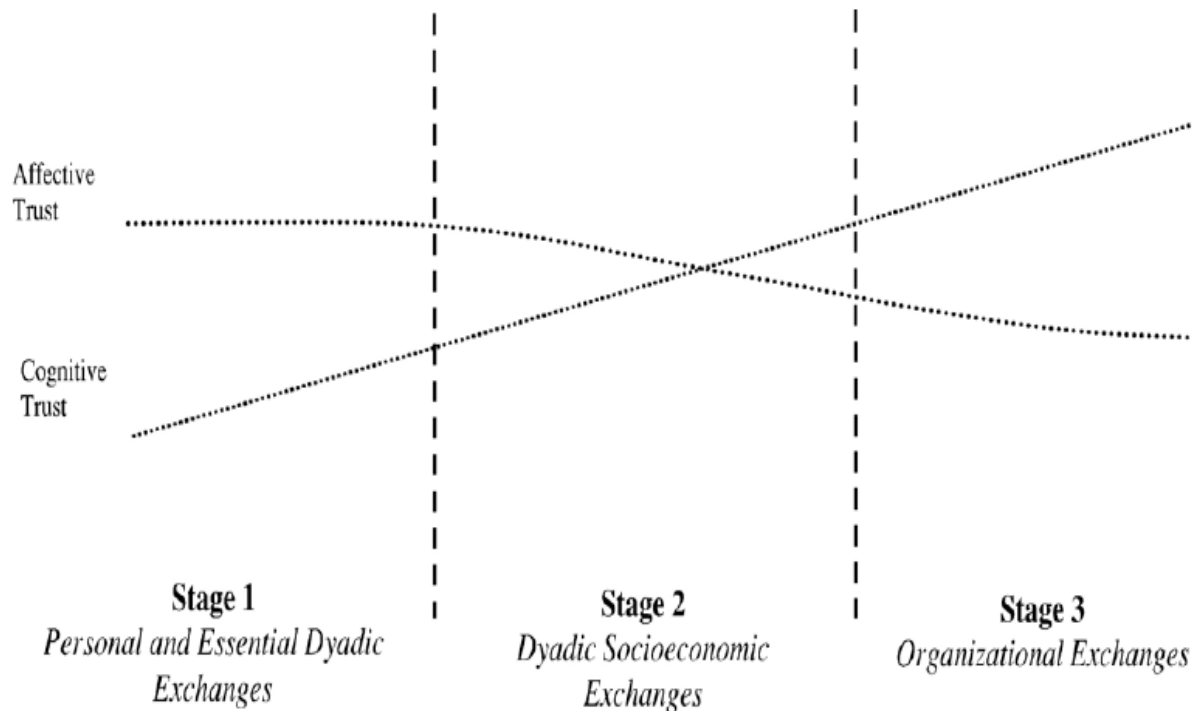


Figure 3.3 Source: Smith and Lohrke (2008:318)

3.5.6 Criticism of the Network Theory

The network theory postulates that the entrepreneur should approach the positioning of the entrepreneurial venture by striking a leveraging balance between the internal resources and those embedded in the exogenous ambit of the SMME's venture. The fast-paced nature of the networking environment is exacerbated by the reality that it is occurring within the ever-evolving social reality (Peng and Zhou, 2005). The SMMEs should use circumspection when undertaking the networking strategy, especially when it involves business-to-business (B2B) as well as government-to-business (G2B) based on the content and the context of the approach (Peng and Zhou, 2005). The notion that no person is an island could be construed as the guiding principle and approach in the network theory within the entrepreneurial perspective. The venture is confronted and bombarded with a plethora of variables that are within the confines of his/her control while juxtaposing those internal variables with those that are external to the venture and beyond their direct control. According to (Hoang and Antoncic, 2003 ; Florin et al. 2003 ; Watson, 2007) networking could be a pivotal platform for the

entrepreneurs to access the resources that would ordinarily be entrenched outside the scope and frontiers of their ventures .

Because the SMME's are continually faced with both internal and external risks, networking could act as a shock-absorber, especially for those externally- manifested risk exposures that could make or break the success of the venture. The belief that networking should not be restricted to nascent and start-up entities has been highlighted by (Hoang and Antoncic, 2003) . The major remaining challenge in utilising the network theory as an analytical tool remains in its concrete application from an operationalization perspective (Hoang and Antoncic, 2003). To decide how significant the role of networking is in an emerging economy like South Africa still requires a great deal of research in future. The critical aspects of the SMME's is the nature of their economic life span and the avoidance of turbulence through their life cycle in terms of the venture's performance, growth and long-term sustainability.

The fundamental objective of the inquiry is to attempt to identify the obstacles that constrain the SMME's in realizing their full performance-potential within the institutional framework that regulates their entrepreneurial space. The critical challenge posed by the role of the policy-makers and the authorities is the synergy between the contributory imperatives of the institutions and their networking ability to facilitate the amicable application of stimulating their entrepreneurial performance, growth and sustainability. The role of social variables that propel laying the fertile ground and creating an entrepreneurial space for entities has been consistent with the protagonists of network theory (Anderson and Miller, 2003 ; Hoang and Antoncic, 2003, Sarason et al., 2006). The conceptualisation of networks as deal- breakers for the SMME's takes cognisance of both informal and formal factors in terms of information-content and business resources, but it still poses a challenge in an emerging economy like South Africa's where the institutions still dominate the SMME with regard to network activism in entrepreneurial space. While the networks positioned themselves as social constructs, they are still situated within the structure and context of the information and knowledge flows (Parkhe et al., 2006).

3.5.7 Network Theory Contribution to This Inquiry

According to Coviello (2005) the network phenomenon requires the comprehensive and total perspective that consists of both the quantitative and qualitative rational which synthesises the entrepreneurial behavioural traits and the environmental realities, including the technocratic qualities. The entrepreneurial attributes and traits manifest themselves as the soft interactional dynamics while the environmental realities assume the hard and structuration processes (Hoang and Antoncic, 2003). The complex nature in terms of network analysis, whether at the dyadic level, multi/intra/inter-organizational level or macro levels, necessitates the incorporation of both the structural perspective and the structural process flows, thereby consolidating the venture's internal resources and the dynamics of the external resource phenomenon (Hite and Hesterly, 2001 ; Hoang and Antoncic, 2003 ; Coviello, 2005) . The views of these scholars are consistent with the earlier affirmation advanced by Larson and Starr (1993) who had modelled the network configuration and structures methodically and made an important contribution that paved the way for future research into this phenomenon.

The dominant feature proposed in the network-theory resuscitates the evolutionary nature of this concept for the enterprises which point squarely to the social, and environmental, the individuality aspects and is regulated by relational aspects whether from the institutional perspective (interactional) or individual- oriented connectivity and linkages. This invariably takes place as a gradual process that is coordinated with the growth or the life cycle phases of the enterprises. According to Havnes and Senneseth (2001) the amalgamation of the network theory with the innovation theory propels those entrepreneurs who have a stronger propensity to embrace the significance of the networking phenomenon more than those who passively incorporate this practice as a game-changer in the entrepreneurial journey. The crucial role that is played by the relational nature of social capital in facilitating the access of business-related information and resources that are acquired in the networking environment, prompts the entrepreneurs to accumulate the indirect business resources that are not internally possessed, but externally intertwined (Anderson and Jack, 2002). The entrenchment of the entrepreneurial activity in the social context in the shape and form of the strong relationship between the social imperatives and economic dynamics, provided a concrete theoretical framework in the study that has enabled the research to view

network theory as a systematic, and functional approach, while taking note of the structural significance (Jack and Anderson, 2002).

3.6 The Social Entrepreneurship Approach

According to the definition of the Global Entrepreneurship Monitor, social entrepreneurship could be defined as a process whereby an individual or an organization combines the resources and value creation for the purposes of benefiting the social and the environmental needs of the community. This definition is within the context of a comparative study undertaken within the social entrepreneurship paradigm and is in line with the contributions of other scholars within this field (Austin et al., 2006, Martin and Osberg, 2007, Short et al., 2009, Zahra et al., 2009) .

The nexus of locating the SMME's within the context of societal and social imperatives is firmly anchored within the institutional realm of the normative and cognitive dimensions as well as the regulatory vantage perspective (Urban, 2013). The expectations, assumptions and beliefs in the context of the study are no exception given the stark reality of an informal institutional setting as well as the formal institutional setting that SMME's find themselves in from the social environment standpoint. The conceptual strategy that this inquiry seeks to advance is whether or not the institutional theoretical permutations have a direct or indirect bearing on the SMME's to advance and sustain them and the role of the passive giant which is the social context. The triple bottom line of the economic factors, the environmental factors and the social factors have a leveraging effect on the well-being of the SMME's as they act as the enablers of a conducive climate for the SMME's establishment, evolution , growth and maturity.

The striking reality within the South African context of the social deficit that is confronting the policy-makers is a stark reminder that our social problems seem like a ticking bomb that could threaten the social stability and cohesion that the country needs as a matter of urgency. More than thirteen million beneficiaries of child grant handouts from the Ministry of Social Development evidence the systemic dependency syndrome that is pervasive within the social circles. The dismantling of the Apartheid

regime in 1990 and the birth of the new democracy in South Africa during 1994 has yet to translate into tangible benefits for the majority of the citizens who are still languishing in the social quagmire of poverty, unemployment and inequality. The most challenging phenomenon within the social environment is the lack of activism by the policy makers and the authorities against the continuing corruption, maladministration, mismanagement, graft, cronyism, nepotism, and favouritism that has ravaged the societal fabric of the Rainbow Nation of the nation's father, Nelson Mandela.

The realization of the goals of the National Development Plan (NDP) will not be met if there is still gigantic marginalization of the scores of people who are jobless and do not have the economic means to survive. It is for this very reason that this inquiry seeks inclusivity, amongst other things, for the SMME's in a comprehensive, systematic, strategic approach that translates to the better quality of life of the country's citizens especially within the area of the EThekweni Municipality. This has necessitated organizations like the Black Management Forum to open a dialogue on the revitalization of the Township Entrepreneurial Endowment and Activation which seems to have completely collapsed and needs to be revived.

According to Muchopa (2013) the transparent inclusivity and the participation of SMME's within both the primary agriculture and the agro-processing sector continued to be flawed with discriminatory practices as far as the entrance to the supply value chain and market opportunities is concerned. The small producers are confronted with continued exclusion from these lucrative and profitable business opportunities (Muchopa, 2013). A process of smooth political co-operation facilitated the country's transition to the new democratic dispensation and negotiation and the same co-operative process could be adopted in the opening up of entrepreneurial doors to participation. The transformative legislation and the regulatory framework have not been able to remedy the entrepreneurial divide created by the past regime and the situation has been exacerbated by slow economic growth. The objective of this project is to adopt an explanatory approach, which is aimed at narrowing the gap on causal relationships between the policy makers, and the SMME's as beneficiaries of the policy intervention that sought to promote the SMME performance that would result in the profitability and sustainability for those very same SMME's. The stakeholder theory and Ethical Performance Scorecard (EPS) paradigms that employ accountability

barometers from the social perspective originate from the following elements, namely: total accountability; discretionary accountability; ethical accountability; legal accountability; and economic accountability (Jamali, 2008). To all intents and purposes, the stimulation of SMME growth, especially in emerging economies, should take a central role similar to the developed economies, as they have a critical role to play.

The transition from a productivity-oriented economy to a consumer-centric oriented economy should propel SMME's towards the panacea of growth and prosperity. The pivotal role that is meant to be played by the authorities and the policy-makers in rendering a social assistance to the SMME's should not be understated or downplayed, especially when the SMME's are exposed to resources like technology, information, capital and market opportunities (Jasra et al., 2011). The illustration as per Figure 3.4 demonstrate variables that would ordinarily be accessible from the social context if the playing field for the SMME's was levelled. The desirable results would be for SMME's to realise their full potential and to be able to make a constructive contribution to the gross domestic product of the country and, in particular, in the location of this inquiry, which is the boundaries of the EThekweni Municipality.

These constructs can impede the success of the SMME and are difficult to combine, synthesize and consolidate if the social strata is not favourable for them, and this is evident in the low total entrepreneurial activity in developing economies in general. The lethargic entrepreneurial performance in the continent-wide context has been highlighted as one of the Achilles heels preventing stimulation of global participation of these entrepreneurial actors and agents (Nafukho et al., 2010). Figure 3.4 categorise the environmental factors that populate the social entrepreneurship ecosystem within the emerging market business landscape.

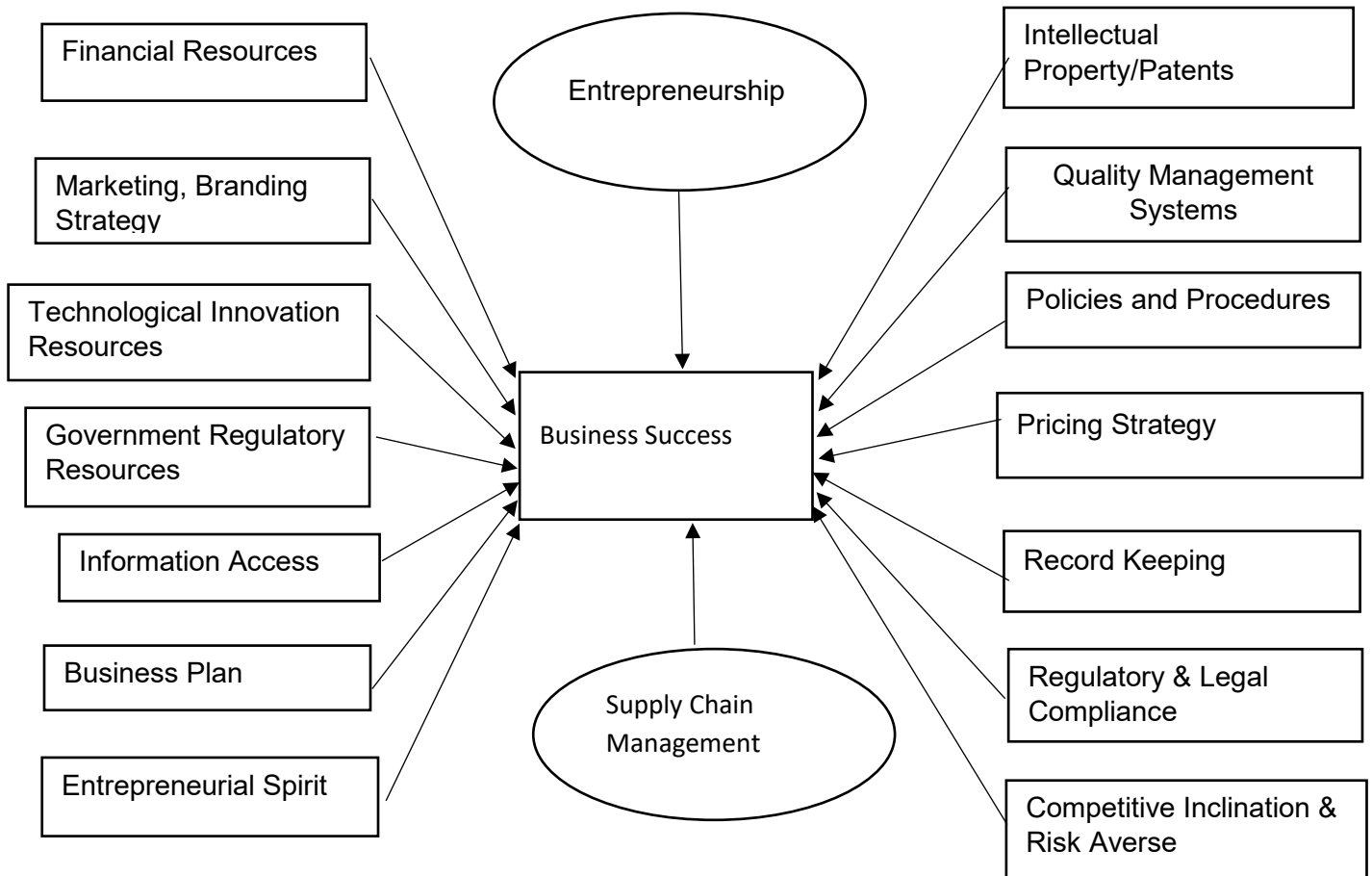


Figure 3.4 Source Adapted from: Researcher and Jasra et al. (2011:278) and the Researcher

The components that could be attributed to a triple helix of entrepreneurship, business success and supply chain management perspective is demonstrated in Figure 3.4.

3.6.1 Criticism of the Social Entrepreneurship Approach

The relationship between Total Early-stage Entrepreneurial Activity' (TEA) and the Social Entrepreneurship Activity (SEA) reveals that a lot of research is still required to be completed in order to produce an interactive entrepreneurial process that is not only realistic ,but that will also be sustainable in the long term. According Min et al., (1993) institutions play a significant role in facilitating a conducive environment for the entrepreneurial process. This view is also corroborated by contextualizing the external factors that seem to be outside the control of an individual social entrepreneur in terms of growth and success. In South African society, the DSBD could do wonders

if it could take the SMME's individualistic creative, normative and cognitive processing characteristics, together with the information and knowledge repository that they constitute and incorporate this within the regulatory aspects that could propel them into the competitive market environment

3.6.2 Contribution of the Social Entrepreneurship Perspective

The study undertaken by the entrepreneurship wing of the Global Entrepreneurship Monitor (GEM) in both the developing and the developed economies was able to highlight the impact of the social entrepreneurship phenomenon within the context of social and environmental factors which invariably have a direct influence on the economic factors. The GEM country-comparative study expanded the focus on the experiences and the status quo that is prevalent in the examination of the social entrepreneurship role within the broader economic business landscape concentrating on the following elements:

- an unequivocal and realistic social-oriented mission, vision and objective;
- value proposition for the products, services and processes within the social entrepreneurship activity (SEA) spectrum ;
- contribution to a creative and an innovative solution;
- sharing the gains, returns and profits and reinvesting these by ploughing them back to the SEA; and
- Creating SEA metrics that have social, environmental and economic benefits and outputs.

Austin et al. (2006) confirm that the tangible distinction between the commercially-oriented entrepreneur and the social entrepreneur resonates in the concept that the former creates value for the material profit-motive while the latter focuses on social value creation. Shane and Venkataraman (2000) confirmed that the discovery, identification, recognition, exploration, exploitation of the business opportunities is the hallmark of an entrepreneur. The same is also applicable in the context of a social entrepreneur. The description advanced by Eckhardt and Shane (2003), which is a conceptual legitimisation of Shane and Venkataraman (2000) revolves around the

ability of the commercial entrepreneur to combine the resources in the value creation involving input costs while trading these at a profitable margin.

Certo and Miller (2008) explained that the social entrepreneur's locus of control is less centred on profit or on individualistic or collective shareholder maximization, but more on social-value creation. Certo and Miller (2008) maintained that social entrepreneurship, while it is a sub-field of the parent entrepreneurship school of thought, its idiosyncratic nature is the characteristic of its mission and vision in terms of social performance realization. Proponents of this approach range from philanthropists to benevolent, altruistic agents and in this regard, one could cite the Bill & Melinda Gates Foundation, Mo Ibrahim Foundation, Patrice Motsepe Foundation, The Skoll Foundation, Helen Suzman Foundation just to name a few.

According to Short et al. (2009) various disciplines have contributed to the field of social entrepreneurship. These include management science, entrepreneurship studies, economics, and political science, supply chain management, marketing management, sociology and education that have thrown their weight into the conceptual frame of the field of social entrepreneurship. It will be amiss not to include the disciplines of anthropology, financial management and law in this fascinating new field.

3.7 Conclusion

This chapter focused on various theoretical and conceptual literature that has contributed the evolution of entrepreneurship as both a management science discipline and a field of research. The chapter commenced by dissecting the scholastic contribution of the economic perspective. This was followed by an analysis of the institutional theory perspective in its role in either enabling or stifling the SMME prosperity. A focus on the entrepreneurship perspective was examined with the associated contributory literature and the chapter was rounded off by diagnosing the network theory and the social entrepreneurship perspective. The ensuing chapter will be analysing the research design and methodology.

	Chapter 4 RESEARCH METHODOLOGY	
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4.1 INTRODUCTION

This chapter deals with the research methodology for the study chosen by the researcher. The researcher adopted research methodology based on the review of literature, primary and secondary sources of data. The statistical-processing technique, albeit in the socio-economic and in particular and , the business or the entrepreneurial context was also taken into consideration .The main components of the research design, namely the philosophical assumptions, paradigmatic perspective, methodology and methods will be critically analysed within the contextual variables, concepts, constructs and problems in a systematic attempt to answer the research objectives. The main thrust of this chapter is the critical comprehension, application, evaluation and examination of the theoretical and knowledge variables, concepts, theories, indicators and constructs of research design, methodology, and methods of the study. This was achieved by way of appropriate data collection, production, measurement, management, analysis and generalization to answer the research question and achieve the research objectives.

The researcher adopted a critical approach in the assumption of the nature and cause and effect while juxtaposing these with the principles of truth, reality, knowledge and the set of beliefs of the researcher. These philosophical assumptions have been primarily derived from ontology, epistemology, methodology, axiology and phenomenology which could be explicated as follows:-

Ontology: This philosophical assumption is premised on the belief that the objectivity and the independence of the nature and the structure of the truth and reality could be inferred and deduced from the unbiased neutrality of the researcher as postulated by the positivist purists. Similarly Saunders (2011) posited that this branch of philosophy deals with the nature of reality.

Epistemology is a branch of philosophy that is concerned with what constitutes knowledge in a particular discipline or field of study (Saunders, 2011 ; Mack, 2010). The positivist view of human understanding and an acceptable theory of knowledge could be interpreted from the empirical testing and statistical inferences within the laws of cause and effect (causality) while predicting actions, behaviours and situations utilising different methods of inquiry and alternative investigative techniques (Saunders, 2011).

Methodology: Methodology could be described as what the researcher regards as the principles, processes, procedures, systems and practices that manage and control the research question and answers (Marczyk et al., 2005). The positivists and post-positivists identify the researcher as the main character when coordinating appropriate and relevant tools for predicting, testing, gathering, analysing and inferring from the results of the findings with regard to the knowledge paradigm in the inquiry.

Axiology:-The neutrality and the objectivity of the data collection and data analysis process in the inquiry should be value-free. Value judgement is the hallmark of this branch of philosophy (Saunders, 2011). Therefore, the independence of the researcher, in terms of the research process continuum, should be devoid of the researcher's influence on the respondents.

Phenomenology: is the articulation of the nature of truth and reality, taking into cognisance the objectivity and consciousness in its totality and the, comprehension thereof. Phenomenology as a research paradigm and a philosophical perspective of the study could be described as the manner in which the phenomena is viewed through the conscious lens of the researcher in terms of his or her experiences (Moran, 2001). The philosophical thinking that generates meanings based on the individuals' life experiences is located within the phenomenological school of thought (Polit and Beck, 2004). Similarly Creswell (2013) described this set of beliefs, or world view, as based on the individual's exposure and their intrinsic description of a particular phenomenon in terms of their experiences.

4.2 Paradigms and Philosophical Assumptions of the Study

While Wahyuni (2012) made a distinction between the four sets of paradigms mentioned. These paradigms are : ontology (perception of nature and structure of reality), epistemology (knowledge and human understanding) ; axiology (ethics and values set of the researcher in relation to the inquiry) and phenomenology (philosophical study of the structures of experiences and consciousness) which is another component of the research paradigm as substantiated above .

Guba and Lincoln (1994) succinctly described paradigms as the basic and consensual set of beliefs based on an individual's experiences, which might also include attitudes, opinions that aggregately render a worldview that is underpinned by ontological and epistemological perspectives. In an effort to address the research questions, various paradigms were taken into consideration within the contextual objectives of the study, the cost constraints and time lines that were collectively deemed appropriate to make for the feasible execution of this research. Additionally, a paradigm could be defined as "a loose collection of logically related assumptions, concepts or propositions that orient thinking and research" (Mack, 2010).

The researcher chose the post-positivist oriented philosophical assumption, underpinned by the quantitative approach premised on the statistical analysis due to the large volumes of the unit of analysis variables, objectivity, accuracy, reliability, and validity questions that the study intends to address and answer. The conceptualization of these philosophical inclinations, within the social science school of thought, asserts the critical and paramount relevance of these paradigms as the centre-piece of the research-oriented discourse (Tuli, 2011). The propensity for positivist paradigmatic orientation is informed by the researcher's belief that the application of statistical tools or techniques and methods will provide an independent and quantitative mechanism for describing phenomenological nature and associated reality (Wagner et al., 2012).

Consequently, it is clear that the research process could be ascribed as the synthesis of fundamental philosophical assumptions, firstly of ontology (perception of nature,

reality and structure of the phenomena). Secondly, it is epistemology (nature of the human cognitive knowledge, understanding and comprehension of reality). Thirdly, it's the methodology (researcher's application of methods in investigating and finding out that particular reality and truth) (Antwi and Hamza, 2015).

4.2.1 Positivist Paradigm

Due to the considerable volume of the research respondents in this study, the researcher selected a quantitative research methodology. This facilitated the inquiry choice of a positivist paradigmatic stance as a research paradigm corroborating the quantitative research methodology approach in this study. Similarly, the application of statistical analysis within the positivist paradigm underscored the perspective that absolute truth can never be verified, but can still be disproved or rejected if the results can be shown to have been falsified. (Borrego et al., 2009).

The observable constructs of the quantitative approach notably range from internal validity (consistency and trustworthiness), reliability and objectivity which are commensurate with the precepts of the positivist paradigm which can inform the viability of the replication of the inquiry in a different context. This paradigm subscribes to the school of thought of an inquiry-type that has depth, socially-rich constructs and observable dimensions (Johnson and Onwuegbuzie, 2004). In an effort to align the research objective and the research design strategy to be adopted within the context of the inquiry, specificity, objectivity and researcher's neutrality and objectivity a positivist-oriented quantitative approach has been carefully utilised by the researcher (Onwuegbuzie and Leech, 2005).

The quantitative framework was used with its approach premised on the positivist paradigm of the law of cause and effect while taking cognizance of the statistical testing, quantifications, scoring and measurement of results, alpha levels selection, inferring data collations, and conclusions as well as objective value free generalization (Johnson and Onwuegbuzie, 2004). Therefore, from the normative perspective, paradigms could be construed as the fundamental concepts, beliefs, experiences,

morals, values, variables, problems and aesthetics of the researcher's logical reasoning about the world (Morgan, 2007).

4.2.2 Interpretivist/Constructivist paradigm:

The researcher did take into account the other types of the paradigmatic approaches of the interpretivist that are favoured mainly in the qualitatively-oriented research methodology. The paradigmatic stance in this philosophical assumption is premised on the qualitative approach to the inquiry. Similarly, this paradigm offers the in-depth involvement of the research informants in the construction of their interpretation of the world view. This is normally facilitated through soliciting data via the open-ended questions from the socialisation and the historical perspective (Creswell, 2013). Likewise, in this paradigm, the researcher makes an attempt to generate and construct the meaning within a social context (Mack, 2010).

4.2.3 Transformative Paradigm

This philosophical view revolves around empowering those who are structurally-excluded and marginalized to be empowered, enfranchised and included. It resonates with environments that have profound societal inequalities geo-politically, socially, economically and politically (Creswell, 2013). These inequities manifest themselves in the form of race, religion, sex and creed, while heterogeneous and diverse groups would always have discriminatory challenges in the societal strata.

4.2.4 Pragmatic paradigm

This philosophical world view integrates all the approaches in a multi-disciplinary union. It combines both the quantitative and qualitative assumptions. This paradigm contextualises macro exogenous variables from social, historical, cultural perspectives (Creswell, 2013).

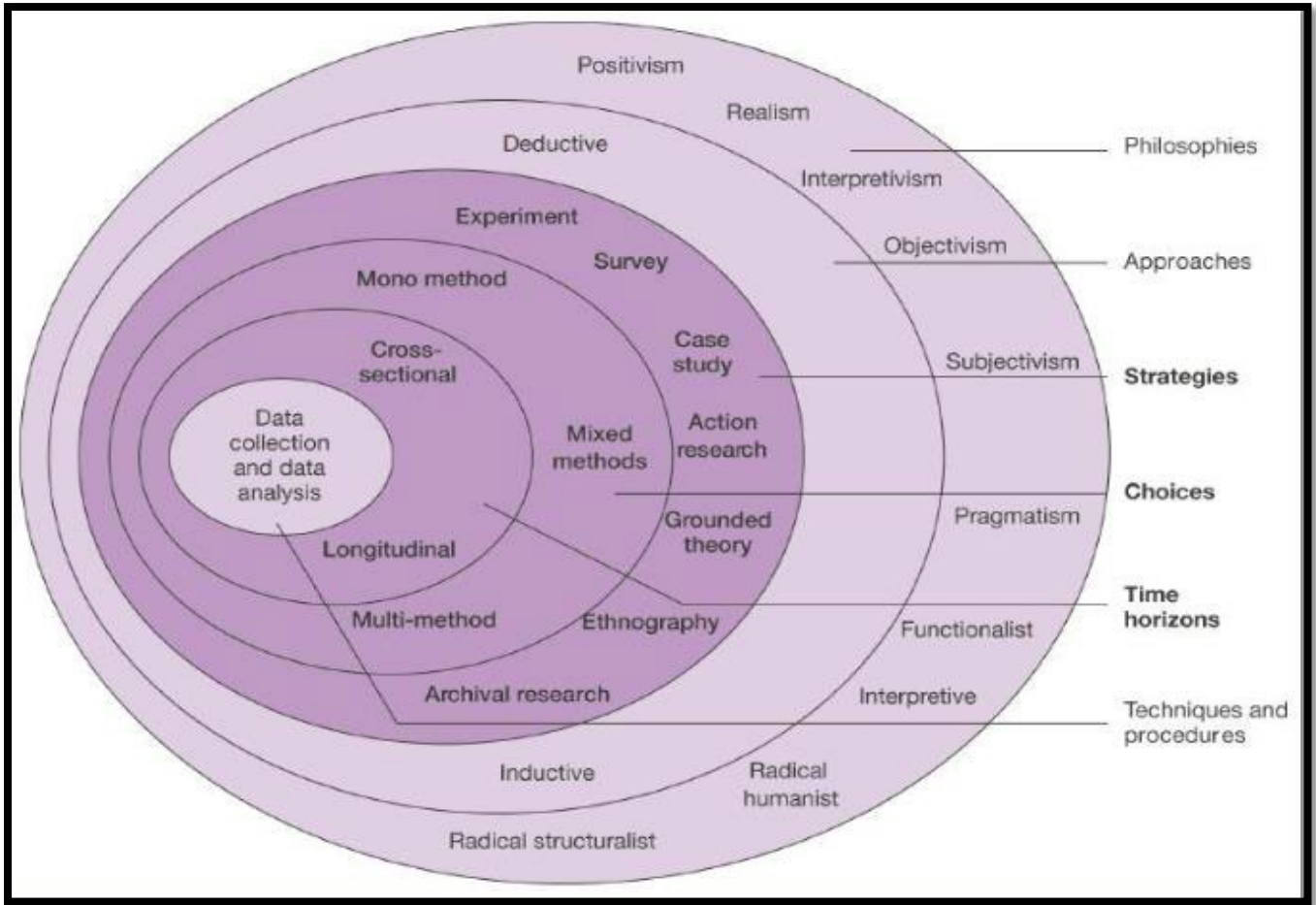


Figure 4.1 : Source: (Saunders et al., 2009)

Saunders et al. (2009) developed a research methodology encompassing most of the layers that are encapsulated in the research process as depicted in the figure above. For the purpose of this inquiry, a positivist paradigm was chosen with the traction of a deductive approach, which is mainly commensurate with the quantitative data collection techniques. According to Creswell (2013) the research philosophy and approach, research strategies, techniques and data collection methodology are the main ingredients of a rigorous research process.

This inquiry attempts to discover the causal-effect relationship between the envisaged influence and impact of the DSB performance of the SMME's within EThekweni Municipality, which is the location of the study. Sekaran and Bougie (2013) provided the sampling representatives from the population as ideal guidelines as per the table below:

4.3 Research Design and Methodology

A research design is a complete and holistic plan by the researcher to solicit research questions that address the research objectives and which will systematically manage and control complexities and difficulties that are encountered during the research process (Polit and Beck, 2004). Additionally, Cooper et al. (2003:75) defined the research design as the overall blueprint in the research process that is required to address the research objectives and attend to the questions the study is attempting to answer. Furthermore, the research design could be described as the overall plan and strategy that is utilised by the researcher in the investigation and examination of the research questions (Marczyk et al., 2005). Equally Saunders et al. (2009) defined a research design as “the general broad plan for data collection and analysis to answer research question and the associated research objectives by providing logical validation of data sources, collection methods and analysis procedures”. The determining terminology in the definition, description and the articulation of the research design is a plan, without which it could not be feasible to achieve results, as attested by these scholars (Cooper et al., 2003 ; Polit and Beck, 2004 ; Marczyk et al., 2005 ; Saunders et al., 2009).

What is more, research design could be construed as the multi-disciplinary synchronization of ontology (nature of reality), epistemology (nature of knowledge), and methodology (design and methods of acquiring knowledge) in terms of research execution (Sarantakos, 2012).

The research design must have the constructs of the project elements and needs to have the various components that fulfil the overall implementation and the execution of the project. The interpretation of the research design encapsulates the research strategies and tactics, while the objectives and key deliverables are translated into clear actions and behaviours by the researcher. Therefore, the rigour of the research is dependent on the research design as it provides the roadmap needed to navigate the study objectives and to answer the research questions.

The main focus of this study is on the impact that the Department of Small Business Development (DSBD) has on the performance of Small, Medium and Micro Enterprise (SMME's) in EThekweni Municipality. In order to answer the research questions, the research approach will be exploratory and descriptive within the context of a quantitative data type. The research design is pivotal as far as contextualizing the research questions, sampling strategy, data measurement, analysis and capacity for generalization is concerned. This methodology, in turn, will assist the researcher in the identification of the appropriate tools and apparatus that will be paramount in addressing the research objectives and in answering the research questions.

The nature and the structure of the research process will be guided by the research design which could be summarised as the systematic logical nature and structure of the inquiry. Given the nature and the reality of the research phenomena in the study, the researcher chose the quantitative research design which will be appropriate in attaining the objectives of the inquiry and answering the research problem. Quantitative research facilitates the linkage in the research process between the conceptualization of theory and the measurement using statistical tools (Bryman, 2015). A quantitative research approach in business circles refers to the quantification of numbers to give meaning and estimation of the characteristics of information that the researcher intends to control and manipulate (Hair, 2015). Furthermore, Polit and Beck (2004) indicated that, in the estimation and interpretation using measurement and quantification of a particular phenomenon, the quantitative research approach yields a rigorous and independent controlled design.

The depiction of the relationship between the dependent variable and the dependent variable is elucidated in the figure below and this will form the nucleus of the research process throughout the study.

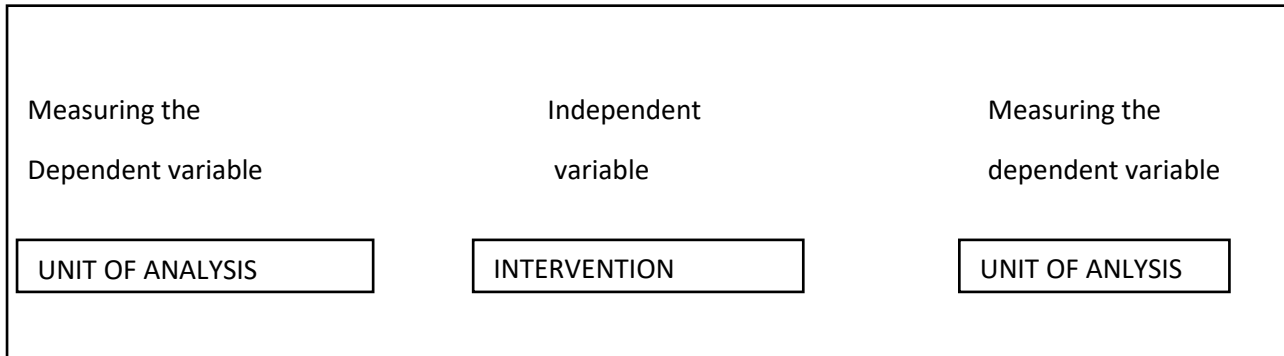


Table 4.2 Source Welman & Kruger (1999:68)

This section presents the methods this study used to get information which are; structured questionnaires, review of literature, demographic and psychographic profile of the respondents, location of the study and the communication with the respondents.

4.3.1 Qualitative Research Methodology

This data collection has inductive-oriented textual, conceptual and theoretical underpinnings concerning the phenomenon that the study is investigating in terms of observed knowledge, reality, behaviour and is an in-depth, descriptive exploration. (Creswell, 2013). The naturalistic and the interpretivist paradigmatic stance of the qualitative approach that resonates with the principle that reality in a social context has linkages between the individuals, events or objects and the actual world (Joshi, 2012).

Joshi (2012) illustrated that the research rigour in the qualitative research paradigm is determined by the following five (5) major attributes:

- *Trustworthiness* could be equated to the reliability and validity of the inquiry in its entirety;
- *Credibility* refers to the integrity, appropriateness, precision, accuracy and character of the sources of data collection and the interpretation of the research findings;
- *Transferability* refers to the conversion of the conceptual theory to the practical and contextual inferences pertaining to the research findings;

- *Conformability* denotes research practices, procedures and processes that depict the data collection trail and data record-keeping by the researcher until the conclusion about the findings reaches finalization; and
- *Dependability* states the presentation of the coding and the data analysis records during the investigation culminating in the research interpretation and findings.

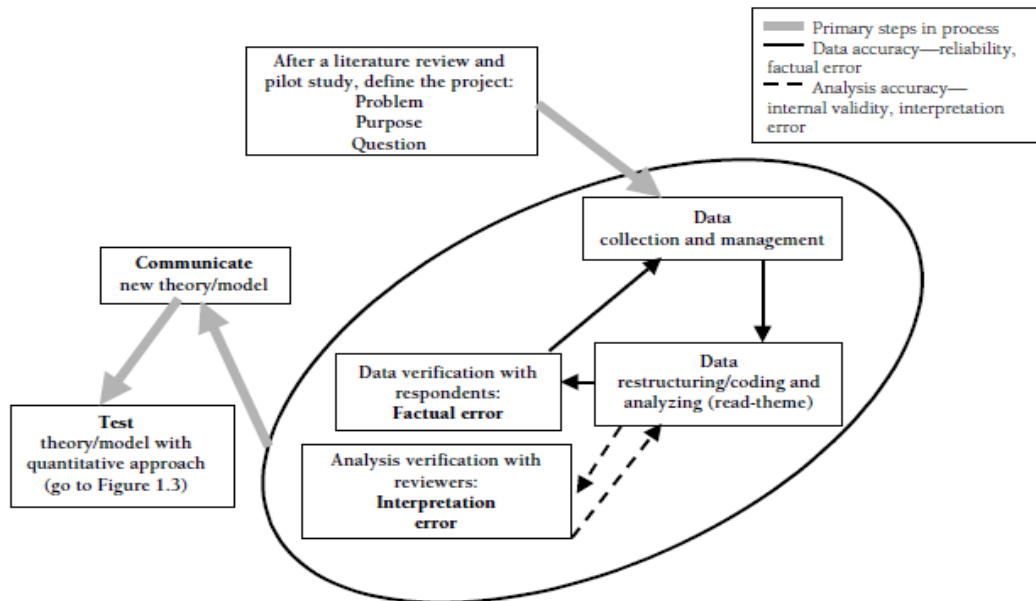


Figure 4.2: Source: Borland (2001:6)

The figure above demonstrates the qualitative conceptual model in a systematic research, illustrating the process flow ranging from theory/model building, literature review, data collection and management, data analysis and verification that the researcher within this paradigm has to take cognisance of (Borland, 2001).

4.3.2 Quantitative Research Methodology

This data-collection type is premised on the positivist paradigmatic approach. Its proponents firmly believe that the quality in this inquiry-type is a product of the degree of the establishment of the reliability and validity of the measuring instruments and the extent that this arrives at the capacity to generalize the findings (Joshi, 2012). Therefore, its focus is on the usage of statistical and numerical data quantification and

the testing of the hypothesis (Creswell, 2013). This result in more accurate, unbiased and objective finding in terms of data collected while the relationships between variables, causes and effect, and the testing of those relationships is reliable.

Similarly, Joshi (2012) emphasized the quantitative data approach in terms of its endeavour for research rigour, originality and independence of thought by the researcher which could be influenced by the following six (6) components:

Objectivity/objectivism, which refers to the reliability, to the capacity to replicate and to generalize when conducting a research project and the unbiased and neutral stance of the researcher adopting the observer role;

Representativeness signifies that the study involved a large number of respondents that will ordinarily represent a broader population in terms of the investigation, data analysis and arriving at conclusions;

'Replicability' denotes the capability of deliberate repetition of the research procedures in another investigation setting in an effort to corroborate the accuracy of prior investigation;

Reactivity symbolizes the variable manner that the human beings interpret, organise and comprehend any particular stimuli presented to them as a result of their cognitive thought processes;

Reliability indicates the extent of the dependability and the consistency with which a research instrument measures what it is set to measure and this will be explicated in greater detail in the section below; and

Validity will be interrogated at great lengths in the section below. It refers to the degree to which the research instruments measure what they are supposed to measure in a research inquiry.

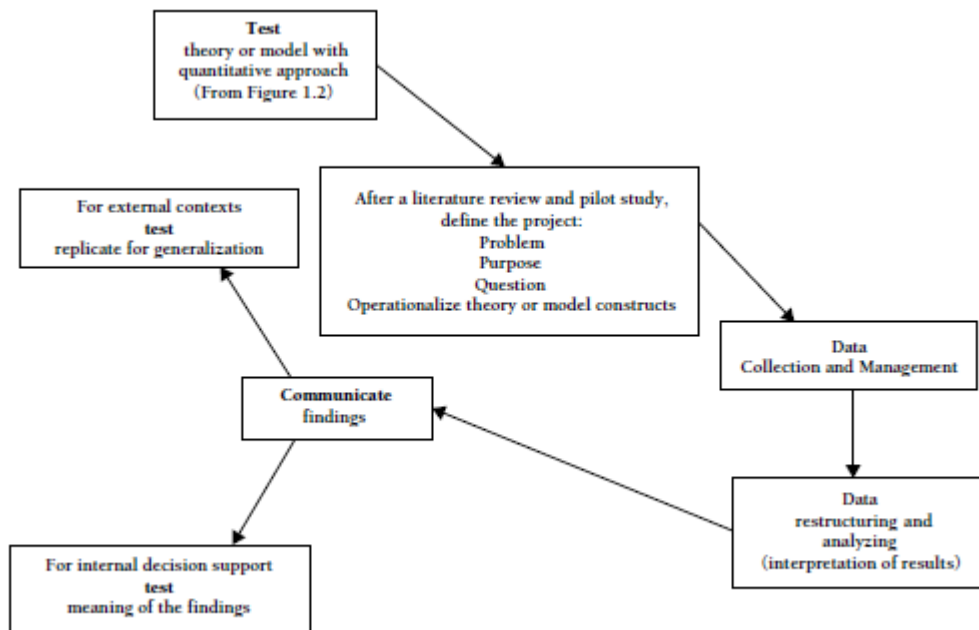


Figure 4.3 Source: Borland (2001:7)

The figure, above depicts the quantitative, conceptual model framework for conducting the research within this paradigm. The framework encapsulates the components that the researcher has to take into account when approaching the research problem within this perspective ranging from theory testing, literature reviews by other scholars to using the theory or model constructs in the questions and objectives pertinent to solving the research problems. This process culminates in the data collection, management, restructuring and analysis in order to arrive at the generalization and replication of the findings in similar research contexts (Borland, 2001).

4.3.3 Mixed Methods Research Methodology

This paradigmatic data collection approach is a hybrid of the qualitative and the quantitative perspectives in the research realm which incorporates a dichotomy and the complimentary theoretical underpinnings and philosophical connotations of both approaches (Creswell, 2013). This mixed research method has a pragmatism-oriented perspective which resembles a dichotomy between the quantitative and the qualitative data (Borrego et al., 2009).

The selected data-collection approach in this study is a quantitative type given the large number of participants that took part in it while other factors like the time constraints and the appropriateness of the methodology type were taken into account. The mixed-research data collection approach is a combination and a synthesis of the positivist and the interpretivist (naturalistic) paradigm in a blended form using both the statistical processes as well as the non-statistics formation in the research inquiry. This translates into the application of both the deductive approach (quantitative data collection) and the inductive (qualitative data collection) in terms of institutionalising the inquiry. Joshi (2012) emphasised that in the mixed-data collection methodology, researchers attempt to answer the questions through a combination of quantitative (statistical inferences) and qualitative (subjective construction of reality) in a parallel process that is both concurrent and sequentially blended.

Onwuegbuzie and Leech (2005) posited that both research paradigms of quantitative and qualitative have subcultures where the former recognises numerical and hard research findings that can be generalised while the latter professes the dominance of deep, research subjective construction of rich observable data. This view of the positivist and interpretivist paradigmatic stances of the two approaches is corroborated by Ma (2012) where the emphasis is located squarely on the deconstruction due to the polarisation by purists of either the objectivist quantitative proponents and the relativist/subjectivist qualitative proponents. The epistemological ecumenism of (Onwuegbuzie and Leech, 2005) has been articulated succinctly by Guba and Lincoln (1994) who emphasised that paradigms form the bases of human philosophical beliefs and therefore, they can be interchangeable depending on what the inquiry intends to achieve.

4.3.4 Selected Research Methodology

After a thorough analysis, diagnosis and synthesis of the above-mentioned paradigmatic perspective and taking into account the continuum from purists, situationalist and pragmatists, this study adopted and embraced the quantitative

approach as the paradigm that would yield more tangible aspirations that this inquiry sought to achieve. These scholars notably (Guba and Lincoln, 1994 ; Borland, 2001; ;Onwuegbuzie and Leech, 2005; Ma, 2012 ; Joshi, 2012) have echoed similar sentiments that, in a research inquiry, the paradigm perspectives precede the methods of that particular study in an effort to make a scholastic inquiry contribution.

What is more noteworthy from various scholars' contribution amongst various data collection approaches is that the overarching feature should be the consistency with which the research questions are answered, whether they are quantitative (positivist/deductive/generalizable/random/sampled/reliable), qualitative (interpretivist/constructivist/inductive/transferrable/non-random sampled/dependable) or mixed research critical (Borrego et al., 2009).

4.4 The Location of the Study

The geographical boundaries of the study has been located in the EThekweni Municipality area in KwaZulu-Natal in the coastal metro popularly known as Durban. It is the third largest City in South Africa after Johannesburg and Cape Town and a truly modern city with state of the art infrastructure. EThekweni Municipality area is a thriving economic hub of the Province of KwaZulu Natal with budget of approximately R 41.6 billion According to the *Integrated Development Plan* population figures. EThekweni Municipality has approximately 3.4 million residents, demographically segmented as 73.8% Africans, 16.7% Indian/Asian Community, 6.6% White Community as well as 2.5% Coloured while other population groups amount to 0.4%. EThekweni Community is a rainbow nation in the true sense of the word .Refer to the Figure Below.

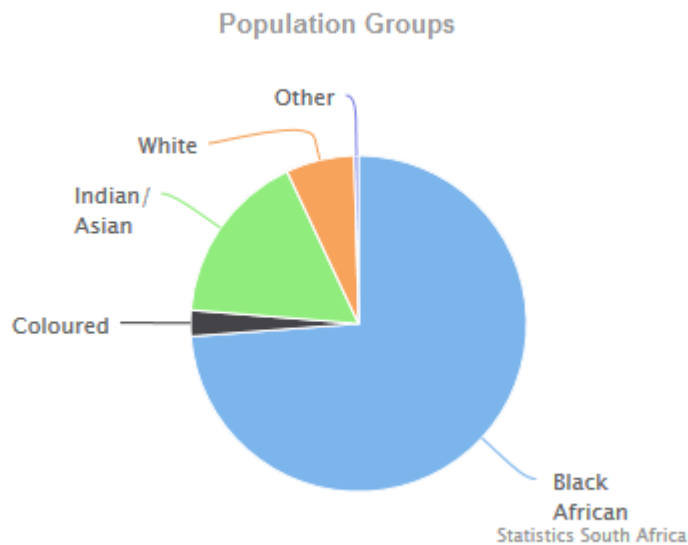


Figure 4.4 Source: EThekweni Metro, Integrated Development Plan (IDP), 2014-2019.

4.5 The Population of the Study

The respondents who constitute the sample frame, which is representative of the population, are discussed in the ensuing section taking into account the techniques utilised in the sampling process. The target population in a research from which the sample was drawn has been defined within the context of components, geo-political boundaries and the time-line (Sekaran and Bougie, 2013).

Furthermore, Saunders et al. (2009) describes population as the entire set of elements from which the sample (unit of analysis) is derived. Polit and Beck (2004) defines population as “the term referring to the aggregate or totality of those conforming to a set of specifications”. In this study, the research population refers to the SMME’s who ordinarily have a proper registered business as legal persona who are accessible on the database *Business Units: Markets in EThekweni Municipality*. From the research perspective, therefore, the population description encapsulates the units of analysis in its entirety for the objectives of this particular study. Table 4.1 shows the sample size determination from the corresponding population size as a

guideline to arrive at an appropriate representative sample. N denote the population size while S denotes the sample associated sample size.

Sample Size for a Given Population Size

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Table 4.1 Sekaran & Bougie (2013:268)

According to Sekaran and Bougie (2013) if the population in the study for instance, has 800 respondents, the sample of participants who could be included in the study would ideally be 260 as per guidelines in the table 4.1 above.

4.5.1 Sampling Technique

Sampling in research is the process of drawing a representative sub-set of elements from the population in its entirety. From the population, a sampling frame could be drawn which is a selected broader classification and categorization of the population sub-set within which the sample will be derived (Nicholas, 2011). Sampling refers to the process of choosing a portion that could be termed a unit of analysis (Polit and Beck, 2004) .



Figure 4.5: Source: Nicholas (2011:109)

In research there are two broad strategic categories of the sampling technique namely the probability sampling and non-probability sampling.

Probability sampling could be defined as a randomisation process in which the elements in the population have an equitable probability of being selected to participate in the study as research informants (Wagner et al., 2012). Within this strategy there are several techniques that can be used.

Non-probability sampling refers to the opposite of the probability sample whereby the research informants are selected due to their willingness to participate in the study mainly due to their availability during the interaction with the researcher (Wagner et al., 2012) .

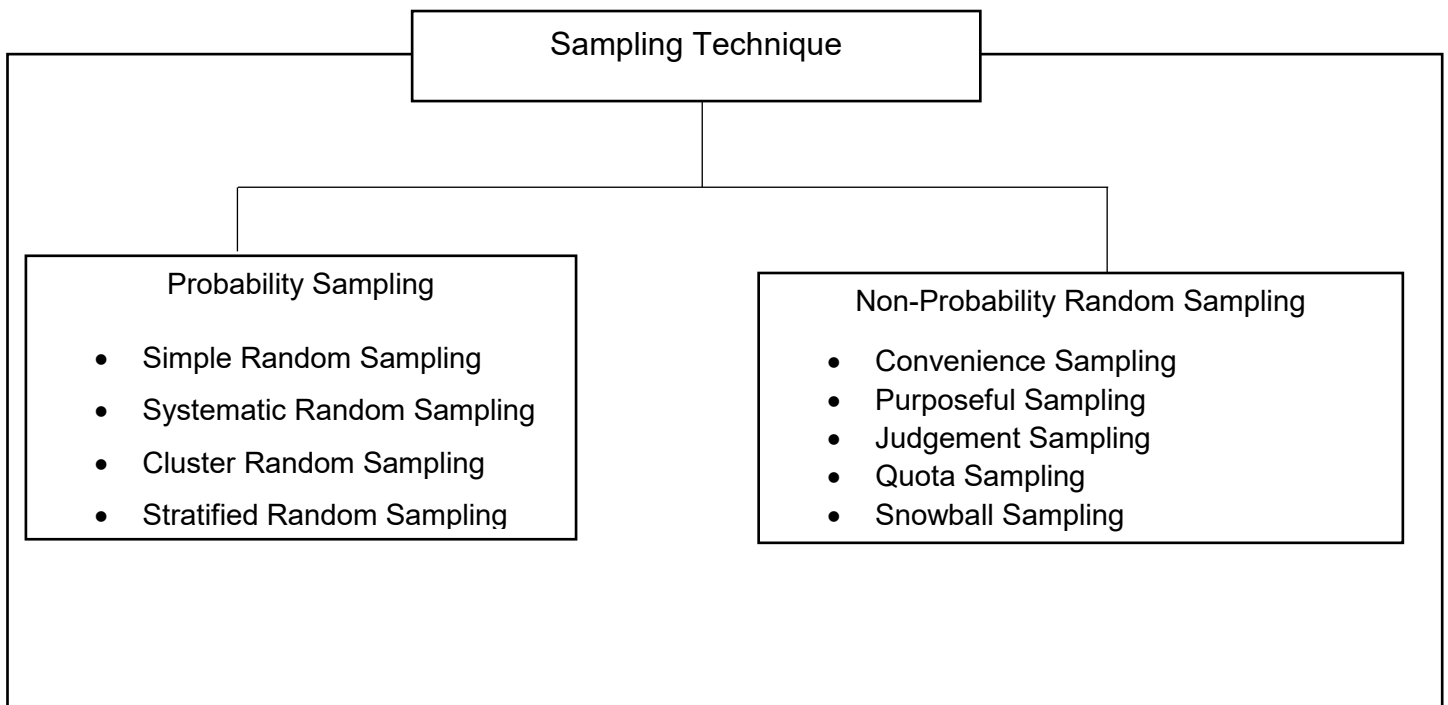


Table 4.3 Source: Adapted from the Researcher

The figure above represents the different types of sampling procedures. Quantitative data collection mainly utilizes the probability sampling technique while qualitative data collection utilizes the non-probability sampling.

4.5.2 Probability Sampling Methods

a) *Simple Random Sampling*

This group of representative sampling method entails the random selection of the sampling units (respondents) provided that they possess similar characterization and numbering so that those selected do not receive special preference from the researcher. Each member of the population has a non-zero probability of being selected to participate in the study.

b) Systematic Random Sampling

In this technique the total number of the sample frame (population) is divided by the basic sampling unit (Basic sampling unit/respondents) to determine the equal intervals that will consistently guide the selection process by the researcher.

c) Cluster Random Sampling

In this sampling method a larger and more widely distributed geographical area that has sub-regions is involved. The area is clustered or segmented into sizeable sections (Districts)) with sub-sections (Sub-districts) for the manageability and feasible access to the study respondents. Thereafter systematic random selection within clusters could be implemented by the researcher.

d) Stratified Random Sampling

In this technique the respondent's population with similar characteristics is apportioned into a group.

4.5.3 Non-Probability Sampling Methods

Various strategies could be used in this strategy and these are as follows:-

a) Convenience Sampling

This non-probability technique is used when there is a less difficult effort involved in accessing and reaching the participants in the study. Therefore, it is informed by the consummate easy reach of respondents.

b) Judgement /Purposeful Sampling

This sampling technique method is based on the researcher utilising his/her judgement in the selection of respondents who will be contributing, with the accurate, desired expertise data appropriate to the study objectives. It is mainly used where a specialist knowledge might be beneficial to problems that the study should address.

c) Quota Sampling

In this sampling method, the researcher apportion and draws together the respondents who possess the similar characteristics from the representative group from the population. It is advantageous when the study has time constraints and the researcher expeditiously collates the respondents.

d) Snowball Sampling

This non-probability sampling technique is when the initial respondent recruits another respondent on behalf of the researcher. It's a chain-referral oriented process since the second respondent could also refer a third respondent to the researcher. There is a linkage of the study participants to the benefit of the researcher through this participant's bond or tracing mechanism.

e) Maximum Variation Sampling

In this sampling method the researcher incorporates as diverse as possible the respondents from the population whereby the purposeful objective is to draw the heterogeneous respondents into the study in order to provide data

4.6 Data Collection Instruments

According to Polit and Beck (2004) a research instrument is a device and a tool that is used by the researcher to evoke data from the respondents in order to answer the research questions. Polit and Beck (2004) further stated that the questionnaire is the most appropriate device and tool used in the data-collection process. As a data-collection instrument in a research project Hair (2015) described this device as a predetermined set of questions to be answered by the respondents while the researcher registers the answers. The data set that has been collected in this study is the primary and the secondary source which will constitute the repertoire of the data collection. The quantitative data collection is prepared with the intention of evoking the structured responses by the researcher utilizing closed-ended quantitative data questionnaires.

In this study, a questionnaire will be prepared and written in English and, therefore, the respondents should be conversant with the language used. Bhattacharjee (2012)

describes the questionnaire as “a research instrument consisting of a set of questions (items) intended to capture responses from respondents in a standardized manner”. In the research process, there are two types of questions that are used to obtain responses from the study participants namely, open-ended and closed-ended questions.

a) Open-Ended Questions

In this question-format the respondents are offered the latitude to answer the questions in their own words and it is basically a less structured form of a question-format (Polit and Beck, 2004). The open-ended questions are mainly used in the qualitative data collection method and are a true epitome of an unstructured interpretivist approach as they allow the respondent to provide responses based in their own words. The responses should be registered and recorded by the researcher verbatim and in the actual words of the respondents.

b) Closed-Ended questions

In this type of question in the data collection process, the respondent is offered an alternative set of pre-determined answers and can only give one answer per question when responding to the question (Polit and Beck, 2004). This question type is suitable for the quantitative and positivist data collection method. Closed questions in the data collection process are relatively easy to understand on the part of the respondents rendering answers in the research process (Bryman, 2015). In this study, closed-ended questions were prepared for the respondents in an effort to extract as much high quality, objective, measurable and reliable responses as possible from the respondents.

Another method of data collection that has been widely used in the research process are interviews and the researcher did consider their application as a suitable data collection tool and instrument. Due to the interview’s lack of objectivity and the costs of execution and the interviewer bias, they were not suitable for this inquiry. The other

reason for not choosing interview as a form of data collection is due to the fact the unit of analysis is huge and time-consuming.

4.6.1 Construction of the Research Instrument

As stated above, the questionnaire will be written in English and the main broad categorisation of sections will be in two parts. The first broad category will deal with the demographic data of the respondents, while the second category will deal with a high degree of specificity of the SMME challenges impeding their performance and sustainability. According to Creswell (2013) when the researcher is adopting a quantitative data approach, the inquiry questions examine the relationship between the two sets of variables in an effort to answer the research questions.

The questionnaire as the data collection instrument should facilitate the execution and the delivery of the accurate, valid, consistent and reliable data (Saunders et al., 2009).

4.6.2 Steps of Valid and Reliable Questionnaire

The following was taken into account when designing the research instrument (Saunders et al., 2009). The data required by the researcher when constructing the research instrument was made to be expressly straightforward to understand by the respondents. The questions designed and structured was in a manner that can be easily comprehended and understood by the respondents. The questions were interpreted and encoded by the researcher in a manner that would understandable to the respondent participating in the study.

According Saunders et al. (2009) a research survey takes the shape and the form of a written response to the research questions by the respondents. In designing the questionnaire as the research instrument to evoke accurate responses by the respondents, the following need to be taken cognisance of namely:-

- Adapt questions that have been used in prior research questionnaires; and

- The researchers must develop their own questions and, in the context of this study, closed-ended questions.

Edwards (2010) noted that it is essential to pre-test the questionnaire by conducting a pilot study, especially if the format will be the self-administered type as was the case with this study. Pilot studies will be discussed in detail in the ensuing passage. The reliability (consistency) and validity (dependability) of the research instrument in this study has been assessed by means of measuring (statistically) the precision and accuracy of the impact of DSBD on the performance of SMME's.

Kitchenham and Pfleeger (2002) realized that, in order for the questionnaire to have purposeful and concrete questions more specifically when using the closed-ended type of question, that the following should be borne in mind when constructing the questions to answer the research objectives. Factors like the timing of the approach and using conventional language that is user-friendly is of paramount importance in improving the construction of the research instrument. Further Kitchenham and Pfleeger (2002) provided the following format, especially for self-administered questionnaires namely:-

- There should be a space in the questionnaire allowing for the comments from the respondents;
- There should be a space between the questions;
- Instead of horizontal formatting a vertical format could be applied for items such as spaces, boxes, and pointers to further clarify the questions;
- Consideration of two-dimensional grids; and
- Consideration for the use of a booklet format.

According to Saunders et al. (2009) the questionnaire design facilitates the optimisation of the internal validity and reliability from the data that the respondents offer.

4.6.3 Administration of the Research Instrument

In deciding how the research instrument had to be administered, the researcher considered various factors ensuring the reliability and validity of the data collected. Three methods were taken into account namely: the utilisation of field workers on behalf of the researcher. Secondly, administering the research by the researcher in person or thirdly, by means of adopting the self-administering of the questionnaire by the researcher. The Self-administration approach was adopted as this method is not only cost-effective, but it also allowed the respondent the latitude of autonomy and less intervention and possible biased influence on the part of the researcher. According to Cooper et al. (2003) in terms of questions to be drafted in the questionnaire, the researcher should focus on investigative questions and make a firm decision on the data-collecting procedure and process to be used. Hair (2015) mentioned five methods of administering a questionnaire in the data-collection process by the researcher namely:-

- Through electronic means e.g. via email or Web site means;
- Telephonically;
- In Person (by the researcher);
- Via the faxing method; and
- By using mail, courier services.

Glasow (2005) cited criteria that have to be met for good questions that offer responses that answer the research questions in an inquiry as follows:-

- Question wording;
- Feasible and ethical;
- Non-biased wording;
- Non-biased context ;and
- Additional considerations like the questionnaire's length, tone as well as avoidance of biased questions that provoke emotional and negative responses from the respondents.

A closed-ended questionnaire was used in this study to obtain accurate and precise responses from the research informants (Refer to the Questionnaire attached). The preparation, compilation and packaging of the research instrument has been undertaken on the premise of the literature review and various other sources of primary and secondary data. Welman and Kruger (2001) noted the following factors when constructing a good questionnaire design:

- Thoughtful selection between the two choices of open-ended and closed-ended question type;
- Cognisance should be taken of the respondent's level of literacy;
- The researcher must avoid questions that might offend the respondent;
- Formulate concise and straight-forward questions, shy away from ambiguous questions;
- Neutrality on the researcher's part should be a virtue and he or she must avoid loaded or leading questions;
- A logical question sequence should be used; and
- Make sure that the respondents are at ease with the questions (user friendly type of questions)

These features mentioned above were taken into account in constructing the questionnaire to ascertain the maximum co-operation and attention from the respondents.

4.7 PILOT STUDY

A questionnaire was given a dry-run and pre-tested on a small sample of respondents in an effort to identify the ambiguities, inaccuracies and inconsistencies of responses prior to the roll out of the entire full-scale and actual data collection instrument (Hair, 2015). Cooper et al. (2003) highlighted that a pilot study had been undertaken with a view to inspecting and detecting the weakness in design and instrumentation and to provide proxy data for the selection of a probability sample. A pilot study is an abridged version of the entire data collection as noted by especially when the research instrument is in the form of a questionnaire, and also when the question types are answered at the very same time, as is the case in this study.

Saunders et al. (2009) stated further that, the objective of the pilot test is to fine-tune the questionnaire in such a way that the response rate in the main study presents a limited number of challenges and distortions in answering the questions. The significance of a questionnaire, especially in a quantitative-data collection approach like in this study, is of crucial importance to achieve the reliability and the validity in answering the research questions with accuracy and precision as confirmed by (Cooper et al., 2003 ; Polit and Beck, 2004 ; Saunders et al. 2009 ; Hair, 2015).

The pilot study, therefore, facilitated the detection of limitations that the researcher might have encountered which might be as a result of the exogenous and external factors beyond the researcher's control. The pilot study was conducted as a mini-sample that had similar characteristics and features to those that were involved in the main inquiry. The outcome of the responses that were solicited in the pilot study were then used to modify the main inquiry in line with the objectives of the study. According to Saunders (2011) the pilot study tests, the comprehensibility of the research questions, in terms of their composition and content and their logical sequence in the questionnaire.

The researcher selected thirteen (13) SMME's out of a two hundred and sixty (260) sample of respondents. This represents five (5%) per cent of the research informants who would not be participating in this study and they helped to identify confusing points, in the pre-testing of the questionnaire. As stated by authors such as Welman and Kruger (2001) the pilot study helps among other things:-

- to refine the questionnaire;
- to pre-test the appropriateness of the questionnaire; and
- to identify any loop-holes in extrapolating the data.

According to Welman and Kruger (2001) the following are the main reasons that could be considered as values of conducting a pilot study in quantitative data collection:

- It is imperative for the researcher to be able to detect and diagnose flaws and shortfalls in the measurement procedure within the statistical analysis domain.

The entire feasibility of the independent variables in the research in terms of instructions, time constraints, just to name a few, is at stake;

- The other value of a pilot study could be derived from the identification of unclear or ambiguous aspects in the research instrument. It should be a practical exercise for the respondents to interpret and answer the questions with consummate ease; and
- The expression in the form of non-verbal and body language on the part of the respondents should be clearly noticed and observable so that discomforting and embarrassing information in the content or wording of the research instrument could be identified.

According to Siniscalco and Auriat (2005) the following were cited as the fundamental objectives of the pre-testing process in the questionnaire namely:-

- To re-frame or eradicate unclear, vague or redundant questions during the actual data-collection process in order to solicit accurate and precise answers from the research informants;
- To adhere to the provision of designing the proper material when dealing with answers in the category-oriented questions that might be construed as open – ended question, thereby converting them to the closed-ended type of questions that are synonymous with the quantitative-oriented data collection method; and
- Lastly, to be able to determine whether or not the instructions were fully comprehended by the research participants.

The multi-disciplinary reality and nature of this study, which borrows from various fields and disciplines, was evidenced in the response of the sampled responses from the pilot-study respondents and the following are worth mentioning:

- The participating sample in the pilot-study seemed to be mainly oblivious of the pertinent legislation covering their rights and responsibilities;
- The cost of compliance seemed to deter the participants from fully complying with the legislative requirements that would ordinarily benefit their aspirations;

- The rationale behind conducting a research of this nature was interpreted and construed by the participants in the pilot study as an invasion of their confidentiality and privacy;
- The lack of visibility of information dissemination by the authorities at a local government or community level was also very apparent in the manner in which the respondents reacted to some of the information required in the questions;
- The unavailability of devices like internet hot-spots, WI-FI and data access costs seemed to be major constraints for an environment conducive to obtain information timeously and expeditiously;
- The belief that most of the resources are wasted through graft and corruption by relevant policy-makers is a primary cause for the lack of inclusivity of SMME's and, therefore, prevents them from contributing to the economic wellbeing of the country.

The above indicators were therefore, incorporated and factored into the main questionnaire in an effort to achieve more quality, accuracy, reliability and validity in the achievement of the research objectives and in answering the research questions.

4.8 RELIABILITY AND VALIDITY of Study

4.8.1 Reliability

Polit and Beck (2004) referred to reliability as a quantitative research instrument that is consistent with quantifying and measuring within the context of quality and adequacy. Saunders et al. (2009) explains reliability as the degree to which the research instrument in the data-collection process yields consistent findings and outcomes. Roberts et al. (2006) described reliability as the proportion of variability in a quantified score as a result of the variability in the true score.

Kimberlin and Winetrstein (2008) described the role of reliability as a composition of scores that are true and scores that have an error that is being measured by a research instrument. Roberts et al. (2006) mention that the research instrument should reflect

similar information from the respondents if used by different researchers, or used at different times. Roberts et al. (2006) thus described reliability as the proportion of variability in a quantified score as a result of the variability in the true score. The research instrument in this study was compiled with the ultimate objective of being rigorously trustworthy, accurate and dependable in such a way that it would yield similar outcomes when being applied in varying situations, assuming nothing else has changed, as asserted by (Roberts et al., 2006). Various kinds of reliability that would normally be taken into consideration in research are discussed below:-

Inter-rater reliability

This type of reliability is premised on the internal consistency of the research results in terms of their relationship. The fundamental aspect of this tool is that similar responses of information from respondents are obtained even if it is used by different people at varying times. Cronbach's alpha coefficient is a statistical tool that is used to measure this particular internal consistency between the response results.

Test-retest reliability

Test-retest reliability is a measure that is undertaken when the researcher utilizes the same research instrument to gauge its consistency at varying times. The self-administered questionnaire in this inquiry will be used to assess the preparedness or the readiness of the dependent variable.

Split-half reliability

This reliability type attempts to measure the degree of consistency by way of segmenting the construct to be measured into each half from the total measure and, in so doing, each half could be measured autonomously from the other half.

Internal consistency reliability

In this reliability type a construct is segmented into various mini-constructs that would be independently measured in terms of their internal consistency from the respondents. Cronbach's alpha could be used to estimate the central tendencies of results relative to the totality of the construct.

4.8.2 Validity

Polit and Beck (2004) describe validity as the extent to which a research instrument, e.g. a questionnaire in this inquiry, quantifies and measures what it sets out to measure Kimberlin and Winetrstein (2008), furthermore Marczyk et al. (2005) similarly defined validity as the degree to which a research instrument e.g. a questionnaire quantifies and measures what in intends to quantify. Bryman (2015) described validity as the degree to which variation brought about by the research instrument in quantifying scores reveals variations from the research informants in the study under considerations. This depicts many concepts that various scholars have articulated concerning the term validity which is in tandem with reliability, consistency, accuracy and rigor, which is a hallmark of validity (Golafshani, 2003 ; Polit and Beck, 2004 ; Marczyk et al., 2005 ; Kimberlin and Winetrstein, 2008 ; Bryman, 2015).

Let us have a closer examination of the internal and external validity in this inquiry as a benchmark with which to justify generalising the findings:

Internal Validity

Refers to the degree to which the beliefs concerning the causality (cause and effect) are in sync with that particular study in terms of support (Nicholas, 2011).

External Validity

Deals with the degree to which the research findings of a particular inquiry could be replicated and generalized to other similar research contexts and scenarios (Nicholas, 2011).

The following is the explication of various validity types in more detail:

Criterion-related validity

This type of validity draws on how a construct that is being measured depicts the relativity to the external attribute and is further sub-divided into four types namely: predictive, convergent, discriminant and concurrent validity type (Marczyk et al., 2005).

Face validity

Face validity is indicative of a participant's representation of what the research tool is intending to measure. An analogy in this regard would be to take the number of occasions a cricket fan attend cricket matches and, therefore, that this represents cricket as the construct being measured.

Translational validity

The measure of this validity relates to the extent to which theoretical or conceptual measures translate into a practical or operational measure of that particular construct. Both the Face and concurrent validity makes up the translational validity.

Content validity

Content validity refers to the reflection of measurement scales to the checklist in the form of a content of a construct in terms of evaluating how well they yield the result of what is intended to be measured at that point in time (Marczyk et al., 2005). It is similar to a tick-box exercise, which constitutes the entire measurement package.

Convergent & Discriminant validity

Convergent refers to the extent to which a measure bends or converges towards a construct which it is supposed to measure that which is to be measured, while discriminant validity refers to the extent to which a measure diverges and deviates from the constructs which are under the focus of measurement (Marczyk et al., 2005).

Predictive validity

Refers to the degree to which an external criterion by the research instrument that will be quantified some other time in the future (Marczyk et al., 2005).

Construct Validity

Refers to the degree to which the questionnaire as the research instrument measures a theoretical construct in the inquiry (Marczyk et al., 2005).

4.9 MEASUREMENT ERROR STRATEGY AND MANAGEMENT

In this inquiry the researcher was sensitive to the margin of error strategy and management that presented themselves as a result of a variety of factors especially around the research instrument during the data collection, recording, production and analysis. In an effort to circumvent this predicament, and augment reliability, the researcher adopted four considerations recommended by (Marczyk et al., 2005). These are:

Firstly, the standardization of the questionnaire, which is the data collection instrument, in a consistent manner.

Secondly, an assurance was obtained that the research informants fully comprehend the structure and the content of the questionnaire in order to be at ease when providing answers that would be accurate and reliable.

Thirdly, as the research informants responded to the e-mailed questionnaire, a thorough sensitization of the research objectives was undertaken so that they could fully understand the significance of the study and the importance of their reliable responses.

Lastly, all the responses that were received by the researcher were circumspectly collated, recorded and accurately analysed in order to reflect the true contributions from the research informants.

4.10 DATA COLLECTION

de Vaus (2003) described a questionnaire as the research instrument for data collection purposes, wherein the research informants have to respond to the same set of structured questions in a pre-set directive. According to Bhattacharjee (2012), in a research process positivist and interpretivist paradigms could be described as two approaches to the data-collection exercise. The former is premised on the quantitative (numeric) approach, which primarily uses deductive logical reasoning, while the latter is premised on an inductive set of reasoning, and subscribes to the qualitative (non-numeric) research approach. The deductive reasoning which resonates with the quantitative approach adopted in this study, is where the research process simply

allows the researcher to draw inferential conclusions about the reality and the truth of the phenomena based on theoretical or logical reasoning. Subsequent to the above the qualitative connotation is based on drawing conclusions about the reality and the nature of the phenomenon based on facts or observed behaviour or evidence (Bhattacharjee, 2012). This is evidenced by the objective stance in the drawing of conclusions under the positivist-data collection method that is mainly concerned with the theory-testing, using measurements and statistical analytic techniques. While, on the other hand, the interpretivist method could be described as the subjective, theory building method used mainly in quantitative data collection inquiry.

The questionnaire for the inquiry has two sections and, therefore, has been divided into two sequential parts. Section A of the questionnaire contains the research informants demographic information, which includes amongst other things, gender, age, domicile, sex, SMME industry type, product manufactured or service rendered, educational status, urban or rural origins and the role in the organisation from the ownership perspective. Section B of the questionnaire focuses on the dynamics of the SMME value chain, including the regulatory, legislative, globalization, industry practices and protocols, as well as experiences of SMME in terms of business, general transactions, intricacies, dynamics and interactions encountered in their daily dealings within the SMME industry.

The data response has been targeted to those SMMEs that are legal persons having registered with the Companies and Intellectual Property Commission (CIPC) and are also registered with the Central Supplier Database (CSD) within the National Treasury, as well as the Provincial Supplier Data Base. The other features that the SMMEs could be ascribed to is that they are one of the Emerging Micro Enterprises (EME), according to the *Code of Good Practice's Broad Based Black Economic Empowerment (BB-BEE) Act*. It is also expected that they are also registered with the South African Revenue Services (SARS) for compliance purposes and are in possession of a formal business bank account.

In terms of accessing the SMME's given that most of them have their entities spread throughout the City of Durban, the following procedure was used in order to manage the data collection exercise:

- a) Due to the wide spread of the location of their business various point of contact such as SEDA offices, Durban Chamber of Business, Durban International Convention, Networking sessions conducted by BSU was targeted by the researcher.
- b) The introduction of the research was undertaken to the targeted respondents that meet the research criteria.
- c) The researcher personally administered the data collection due to budget constraint of hiring the research assistant.
- d) The researcher after the completion of the data collection thanked the respondents for their invaluable input.
- e) The data collection was concluded on schedule.

4.11 STATISTICAL TECHNIQUES

The Statistical Package for Social Science (SPSS) version 24 has been utilized for data production, management and analysis from the quantitative data perspective. SPSS renders it possible for the researcher to choose between displaying the names of the variables in the dialogue boxes for instance (Landau and Everitt, 2004). The SPSS has also been used to test reliability and Pearson Chi-square tests will be conducted, analysed and interpreted in line with the findings from the questionnaire responses. (The data analysis will further be corroborated in the Chapter Five and will also be commensurate with the literature review section). It is safe to say that, at this juncture, the following statistical tools will be used and explicated in Chapter Five (5) namely:-

- Analysis of variance (ANOVA);
- Univariate & Bivariate Analysis;
- Regression Analysis;
- Mean (Central Tendency) , mode & standard deviation;
- Chi-square test;

- Factor Analysis;
- Pearson correlation co-efficient;
- Cronbach Coefficient;
- Frequency tables and descriptive statistics frequencies;
- P-Values , t – tests ; and
- Bar Graphs; and regressions
- Principal Component Analysis.

4.12 ETHICAL CONSIDERATIONS

The approval of the University of Kwa-Zulu Natal ethical clearance was sought in order to allay the fears of the participants in terms of legitimacy and authenticity of the study. The UKZN Ethics policy has been used in the study and the questionnaires have captured the provisions as agreed upon by the UKZN Ethical Clearance office pertaining to the approval of the study.

The confidentiality, anonymity and the privacy of the respondents will be honoured and respected by the researcher and will be kept in a lockable safe for the duration of the study in a manner that is acceptable in terms of the ethical norms of UKZN and the participants will be informed of this. As a matter of course. The other approval will be solicited from eThekweni Business Support Unit who has the prerequisite data base for the SMME's under its jurisdiction. The research informants were assured that their participation was of their own volition which was devoid of undue influence and coerciveness from the part of the researcher and they could withdraw at any moment should they deem this necessary. The researcher made it clear to the research informants that their data contribution would not be manipulated nor abused by the researcher.

4.13 RESEARCH LIMITATIONS

The inquiry is narrow-based and is informed by the nature and the causes of the phenomenon which will be under scrutiny, which is focusing on the SMME's benefit as a result of the introduction of the Ministry of Small Business Development. Another limitation is that there is very little information on the part of the SBDM that highlights its success that could be replicated and made scalable nationally. The study will not enjoy the funding support ordinarily required for a study that will have a positive bearing on the plight of the SMME's which would translate into a better quality of life for the SMME's.

4.14 CONCLUSION

This chapter commenced with the philosophical assumptions that are the theoretical foundation in terms of theoretical foundations. This was precipitated by a further elucidation on the paradigmatic-perspective justification that could act a scientific yet indispensable guideline when undertaking a quality-oriented research. The different data collection methods in the research methodology were then critically analysed by the researcher who also decided on the data collection type that was deemed suitable for this research project. The research instrument in terms of its construction and administration was highlighted and thereafter further elaboration was summarised by the pilot study.

Validity and the concomitant validity were succinctly dealt with by the researcher and the data collection methodology was summarised by the data collection choice for this particular inquiry. The proposed alertness by the researcher to the minimization of error from the research instrument and its consequent effect on the reliability of the findings was also explicated. Where necessary, diagrammatic illustrations were included to further provide a symbolic description in the explanation of that particular phenomenon. Ethical considerations as well as the Research Limitations were

addressed in this chapter. The diagrammatic illustration adopted in this chapter is summarized in the figure below:

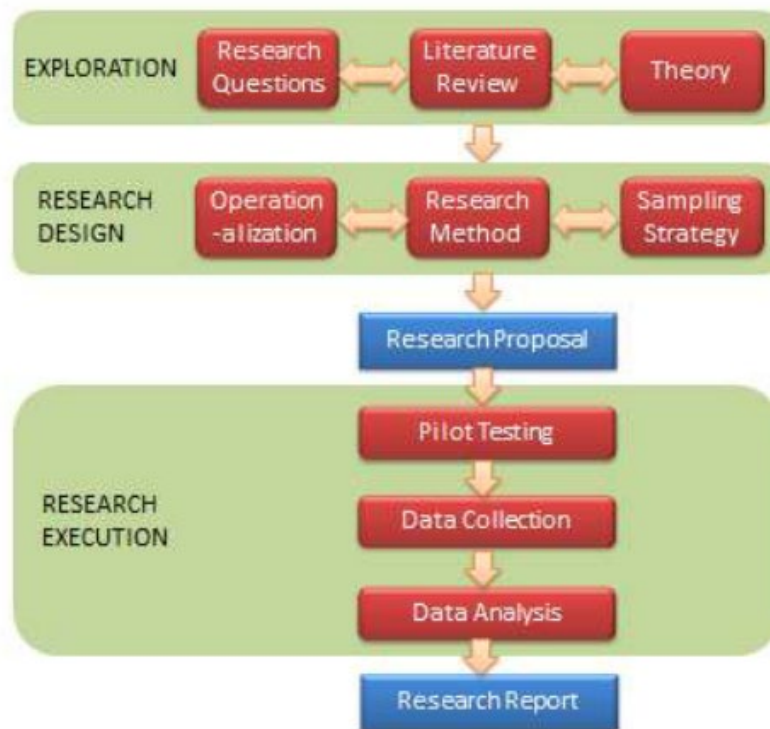


Figure 4.6 Source: Bhattacharjee (2012:20)

	CHAPTER 5 INTERPRETATION AND DISCUSSION OF THE RESULTS	
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5.1 INTRODUCTION

This study was undertaken with the aspiration of establishing the role that could be played by an institution like the Department of Small business Development in supporting the SMME's in a South African context which is a developing economy. It sought to examine the contextual variables that stifle and thwart the SMME's to realize their full profit potential and their envisaged growth and sustainability from a long term perspective. Various contributing literature by the entrepreneurial scholars and the theoretical framework was interrogated and analyse in an attempt to demystify the bottlenecks that continue to plague and frustrate the SMME's to flourish and thus contribute to the economic growth and inclusivity.

This chapter focus on comprehensive presentation of the SMME's biographical characteristics and second part elaborate on the analysis and the findings of the study. The sample target of 260 respondents was achieved from the appropriate corresponding population. The 260 respondents were required to disclose their personal data from the demographic perspective in terms of the following:-

- Gender;
- Enterprise location;
- Educational achievements;
- Number of years operating the enterprise;
- Annual turnovers of the enterprise;
- Personnel profile of the enterprise employee's; and
- The enterprise Life Cycle Phase in terms of its growth trajectory.

The biographical section was followed by the analysis of the study objectives that were grouped into mini questions that synthesis the each of the five (5) study objectives. SPSS (version 25) was used to compute and calculate graphical illustration applying descriptive statistical analysis in extracting the primary data. Pie charts, frequency

tables and bar graphs were used in an elaboration of the respondents contribution in the expressing their observation on the elements that could contribute to the growth and the profitability of their enterprise.

5.2 BIOGRAPHICAL PROFILE OF THE SMME'S

According to Polit & Beck (2004:716) in a quantitative oriented approach, the application of descriptive statistics permit the researcher to systematically reduce, recap, define and delineate data accurately.

Table 5.1: Frequency Table Detailing SMME's Gender Profile

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	126	48.5	48.5	48.5
	Female	134	51.5	51.5	100.0
	Total	260	100.0	100.0	

The response pertaining to the "SMME Gender Profile" out of a total of 260 participating SMME's as depicted in the frequency table, the gender distribution were 48% or 126 and 52 % or 134 female respondents dealing with the respondent's gender profile.

Table 5.2 Frequency Table Detailing Enterprise Location

Enterprise Location					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Urban	176	67.7	67.7	67.7
	Rural	20	7.7	7.7	75.4
	Semi-Rural	47	18.1	18.1	93.5
	Informal Sector	17	6.5	6.5	100.0
	Total	260	100.0	100.0	

The response pertaining to "Enterprise Location" of a total of 260 participating SMME's as depicted in the frequency table, 176 or 68% of the SMME respondents location is in the urban area, 20 or 8% in the rural area, 47 or 18% in the semi-rural area, 17 and 7% in the informal settlements.

Frequency Table 5.3 Detailing Educational Achievements

Educational Achievements					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Pre-Tertiary	156	60.0	60.0	60.0
	Tertiary	102	39.2	39.2	99.2
	Post Tertiary	1	.4	.4	99.6
	Other	1	.4	.4	100.0
	Total	260	100.0	100.0	

A response pertaining to the “Educational Achievements” out of a total of 260 participating SMME’s as depicted in the frequency table 156 or whooping 60% had Pre-Tertiary qualifications, 102 or 39% SMME’s had a tertiary qualification while only 1 or 0.4% had Post tertiary qualification and beyond respectively.

Frequency Table 5.4 Detailing Years' Operating the Enterprise

Years' Operating the Enterprise					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< 1 year	172	66.2	66.2	66.2
	1-5 years	85	32.7	32.7	98.8
	5-10 years	2	.8	.8	99.6
	>10 years	1	.4	.4	100.0
	Total	260	100.0	100.0	

A response pertaining to the “Years of Operating the Enterprise “out of a total of 260 participating SMME’s as depicted in the frequency table 172 or 66% SMME respondents have been operating their businesses for less than a year, 85 or 33% has been in operation for less than five years, 2 or 1% has been in operation between 5 and 10 years and only 1 has been in operation for more than 10 years.

Frequency Table 5.5 Detailing SMME’s Annual Turnovers (R in Millions)

Annual Turnovers (R in millions)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< R1 million	224	86.2	86.2	86.2
	R 1 m - R 5 m	36	13.8	13.8	100.0
	Total	260	100.0	100.0	

The response pertaining to “Annual Turnovers (R in million)” out of a total of 260 participating SMME’s as depicted in the frequency table 224 or 86% achieved turnovers of less than R 1 million and 36 or 14% attain turnovers above R 1 million but less than R 5 million.

Table 5.6 Frequency Table 5.6 detailing Personnel Profiles Employed by SMME’s

Personnel Profiles					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< 5 employees	211	81.2	81.2	81.2
	5 - 10 employees	49	18.8	18.8	100.0
	Total	260	100.0	100.0	

The response pertaining to “Personnel Profiles Employed by SMME’s” out of a total of 260 participating SMME’s as depicted in the frequency table 211 or 81% employed less than 5 employees and 49 or 19% had between 5 and 10 employees under their employ.

Frequency Table 5.7 Detailing Enterprise Life Cycle

Enterprise Life Cycle Phase					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Pre-Start up	53	20.4	20.4	20.4
	Start-up	90	34.6	34.6	55.0
	Growth	83	31.9	31.9	86.9
	Maturity	34	13.1	13.1	100.0
	Total	260	100.0	100.0	

The response pertaining to “the Enterprise Life Cycle Phase” out of a total of 260 participating SMME’s as depicted in the frequency table 53 or 20% were in the pre-start-up phase, 90 or 35 % were in the start-up phase, 83 or 32% were in the growth phase and 34 or 13% were in the maturity phase.

5.3 SUMMARY OF BIOGRAPHICAL DESCRIPTIVE STATISTICS

Table 5.8 Summary of Biographical Descriptive Statistics

Statistics								
		Gender	Enterprise Location	Educational Achievements	Years' Operating the Enterprise	Annual Turnovers (R in millions)	Personnel Profiles	Enterprise Life Cycle Phase
N	Valid	260	260	260	260	260	260	260
	Missing	0	0	0	0	0	0	0
Mean		1.52	1.63	1.41	1.35	1.14	1.19	2.38
Std. Error of Mean		.031	.062	.032	.032	.021	.024	.059
Median		2.00	1.00	1.00	1.00	1.00	1.00	2.00
Mode		2	1	1	1	1	1	2
Std. Deviation		.501	.995	.523	.518	.346	.392	.953
Variance		.251	.990	.274	.268	.120	.154	.908
Range		1	3	3	3	1	1	3
Minimum		1	1	1	1	1	1	1
Maximum		2	4	4	4	2	2	4
Sum		394	425	367	352	296	309	618

5.3 The Descriptive Statistics of 5 Research Objectives and the Associated Sub-Questions

5.3.1 Objective 1	Investigation and the assessment of the institutional mechanism’s role in creating and facilitating financial and non-financial resource accessibility for SMME’s.
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Question (Q) 1: Finance in the form of grant contribution

Frequency table 5.9 detailing whether or not the respondents received finance in the form of a grant contribution as a beneficiary SMME's.

Finance in the form of grant contribution					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	1	.4	.4	.4
	Disagree	259	99.6	99.6	100.0
	Total	260	100.0	100.0	

The frequency table 5.9 the bar graph represented by figure 5.8 illustrate that out of the total 260 SMME respondents an overwhelming 99% have not received financial support in the form of a grant as a beneficiary SMME while only a meagre 1% have received grants as a form of financial support assistance for their enterprise.

Q 2: Finance in the Form of a Loan as Beneficiary SMME.

Frequency table 5.10 detailing whether or not the respondents received finance in the form of a loan as beneficiary SMME.

Finance in the form of loan					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	3	1.2	1.2	1.2
	Disagree	257	98.8	98.8	100.0
	Total	260	100.0	100.0	

The frequency table 5.10 illustrate that out of the total 260 SMME respondents an overpowering 99% have not received financial support in the form of a loan as a beneficiary SMME while only a paltry 1% have received grants as a form of financial support assistance for their enterprise.

Q3: Finance requiring collateral security

Table 5.11-Frequency table detailing whether or not the respondents received finance requiring collateral security as beneficiary SMME in the form of an investment, guarantees, ceding personal life policy or suretyship.

Finance requiring collateral security					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	41	15.8	15.8	15.8
	Disagree	219	84.2	84.2	100.0
	Total	260	100.0	100.0	

Frequency table 5.11 illustrate that out of the total 260 SMME respondents 219 or 84% have not raised finance requiring collateral security while 41 or 16% have raised finance requiring collateral security in the life span of their entities.

Q 4: Favourable credit from suppliers

Table 5.12 Frequency Table Detailing Whether or Not the Respondents Received Favourable Credit When Dealing or Transacting with Suppliers.

Favourable credit from suppliers					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	260	100.0	100.0	100.0

All 260 respondent SMME expressed in their articulation that they have not received favourable credit from suppliers as beneficiary SMME, to assist them in their liquidity and cash flow shortages in the running of their enterprises.

Q 5: Favourable discounts from suppliers

Frequency table 5.13 detailing whether or not the respondents received favourable discount from suppliers as beneficiary SMME's.

Favourable discounts from suppliers					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	260	100.0	100.0	100.0

All 260 respondent SMME expressed in their articulation that they have not received favourable discounts from their suppliers as beneficiary SMME, to assist them in their liquidity and cash flow challenges in the running of their enterprises.

Q 6: Funding from enterprise development Support

Company

Frequency Table 5.14 detailing whether or not the respondents received funding assistance in the form of enterprise development as beneficiary SMME's From Any JSE Listed Company.

Funding from enterprise development support company					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	260	100.0	100.0	100.0

All 260 respondent SMME expressed in their articulation that they have not received funding at all as beneficiary SMME from any of the company listed on the JSE, which complies with laws of the country.

Q 7: Funding accessed from retail bankers

Frequency table 5.15 detailing whether or not the respondents accessed funding for their enterprises from one of the country's major retail bankers (e.g. Standard Bank, FNB, Barclays ABSA & Nedbank).

Funding accessed from retail bankers					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	42	16.2	16.2	16.2
	Disagree	218	83.8	83.8	100.0
	Total	260	100.0	100.0	

Frequency table 5.15 illustrate that out of the total 260 SMME respondents 218 or 84% disagreed that whether they have accessed funding for their enterprises from one of the country’s major retail bankers while 42 or 16% have agreed in receiving funding from the country’s major retail bankers.

Q 8: Successful funding from a Financial Development Institution (FDI’s)

Frequency table 5.16 detailing whether or not the respondents successfully obtained funding from state sponsored Financial Development Institutions (FDI’s).

Successful funding from a Financial Development Institution					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	21	8.1	8.1	8.1
	Disagree	239	91.9	91.9	100.0
	Total	260	100.0	100.0	

The frequency table 5.16 pertaining to “Successful funding from a Financial Development Institution illustrate that out of the total 260 SMME respondents 239 or 92% disagreed that whether they have accessed funding for their enterprises from one of the country’s major retail bankers while 21 or 8% have agreed in receiving funding from the country’s major retail bankers.

5.4 Biographical Descriptive Statistics for Objective 1

Table 5.17 Summary of Objective 1 Descriptive Statistics

Statistics									
		Financ e in the form of grant contrib ution	Finance in the form of loan	Finance requiring collateral security	Favour able credit from supplier s	Favour able discoun ts from supplier s	Funding from enterpris e developm ent support company	Funding access ed from retail bankers	Succes sful funding from a Financi al Develo pment Instituti on
N	Valid	260	260	260	260	260	260	260	260
	Missing	0	0	0	0	0	0	0	0
Mean		2.00	1.99	1.84	2.00	2.00	2.00	1.84	1.92
Std. Error of Mean		.004	.007	.023	.000	.000	.000	.023	.017
Median		2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Mode		2	2	2	2	2	2	2	2
Std. Deviation		.062	.107	.365	.000	.000	.000	.369	.273
Variance		.004	.011	.133	.000	.000	.000	.136	.075
Range		1	1	1	0	0	0	1	1
Minimum		1	1	1	2	2	2	1	1
Maximum		2	2	2	2	2	2	2	2
Sum		519	517	479	520	520	520	478	499

Table 5.17 detailing descriptive statistics summary on all questions incorporated for objective 1, **(Investigation and the assessment of the institutional mechanism's role in creating and facilitating financial and non-financial resource accessibility for SMME's)** of the study.

5.3.2 Objective 2	Examination of the economic growth enablers by institutions that contribute to the support of SMME's within the context of the local government sphere.
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Q 9: DSBD playing an important role

Table 5.18 Frequency Table Detailing Whether Respondents Believe DSBD Playing an Important Role for the SMME's to Achieve Their Full Potential.

DSBD playing an important role					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	56	21.5	21.5	21.5
	Disagree	81	31.2	31.2	52.7
	Unsure	123	47.3	47.3	100.0
	Total	260	100.0	100.0	

Frequency table 5.18 illustrate that out of the total 260 SMME respondents 56 or 22% agreed, 81 or 31% disagreed and while 123 or 47% believed that the DSBD was playing an important role on behalf of the SMME's to achieve their full potential.

Q 10: Requested financial, technical and operational assistance from DSBD

Frequency table 5.19 detailing whether the respondents have requested financial, technical and operational assistance from DSBD.

Requested financial, technical and operational assistance from DSBD					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	4	1.5	1.5	1.5
	Disagree	256	98.5	98.5	100.0
	Total	260	100.0	100.0	

Frequency table 5.19 illustrate that out of the total 260 SMME respondents 4 or 2% agreed, while 98% or 256 respondents disagreed of having requested financial, technical and operational support from DSBD.

Q 11: DSBD facilitated business access to markets

Table 5.20 Frequency Table Detailing Whether the Respondents are of the Opinion that DSBD have Facilitated Their Business Access to Market Opportunities.

DSBD facilitated business access to markets					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	112	43.1	43.1	43.1
	Disagree	148	56.9	56.9	100.0
	Total	260	100.0	100.0	

Frequency table 5.20 illustrate that out of the total 260 SMME respondents 112 or 43% agreed, while 148 or 7% respondents disagreed that DSBD has facilitated their business in accessing market opportunities.

Q 12: Business landscape environment is levelled for SMME's prosperity

Frequency table 5.21 detailing whether or not the respondents believe that the business landscape environment is levelled for the SMME's prosperity.

Business landscape environment is levelled for SMME's prosperity					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	95	36.5	36.5	36.5
	Disagree	165	63.5	63.5	100.0
	Total	260	100.0	100.0	

Frequency table 5.21 illustrate that out of the total 260 SMME respondents 95 or 37% agreed, while 165 or 63% respondents disagreed that the present business landscape environment is levelled for the SMME's prosperity.

Q 13: Present business climate offers SMME's opportunity to thrive

Frequency table 5.22 detailing whether or not the respondents believe the present business climate is offering SMME's sufficient opportunities to thrive.

Present business climate offers SMME's opportunity to thrive					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	122	46.9	46.9	46.9
	Disagree	138	53.1	53.1	100.0
	Total	260	100.0	100.0	

Frequency table 5.22 illustrate that out of the total 260 SMME respondents 122 or 47% agreed, while 138 or 53% respondents disagreed that the present business climate is offering SMME's sufficient opportunities to thrive.

Q 14: As an SMME, I understand the demands of the competitive environment

Frequency Table 5.23 detailing whether or not the respondents believe as the business owner they understand the demands of the competitive environment.

I understand the demands of the competitive environment					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	129	49.6	49.6	49.6
	Disagree	131	50.4	50.4	100.0
	Total	260	100.0	100.0	

Frequency table 5.23 illustrate that out of the total 260 SMME respondents 129 or 50% agreed, while the other 131 or 50% respondents disagreed that they understand the demands of the competitive environment. It is worth mentioning that the SMME's that disagreed had half a percentage edge over those SMME's who consented.

Q 15: The external environment is conducive for SMME full potential

Frequency Table 5.24 detailing whether or not the respondents are of the opinion that the external environment is conducive enough for the SMME's to fulfil their full potential.

The external environment is conducive for SMME full potential					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	97	37.3	37.3	37.3
	Disagree	163	62.7	62.7	100.0
	Total	260	100.0	100.0	

Frequency table 5.24 illustrate that out of the total 260 SMME respondents 97 or 37% agreed, while the other 163 or 63% respondents disagreed that the external environment is conducive enough for SMME to fulfil their full potential.

5.5 SUMMARY OF OBJECTIVE 2: DESCRIPTIVE STATISTICS

Table 5.25 Summary of Objective 2: Descriptive Statistics

Statistics								
		DSBD playing an important role	Requested financial, technical and operational assistance from DSBD	DSBD facilitated business access to markets	Business landscape environment is levelled for SMME's prosperity	Present business climate offers SMME's opportunity to thrive	I understand the demands of the competitive environment	The external environment is conducive for SMME full potential
N	Valid	260	260	260	260	260	260	260
	Missing	0	0	0	0	0	0	0
Mean		2.26	1.98	1.57	1.63	1.53	1.50	1.63
Std. Error of Mean		.049	.008	.031	.030	.031	.031	.030
Median		2.00	2.00	2.00	2.00	2.00	2.00	2.00
Mode		3	2	2	2	2	2	2
Std. Deviation		.790	.123	.496	.482	.500	.501	.485
Variance		.624	.015	.246	.233	.250	.251	.235

Range	2	1	1	1	1	1	1
Minimum	1	1	1	1	1	1	1
Maximum	3	2	2	2	2	2	2
Sum	587	516	408	425	398	391	423

Table 5.25 detailing descriptive statistics of the summary on all questions that have been incorporated for objective 2 (**Examination of the economic growth enablers by institutions that contribute to the support of SMME's within the context of the local government sphere**) of the study.

Objective 3	Identification of the benefits in the establishment of networks, collaborative partnerships and associations are relevant for the SMME's to prosper.
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Q 16: The respondents believe whether the red tape should be reduced

Frequency Table 5.26 detailing whether or not the respondents believe that the red tape should be reduced e.g. when formally registering their enterprise.

Reduction of red tape					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	242	93.1	93.1	93.1
	Disagree	18	6.9	6.9	100.0
	Total	260	100.0	100.0	

Frequency table 5.26 illustrate that out of the total 260 SMME respondents 242 or 93% agreed, while the other 18 or 7% respondents disagreed that they believe the red tape should be reduced e.g. when formally registering the enterprise as a legal persona.

Q 17: Easy accessibility of DSBD offices at the provincial and local level

Table 5.27 Frequency Table Detailing Whether or Not the Respondents Believe the DSBD Office are Easily Accessible at the Provincial and Local Level.

DSBD offices are easily accessible					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	8	3.1	3.1	3.1
	Disagree	252	96.9	96.9	100.0
	Total	260	100.0	100.0	

Frequency table 5.27 illustrate that out of the total 260 SMME respondents 8 or 3% agreed while 252 or 97% disagreed that the DSBD offices are easily accessible at the provincial and the local government level and in this case the EThekwini municipality location or area of operation.

Q 18: Institutions to assist SMME's are easily accessible

Frequency table 5.28 detailing whether or not the respondents believe that the institutions that are meant to assist and support the SMME's are easily accessible to the SMME's.

Institutions to assist SMME's are easily accessible					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	109	41.9	41.9	41.9
	Disagree	151	58.1	58.1	100.0
	Total	260	100.0	100.0	

Frequency table 5.28 illustrate that out of the total 260 SMME respondents 109 or 42% agreed while 151 or 58% disagreed that the institutions are easily accessible to the SMME's.

Q 19: Importance for SMME's to join networks associations

Frequency table 5.29 detailing whether or not the respondents believe that it is important for the SMME's to join the networks associations for future growth and other benefits.

Importance for SMME's to join networks associations					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	224	86.2	86.2	86.2
	Disagree	36	13.8	13.8	100.0
	Total	260	100.0	100.0	

Frequency table 5.29 illustrate that out of the total 260 SMME respondents 224 or 86% agreed while 36 or 14% disagreed that they are of the belief that it is important to join the networks associations for future growth prospects of the enterprise.

Q 20: Participation in network activities organized by DSBD

Frequency table 5.30 detailing whether or not the respondents have participated in the network activities organized by DSBD through organizations such as BSU (Business Support Unit), Durban Chamber of Business & Commerce and Small Enterprise Development Agency (SEDA).

Participation in network activities organized by DSBD					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	172	66.2	66.2	66.2
	Disagree	88	33.8	33.8	100.0
	Total	260	100.0	100.0	

Frequency table 5.30 illustrate that out of the total 260 SMME respondents 172 or 66% agreed while 88 or 34% disagreed that they have participated in the network activities organized by DSBD through organizations such as BSU (Business Support Unit), Durban Chamber of Business & Commerce and Small Enterprise Development Agency (SEDA).

Q 21: DSBD facilitates information sharing sessions

Frequency table 5.31 detailing whether or not the respondents are of the opinion that the DSBD has facilitated the information sharing sessions on behalf of the SMME's' in the similar sector at the provincial and the local government level.

DSBD facilitates information sharing sessions					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	108	41.5	41.5	41.5
	Disagree	152	58.5	58.5	100.0
	Total	260	100.0	100.0	

Frequency table 5.31 illustrate that out of the total 260 SMME respondents 108 or 42% agreed while 152 or 58% disagreed that they are of the opinion that the DSBD has facilitated the information sharing sessions on behalf of the SMME's in the similar sector at the provincial and the local government level.

Q 22: Importance for DSBD to promote business opportunities

Table 5.32 Frequency Table Detailing Whether or Not the Respondents Believe it is Important for The DSBD to Promote the Set Aside for Business Opportunities on Behalf of the SMME's e.g. Advocate and Lobby That 10% Of The Procurement Opportunities.

Importance for DSBD to promote business opportunities					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	139	53.5	53.5	53.5
	Disagree	121	46.5	46.5	100.0
	Total	260	100.0	100.0	

Frequency table 5.32 illustrate that out of the total 260 SMME respondents 139 or 53% agreed, while 121 or 47% disagreed on the important role to be facilitated by the DSBD

in the promotion of the set aside for business opportunities on behalf of the SMME' e.g. by advocating and lobbying that 10% of the procurement opportunities should be ring-fenced for them.

Q 23: DSBD encourages inter organizational structure network dimension

Frequency Table 5.33 Detailing Whether or Not the Respondents in Their Opinion Believe That DSBD Encourages Inter Organizational Structure Network Dimension on Behalf of The SMME at the Provincial and the Local Government Level.

DSBD encourages inter organizational structure network dimension					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	126	48.5	48.5	48.5
	Disagree	134	51.5	51.5	100.0
	Total	260	100.0	100.0	

Frequency table 5.33 illustrate that out of the total 260 SMME respondents 126 or 48% agreed while 134 or 52% disagreed that the DSBD encourages inter-organizational structure network dimensions on behalf of the SMME's.

5.6 SUMMARY OF OBJECTIVE 3 DESCRIPTIVE STATISTICS

Table 5.34 Summary of Objective 3 Descriptive Statistics

		Statistics							
		Reductio n of red tape	DSBD office s are easily acces sible	Instituti ons to assist SMME' s are easily acessi ble	Import ance for SMM E's to join netwo rks associ ation	Participati on in network activities organized by DSBD	DSBD facilitates informatio n sharing sessions	Importance for DSBD to promote business opportuniti es	DSBD encourages inter organizational structure network dimension
N	Valid	260	260	260	260	260	260	260	260
	Missin g	0	0	0	0	0	0	0	0
Mean		1.07	1.97	1.58	1.14	1.34	1.58	1.47	1.52
Std. Error of Mean		.016	.011	.031	.021	.029	.031	.031	.031
Median		1.00	2.00	2.00	1.00	1.00	2.00	1.00	2.00
Mode		1	2	2	1	1	2	1	2
Std. Deviation		.254	.173	.494	.346	.474	.494	.500	.501
Variance		.065	.030	.244	.120	.225	.244	.250	.251
Range		1	1	1	1	1	1	1	1
Minimum		1	1	1	1	1	1	1	1
Maximum		2	2	2	2	2	2	2	2
Sum		278	512	411	296	348	412	381	394

Table 5.34 detailing descriptive statistics of the summary on all questions that have been incorporated for objective 3 (**Identification of the benefits in the establishment of networks, collaborative partnerships and associations are relevant for the SMME's to prosper**) of the study.

Objective 4	The analysis derived from the benefits of accessing the knowledge, information and expertise crucial for the SMME's optimal performance.
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Q 24: SMME's have gone beyond territory to expand business

Frequency table 5.35 detailing whether or not the respondents have gone beyond their own geographical territory to expand their business.

Beyond territory to expand business					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	98	37.7	37.7	37.7
	Disagree	162	62.3	62.3	100.0
	Total	260	100.0	100.0	

Frequency table 5.35 illustrate that out of the total 260 SMME respondents 98 or 38% agreed while 162 or 62% disagreed that they have gone beyond their own geographical territory to expand their business.

Q 25: DSBD assisted to access markets in other provinces

Frequency Table 5.36 detailing whether or not the respondents believe DSBD has assisted their enterprise to access markets in other provinces.

DSBD assisted to access markets in other provinces					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	4	1.5	1.5	1.5
	Disagree	256	98.5	98.5	100.0
	Total	260	100.0	100.0	

Frequency table 5.36 illustrate that out of the total 260 SMME respondents 4 or 2% agreed while 256 or 98% disagreed that DSDB has assisted their enterprise to access markets in other provinces beyond KwaZulu Natal.

Q 26: Latest technology required for better and improved performance

Frequency Table 5.37 Detailing Whether or Not the Respondents Believe That the Type of Business That They are Operating Does Require the Latest Technology for Better and Improved Performance E.G. Computers, Internet, Social Media Platforms Etc.

Latest technology required for better and improved performance					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	176	67.7	67.7	67.7
	Disagree	84	32.3	32.3	100.0
	Total	260	100.0	100.0	

Frequency table 5.37 illustrate that out of the total 260 SMME respondents 176 or 68% agreed while 84 or 32% disagreed that they believe that the type of business that they are operating does require the latest technology for better and improved performance e.g. computers, internet, social media platforms etc.

Q 27: DSBD is doing enough to promote my readiness to compete

Table 5.38 Frequency Table Detailing Whether or Not the Respondents in Their Opinion the DSBD is Doing Enough to Promote Their Readiness as the SMME'S to Compete at All Levels of the Different Sector Value Chain in the Local and the Provincial Scene.

DSBD is doing enough to promote my readiness to compete					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	101	38.8	38.8	38.8
	Disagree	159	61.2	61.2	100.0
	Total	260	100.0	100.0	

Frequency table 5.38 illustrate that out of the total 260 SMME respondents 101 or 39% agreed, while 159 or 61% disagreed that in their opinion the DSBD is doing enough to promote their readiness as the SMME's to compete at all levels of the different sector value chain in the local and the provincial scene.

Q 28: As an SMME, I have formal qualification to operate

Table 5.39 Frequency Table Detailing Whether or Not the Respondents Possess Formal Qualification Necessary for the Business That They are Operating.

I have formal qualification to operate					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	101	38.8	38.8	38.8
	Disagree	159	61.2	61.2	100.0
	Total	260	100.0	100.0	

Frequency table 5.39 illustrate that out of the total 260 SMME respondents 101 or 39% agreed while 159 or 61% disagreed that they possess formal qualification necessary for the business that they are operating.

Q 29: DSBD is visible enough in advocating, lobbying and advancing SMME's objectives

Frequency table 5.40 detailing whether or not the respondents believe the DSBD is visible enough in advocating, lobbying and advancing the objectives of the SMME's across all the sectors of the economic business landscape.

DSBD is visible enough in advocating, lobbying and advancing SMME's objectives					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	76	29.2	29.2	29.2
	Disagree	184	70.8	70.8	100.0
	Total	260	100.0	100.0	

Frequency table 5.40 illustrate that out of the total 260 SMME respondents 76 or 29% agreed while 184 or 71% disagreed that they believe the DSBD is visible enough in advocating, lobbying and advancing the objectives of the SMME's across all the sectors of the economic business landscape.

5.7 SUMMARY OF OBJECTIVE 4 DESCRIPTIVE STATISTICS

Table 5.41 Summary of Objective 4 Descriptive Statistics

Table 5.41 detailing descriptive statistics of the summary on all questions that have been incorporated for objective 4 (**The analysis derived from the benefits of accessing the knowledge, information and expertise crucial for the SMME's optimal performance**) of the study.

		Statistics					
		Beyond territory to expand business	DSBD assisted to access markets in other provinces	Latest technology required for better and improved performance	DSBD is doing enough to promote my readiness to compete	I have formal qualification to operate	DSBD is visible enough in advocating, lobbying and advancing SMME's objectives
N	Valid	260	260	260	260	260	260
	Missing	0	0	0	0	0	0
Mean		1.62	1.98	1.32	1.61	1.61	1.71
Std. Error of Mean		.030	.008	.029	.030	.030	.028
Median		2.00	2.00	1.00	2.00	2.00	2.00
Mode		2	2	1	2	2	2
Std. Deviation		.486	.123	.469	.488	.488	.456
Variance		.236	.015	.220	.238	.238	.208
Range		1	1	1	1	1	1
Minimum		1	1	1	1	1	1
Maximum		2	2	2	2	2	2
Sum		422	516	344	419	419	444

Objective 5	Examination of the impeding factors that act as obstacles and barriers hampering the acceleration of SMME growth and prosperity
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Q 30: Low Total Entrepreneurial Activity for SMME's because of DSBD lack of effort

Frequency Table 5.42 detailing whether or not the respondents believe the low total entrepreneurial activity (tea) of the SMME's is because of the lack of concerted effort by the DSBD in pioneering the aspirations of the very SMME's.

Low Total Entrepreneurial Activity for SMME's as a result of DSBD lack of effort					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	148	56.9	56.9	56.9
	Disagree	112	43.1	43.1	100.0
	Total	260	100.0	100.0	

Frequency table 5.42 illustrate that out of the total 260 SMME respondents 148 or 57% agreed while 112 or 43% disagreed that the Low Total Entrepreneurial Activity (TEA) of the SMME's is as a result of the lack of concerted effort by the DSBD in pioneering the aspirations of the very SMME's.

Q 31: Onus on SMME's to influence entrepreneurial policy direction

Frequency Table 5.43 detailing whether or not the respondents share the sentiment that the onus is on their shoulders as the SMME's to influence the entrepreneurial policy direction that benefits their aims, goals and objectives.

Onus on SMME's to influence entrepreneurial policy direction					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	138	53.1	53.1	53.1
	Disagree	122	46.9	46.9	100.0
	Total	260	100.0	100.0	

Frequency table 5.43 illustrate that out of the total 260 SMME respondents 138 or 53% agreed while 122 or 47% disagreed that they share the sentiment that the onus is on

their shoulders as the SMME's to influence the entrepreneurial policy direction that benefits their aims, goals and objectives.

Q 32: Socio-economic ills affects SMME's full potential

Table 5.44 detailing whether or not the respondents believe the socio-economic ills of mismanagement, corruption, maladministration, graft, greed, nepotism and favouritism do not affect the SMME's to realize their full potential.

Socio-economic ills affects SMME's full potential					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	175	67.3	67.3	67.3
	Disagree	85	32.7	32.7	100.0
	Total	260	100.0	100.0	

Frequency table 5.44 illustrate that out of the total 260 SMME respondents 175 or 67% agreed while 85 or 33% disagreed that the socio-economic ills of mismanagement, corruption, maladministration, graft, greed, nepotism and favouritism do not affect the SMME to realize their full potential.

Q 33: Approached DSBD to assist address business challenges

Table 5.45 Frequency Table detailing whether or not the respondents have approached DSBD to assist in addressing the business challenges that their enterprise faces.

Approached DSBD to assist address business challenges					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	7	2.7	2.7	2.7
	Disagree	253	97.3	97.3	100.0
	Total	260	100.0	100.0	

Frequency table 5.45 that out of the total 260 SMME respondents 7 or 3% agreed while 253 or 253% disagreed that they have made attempt by approaching DSBD to assist in addressing the business challenges that their enterprise faces.

Q 34: Policy-makers are making constructive contribution to reduce social ills

Table 5.46 detailing whether or not the respondents in their opinion the policy-makers are doing enough in making a constructive contribution in the reduction of the three social ills of unemployment, poverty and per capita income inequalities.

Policy-makers are making constructive contribution to reduce social ills					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	103	39.6	39.6	39.6
	Disagree	157	60.4	60.4	100.0
	Total	260	100.0	100.0	

Frequency table 5.46 illustrate that out of the total 260 SMME respondents 103 or 40% agreed while 157 or 60% disagreed that whether in their opinion the policy-makers are doing enough in making a constructive contribution in the reduction of the three social ills of unemployment, poverty and per capita income inequalities.

Question 35: Collection of sufficient resources, tools and expertise for business success

Table 5.47 detailing whether or not the respondents they have collected sufficient resources, tools and expertise required for the successful running of their business.

Collection of sufficient resources, tools and expertise for business success					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	77	29.6	29.6	29.6
	Disagree	183	70.4	70.4	100.0
	Total	260	100.0	100.0	

Frequency table 5.47 that out of the total 260 SMME respondents 77 or 30% agreed while 183 or 70% disagreed that they have collected sufficient resources, tools and expertise required for the successful running of my business.

Q 36: Current business operation in line with job whilst formally employed

Table 5.48 detailing frequency table detailing whether or not the respondents believe that the current business enterprise that they are operating is in line with the job whilst formally employed.

Current business operation in line with job whilst formally employed					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	111	42.7	42.7	42.7
	Disagree	149	57.3	57.3	100.0
	Total	260	100.0	100.0	

Frequency table 5.47 illustrate that out of the total 260 SMME respondents 111 or 43% agreed while 149 or 57% disagreed that they believe that the current business enterprise that they are operating is in line with the job whilst previously formally employed.

5.8 SUMMARY OF OBJECTIVE 5 DESCRIPTIVE STATISTICS

Table 5.49 detailing descriptive statistics of the summary on all questions that have been incorporated for objective 5 (Examination of the impeding factors that act as obstacles and barriers hampering the acceleration of SMME growth and prosperity) of the study.

Statistics							
	Low Total Entrepreneurial Activity for SMME's as a	Onus on SMME's to influence entrepreneurial policy direction	Socio-economic ills affects SMME's full potential	Approached DSBD to assist address business challenges	Policy-makers are making constructive contribution to reduce social ills	Collection of sufficient resources, tools and expertise for	Current business operation in line with job whilst formally employed

		result of DSBD lack of effort					business success	
N	Valid	260	260	260	260	260	260	260
	Missing	0	0	0	0	0	0	0
Mean		1.43	1.47	1.33	1.97	1.60	1.70	1.57
Std. Error of Mean		.031	.031	.029	.010	.030	.028	.031
Median		1.00	1.00	1.00	2.00	2.00	2.00	2.00
Mode		1	1	1	2	2	2	2
Std. Deviation		.496	.500	.470	.162	.490	.457	.496
Variance		.246	.250	.221	.026	.240	.209	.246
Range		1	1	1	1	1	1	1
Minimum		1	1	1	1	1	1	1
Maximum		2	2	2	2	2	2	2
Sum		372	382	345	513	417	443	409

5.9 INFERENCE STATISTICS

Objective 1	Investigating and assessing the institutional mechanisms role required to create and facilitate access to the financial and non-financial resources on behalf of the SMME's
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Table 5.50 Correlations for Objective 1 detailing associations or relationships between the two variables: “Finance in the form of a loan” and “ funding access for SMME’s from major retail bankers in the country e.g. Standard Bank, FNB, ABSA Barclays & Nedbank “

Correlations						
		Finance in the form of grant contribution	Finance in the form of loan	Finance Requiring Collateral security	Funding Accessed from retail bankers	Successful funding from a Financial Development Institution
Finance in the form of	Pearson Correlation	1	.575**	-.027	.142*	-.018

grant contribution	Sig. (2-tailed)		.000	.666	.022	.768
	N	260	260	260	260	260
Finance in the form of loan	Pearson Correlation	.575**	1	.052	.246**	.100
	Sig. (2-tailed)	.000		.403	.000	.107
	N	260	260	260	260	260
Finance Requiring collateral security	Pearson Correlation	-.027	.052	1	.355**	.259**
	Sig. (2-tailed)	.666	.403		.000	.000
	N	260	260	260	260	260
Funding accessed from retail bankers	Pearson Correlation	.142*	.246**	.355**	1	.445**
	Sig. (2-tailed)	.022	.000	.000		.000
	N	260	260	260	260	260
Successful funding from a Financial Development Institution	Pearson Correlation	-.018	.100	.259**	.445**	1
	Sig. (2-tailed)	.768	.107	.000	.000	
	N	260	260	260	260	260
** . Correlation is significant at the 0.01 level (2-tailed).						
* . Correlation is significant at the 0.05 level (2-tailed).						

Table 5.50 between the two variable of objective 1: **“The finance in the form of a loan and the funding to the SMME’s from the retail bankers (Standard Bank, FNB, ABSA Barclays & Nedbank)”** there exist a positive relationship between the two variables as the significance level for both variables’ are below the 0.05 which an indicative acceptable statistical chance error risk figure. The Pearson correlation for loan finance form bank is 0.575 and the statistical significant level is 0.00. The Pearson correlation for funding access form retail bankers is 0.142 and the statistical significant level is 0.022.

N reveals the total number of respondent SMME’s who answered the two respective question from objective 1. In a total number of 260 respondents who answered, 98% or 257 disagreed on accessing finance while 218 or 84% disagreed from receiving finance from retail bankers. In the same objective, variables represented by question 4, 5 and 6 who indicated if SMME’s have received favourable credit from suppliers as a

beneficiary SMME support; also having benefited favourable discounts from suppliers/manufacturers as a beneficiary SMME support; and having received funding for the business from the company that performs enterprise development support (e.g. a JSE listed company) respectively were eliminated from the analysis as they yielded 100% disagreement out of a total of 260 respondent SME's.

Objective 2	Examining the economic growth factors that contribute to the support of SMME's within the context of the local government sphere
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Table 5.51 details correlations for objective 2 detailing associations or relationships between variables “SMME understand the demands of the competitive environment” and “the external environment is conducive for SMME full potential “

Correlations								
		DSBD playing an important role	Requested financial, technical and operational assistance from DSBD	DSBD facilitated business accesses to markets	Business landscape environment is levelled for SMME's prosperity	Present business climate offers SMME's opportunity to thrive	I understand the demands of the competitive environment	The external environment is conducive for SMME full potential
DSBD playing an important role	Pearson Correlation	1	-.038	.028	.066	.063	.002	.060
	Sig. (2-tailed)		.538	.651	.292	.312	.970	.331
	N	260	260	260	260	260	260	260
Requested	Pearson	-.038	1	-.109	-.095	-.118	.001	.097

financial, technical and operational assistance from DSBD	Correlation							
	Sig. (2-tailed)	.538		.080	.127	.058	.988	.117
	N	260	260	260	260	260	260	260
DSBD facilitated business access to markets	Pearson Correlation	.028	-.109	1	.211**	.147*	.193**	.212**
	Sig. (2-tailed)	.651	.080		.001	.018	.002	.001
	N	260	260	260	260	260	260	260
Business landscape environment is levelled for SMME's prosperity	Pearson Correlation	.066	-.095	.211**	1	.455**	.429**	.356**
	Sig. (2-tailed)	.292	.127	.001		.000	.000	.000
	N	260	260	260	260	260	260	260
Present business climate offers SMME's opportunity to thrive	Pearson Correlation	.063	-.118	.147*	.455**	1	.377**	.215**
	Sig. (2-tailed)	.312	.058	.018	.000		.000	.000
	N	260	260	260	260	260	260	260
I understand the demands of the competitive environment	Pearson Correlation	.002	.001	.193**	.429**	.377**	1	.364**
	Sig. (2-tailed)	.970	.988	.002	.000	.000		.000
	N	260	260	260	260	260	260	260

The external environment is conducive for SMME full potential	Pearson Correlation	.060	.097	.212**	.356**	.215**	.364**	1
	Sig. (2-tailed)	.331	.117	.001	.000	.000	.000	
	N	260	260	260	260	260	260	260
<p>** . Correlation is significant at the 0.01 level (2-tailed).</p> <p>* . Correlation is significant at the 0.05 level (2-tailed).</p>								

Table 5.51 between the two variable of objective 1:- “SMME’s understanding the demands of the competitive environment” and “The external environment that is conducive for SMME full potential” there exist a positive relationship between the two variables as the significance level for both variables’ are below the 0.05 which an indicative acceptable cut of statistical chance error risk figure.

N reveals the total number of respondent SMME’s who answered the two respective question from objective 1. In a total number of 260 respondents who answered, 50% or 131 understand the demands of the competitive environment while also 129 or 50% disagreed that the external environment is conducive for SMME’s to fulfil their full potential.

Objective 3	Identifying the benefits of the establishment of networks, collaborative partnerships and desirable associations that are relevant for the SMME’s to prosper and grow
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Table 5.52 Correlations for Objective 3 detailing the association between two variables: “Importance for DSBD to promote business opportunities” and “participation in network activities organized by DSBD”.

Correlations								
	Reduction of red tape	DSBD offices are	Institutions to assist	Importance for SMM	Participation in network	DSBD facilitates inform	Importance for DSBD to	DSBD encourages inter

			easily accessible	SMM E's are easily accessible	S's to join networks association	work activities organized by DSBD	information sharing sessions	promote business opportunities	organizational structure network dimension
Reduction of red tape	Pearson Correlation	1	.049	.017	-.022	-.003	.015	.049	-.008
	Sig. (2-tailed)		.435	.788	.729	.962	.814	.429	.893
	N	260	260	260	260	260	260	260	260
DSBD offices are easily accessible	Pearson Correlation	.049	1	-.016	-.058	-.061	-.105	-.057	.005
	Sig. (2-tailed)	.435		.798	.355	.329	.091	.360	.930
	N	260	260	260	260	260	260	260	260
Institutions to assist SMME's are easily accessible	Pearson Correlation	.017	-.016	1	.070	.163**	.312**	.215**	.346**
	Sig. (2-tailed)	.788	.798		.262	.008	.000	.000	.000
	N	260	260	260	260	260	260	260	260
Importance for SMME's to join networks association	Pearson Correlation	-.022	-.058	.070	1	.160**	.089	.050	.144*
	Sig. (2-tailed)	.729	.355	.262		.010	.151	.421	.021
	N	260	260	260	260	260	260	260	260
Participation in network activities	Pearson Correlation	-.003	-.061	.163**	.160**	1	.224**	.115	.254**

s organiz ed by DSBD	Sig. (2- tailed)	.962	.329	.008	.010		.000	.065	.000
	N	260	260	260	260	260	260	260	260
DSBD facilitate s informat ion sharing session s	Pears on Correl ation	.015	-.105	.312**	.089	.224**	1	.192**	.260**
	Sig. (2- tailed)	.814	.091	.000	.151	.000		.002	.000
	N	260	260	260	260	260	260	260	260
Importa nce for DSBD to promote busines s opportu nities	Pears on Correl ation	.049	-.057	.215**	.050	.115	.192**	1	.149*
	Sig. (2- tailed)	.429	.360	.000	.421	.065	.002		.016
	N	260	260	260	260	260	260	260	260
DSBD encoura ges inter organiz ational structur e network dimensi on	Pears on Correl ation	-.008	.005	.346**	.144*	.254**	.260**	.149*	1
	Sig. (2- tailed)	.893	.930	.000	.021	.000	.000	.016	
	N	260	260	260	260	260	260	260	260
<p>** . Correlation is significant at the 0.01 level (2-tailed).</p> <p>* . Correlation is significant at the 0.05 level (2-tailed).</p>									

Table 5.53 display that the two variables have a statistical significance level of 0.814 and 0.02 between the variables “DSBD facilitates information sharing sessions” and “Importance for DSBD to promote business opportunities”. The significant level of one of the variables is above the significant level of 0, 05 and hence the two variables are

not significantly accepted, and there is a moderate negative relationship between the two variables.

Objective 4	Analysing the benefits of accessing the knowledge, information and expertise required for the SMME’s optimal performance
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Table 5.53 correlations for objective 4 detailing the association between two variables “latest technology required for better and improved performance” and “SMME have formal qualification to operate”

Correlations							
		Beyond territory to expand businesses	DSBD assisted to access markets in other province	Latest technology required for better and improved performance	DSBD is doing enough to promote my readiness to compete	I have formal qualification to operate	DSBD is visible enough in advocating, lobbying and advancing SMME's objectives
Beyond territory to expand business	Pearson Correlation	1	.096	.317**	.259**	.569**	.373**
	Sig. (2-tailed)		.122	.000	.000	.000	.000
	N	260	260	260	260	260	260
DSBD assisted to access markets in other provinces	Pearson Correlation	.096	1	.086	.029	.029	.126*
	Sig. (2-tailed)	.122		.165	.646	.646	.043
	N	260	260	260	260	260	260
Latest technology required for	Pearson Correlation	.317**	.086	1	.331**	.382**	.245**

better and improved performance	Sig. (2-tailed)	.000	.165		.000	.000	.000
	N	260	260	260	260	260	260
DSBD is doing enough to promote my readiness to compete	Pearson Correlation	.259**	.029	.331**	1	.288**	.286**
	Sig. (2-tailed)	.000	.646	.000		.000	.000
	N	260	260	260	260	260	260
I have formal qualification to operate	Pearson Correlation	.569**	.029	.382**	.288**	1	.442**
	Sig. (2-tailed)	.000	.646	.000	.000		.000
	N	260	260	260	260	260	260
DSBD is visible enough in advocating, lobbying and advancing SMME's objectives	Pearson Correlation	.373**	.126*	.245**	.286**	.442**	1
	Sig. (2-tailed)	.000	.043	.000	.000	.000	
	N	260	260	260	260	260	260
** . Correlation is significant at the 0.01 level (2-tailed). * . Correlation is significant at the 0.05 level (2-tailed).							

Table 5.53 between the two variables of objective 5, namely Latest technology required for better and improved performance and I have formal qualification to operate there exist a positive relationship between the two variables as the significance level for both variables' are below the 0.05 which an indicative acceptable cut of statistical chance error risk figure.

In a total number of 260 respondents who answered 84 or 32%disagreed that they have the “latest technology required for better and improved performance” while also 159 respondents or 61% disagreed that have formal qualification to operate their enterprise.

Objective 5	Examining the impeding factors that act as obstacles and barriers hampering the acceleration of SMME growth and prosperity
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Table 5.54 Correlations for Objective 5 detailing relationship between variables “Policy-makers are making constructive contribution to reduce social ills” and “Current business operation in line with job whilst formally employed”.

Correlations								
		Low Total Entrepreneurial Activity for SMME's as a result of DSBD lack of effort	Onus on SMME's to influence entrepreneurial policy direction	Socio-economic ills affects SMME's full potential	Approached DSBD to assist address business challenges	Policy-makers are making constructive contribution to reduce social ills	Collection of sufficient resources, tools and expertise for business success	Current business operation in line with job whilst formally employed
Low Total Entrepreneurial Activity for SMME's as a result of DSBD lack of effort	Pearson Correlation	1	.007	-.010	.097	.181**	.292**	.248**
	Sig. (2-tailed)		.911	.870	.120	.003	.000	.000
	N	260	260	260	260	260	260	260
Onus on SMME's to influence entrepreneurial policy direction	Pearson Correlation	.007	1	-.015	-.082	.163**	.255**	.235**
	Sig. (2-tailed)	.911		.816	.189	.009	.000	.000
	N	260	260	260	260	260	260	260
	Pearson Correlation	-.010	-.015	1	.015	.145*	.057	.104

Socio-economic ills affects SMME's full potential	Sig. (2-tailed)	.870	.816		.815	.019	.360	.093
	N	260	260	260	260	260	260	260
Approached DSBD to assist address business challenges	Pearson Correlation	.097	-.082	.015	1	-.086	-.056	-.096
	Sig. (2-tailed)	.120	.189	.815		.166	.370	.124
	N	260	260	260	260	260	260	260
Policy-makers are making constructive contribution to reduce social ills	Pearson Correlation	.181**	.163**	.145*	-.086	1	.353**	.271**
	Sig. (2-tailed)	.003	.009	.019	.166		.000	.000
	N	260	260	260	260	260	260	260
Collection of sufficient resources, tools and expertise for business success	Pearson Correlation	.292**	.255**	.057	-.056	.353**	1	.496**
	Sig. (2-tailed)	.000	.000	.360	.370	.000		.000
	N	260	260	260	260	260	260	260
Current business operation in line with job whilst formally employed	Pearson Correlation	.248**	.235**	.104	-.096	.271**	.496**	1
	Sig. (2-tailed)	.000	.000	.093	.124	.000	.000	
	N	260	260	260	260	260	260	260

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

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

Table 5.54 between the two variables of objective 5, namely “Policy-makers are making constructive contribution to reduce social ills” and “Current business operation in line with job whilst formally employed” there exist a positive relationship between the two variables as the significance level for both variables’ are below the 0.05 which an indicative acceptable cut of statistical chance error risk figure.

N reveals the total number of respondent SMME’s who answered the two respective question from objective 1. In a total number of 260 respondents who answered, 60% or 157 “Policy-makers are making constructive contribution to reduce social ills disagreed “while also 149 or 57% disagreed that “Current business operation in line with job whilst formally employed”.

Table 5.55 Regressions Analysis for Objective 1: Investigating and assessing the institutional mechanisms role required to create and facilitate access to the financial and non-financial resources on behalf of the SMME's.

Investigating and assessing the institutional mechanisms role required to create and facilitate access to the financial and non-financial resources on behalf of the SMME's

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.584 ^a	.341	.330	.051
a. Predictors: (Constant), Successful funding from a Financial Development Institution, Finance in the form of loan, Finance requiring collateral security, Funding accessed from retail bankers				

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.339	4	.085	32.924	.000 ^b
	Residual	.657	255	.003		
	Total	.996	259			
a. Dependent Variable: Finance in the form of grant contribution						
b. Predictors: (Constant), Successful funding from a Financial Development Institution, Finance in the form of loan, Finance requiring collateral security, Funding accessed from retail bankers						

Table 5.55 reveal the result of ANOVA test which illustrate that financial and non-financial accessibility by the SMME's is significant for their enterprise optimum operationalization and performance. This is depicted by the P-value which is less than the 0.05 implying that the statistical significant difference is significant for objective 1.

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.374	.062		22.054	.000
	Finance in the form of loan	.332	.030	.572	10.897	.000
	Finance requiring collateral security	-.009	.009	-.055	-1.003	.317

	Funding accessed from retail bankers	.010	.010	.059	.978	.329
	Successful funding from a Financial Development Institution	-.020	.013	-.088	-1.537	.126
a. Dependent Variable: Finance in the form of grant contribution						

Table 5.56 Regressions Analysis for Objective 2: Examining the economic growth factors that contribute to the support of SMME’s within the context of the local government sphere

Examining the economic growth factors that contribute to the support of SMME’s within the context of the local government sphere.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.103 ^a	.011	-.013	.795
a. Predictors: (Constant), The external environment is conducive for SMME full potential, Requested financial, technical and operational assistance from DSBD, DSBD facilitated business access to markets, Present business climate offers SMME's opportunity to thrive, I understand the demands of the competitive environment, Business landscape environment is levelled for SMME's prosperity				

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.716	6	.286	.452	.843 ^b
	Residual	160.018	253	.632		
	Total	161.735	259			
a. Dependent Variable: DSBD playing an important role						
b. Predictors: (Constant), The external environment is conducive for SMME full potential, Requested financial, technical and operational assistance from DSBD, DSBD facilitated business access to markets, Present business climate offers SMME's opportunity to thrive, I understand the demands of the competitive environment, Business landscape environment is levelled for SMME's prosperity						

Table 5.56 reveal the result of ANOVA test which demonstrate that institutional economic growth enablers that contribute to the support of SMME’s is insignificant for their enterprise optimum operationalization and performance. This is illustrated by the P-value which is greater than 0.05 alpha threshold implying that the statistical difference is insignificant for objective 2. ANOVA which refers to the one-way (analysis

of variance) is useful statistical test that is utilized to match several means in the research process.

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.417	.870		2.779	.006
	Requested financial, technical and operational assistance from DSBD	-.215	.411	-.033	-.522	.602
	DSBD facilitated business access to markets	.011	.104	.007	.110	.912
	Business landscape environment is levelled for SMME's prosperity	.071	.125	.043	.566	.572
	Present business climate offers SMME's opportunity to thrive	.075	.115	.047	.651	.516
	I understand the demands of the competitive environment	-.089	.116	-.056	-.763	.446
	The external environment is conducive for SMME full potential	.093	.115	.057	.810	.419

a. Dependent Variable: DSBD playing an important role

Table 5.57 Regressions Analysis for Objective 3: Identifying the benefits of the establishment of networks, collaborative partnerships and desirable associations that are relevant for the SMME's to prosper and grow

Identifying the benefits of the establishment of networks, collaborative partnerships and desirable associations that are relevant for the SMME's to prosper and grow.

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.078 ^a	.006	-.022	.257		
a. Predictors: (Constant), DSBD encourages inter organizational structure network dimension, DSBD offices are easily accessible, Importance for SMMS's to join networks association, Importance for DSBD to promote business opportunities, Participation in network activities organized by DSBD, DSBD facilitates information sharing sessions, Institutions to assist SMME's are easily accessible						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.102	7	.015	.220	.981 ^b
	Residual	16.652	252	.066		
	Total	16.754	259			
a. Dependent Variable: Reduction of red tape						
b. Predictors: (Constant), DSBD encourages inter organizational structure network dimension, DSBD offices are easily accessible, Importance for SMMS's to join networks association, Importance for DSBD to promote business opportunities, Participation in network activities organized by DSBD, DSBD facilitates information sharing sessions, Institutions to assist SMME's are easily accessible						

Table 5.57 reveal the result of ANOVA test which demonstrate that establishment of networks, collaborative partnerships and desirable association for the SMME's to prosper appears to have been insignificant from the SMME's responses . This is illustrated by the P-value which of 0.981 which is greater than 0.05 alpha threshold implying that the statistical difference is insignificant for objective 3.

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
		1	(Constant)	.894		
	DSBD offices are easily accessible	.077	.093	.052	.821	.412
	Institutions to assist SMME's are easily accessible	.006	.036	.011	.156	.876
	Importance for SMMS's to join networks association	-.015	.047	-.020	-.311	.756

Participation in network activities organized by DSBD	-.001	.036	-.002	-.035	.972
DSBD facilitates information sharing sessions	.007	.035	.014	.211	.833
Importance for DSBD to promote business opportunities	.026	.033	.051	.790	.430
DSBD encourages inter organizational structure network dimension	-.010	.035	-.020	-.293	.770
a. Dependent Variable: Reduction of red tape					

Table 5.58 Regressions Analysis for Objective 4: Analysing the benefits of accessing the knowledge, information and expertise required for the SMME's optimal performance

Analysing the benefits of accessing the knowledge, information and expertise required for the SMME's optimal performance:

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.598 ^a	.357	.345	.393
a. Predictors: (Constant), DSBD is visible enough in advocating, lobbying and advancing SMME's objectives, DSBD assisted to access markets in other provinces, Latest technology required for better and improved performance, DSBD is doing enough to promote my readiness to compete, I have formal qualification to operate				

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.819	5	4.364	28.244	.000 ^b
	Residual	39.243	254	.154		
	Total	61.062	259			
a. Dependent Variable: Beyond territory to expand business						
b. Predictors: (Constant), DSBD is visible enough in advocating, lobbying and advancing SMME's objectives, DSBD assisted to access markets in other provinces, Latest technology required for better and improved performance, DSBD is doing enough to promote my readiness to compete, I have formal qualification to operate						

Table 5.58 reveal the result of ANOVA test which illustrate the benefits of knowledge, information and expertise access for the SMME's is crucial for their optimal performance have significant effect. This is depicted by the P-value which is less than the 0.05 alpha threshold implying that the statistical significant difference is significant for objective 4.

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.013	.403		-.033	.973
	DSBD assisted to access markets in other provinces	.231	.200	.059	1.151	.251
	Latest technology required for better and improved performance	.087	.058	.084	1.496	.136
	DSBD is doing enough to promote my readiness to compete	.061	.055	.062	1.120	.264
	I have formal qualification to operate	.460	.059	.463	7.784	.000
	DSBD is visible enough in advocating, lobbying and advancing SMME's objectives	.130	.061	.122	2.124	.035

a. Dependent Variable: Beyond territory to expand business

Table 5.59 detailing Regressions Analysis for Objective 5: Examining the impeding factors that act as obstacles and barriers hampering the acceleration of SMME growth and prosperity

Examining the impeding factors that act as obstacles and barriers hampering the acceleration of SMME growth and prosperity:

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.361 ^a	.131	.110	.468

a. Predictors: (Constant), Current business operation in line with job whilst formally employed, Approached DSBD to assist address business challenges, Socio-economic ills affects SMME's full potential, Onus on SMME's to influence entrepreneurial policy direction, Policy-makers are making constructive contribution to reduce social ills, Collection of sufficient resources, tools and expertise for business success

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.325	6	1.388	6.333	.000 ^b
	Residual	55.428	253	.219		
	Total	63.754	259			
a. Dependent Variable: Low Total Entrepreneurial Activity for SMME's as a result of DSBD lack of effort						
b. Predictors: (Constant), Current business operation in line with job whilst formally employed, Approached DSBD to assist address business challenges, Socio-economic ills affects SMME's full potential, Onus on SMME's to influence entrepreneurial policy direction, Policy-makers are making constructive contribution to reduce social ills, Collection of sufficient resources, tools and expertise for business success						

Table 5.59 reveal the result of ANOVA test which illustrate the impeding factors that acts as obstacles and barriers stagnating the SMME growth and prosperity have significant effect. This is depicted by the P-value which is less than the 0.05 alpha threshold implying that the statistical significant difference is significant for objective 5.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.088	.403		.218	.827
	Onus on SMME's to influence entrepreneurial policy direction	-.090	.061	-.091	-1.473	.142
	Socio-economic ills affects SMME's full potential	-.059	.063	-.056	-.937	.350
	Approached DSBD to assist address business challenges	.383	.181	.125	2.118	.035
	Policy-makers are making constructive	.098	.065	.097	1.511	.132

	contribution to reduce social ills					
	Collection of sufficient resources, tools and expertise for business success	.233	.077	.214	3.034	.003
	Current business operation in line with job whilst formally employed	.155	.069	.155	2.249	.025
a. Dependent Variable: Low Total Entrepreneurial Activity for SMME's as a result of DSBD lack of effort						

5.10 VALIDITY OF THE STUDY

The distinction between the internal validity and the external validity is applicable in the descriptive research. According to Bhattarherjee (2012:45) the significance of external validity allows the observed sample association in a particular study to be extrapolated to other different yet similar research settings. In case of the internal validity it is assumed the independent variable triggers the response and change in the corresponding dependent variable Bhattarherjee (2012:35).

Table 5.60 Validity of the Study

Communalities		
	Initial	Extraction
Finance in the form of grant contribution	1.000	.798
Finance in the form of loan	1.000	.777
Finance requiring collateral security	1.000	.647
Funding accessed from retail bankers	1.000	.644
Successful funding from a Financial Development Institution	1.000	.603
DSBD playing an important role	1.000	.551
Requested financial, technical and operational assistance from DSBD	1.000	.575
DSBD facilitated business access to markets	1.000	.383
Business landscape environment is levelled for SMME's prosperity	1.000	.702

Present business climate offers SMME's opportunity to thrive	1.000	.549
I understand the demands of the competitive environment	1.000	.570
The external environment is contusive for SMME full potential	1.000	.508
Reduction of red tape	1.000	.724
DSBD offices are easily accessible	1.000	.616
Institutions to assist SMME's are easily accessible	1.000	.541
Importance for SMMS's to join networks association	1.000	.694
Participation in network activities organized by DSBD	1.000	.491
DSBD facilitates information sharing sessions	1.000	.610
Importance for DSBD to promote business opportunities	1.000	.492
DSBD encourages inter organizational structure network dimension	1.000	.582
Beyond territory to expand business	1.000	.683
DSBD assisted to access markets in other provinces	1.000	.735
Latest technology required for better and improved performance	1.000	.585
DSBD is doing enough to promote my readiness to compete	1.000	.475
I have formal qualification to operate	1.000	.680
DSBD is visible enough in advocating, lobbying and advancing SMME's objectives	1.000	.532
Low Total Entrepreneurial Activity for SMME's as a result of DSBD lack of effort	1.000	.589
Onus on SMME's to influence entrepreneurial policy direction	1.000	.467
Socio-economic ills affects SMME's full potential	1.000	.636
Approached DSBD to assist address business challenges	1.000	.704
Policy-makers are making constructive contribution to reduce social ills	1.000	.634
Collection of sufficient resources, tools and expertise for business success	1.000	.602
Current business operation in line with job whilst formally employed	1.000	.608
Extraction Method: Principal Component Analysis.		

5.11 TOTAL VARIANCES

Table 5.61 Explanation of Total Variances

Variables (Components) ranging from 1 to 11 represent 60% of the total explication of the variances in a descending order from 20.236% for variable 1 and 3.079 for variable 11 which cumulatively measure a degree of goodness of the first eleven variables. These 11 variables have Eigenvalue greater than 1 and show how well each variable or question measure to the research objective.

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.678	20.236	20.236	6.678	20.236	20.236
2	1.889	5.723	25.959	1.889	5.723	25.959
3	1.672	5.067	31.026	1.672	5.067	31.026
4	1.511	4.578	35.604	1.511	4.578	35.604
5	1.411	4.277	39.881	1.411	4.277	39.881
6	1.334	4.043	43.924	1.334	4.043	43.924
7	1.166	3.534	47.458	1.166	3.534	47.458
8	1.128	3.419	50.877	1.128	3.419	50.877
9	1.117	3.386	54.263	1.117	3.386	54.263
10	1.064	3.224	57.486	1.064	3.224	57.486
11	1.016	3.079	60.565	1.016	3.079	60.565
12	.975	2.954	63.519			
13	.915	2.772	66.291			
14	.874	2.648	68.939			
15	.868	2.630	71.569			
16	.848	2.569	74.138			
17	.790	2.394	76.532			
18	.744	2.255	78.787			
19	.672	2.036	80.823			
20	.652	1.975	82.798			
21	.627	1.899	84.697			
22	.585	1.773	86.470			
23	.558	1.690	88.161			
24	.538	1.631	89.792			
25	.502	1.521	91.313			
26	.470	1.423	92.736			
27	.434	1.314	94.050			
28	.408	1.238	95.287			

29	.386	1.170	96.457			
30	.356	1.079	97.536			
31	.318	.963	98.499			
32	.265	.802	99.302			
33	.230	.698	100.000			
Extraction Method: Principal Component Analysis.						

5.12 CRONBACH'S MODE (MEASURE OF RELIABILITY)

Table 5.62 Reliability of the Study

Out of a sample of 260 respondents in a questionnaire that comprised of 33 questions which is represented by "N" the Cronbach's Coefficient Alpha which is a measure to test research instrument reliability with specific reference to the internal consistency. The coefficient of 0,846 was arrived at which is acceptable for the internal reliability as it reflect a figure that is within the 0.8 range.

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.846	.825	33

5.13 Test Statistics: Mann Whitney Test

Table 5.63: Mann Whitney Test

Table 5.63 detailing the groupings between Male owned SMME's and Female Owned SMME's out of a total of 260 in the study relative to the independent sample test whether the SMME's have approached DSBD to assist in addressing their business challenges.

Ranks				
	Gender	N	Mean Rank	Sum of Ranks
Approached DSBD to assist address business challenges	Male	126	129.87	16364.00
	Female	134	131.09	17566.00
	Total	260		

Table 5.64: Mean Rankings

Mean Rankings demonstrate the comparison of the mean rankings between the Male SMME equalling 126 respondents and the Female SMME's respondents equalling 134 with a Mean ranking of 131.09 which is slightly more than the Male Mean ranking at 129,87.

Ranks				
	Gender	N	Mean Rank	Sum of Ranks
Approached DSBD to assist address business challenges	Male	126	129.87	16364.00
	Female	134	131.09	17566.00
	Total	260		

Table 5.65: Mann Whitney Test Statistics in conjunction with the Wilcoxon signed rank

Detailing the application of the Mann Whitney test in conjunction with the Wilcoxon signed rank samples in an effort to verify the difference in significance in terms of rankings. The assumption revealed that the P-value of 0.642 which is greater than 0.05 depict that there is a statistical significant difference between the two variables in terms of rankings. The pertinent factor in the Mann Whitney Test and the Wilcoxon W test also do not require the distribution should be necessarily normal but similar.

Test Statistics ^a	
	Approached DSBD to assist address business challenges
Mann-Whitney U	8363.000
Wilcoxon W	16364.000
Z	-.465
Asymp. Sig. (2-tailed)	.642

a. Grouping Variable: Gender

5.14 ANALYSING NORMALITY OF A DISTRIBUTION: SHAPIRO-WILK TEST AND NORMALITY QQ PLOTS

The Kolmogorov-Smirnov test and the Shapiro-Wilk test are the two well-known tests used to test normality in the distribution of data. While the test that the researcher

chose to utilize in the testing of the normal distribution of a dependent variable is based on both the Kolmogorov-Smirnov and the Shapiro – Wilk test while it is too delicate it should be used in combination with the histogram to verify its appropriateness and accuracy. In this study since the sample respondents were 260 therefore the Kolmogorov-Smirnov and the Shapiro – Wilk test considering the large size of the sample was deemed suitable to assess ANOVA or t-test. While these test detail the normality in terms of skewness, kurtosis and the standard error in the distribution , the inferences should be guided by the P-value where if it is greater than 0.05 it is assume that the data is normally distributed and vice versa. The guidelines in Kolmogorov-Smirnov and Shapiro – Wilk test state that the absolute value of skewness statistics should be 1 or less while the absolute value of kurtosis statistics should be 2 or less while the significant value greater than 0.05, the data has minimum quantile outliers. Both variables revealed that there is a statistical significant difference since the P-value is less than the normal alpha value of 0.05 on both variables.

Table 5.66: Kolmogorov-Sminorv and Shapiro- Wilk Test of Normality

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
DSBD facilitated business access to markets	.377	260	.000	.629	260	.000
Institutions to assist SMME's are easily accessible	.383	260	.000	.627	260	.000

a. Lilliefors Significance Correction

Figure 5.1 detailing the normality test on observed data which have Quantile plots lying slightly outside the linear line indicating the less normality on the data distribution as revealed by the P-value which is less than 0.05 pertaining to whether the DSBD facilitated their business access to markets.

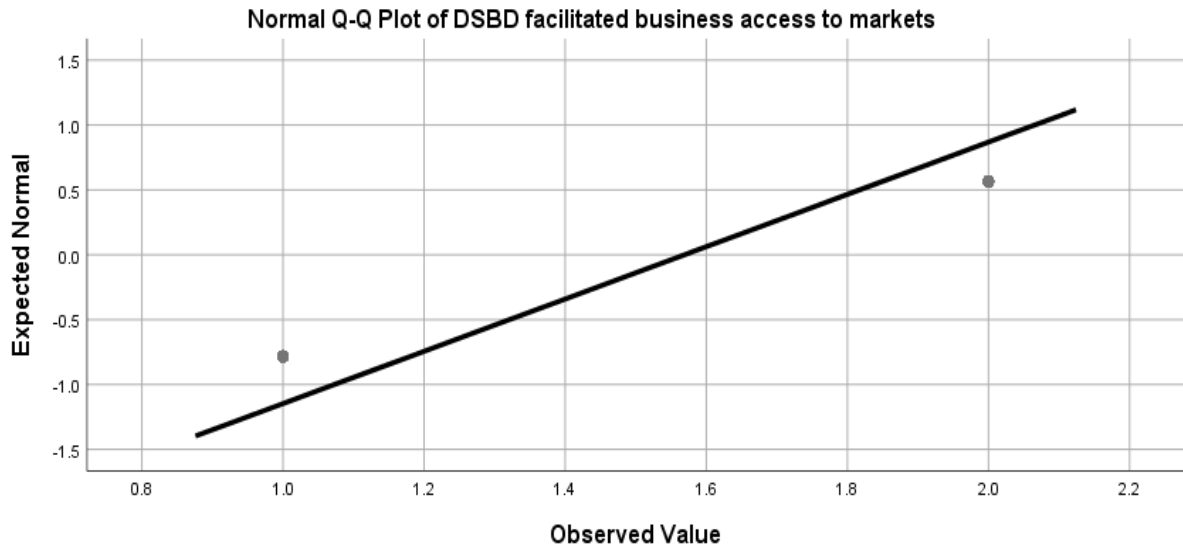
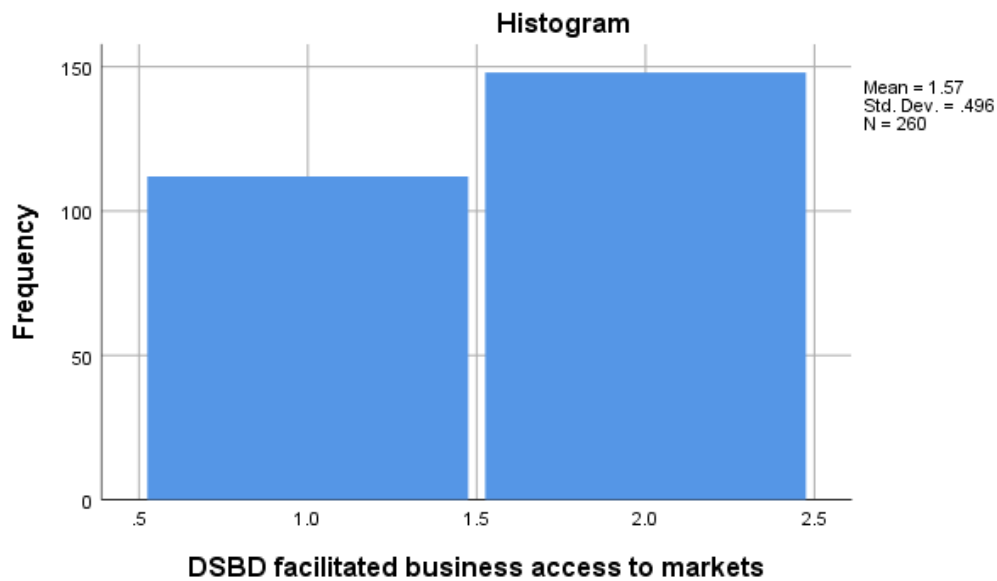


Figure 5.1 detailing the normality test on observed data which have Quantile plots lying slightly outside the linear line indicating the less normality on the data distribution as revealed by the P-value which is less than 0.05 regarding whether the SMME's believed that the institutions that are meant to assist them are easily accessible.



Figure 5.2 detailing the data on the whether DSBD has facilitated their business access to the markets is not assuming the shape of a normal distribution as per figure below.



5.15 TEST STATISTICS KRUSKAL WALLIS TEST: VARIABLE GROUPING

Kruskal Wallis test is used to compare the multiple independent samples that is more than two (2) and could be characterized as the generalization of the Mann Whitney U test or Wilcoxon Rank Sum test. In this instance the groups that will be tested and compared whether the DSBD has facilitated their access to markets. These groups' categories are pre-start-ups, starts ups, growth groups and maturity groups.

Table 5.67 detailing the mean ranks of the enterprises life cycle stages that the DSBD have assisted in accessing the markets in other provinces. Pre-Start Up and Maturity Phase shows that the SMME's in these Enterprise Life Cycle have Higher Mean Rankings at 132.50 respectively.

Ranks			
	Enterprise Life Cycle Phase	N	Mean Rank
DSBD assisted to access markets in other provinces	Pre-Start up	53	132.50
	Start-up	90	131.06
	Growth	83	127.80
	Maturity	34	132.50
	Total	260	

Table 5.67: Mean Ranks Statistics

Detailing the Statistical significant difference that is greater than the common alpha P-value of 0.05 which is 0.282 as per Table 5.68 therefore it could be interpreted as having greater statistical significant difference. The P-value of 0.282 and the associated chi-square value of 3.815 revealed that there is statistical insignificant difference between the groups.

Table 5.68: Kruskal –Wallis Test Statistics

Test Statistics^{a,b}	
DSBD assisted to access markets in other provinces	
Kruskal-Wallis H	3.815
df	3
Asymp. Sig.	.282
a. Kruskal Wallis Test	
b. Grouping Variable: Enterprise Life Cycle Phase	

Mean Median Group Rankings

Detailing the Mean Median between the groups that construe DSBD as having facilitated their business access to markets in other provinces. The pre-start with the highest mean ranking value of 1.70 revealed that they believe the DSBD facilitated the access to markets in other provinces, while the groups in the maturity stage have less belief with the mean ranking of 1.57 score.

Report

DSBD facilitated business access to markets		
Enterprise Life Cycle Phase	N	Mean
Pre-Start up	53	1.70
Start-up	90	1.67
Growth	83	1.49
Maturity	34	1.29
Total	260	1.57

Table 5.69: Mean Median Group Rankings

5.16 FACTOR - PRINCIPAL COMPONENT ANALYSIS

The Factor-Principal Component Analysis is a statistical modelling technique that assessing the data (variable) pattern in terms of its appropriateness and suitability to the section that it has been allocated to. This has been undertaken by condensing the large number of component factors into smaller data patterns.

Factor Analysis of Components Reduction

Table 5.70 detailing the Mean Ranking of variables with 1.07 displaying the least value representing the “Reduction of Red Tape “ variable while the highest mean ranking of 1.97 is displayed by the variable representing “DSBD’s offices as being accessible to the SMME’s”.

Descriptive Statistics

	Mean	Std. Deviation	Analysis N
Reduction of red tape	1.07	.254	260
DSBD offices are easily accessible	1.97	.173	260
Institutions to assist SMME's are easily accessible	1.58	.494	260
Importance for SMMS's to join networks association	1.14	.346	260
Participation in network activities organized by DSBD	1.34	.474	260
DSBD facilitates information sharing sessions	1.58	.494	260
Importance for DSBD to promote business opportunities	1.47	.500	260
DSBD encourages inter organizational structure network dimension	1.52	.501	260

Table 5.70: Mean Rankings & Standard Deviation

5.16.1 KMO and Bartlett's Test

The KMO and Bartlett's Test transformed the components into a smaller number of components that could be consolidated from a group of related variables in assessing the appropriateness and suitability of the components or factors.

The components are suitably appropriate as they display a KMO Measure of Sampling Adequacy that is greater than 0.6 which shows 0.704 for this factor, while the P-value is less than 0.05 as per Table 5.71. Therefore the Component or the Factor Analysis is appropriate and suitable for our data.

Table 5.71 :KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.704
Bartlett's Test of Sphericity	Approx. Chi-Square	125.732
	Df	28
	Sig.	.000

Table 5.72 displays the component matrix or alternatively called correlation matrix and the ones that will be chosen will have a value that is greater than 0.3 in each component and those that have the value which is less than 0.3 will be discarded. Those components that have Eigenvalue less than will not be retained.

Component Matrix^a			
	Component		
	1	2	3
DSBD encourages inter organizational structure network dimension	.671	.074	.287
Institutions to assist SMME's are easily accessible	.666	.241	-.013
DSBD facilitates information sharing sessions	.655	.026	-.193
Participation in network activities organized by DSBD	.553	-.206	.218
Importance for DSBD to promote business opportunities	.468	.233	-.408
Reduction of red tape	.022	.627	-.169
Importance for SMMS's to join networks association	.329	-.446	.384

DSBD offices are easily accessible	-.157	.576	.702
Extraction Method: Principal Component Analysis.			
a. 3 components extracted.			

Table 5.72 Component/correlation matrix

Communalities

Communalities indicate how much each of the variance in each item is explained. The variance with less than 0.3 extraction loading indicate that they are not suitably fit for that particular variance. The loading impact on the items which are less than 0.3 should be removed as this exercise will increase the total variance explained. All the extraction loading figures have more than 0.3 ranging from 0.395 being minimum and 0.849 being the maximum figure.

Communalities		
	Initial	Extraction
Reduction of red tape	1.000	.422
DSBD offices are easily accessible	1.000	.849
Institutions to assist SMME's are easily accessible	1.000	.502
Importance for SMMS's to join networks association	1.000	.455
Participation in network activities organized by DSBD	1.000	.395
DSBD facilitates information sharing sessions	1.000	.467
Importance for DSBD to promote business opportunities	1.000	.440
DSBD encourages inter organizational structure network dimension	1.000	.538

Table 5.73: Communalities

Component Factors

Component or Factor 1, 2 and 3 which displays an Eigenvalue of 1 as component contributing to a variable which constitute 50.8 of the variance explained, while from component 4, 5, 6, 7 and 8 with an Eigenvalue which is less than 1 will not be selected

in the data reduction exercise which aims at choosing variables that depict a significant strong pattern loading and representing this objective accurately. These values are represented at the Total Column of the Initial Eigenvalues section.

Principal Component Analysis Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
	1	1.980	24.747	24.747	1.980	24.747	24.747	1.906	23.824
2	1.085	13.567	38.315	1.085	13.567	38.315	1.127	14.091	37.915
3	1.002	12.531	50.846	1.002	12.531	50.846	1.034	12.931	50.846
4	.965	12.065	62.911						
5	.848	10.603	73.514						
6	.794	9.930	83.444						
7	.709	8.868	92.312						
8	.615	7.688	100.000						

Extraction Method: Principal Component Analysis.

Table 5.74: Principal Component Factor

Scree Plot detailing Eigen values of Component Variables and the components that will be retained are components 1, 2, and 3 which have a corresponding Eigenvalue of 1 while components below the Eigen value of 1 will be discarded as they are interpreted as not contributing significantly into the measurement prediction of this objective. The break appear after component (factor) 3 which precipitate flatly up until component 8 and the shape assume a horizontal similar shape.

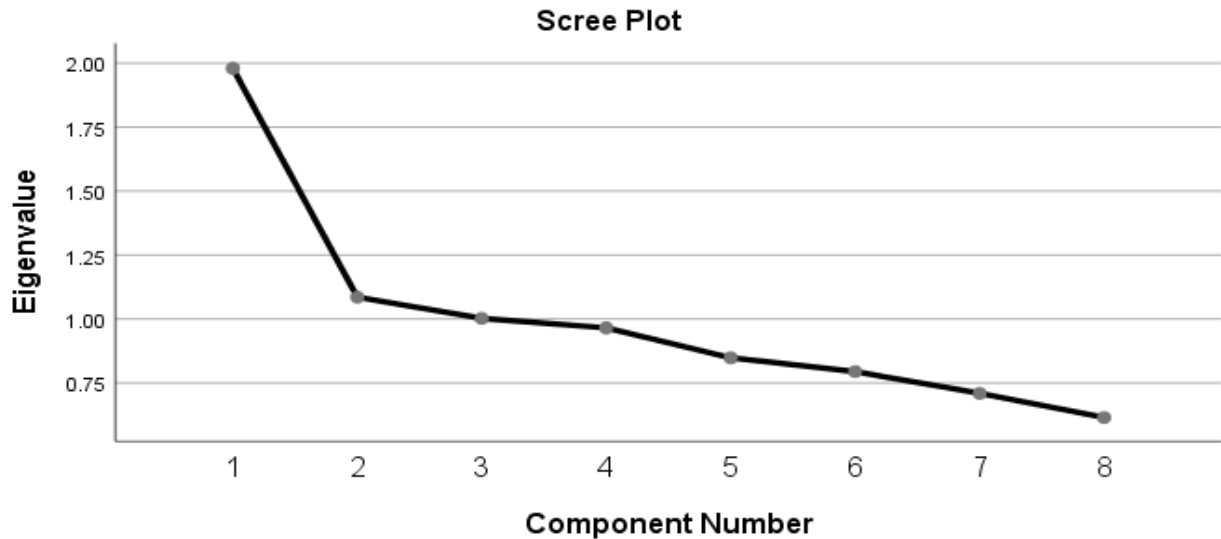


Figure: 5.4 Scree Plot

Table 5.75 detailing Rotation Component Matrix or also referred as the Rotated Extraction Table and three components displayed utilising the Varimax (orthogonal) with Kaiser Normalization that measure the chosen variable under the auspices of the Exploratory Factor Analysis. Where there is an Elbow or change in the slope of the scree plot graph (Figure 5.4) above normally that assumes a horizontal slope are retained provided they are not less than the Eigen value of 1.

Table 5.75: Rotated Component Matrix^a

	Component		
	1	2	3
Institutions to assist SMME's are easily accessible	.705	-.013	.073
DSBD facilitates information sharing sessions	.653	.052	-.196
DSBD encourages inter organizational structure network dimension	.636	.287	.226
Importance for DSBD to promote business opportunities	.549	-.282	-.242
Participation in network activities organized by DSBD	.454	.435	.021
Importance for SMMS's to join networks association	.158	.654	.041
Reduction of red tape	.207	-.579	.210
DSBD offices are easily accessible	-.060	-.103	.914
Extraction Method: Principal Component Analysis.			
Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 9 iterations.			

Table 5.76 Detailing the Mean rankings and the standard deviation of the eight components within the Objective 3 in the research instrument. Component that has the least mean ranking is represented by the variable dealing with “Reduction of red tape” question while the component that have the highest mean ranking is represented by the variable dealing with “DSBD offices are easily accessible”.

Descriptive Statistics			
	Mean	Std. Deviation	Analysis N
Reduction of red tape	1.07	.254	260
DSBD offices are easily accessible	1.97	.173	260
Institutions to assist SMME's are easily accessible	1.58	.494	260
Importance for SMME's to join networks association	1.14	.346	260
Participation in network activities organized by DSBD	1.34	.474	260
DSBD facilitates information sharing sessions	1.58	.494	260
Importance for DSBD to promote business opportunities	1.47	.500	260
DSBD encourages inter organizational structure network dimension	1.52	.501	260

Table 5.76: Descriptive Statistics

Table 5.76 shows the strength of the relationship between the factors. The components that have a value of more than 0.3 will have a strong loading relationship and those that have the have a value of less than 0.3 will have week loading relationships.

Table 5.77: Component Score Coefficient Matrix

Component Score Coefficient Matrix			
	Component		
	1	2	3
Reduction of red tape	.183	-.543	.184
DSBD offices are easily accessible	.002	-.047	.881
Institutions to assist SMME's are easily accessible	.384	-.088	.088
Importance for SMMS's to join networks association	.012	.582	.073
Participation in network activities organized by DSBD	.196	.347	.051
DSBD facilitates information sharing sessions	.341	-.035	-.171

Importance for DSBD to promote business opportunities	.322	-.330	-.234
DSBD encourages inter organizational structure network dimension	.317	.199	.248
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Component Scores.			

5.17 CONCLUSION

The participants in the study came from different geo-political locations and were operating their entities in the various phases of their enterprise life cycle phases. Various tests revealed various statistical significant differences in responses from the participants' irrespective of gender, personnel profiles and annual turnovers and the overall theory testing pointed to the management challenges that the study was attempting to examine.

While the data presented did not in the main assumed a normal oriented distribution in terms of skewness and kurtosis, the data is symptomatic of the universum, and the testing shows that a larger sample would have not yielded varying findings. This was evidenced by reliability test (Cronbach Alpha) which was well within the acceptable range (paragraph 5.12).

The responses that were presented that dealt with financial and non- financial resource accessibility depicted a dire scenario wherein the DSBD could prioritize and rank it high on its strategic focus. While the institutional enablers reflect a disconnect between the respondents and the DSBD, however it should be comprehended that DSBD has its footprints centralized at national sphere of the government while the study was undertaken in the province where its headquarters is not located.

In the ensuing chapter, the impact of the findings will be taken into account from the prism of the theory testing, literature review and the theoretical framework, and various recommendations will be highlighted.

	Chapter 6 INTERPRETATION AND DISCUSSION OF THE RESULTS	
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6.1 INTRODUCTION

Chapter 4 focused on the research design and methodology deemed by the researcher as appropriate for study, in which a quantitative methodology was adopted. Chapter 5 shifted its attention into the presentation of the findings which will pave the way for the synthesis of the chapter 2 that dealt with literature review and chapter 5 which presented the statistical research findings from the participating respondents in answering the research questions and research objectives. The present chapter identifies the areas that are significance for the DSBD decision makers to take into consideration in an effort to make a meaning and a positive impact for the SMME's to realize their profit potential.

6.2 ENABLING THE ACCESS TO FINANCIAL RESOURCES

It is a striking reality and a depressing picture that most of the respondents showed that they have little or limited exposure to financial and monetary instruments. That is a worrying feature since an enterprise is expected to consolidate the factors of production in order not only operate efficiently but also to compete in fiercely competitive marketing environment. Resource can range from financial, monetary, human, asset oriented and expertise that the SMME possess. The assertion by Preissendorfer (2012) which coincided with earlier views by (Herrington, 2010; Mboyane, 2011) pointed to the importance of accessing the monetary resources as the fundamental criteria for SMME's success. This is in similarity with an overwhelming percentage of respondents who indicated that they have not accessed these critical resources for their enterprise to prosper. This also bring into the discussion the notion of individuality characteristics and competencies that one would expect from an entrepreneurs which should assist him or her in executing decision making and plan of actions. The SMME's in an attempt to take their enterprises on a positive growth trajectory should be in apposition to access the capital, credit and financial resources

which is normally reflected in their set of books namely the income statements (which depicts the financial results), the balance sheet (which depicts the financial position) as well as the cash flow statement (which depicts the status quo of the source and the application of funds of an enterprise).

From the regulatory perspective, the SMME who generate the revenues below R10 million rand are also eligible for an enterprise development support from the big companies normally referred to as the generic enterprise that achieve the turnovers upward of R50 million rand per annum. This phenomenon is vividly articulated in the company's Code of Good Practice in compliance with the Broad Based Black Economic Empowerment Act 53 of 2003, which is commonly known as BB-BEE. The generic companies are required by the pieces of regulatory framework and legislation to spend 3% of the post-tax profit on supporting the SMME's in the form of financial, monetary/non-monetary, technical, human and physical resources.

The picture is exacerbated by the low levels of respondents that are accessing funding interventions from either the conventional banks or the financial development institutions (FDI's). Less than 90% of the respondent SMME's have received the financial support from either the conventional banks or the SMME's. Under normal circumstances both these institutions that are meant to be the conduit of financial resource access would expect an SMME to have a bankable business plan that not only is less risky but also display a positive cash flow forecast and long terms sustainability. There must be a concerted pro-activeness and visibility on the part of the DSBD to ensure that the monitoring, implementation and enforcement of these programmes, policies and plan of actions come to fruition on behalf of the SMME's. Co (2015) explicitly contextualized the hindrances which are similar to the finding that thwart the aspirations for the SMME's to access resources and primary amongst them was rampant corruption by the authorities.

6.3 THE ROLE OF INSTITUTIONS THAT EMPOWERS THE SMME'S

According to (Bruton et al. 2010 ; De Clercq et al. 2010) there appeared to be similarities in the role that is facilitated by the policy-makers from an institutional perspective in an effort to support and empower SMME's both in emerging and

developed markets. This assertion was earlier addressed by (Dias, 2006; Solow, 2008, Baumol, 2008) by highlighting the significant role that is facilitated by the institutions in levelling the entrepreneurial playing field. The entrepreneurial business landscape is invariably comprised of a plethora of institutions that either complement or enhance each other. The strategic positioning of these institutions amongst other things is to act as a catalyst and a transition for the desired change which inadvertently is to the benefit of the respondent in this study and in particular the SMME's. The is circumstantial evidence that the synergy between the institutional deliverables and the SMME expectations specifically in developing economies still require wind on its sails. From the Sustainable Development Goals (SDG) from the global perspective, cascading to the Africa Vision 2030 from the continental lenses and the National Development Plan (NDP) on a country dimension it goes to show that the missing link in the execution urgency and the implementation imperative by those tasked with the very institutional-specific task and duty.

Stemming from the discussion above it is clear that if the transition from the global, continental, national, regional (NEPAD), could be reinvigorated in a pragmatic and logically realistic approach, the other missing pieces of the entrepreneurial puzzle might be accomplished. Three variables in the data analysis had to be eliminated that specifically focused on SMME's being grants recipients, the receipts of favourable discounts and obtaining enterprise development support signalled that there is either an institutional dereliction of duty or the abdication of responsibility by policy-makers and the authorities alike. Both the private and he public sector in terms of being a conduit for the access of the financial resources scored with an underwhelming disconnect in as far as the aspirations of respondents were concerned.

The data that has been solicited from this research project has elicited a gaping hole for the DSBD to roll up tiger sleeves and go for the jugular if the present status quo stands a chance of improving and thus rendering the restoration of a glimmer of hope on behalf of not only the SMME's but also the economic prosperity. According to (Manolova and Yan 2002; Aidis et al. 2008; Welter, 2011) there are striking resemblance of institutional bankruptcy when the authorities kick the can down the road and the support that the SMME's receive which was revealed by many respondents to be the case. Therefore there are similarities in what (Larson and Starr,

1993; Hoang and Antoncic, 2003) conceptualized pertaining to the role that is facilitated by institutions such as networking platforms is supporting the SMME's to reach their optimal performance potential to what the respondents presented.

6.4 FACILITATION OF THE WINDOW OF OPPORTUNITIES FOR THE SMME'S

The fundamental essence of being an SMME is to have an ability to see, measure, locate, open and close the window of opportunity in a market place. While the market will continue to be dominated by the bigger and the mightier role players SMME's could also play a critical role in contributing not only to the economic growth but also in the alleviation of poverty and the low income per capita levels within the society. The market tactics and strategies of segmenting, positioning and targeting the market should not only be left on the shoulders and the capabilities of the SMME's but the policy makers and the authorities like the DSBD should assume a pivotal role in the dilemma.

Out of the total 260 SMME respondents 56 or 22% agreed, 81 or 31% disagreed and while 123 or 47% believed that the DSBD was playing an important role on behalf of the SMME's to achieve their full potential. The response in the study has stark contrast to the scholastic contribution which highlighted the importance of platforms such as networks. According to (Kirzner, 1997; Ardichvili et al. 2003) there were positive contribution with desired outcome made by the concerted coordination of networks on behalf of the SMME's. Therefore there was no unanimous evidence from the respondents that the present business landscape is presenting sufficient window of opportunities that could propel SMME to greater heights. It was encouraging to observe that close to half of the respondents believed that the DSBD is playing an important role but this margin could increase as it will go a long way in inculcating an entrepreneurial culture of confidence amongst the SMME's. The marketing terrain has both the headwinds and the tailwinds that normally act as either a deterrent or a facilitator. It's the matter of striking an equilibrium in the market place by the SMME's while the forces of supply and demand wait for no one who is still in a crawling phase of the business lifecycle of an SMME. The four P's of the marketing mix namely price, product, placement and promotion has been extended by the ubiquitous nature of the e-commerce, digitization and internet age.

These platforms have created another headache for the SMME's especially in the developing economy business landscape where the rate of innovation and creativity form the ITC (information, Technology and Communication) is still not receiving the significant attention it deserves from the policy-makers.

The challenge has been to strike a balance between the upstream side or the supply side of the business demands and the downstream of the customer oriented side of the very same equation. Although it is beyond the scope of this study to take into cognizance the growth strategies that the SMME's could embrace ranging from vertical forward integration, vertical forward integration, and lateral integration, northern and southern integration. The growth value chain is of critical significance in catapulting the SMME's into a maturity phase of their business life cycle phase. The role of DSBD should therefore be visible and transparent enough to exhibit that revitalization and proactivity on behalf of the SMME's.

The other dimension in the window of opportunities is the pace of inclusivity of the SMME's in assuming a larger chunk of the market share which could be evidenced by their growth in turnovers, operations, volumes and profits. The DSDB should strive for a systematic and logical intervention that is aiming at not prioritizing the crucial role that is played by the SMME's in the economic growth but to also make an attempt to invigorate and incentivise those SMME's with a high growth potential and higher innovative capabilities. Finding a balance and an equilibrium by the DSBD on behalf of the SMME's in terms of strategic growth, structural growth, financial growth and the SMME-inclined organizational growth should be sat the top of the agenda on the DSDB discourse and priorities.

6.5 ENABLING BUSINESS LANDSCAPE ENVIRONMENT

The business environment in this study has focussed its attention on those factors that could be described as levelling the playing field for the SMME to prosper and flourish. The approach by the researcher was to contextualize the factors specifically that are macro and hence environmental in nature by utilizing the geo-political business landscape from the countries that are either more or similar in terms of institutional systems and processes and are also the emerging or developing economic realm.

There is an avalanche and a plethora of stakeholders that collectively make up the inventory and the repository of the business environment. This is also evidenced by the complementary nature in the country like South Africa of the role that is played by the business (private) sector, the government (authorities/policy-makers), the labour movements (organized unions) as well as the civil society. It would be amiss if the community based and religious organizations coupled with the student movements or activism is not included in terms of their contribution in the broader discourse and dialogue of the business landscape. The reality stems from the fact that the playing field in the entrepreneurial ecosystem would ordinarily be driven by the forces of supply and demand. But in a society like South Africa which has been biased toward being abnormal due to the policies and the politics prior to the demise of apartheid and a dawn of the new democracy post -1994, it is suffice to mention that transformational policies and programs should be the order of the day.

According to the Global Entrepreneurship Monitor of the World Economic Forum in terms of its Global Competitive Index, the countries that are innovation driven and which also characterised by the business sophistication enjoy the levelled business landscape. The respondents reflected that 53% disagreed that the present business climate was conducive for the SMME's to thrive while 47% agreed that the present climate might be conducive. While on the business landscape environment a majority of 63% of the respondent disagreed and 37% agreed that the business landscape environment is levelled for the SMME's to prosper. This suggest that in the present climate there is still much room for the authorities to roll up their sleeves and let the rubber hit the ground in terms of improving the business environment for the SMME's to flourish and thrive. These response strike similarities with what these scholars (Acs et al, 2008; De Clercq, 2010; Mboyane & Ladzani, 2011; Toma et al. 2014) contended that the entrepreneurial climate plays a critical role for the economy to flourish. The entrepreneurial orientation and the rate of Research & Development, transfer of knowledge should culminate into the entrepreneurial success factors that dismantles the barriers for the SMME to fulfil their full potential.

6.6 THE ENTREPRENEURIAL CULTURE AND MIND-SET

The dialogue that has surfaced time and again in the subsequent chapters made provision for the expectation that should be the driving force for the SMME's to achieve their profitable motives. The lack of enforcement by the authorities to bring into book those that are implicated in irregular expenditure, maladministration and fruitful expenditure by the officials especially in state-owned entities and the public sector is a cause for concern. The Competition Commission is inundated by the cases of anti-competitive behaviour and all this contribute to a subdued entrepreneurial culture and a negative mind-set form both the SMME's and the authorities and the officials. This is evidenced by a majority 67 % of respondent disagreeing and a below than expected 37% agreeing that the external environment is conducive for the SMME's to realize their full potential. On the encouraging outlook an equal representation of respondents shared a 50% response in terms of agreement and disagreement with regard to their understanding of the demands of the competitive environment. These responses have similarities with the views expressed by (Fayolle, 2006; Souitaris et al, 2007; Matlay, 2007) reiterating the crucial role of the SMME attributes and competences such as confidence, passion, determination, resilience and leadership qualities. Furthermore, these similarities were also extended by (Shane, 2003; Sarason, 2006, Smith and Lohrke, 2008; Wang et al, 2013) in describing the significance in relationship building with the external environment by the SMME's while spearheaded by the authorities.

The respondents should be encouraged to embrace an entrepreneurial mind-set of being confidence, resilient, innovative or creative or inventive while exuding passion, determination, commitment attributes if their entities have to stand slightest if chances to succeed. The other positive mind-set that the SMME's might consider ranges from perseverance and determination against all odds, ability to take calculated risk. The ability to combine management attributes and the leadership skills while maximising the internal locus of control offer much dynamism that could be associated with the entrepreneurial edge. The need for achievement by way of acquiring all the trials and tribulations associated with resilience as an entrepreneur should be and the inner core of the microcosm and the DNA of the SMME's.

6.7 THE RELEVANCE OF NETWORKS AND THE EXTERNAL RESOURCES

SMME's have the challenge of a thin line between the business activities and the individual ownership. Many tasks and duties are on the shoulders of the owner until they have a chance to grow and bring other partners or co-owners on board. The role networks could be represented either in the form of individuals or institutions that have been earmarked as an extension arm to provide any positive contribution on behalf of networks. Normally these networks occur outside the parameters of a particular SMME's and hence the SMME's have to reach out and access these different networks. The networks acts as the external resource for the SMME's whether it's for the information sharing and dissemination or the access of the leads to business opportunities and the access of funding, credit and capital. It's the convergence platform that in many instances are there to add value to the SMME's in different formations of their enterprises.

An impressive 86% portion of respondents agreed while a low 14% disagreed on the importance of SMME's joining the network associations status quo with regard to proactive engagement in networks which would require the network institutions to be brought closer to where the SMME's reside. This is disproportionately differences (Florin et al. 2003; Hoang and Antoncic 2003; Watson, 2007) who contended that networking is a critical avenue for SMME's in accessing external resources that ordinarily would be beyond their reach. The extent to which an SMME could reach out for these networks have a varying degree of intensity and application as in other situations subscription fees could be charged to be a member of a particular network. Some other networks offer accreditation and certification status while others are regulatory in nature as a measure of professionalism and acceptance that the product offering of the participating members is of superior quality compared to non-members.

6.8 THE RED-TAPE AND THE ACCESSIBILITY OF THE DSBD OFFICES

The government institutions are fraught with unnecessary bloated bureaucracy and red-tape which is occasionally responsible for many frustrations of the SMME's. These could take shape of late payments and protracted turnaround time in terms of responses that should be obtained from the very public and government institutions. In many instances it's just plain dereliction of responsibilities on the part of officials or in some cases the low levels of core competencies. An overwhelming 93% of respondents agreed while a small 7% of respondents agreed that the red tape should be reduced in the public sector and this scenario could be juxtaposed with the 97% of respondents that disagreed and 3% that agreed that DSBD offices are not accessible especially at provincial and the government level. The present state of affairs on the institutions that are meant to be accessible to the SMMEs majority 58% of the respondents agreed and 42% disagreed which shows a disconnect between those that are tasked with the facilitation of supporting the SMME's and those that are supposed to be benefitting from the very same services and support.

6.9 THE SIGNIFICANCE OF ACCESS TO INFORMATION AND EXPERTISE

The approach to the knowledge that is necessary for the SMME's in an effort to perform at the best of their abilities and capabilities not only depend on their internal resources but also to the provisions that are available at their disposals by the appropriate authorities and the policy-makers alike. Given the background in country that the access to information and knowledge was the preserve of the selected few from the segregation perspective, the country has come a long way to close that gap and challenge. It should also be highlighted the pace and the availability of information and knowledge has been accelerated by invent of the internet, e-commerce, cloud computing, YouTube as well as the artificial intelligence just to mention a few. The respondents in the demographical section exhibited a scenario that leaves the impression that the educational achievements which acts as the foundation of the access and information as illustrated in the total number of 260 respondents.

The respondents who have the pre-tertiary academic exposure was 60%, while 39% had educational achievements that have tertiary qualifications and less than 1% had

post tertiary qualification. The motivation and the inspiration should come from the individual SMME but this should be complemented by the provisions that has been made by institutions like the DSBD whose mandate is to catalyse and expedite the SMME's access to the information and expertise. The SMME's do not possess the leeway and the luxury of having a dedicated department and personnel that has a sole responsibility of soliciting the information and the trends in the business landscape. The respondents agreed on 42% while a majority of 58% disagreed on the belief that the DSBD is facilitating the information-sharing sessions. The response have differences with the Virtual Change Learning Model (VCLM) proposed by Barret (2013) which has been segmented into relevance, reality and re-use in relation to the curriculum. Information and knowledge that could benefit the SMME's to make informed decision and action on behalf of their enterprises.

6.10 THE CONSOLIDATION OF TECHNOLOGY REQUIREMENTS AND THE READINESS OF SMME'S

The Twenty First (21st) century which is labelled as the Fourth Industrial Revolution era indicating the importance of embracing technology in all its form that demonstrate the Research and Development for most countries. The reality within the broader business landscape reveals that the African continent still lags behind in terms of technological innovation and adding value to the raw commodities as most of the countries that has been included in this study are the net importers as opposed. These African countries are still languishing in the efficiency-driven economic status as opposed to the innovation-driven status that is traceable in the developed economies. The technological readiness in these countries is still conveyed by external conglomerate that usually have their origins from the developed countries. The role of the institutions and the government entities like the DSBD is to break down barriers and impediments that thwart the SMME's to access the technological prowess and acumen. Closer to our shore there is a Ministry of Science and Technology which is meant to be a beacon of Research and Development and make a meaningful contribution in conjunction with DSBD in tackling the low Total Entrepreneurial Activity.

While it is a motivating factor that 68% of the respondents agreed and 32% disagreed that the latest technology is a requirement for their enterprise to sustain. According to

(Gupta ,2015; McKinsey) an indication of similarities with what the respondents have pointed out in articulating that innovation is closed tied to technological advancement which could be brought about by technology/expertise transfer. The DSBD ought to have a Memorandum of Understanding (MOU) with a number of institutions to address the inclusivity in the access of technology on behalf of the SMME's. The ubiquitous nature of technology not only for the SMME's but in the society's daily life should be at the top of the agenda in organizations like EThekwini Municipality in the City of Durban which is the location of this study. The City is also blessed with the modern part with the infrastructure facilities for the purposes of import and export wherein the SMME's could even [participate in the maritime oriented economy which is right in their doorsteps. The triple helix model of the collaborations between the Private sector, the public sector as well as the institutions of higher learning could also make profound and meaningful contribution in the provision of the technological deficit to the SMME's.

6.11 THE ACTIVISM AND TRANSPARENCY OF DSBD AT A LOCAL AND PROVINCIAL LEVEL

The visibility and the accessibility of institutions that created to deliver a concrete and a tangible mandate for the benefit of the society should be encouraged at all times and all levels. The country in terms of the political administration is segmented into three layers that are supposed to be in co-existence. The top layer the national government and has its headquarters in Pretoria (Gauteng Province) and Cape Town (Western Cape) from the executive and the legislature respectively. Subsequent to this top structure in terms of political governance and administration is the provincial executive which is represented in all of the nine province in the country. The DSBD is one of the national department that do not have presentations at the provincial ministerial level. Cascading down to the local government level should even pose a tougher challenge if the ministry is not even represented at the provincial level let alone at the local government level.

This is demonstrated by the 98% of the respondents who disagreed and 2% of the respondents out of a total of the 260 within EThekwini Local Municipality in terms of the DSBD assisting them in one shape or form on accessing the markets in the province of KwaZulu Natal. The researcher is cognisant of the reality that the

resources will always be limited while the challenges will always be unlimited but with the advent of tools like the social network, video conferencing and the effective state of broadband infrastructure in the country especially in the City like modern Durban, something ought to give. Therefore the level of activism and transparency has not permeated and trickled down to be heartfelt at the level of the SMME;s in the local government level and location if the respondents overwhelmingly denies the interaction with DSBD. The impact of DSBD on behalf of the SMME could go a long way into the promotion of a paradigm shift of the country's economy on its heavy reliance on raw commodity exporting and the transition into a value adding and service oriented economy. Hence the three layers of an institutional strength namely regulatory cognitive dimension and normative dimension could be integrated with the other perspective that has been elaborated extensively on the preceding chapters.

6.12 REVITALIZATION OF THE TOTAL ENTREPRENEURIAL ACTIVITY

The World Economic Forum's (WEF) Global Entrepreneurship Monitor's (GEM) Global Report of 2016 highlighted the diverse profile of entrepreneurship scenario's around the World, revealing areas that can be addressed through pragmatic policy directive and practical interventions. This obligation for the policy-makers and authorities falls on the shoulders of organizations and institutions like DSBD in this study. SMME's in the innovation-oriented economies are considerably more creative, inventive and innovative , which has been shown by their high propensity of the export income generation activities and the low levels of economically active populace. For instance, at the regional level, innovation intensity is lowest in Africa (20%) and highest in North America (39%) according to the GEM report. Several economies show an encouraging trend of high Total Entrepreneurial Activity (TEA) rates coupled with robust levels of innovation and business productivity.

It is therefore crucial and of significant importance to acknowledge and recognise that variety of stakeholders pay a critical role in facilitating the creation of enabling and the revitalization of TEA on behalf of the SMME's. The present entrepreneurial ecosystem (entrepreneurial environment, entrepreneurial climate and entrepreneurial atmosphere) including the policy makers, the private sector, education institutions and the civil society conduct an urgent self-examination and introspection to address this

impasse of the low TEA in this country in particular. The research presented that a majority of respondent SMME's 57% agreed and 43% disagreed that the low Total Entrepreneurial Activity for the SMME's as result of the DSBD's lack of a concerted and visible effort. This assertion could be corroborated by the indication from the Global Competitiveness Index (GCI) Report of 2016 -2017 which revealed South Africa has regressed in terms of its competitiveness outlook from number 47 (forty seven) ranking in 2016 to number sixty one during the year 2017. Unemployment has been staggering around 25% from the year 2000 and currently during the third quarter of 2017, it's seating at an alarming rate of 27.5%.

6.13 RELEVANCY OF SMME EXPOSURE TO ENTREPRENEURSHIP CURRICULUM

It is a documented fact that SMME's in general falls under the research discipline of entrepreneurship which has evolved over the years into a fully-fledged management-oriented school of thought. Today the entrepreneurship as a learning subject has been introduced both at the basic education level and the higher institutions of learning which displays the fundamental importance of the role that is played by entrepreneurship. While most of the learning context could be differentiated into formal and informal learning approach, the latter has gained a huge momentum over the years and has resulted in the mushrooming not of only successful entrepreneurs but game changers alike. The SMME's are expected to be knowledgeable in the compilation of the feasibility study and the preparation of the business plan if they have to successfully access funding from the lenders for instance. Without the exposure to entrepreneurship curriculum content the SMME's might find themselves in the dilemma of not understanding the marketing dynamics which have windows of opportunities and let alone the customer needs clarity. The accumulation of resources, expertise and competencies for their enterprises hinges on their readiness and competitive advantages brought about by their acquaintance to the knowledge of that particular business dynamism. In the previous chapters the knowledge and hence the curriculum affinity has been dealt with at length to reiterate its importance for the SMME's to succeed in this fiercely competitive terrain of entrepreneurship. According to the suggestions of (Mitchell and Boyle , 2010; Goodman and Dabbish, 2011) which are in agreement with the view that knowledge acquisition should be aligned with the

desired outcome that could assist the SMME in their growth and competitive edge in the highly business hostile environment.

6.14 CONCLUSION

This chapter presented a discussion on the study's findings in relation to the impact of DSBD to the SMME's. The research findings highlighted an avalanche of challenges and areas that the DSBD could attempt to maximise their impact which should catapult the SMME's in the realization of their profitability, sustainability and the expected contribution into the economic prosperity that the country dearly needs. Anchored on the objectives of this research project , this chapter has highlighted and analysed the appropriate determinants of the role that the DSDB could facilitate as this will go a long way in addressing the triple challenges that are confronting the country namely poverty, unemployment and income inequality. In the following chapter (Chapter 7) the attempt to generate the new theory is embarked upon by the research and wherein major conclusions are accentuated and drawn, the insights and implications of this research project are brought to the surface and the recommendations for further research are proposed and a conceptual model is developed.

	CHAPTER 7 RECOMMENDATIONS AND CONCLUSIONS	
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7.1 Introduction

The preceding chapter (Chapter 6) presented and analysed the findings of the study. Referring back to section 1.4 the focus of this study is the role of the public entity on the success of the SMME's within the socio-economic space. Examining this dissertation, the research pursued to identify and investigate the types of the nature of the causes and the relationships that could facilitate the realisation of optimal performance on the part of the both the public entity (DSBD) and the beneficiary respondent (SMME's). It also critically examined various feasible and pragmatic factors and enabling environment that reduce the impediments to the profitability, sustainability and growth trajectory that are applicable to the SMME's.

7.2 Theory Generation from the Thesis

Much of the literature and theory typifies the institutional dynamism as the cornerstone for any organization that has a public mandate to adhere to and in this study the focus is within the realm of the entrepreneurial research field and discipline. The study evaluated five theoretical assumptions that contributed to the generation of the conceptual framework of the study and these theories underscore the following:-

- The economic growth perspective underscored that although SMME's are an essential component for the economic growth as most SMME's for instance acquire products or commodities at certain prizes add value to them and resell them at uncertain prizes while contributing to the wellbeing of the society and the nation in its entirety (Schumpeter, 1934).

- Institutional theory perspective emphasized that for the SMME's to realize their profitable, sustainable and growth potential the authorities ought to leverage the institutional components namely the regulatory, normative and cognitive dimension in a fair and equitable manner without fear, favour or prejudice. This view was supported by (Kiss et al. 2012; Gupta et al. 2014) which was in line with the institutional provision mechanisms outlined earlier on by (North, 1990; Scott, 2005; Urbano, 2008; Clercq, 2010).
- The entrepreneurship perspective highlighted the importance of the success factors that contribute to the entrepreneurial personality attributes, characteristics and competencies. McKinsey (2015) explained some of the critical behavioural attributes that ought to be possessed by entrepreneurs such as confidence, resilience, locus of control, leadership traits, risk-averse, opportunity affinity and innovative traits. The main thrust in this perspective was the innovative and risk taking ability of the SMME's while they identify and accumulate the window of opportunities offered by the market. Smith and Lohrke (2008) argued profound significance of entrepreneurs in navigating through various stages of network configuration. The SMME's should also consistently strive to augment and improve their knowledge and expertise to meet the demands of the customer needs.
- The network theory perspective articulated the importance of taking into cognisance different models of the network framework that the SMME's should embrace. These network models ranges from simple dyadic network, to density oriented network and the multi-structural inter-organizational network model.
- The social entrepreneurship perspective emphasized the need for achieving the social value for the social good in a win-win approach that symmetrically benefit both the SMME as the entrepreneur and the customer as the social beneficiary. Muchopa (2013) viewed the social entrepreneurship activation scenario within the context of agro-processing industry value chain in South Africa which could accelerate the robust inclusion of SMME's as a case in point.

In Chapter 4, it was noted that three of the questions in the research instrument had to be eliminated when presenting the data specifically question 4,5 & 6 of objective 1 that focused on the favourable credit, favourable discounts and funding that the SMME;s are supposed to benefit from the regulatory perspective from the big Companies. This executed in the intention of being able to derive many tests as the 100% response was in total disagreement in obtaining this information status from the respondents. In some instances the SMME’s were not even aware and they raised eye-brows that they are eligible for the above mention benefit on their part and the interviewer had to elucidate further the pros and cons of asking the three questions in the study.

7.3 Research Objectives and Respondent Appraisal

Objective Number	Research Objectives	Source of Data	Question Number
One	Investigation and the assessment of the institutional mechanism’s role in creating and facilitating financial and non-financial resource accessibility for the SMME’s.	Primary Data	1,2,3, 4,5,6, 7& 8
Two	Examination of the economic growth enablers by institutions that contribute to the support of SMME’s within the context of the local government sphere.	Primary Data	9,10, 11,12, 13,14 & 15
Three	Identification of the benefits in the establishment of networks, collaborative partnerships and desirable associations which are relevant for the SMME’s to prosper and grow.	Primary Data	16,17, 18,19, 20,21, 22 & 23
Four	The analysis derived from the benefits of accessing the knowledge, information and expertise crucial for the SMME’s optimal performance	Primary Data	24,25, 26,27, 28 & 29
Five	The analysis derived from the benefits of accessing the knowledge, information and expertise crucial for the SMME’s optimal performance.	Primary Data	30, 31, 32, 33, 34, 35 & 36

Table 7.1: Objectives categorization with related sub-questions in the research instrument

7.4 Demographic information from primary data

7.4.1 Gender

Gender was evenly spread amongst 48% males and 52% females from the respondents in the study. This appears to be relatively sufficient as the females generally speaking has more population than men from the consensus point of view. The females are mainly the breadwinners in many homes and it is thus encouraging that thus they are fairly and equitably represented.

7.4.2 Enterprise Location

The inclusion of the enterprise location by the researcher stems from access to entrepreneurial amenities proximities like energy reliability, infrastructure readiness, transportation facilities and the political or social stability of that particular area. In terms of enterprise location the 68%majority of respondents resides in urban dwellings. The other respondent segment is spread as 18% semi-rural areas, 8% rural and 7% informal areas.

7.4.3 Educational achievements

Education is the most resourced department in the country to such an extent it is classified into Basic Education and Higher Education departments. The rationale behind including this question was to benchmark the return on investment from the entrepreneurial perspective. In terms of educational achievements 60% of the respondents have only pre-tertiary qualifications and 39% have tertiary qualifications. The premise is the role of our educational facilities in equipping the SMME's with the requisite knowledge resources to be able to compete in the business world.

7.4.4 Years of the operating the business

In evaluating this section the primary objective was to assess the resilience, steadfastness and the longevity of the enterprise in resisting the decline and the failure

temptations. It is general knowledge that many SMME's are either formed due to either push or pull factors with the latter taking a more centre stage. Surprisingly, 66% have been in existence for less than a year while 32% have been in business for less than 5 years. The durability of the SMME's existence showed poor statistics in those that are beyond 5 years and 10 year with both only having 1% respondents respectively.

7.4.5 Annual Turnovers (R in millions)

An astonishing 86% of respondents portrayed that their enterprise annual turnovers is less than R 1 million while a small 14% are achieving the revenues of between R 1m and R 5m per annum in their business. This could point to a plethora of both macro and micro factors that seem not to be on the favourable side for the SMME's to thrive and for the DSBD to identify and analyse them to the benefit of the SMME's.

7.4.6 Personnel Profiles

The inclusion of this demographical variable was due to the high levels of unemployment that the country is grappling with which is hovering around 27% while it is even worse amongst the youth section of the population. SMME's in the developing countries are the main drivers and stimulant of job creation and the associated contribution to the economic prosperity. The country is blessed with huge mineral reserves and vast amount of land but the economic has been growing at a snail pace as the country has recently experienced technical recession during the first two quarters of 2017. It is therefore not alarming if 81% of respondents employs less than 5 employees while 19% employs less than 10 employees.

7.4.7 Enterprise Life Cycle Phase

The main proposition in the demographic variable was to evaluate the factors that seem to stagnate the SMME's to grow and contribute to the improvement of not only their standards of living but to the quality of life of others as a whole. The SMME's are the nucleus of the productivity value chain and the economy as a whole. Jointly pre-start-ups and start-ups made 55%, while 32% are still at the growth stage and only 13% have reached the maturity stage according to their perception. This present

DSBD with the reality and fact check on the picture that is confronting the SMME's and the onus is on the DSBD to act and deliver hope and optimism on behalf of the SMME's.

7.5 Answers to Research Questions

This section will analyse the implications of each and every objective under Section B of the research instrument, aligning them to the primary data results from the respondents.

7.5.1 What is the institutional mechanism's role in creating and facilitating access to financial and no-financial resources by the SMME's?

The GCI (2016-2017) report and the GEM (2017) study in conjunction with the World Bank (2018) outlook paints a bleak picture in the institutional frameworks of South Africa that are meant to stimulate SMME prosperity and the associated economic growth.

This study paid a specific attention on the role that is played by the institutions that are both in the private sector and the public sector in terms of financial instruments access by SMME's. These institutions are segmented as follows:-

- The conventional banks e.g. Standard Bank, ABSA, FNB, Nedbank, Bidvest Bank and Investec. These banks are public limited companies with shareholders as the owners and are listed on the Johannesburg Securities exchange. The combined market capitalizations of these banks is in trillions of rands and some of them have been in existence for more than 150 years.
- The Financial Development Oriented Institutions e.g. Ithala Finance and Development Corporation, Industrial Development Corporation, Land Bank, Development Bank of South Africa, National Empowerment Fund, Small Enterprise Finance Agency and Trade and Investment KwaZulu Natal. These financial instruments institutions have the public mandate of providing the access to finance to the business enterprises in the country including the SMME's. They are either fully owned by the State and therefore account to the government in terms of their strategic existence and impact on the society.

- Big Companies or Generic Companies who makes turnovers of more than R50 per annum and they obliged by the legislature under the Codes of Good Practice to contribute monetary and non-monetary contributions to the tune of 3% of their post-tax profits to the SMME's that have turnovers of less than R 10 million rand per annum. The GCI report, the GEM study and the World Bank economic outlook is supported by both the Statistics, SA (2017:Q2) and the Central Reserve Bank Monetary Policy Forum (2017:H2) of the paramount role that should emerge from an institutional landscape for SMME performance and productivity. According to (Peng and Zhou, 2005; Chiles et al. 2007; Kiss et al, 2012; Gupta et al, 2014) , the key factor for the institutional accountability hinges on the strategic, tactical and effective vision, decision-making, implementation and monitoring/evaluation by the policy-makers and authorities.

The questions focused on transactions like grants, loans, collateral security, favourable credit, favourable discounts, enterprise development support in the form of and funding that SMME's access in order to provide these resources for their enterprises. Ideally the big businesses attract the potential investors by issuing either shares or other incentives and on the contrary the SMME's do not have that luxury but to rely on both the financial and public institution to access capital, credit and finance. The picture points to the role that the DSBD could actively play and facilitate as 100% of SMME's have neither received favourable credit and discounts nor received support in the form of enterprise development from Big Companies as beneficiary entities. What is also difficult to construe is that 84% of SMME's have not accessed funding from the retail or the conventional , while 92% of the SMME's have also not successfully received funding from the Financial Development Institutions.

The implication that could be drawn from this that the DSBD should serious consider the creation of the monitoring and evaluation section which should drive the implementation of these regulatory interventions on behalf of the SMME's. If one take into consideration that the country have the institutions like the Competition Commission it is quite glaring that the DSBD is not visible enough to improve the plight and the challenges that are confronting the SMME's on the daily basis. While in the private sector there is a discourse that is refer to as the shareholder activism , the

same energy and vigour is evidently missing on behalf of the SMME's which could be proverbially termed "institutional activism". (Samaniego, 2010; Syverson, 2011) posited that the drivers of institutional intervention and implementation vested on the shoulders of the policy-makers and authority. This view was supported by (Kiss et al 2012; Chang Wu 2014) who emphasized the institutional intervention effectiveness in terms transparency and responsibility in catapulting the performance objectives of actors in the entrepreneurial landscape such as SMME's.

7.5.2 What are the economic growth factors that contribute to the support of SMME's within the context of the local government sphere?

This research objective was analysed by taking into account those economic factors that are ordinarily beyond the control of an individual SMME's in which an institution like DSDB and other institutions in the entrepreneurial pipeline should collectively make provision for. (Naude, 2013; Toma, et al. 2014; Acs et al. 2016) maintained that the entrepreneurship stimulus is pivotal for the economic flourishing. The primary data yielded seven varying perspectives from the lenses of the respondents whom they believe should be taken into account in supporting their enterprise to realize their full potential.

In terms of functional intervention the evidence showed that 22% agreed, 31% disagreed and 47% were unsure of the important role that DSBD is playing on facilitating the aspirations of the SMME's. An overpowering 98% of the responded disagreed that they have requested financial, technical and operational assistance from DSBD which emphasise the visibility and accessibility of DSBD at the local government level since they are current located at the National level which is in the different province from where the respondent SMME's reside. The indication of the responded that highlight the fact that 57% disagreed while 43% agreed that DSBD facilitated business access to markets is a signal for the DSBD to open the window of opportunity by for instance lobbying and advocating on behalf of the SMME's in the opportunity stakes. The respondents disclosed that 63% disagreed while 37% agreed that the business landscape environment is levelled for SMME's prosperity which require a closer examination by the organization such as DSBD to probe to the bottom of the SMME's concerns.

The respondents claimed that the present business climate offers SMME's opportunity to thrive were 53% and 47% , disagreeing and agreeing respectively , which indicate that those respondents that are pessimistic have a slight edge compared to those that seemed cautiously optimistic. The respondents consented on a split 50% in the middle in terms of their comprehension of the demands of the competitive environment, however this translate into the gap that need to be filled by the authorities in addressing the dynamics of the competitive reality. The study showed that 63% of the respondents believed that the external environment is not yet conducive enough for SMME fulfil their optimal potential which could be a hint that the visibility of DSDB is important to address this impasse.

7.5.3 Why the establishment of networks, collaborative partnerships and desirable associations is relevant for the SMME's to prosper and grow?

With 86% of the respondents agreeing on the importance for SMME's to join networks association reiterate the crucial role that is played by reaching the readiness of such institutions that are mandated to support and develop the SMME's. According to (Larson, 1993; Hoang and Antoncic, 2003, Smith an Lohrke, 2008) networking platforms plays a significant role for the entrepreneurial entities such as SMME in the case of this study to thrive. In these arena the knowledgeable SMME's and the experts in specific fields and discipline impart their knowledge and information to the benefit of the SMME's in most cases at little or no cost to the SMME's. The researcher can personally attest to the importance of participating in these networks as one gain invaluable knowledge and information that would have cost a fortune if solicited on an individual SMME bases. Therefore organizations like DSBD should encourage these networks where SMME's could join and periodically interact and collaborate on aspects that could grow not only their inventory of knowledge and information but also tap in into the windows of opportunities.

It is encouraging that 66% of the respondents indicated that they have participated in network activities organized by DSBD via institutions like SEDA, Durban Chamber where they have benefited useful knowledge and information to bolster their businesses. It should be encourage that there should be annual calendar itinerary items that should be organized and planned on behalf of the SMME's where they could

participate as it also provide an inspirational dimension that motivate them to perfect their value proposition while not being in oblivion of the competition.

52% of the respondents indicated that they believe DSBD should encourage in inter organizational structure network dimension. These networks incorporate institutions like SEDA (Small Enterprise Development Agency), the Chamber of Commerce in this study one could refer to the Durban Chamber of Commerce which are geared to bridge the resource gap on behalf of the SMME's. These network platforms provide the SMME's with the benchmarking tool where they could reflect if they are on the right path as the peer SMME groupings engage and converge and share challenges, solutions and aspirations. Furthermore the inter-organizational networks provide the relationship building mechanisms amongst the SMME's where they could share common goals and objectives that could bolster their respective entities.

7.5.4 What are the benefits of accessing the knowledge, information and expertise required for the SMME's optimal performance?

When the respondents expressed 62% of them disagreeing that they have traded beyond their geo-political territory to expand business and the associated 98% of them disagreeing that they believe that DSBD has assisted their business to access markets in other provinces depicted amongst other things the constraining factors confronting the SMME's. It appears that the SMME's are swimming against the tide in terms of making a constructive dent to the slow pace of economic growth and the alleviation of the unemployment problem just to mention a few. Barrett (2014) suggested a pragmatic e-learning typology of relevance, reality and re-use approach that could benefit the SMME's for instance in the acquisition of knowledge that is based on Virtual Change Learning Model (VCLM). The contents of Barrett (2013) could be adapted to the specific information and knowledge need that could equip the SMME with the appropriate curriculum which would invariably yield optimal performance oriented result on behalf of their entities. The reasoning by the researcher behind incorporating this question was to solicit the appropriateness of the expertise that the SMME possess that are relevant to the needs of the technological era that we are now living in. With the 68% of the respondents agreeing that the agreeing on this significance showed that technological prowess is an indispensable part of the tools of trade that

the SMME's require to be able not only to compete but to sustain and prospect. The skills inventory in the SMME sector would understandably not match those that are in big business, but the specialization that could be brought about by the agility and the ability to quickly adapt on the part of the SMME could provide an absolute advantage for their optimal performance aspirations.

The demographical findings in the research that the location of the enterprise is 7% in the informal settlements, 8% in the rural precincts and 18% in the semi-rural dwellings. It is the general knowledge that the infrastructure facilities (energy, water, roads, transport) in these three vicinities mentioned is not in the desired state which is comparable to the urban areas. Of the 68% of the respondents who reside in the urban area, majority of them stays in township location and the space for instance to operate the business has its own challenges such as crime, substance abuse and the low levels of effective policing. This reality is reflected on the 61% of the respondents disagreeing that they believe the DSBD is doing enough to promote the readiness of their business to compete. There is clear linkage between the location of the enterprise and its readiness to compete effectively and successfully. Which is why it is critical important for the DSBD to expedite identify the actual content of the latest information and knowledge and the means of the appropriate distribution channel to convey that information successfully. With 61% of the respondent SMME's disagreeing that they do not possess the prerequisite qualification necessary to operate the business they are in signifies the importance of an organization like DSBD to prioritize accelerating access to skills and expertise. The coordinating role that the DSBD could facilitate in the identification of the skills set that could assist the SMME's to radically reduce the skills gap as identified in the study. This is of critical importance given the transition in the so called industrial space from the previous Third Industrial Revolution to the current Fourth Industrial Revolution. The discontinuation by the educational authorities of the vocational colleges that specifically focussed on artisan skills expertise has also contributed immensely in the absorption of prospective would be SMME's in acquiring these important skills. The systemic appropriate skills gap that has been observe in the study requires an urgent turnaround strategy on the part of the authorities and this could be one of the priority intervention areas of institutions like DSBD.

The study made an inquisitorial attempt to examine the conceptual underpinnings of the economic growth imperatives, the institutional perspective, the network theory, the entrepreneurship perspective as well as the social entrepreneurship dimension. This was undertaken to approach the generation of theory that could be address by this research in utilising the multi-structural approach in the investigation and evaluation of the appropriate literature that could contextualise the researcher's epistemological and ontological confidence in tackling the objectives of the study. Therefore it is not surprising that 71% of the respondents disagreed that they believe DSBD is visible enough in advocating, lobbying and advancing the SMME's objective, more especially from the local government viewpoint.

7.5.5 What are the impeding factors that act as obstacles and barriers retarding the acceleration of SMME growth and prosperity?

The study revealed that 57% of the respondents agreed and 43% disagreed that the Total Low Entrepreneurial (TEA) activity which is evidenced by the Global Entrepreneurship Monitor (GEM; 2017) study that the trend in the developing economies seems to suggest that they are lagging behind compared to the developed economies. This should be viewed in the context of the role that the institutions like DSBD and similar institutions especially in the public sector since they are resourced by the fiscus to deliver on behalf of beneficiaries like the SMME's. The country has an effective taxation system but the same could not be said about some of the institution especially that to support the SMME's with access to financial and non-financial resources. The level of innovation and business sophistication that GEM utilise as the measure of the country's progress in TEA has been plagued with systemic risk factors that acts as obstacles and barriers for the SMME's to thrive.

While 53% agreed and 47% disagreed that the Onus on SMME's to influence entrepreneurial policy direction, the programmes that are put in place to invigorate the plight of the SMME's squarely falls on the shoulders of the officials. They are tasked with responsibility to deliver the mandate that is set for the institutions that they employed for and the DSBD is not an exception in this regard.

The intervention by the authorities to assist the SMME's is to a greater extent hindered by the Socio-economic ills that affect SMME's full potential as the study revealed that 63% of the respondents agreed. It is a known fact that billions of rands year in and year out in the public institutions is wasted due to corruption, mismanagement, maladministration and graft amongst other things. This scourge will not be reduced if those that are in power address this irregularity which seems to be the lack of accountability on the part of the officials who are tasked with the mandate to perform their duties free of corrupt activities.

While the study revealed that 97% of the respondent disagreed that they have approached DSBD to assist in addressing their business challenges this might also stem from the fact that it has no offices in the location where the study was conducted and yet it is a National department. Consideration should be taken into account in extending their reach and accessibility not only at the national level but also at both the provincial and the local government level.

In terms of Policy-makers are making constructive contribution to reduce social ills the study revealed that 60% of the respondents disagreed which is a major cause for concern. The reality is that the rate of unemployment is not decreasing is corroborating the belief not enough is being implemented to address the impasse faced by not only the DSBD but the other public institution and the society as whole.

The study indicated that 70% of the respondents disagreed in having collected sufficient resources, tools and expertise for business success which support the assertion that has been made earlier in the study. The disconnect between what the institutions are meant to be delivering and the actual reality on the ground metaphorically suggest that the institutions are burying themselves on the sand and passing the can down the road.

7.6 Recommendations

A lot of literature in entrepreneurship in the past decades that has been compiled in the academic space has been originating from the developing economies. They have been at the forefront in harnessing the entrepreneurship field of study which is evidenced by the plethora of the scholastic contributions from that part of the world. Only recently that the field has gained traction in the developing and emerging economies in such countries like South Africa. This study sought to address the area of concern that could be prioritized by the DSDB in tackling the challenges that are confronting the SMME's especially in a local government level. Below is the non-exhaustive list that could be taken into account by an institution like the DSBD based on the analysis and the presentation of the findings of this study:-

- **It is recommended that the financial resources be made more accessible by the SMME's irrespective of where they are.**

The entrepreneurs in both the developed and the developing economies by the very nature of operating a business enterprise require access resources. The resource could be financial, monetary, technical and physical resources for instance. Co (2015) found that funding appeared on the top of the SMME resource bucket list as a constraining factor. Co (2015) view was earlier advanced by (Mboyane 2011; Smith 2012; Herrington 2012) who pointed that the impediments centred around not on policy-certainty but on the contrary on the implementation and re-enforcement of programs that have been designated to support entrepreneurship endeavours. Given the nature of the business world the SMME's as it has been presented in the study are confronted with the scarcity in terms of accessing the resources required to run and operate the business and let alone to effectively compete with the value chain of that particular industry they are operating. Subsequent to the financial oriented resources the SMME's also require technological and human capital resources which also forms a critical component if they have to professionalise their enterprises. The major strength and the location of opportunities could not be tackled head on if the resources are few and far from the SMME's reach. The starting point from the DSBD perspective is to consolidate different institutions that are responsible for the successful sustainability of the SMME's.

This warrants a dialogue or a programme of action that should invite all the relevant stakeholders in an effort to diagnose and dissect the challenges that are really confronting the SMME's and this should be conducted at the local government level. It is very rare that enterprise can be operated without both tangible and intangible asset as the study indicated that very few SMME;s have actually been the beneficiaries of external financial and non-financial resources. It is difficult to comprehend that how could you be in a possession to create a unique value proposition as the SMME in order to compete in the open market without the prerequisite resource required to implement the business objective.

It appears from the onset like the SMME's loose the battle before they even approached the battlefield as the tangible resource like cash, lending capacity, fixed assets are hard to get by. The same is also true in connection with the intangible assets like the patents, intellectual properties, accreditation status which catalyse the enterprise to be compete effectively. Lastly but not least the legislation on the human capital front in terms of sourcing appropriate skills and competencies from the prospective employees is also not easy terrain for SMME's to manoeuvre from the regulatory and the pricing perspective. Therefore if the challenges of resource access is not addressed sooner than later by the relevant authorities, many SMME's would be restricted at the start up life cycle phase of the enterprises life cycle. Furthermore DSBD should keep tabs on the organizations that are still taking a short route to profit –taking by flooding the retail space with cheap imports especially from countries that either do not have respect for basic human rights and which we don't have bilateral trade agreements with. Without these considerations and interventions the endemic rate of unemployment and poverty with the associated high levels of crime and narcotics abuse would continue to ravage our society and our nation. An entrepreneurship metric framework that incorporates the list below is a must on behalf of the SMME's accessing resource in an equitable and pragmatic manner as per table 7.2:-

Entrepreneurship Metric	Description
Finance access	Systematic monitoring, evaluation and enforcements of the institutions that are meant to be providing loans, grants, discounts, concessions, guarantees, investment to the SMME's.
Technical Support	These will vary as per industry-specificity but could consider technical skills transfer that are based on the locally produced commodities and minerals.
Intangible Assets Empowerment	Business instruments like Business Plans, Feasibility Studies, SWOT analysis, Accreditations, Taxation, and Rebates should not be the bottlenecks for the SMME's to access opportunities.
Business Set-Asides	Especially on non-core services that could be scalable like essential products, security services, catering services, maintenance services should be ring-fenced for local entrepreneurs.
25% of the Total GDP	The policy makers and the authorities should channel 25% of the Gross Domestic Product to the SMME's especially those products that are mainly purchased from the Retail shop floor like food items , non-food items and apparel products
The Sin Products	The institutions like DSBD should closed investigate the Booze industry in terms of its inclusivity of the SMME's. The mass industrialization, mergers and acquisitions have greatly seized the SMME opportunities in the participation of these global value chains.
Promotion of beneficitation	DSDB, DTI, DEC & Science & Technology department should have a national Memorandum of Understanding of bolstering the innovation effort and dissuade the export of raw material as a long term strategy and deliverable.

Table 7.2 Objectives categorization with variables

- **It is recommended that the government must reinforce the law that compels big companies to spend the 3% of the post-tax profit as the compliant requirement in the support of SMME's.**

The Codes of Good Practice as promulgated by the BBBEE Act, element number Four stipulate that each and every big company with a minimum of R50 million rand turnovers should report into the rating agencies that it is supporting SMME's. In terms of the legislation this support should be in the form of a grant, loan, investment, and technical, operational or other management intervention.

- **It is recommended that the DSBD should do more in stimulating the Economic Growth Factors on behalf of the SMME's**

The economic landscape generally speaking favours the early movers and hence their maximization of the early mover advantage which inevitably create an anti-competitive practice which is to the detriment of the SMME's. It is a documented fact that the SMME contribution is of critical importance towards the economic growth contribution and the standard of living and an acceptable quality of life of its citizens. DSBD could pioneer the opening up of opportunities and the dismantling of barriers that impede and hinder the prospective aspirations of SMME's. The government and the basic public are the huge buyers and services which brings about the question as to then "why there is no mobility in the transformation of business opportunities to the SMME's if the decision making stems from the very same officials who come from these very same institutions.

The answer lies squarely in the lack of institutional enforcement and accountability. The institutions like the office of the Auditor –General and the office of the Public Protector have a huge headache over the corruption scandals that are encountered in the country. Even the State President has been implicated either directly or indirectly and so if the proverbial snake is rotten from the head, it is inevitable that the entire body of institutions will be facing similar dilemmas. The country is boasting of

progressive policies, programmes, plans of actions, strategies and development agenda from the economic growth perspective. The challenges creep in from the implications side of the equation as there seem to be little sense of urgency and execution in the implementation side. The media is always flooded by the maladministration scandals day in and day out to such an extent that we hear of the term “State Capture” by the politically connected individuals. So it is quite disconcerting if the very minister who is responsible for the SMME’s is reporting to the same individual that is being implicated in many wrong doings that are taking the country economically backward. Going forward a paradigm shift in the culture of corporate governance and accountability is the key in turning the tide against the economic headwinds that are hindering the progress of the SMME’s. Simply put DSBD should lobby for an invigorated and inclusive economy that do not have hegemonic practices and tendencies whether it’s from the public or private sector.

- **It is recommended that DSBD should facilitate the coordination of different institutions in assisting them not to work silos.**

As long as the institutions are not able to fulfil their mandate and the execution of the role that is expected from their reason of existence there will be a perpetuity of problems to the detriment of SMME’s. The country is experiencing a stagnant economic growth which is indicated by the economic statistics of the both the first and second quarter of 2017. The country could ill afford to drop the ball from the institutional delivery perspective and hence the normative, cognitive and the regulatory demands of the institutional environment need to be upheld if any improvement could be achieved.

As it has been indicated in the study, networks provides the extended resource to the SMME’s and thus DSBD should consider its visibility in the existing institutional structure as a starting point and thus utilize their facilities to reach out for the SMME’s. DSBD should facilitate and create a platform and the channel to decipher the demands and the needs of the SMME’s from the entire country and be visible and transparent so that the SMME could benefit from its existence. At the rate things are going it’s like a road slowly to nowhere.

- **It is recommended that the SMME innovation and capacity building which translate into market opportunities should be the focal point of attention for the DSBD**

The budget allocation of the DSBD is approximately R 1, 2 billion rand for the 2017/2018 financial year. This budget should yield tangible and game-changing results and outcomes on behalf of the SMME's. One way of achieving this is to evaluate the product that are in the retail space shelves that are produced by the SMME's. The local economic development should be driven and integrated by the institution like the DSBD and co-ordinate the efforts to dismantle the barriers that are stifling the SMME progress.

- **It is recommended that there should be a Culture change and the acceleration in the conversion of policies into deliverables on the part of the institutions like DSBD.**

The SMME's in the developing nations are not as organized as in the developed countries where they receive constructive and positive support from the relevant authorities. The study has emphasized the critical role that is facilitated by the institutions in expediting the performance efficiencies of SMME businesses and hence it is the ultimate dream of any caring country to nurture, develop and promote its SMME's.

- **It is recommended that there must be a deliberate and purposeful effort by the institutions to encourage networking among South African SMME's.**

The study revealed that there is a very low level of networking amongst South African SMME's. While the SMME's are aware of the significance of networking, the study indicated that they hardly involve themselves in group networks.

7.7 Recommendation for Future Research

The DSBD should go beyond the superficial engagement in transactions that directly benefit the SMME's from the upstream side of the value chain through to the productivity side and the downstream side as well. DSBD should take cognizance of various intervening strategies on behalf of SMME's like the vertical backward and forward strategies, horizontal strategies, lateral strategies, Northern as well as Southern strategies. DSBD should also consider collaborating with the institutions of higher learning and the private sector while encouraging the back-up of other public institutions to push the mandate of SMME development and support if the three social ills of poverty, unemployment and inequality are to be reduced and be under control of the policy-makers and the authorities. The geo-political space could also be consider as the focus area for proactive intervention especially in the township, the rural areas as well as in the informal settlements. DSBD could also learn some of the success stories to our sister countries that have low levels of unemployment and high levels of innovation and business sophistication. DSBD could incentives the retired personnel with the relevant and appropriate scarce skills to come and share their knowledge and expertise and give them tax-free incentives and free accommodation while they impart their knowledge to the benefit our struggling SMME's. While management and leadership skills are long drawn out process to accomplish, the prevalence of e-commerce and access to internet should make these competencies much easier accessible to the SMME's. The private sector is still pulling and dominating the string in the business landscape and without strategic, systemic and pragmatic activism of institutions like the DSBD the plight and challenges of SMME's will continue to go unabated. The concerted effort on the part of the DSBD to have a long-terms strategy in transforming the aspirations of SMME's to be able to realize their full performance potential will go a long way in addressing the socio-economic ills savaging the soul of the nation-building and the reconciliation that came at a heavy sacrifice to all and sundry.

7.8 Contribution of the Study to Business/Public Sector Support

The paper has identified the following fundamental areas to the contribution not only to the entrepreneurial body of knowledge but also to the wider sense of business/public sector by the policy makers :-

- **Knowledge accessibility**

The curriculum that is available in the primary and the secondary education institutions is not entrepreneurially inspiring in equipping the would be SMME's to have an interest and affinity to pursue entrepreneurship studies as means of self-wealth creation and the associated economic growth. The change should be wholesale which warrants the educators in these spheres of knowledge transmission platforms to upgrade their credentials to be in line with digitization, e-commerce, and wire-less and big data era.

- **Inculcating a culture of innovation and creativity**

Many pupils especially from Historically Disadvantaged Communities find themselves far-fetched from the innovation-reality that result in business sophistication pursuits and entrepreneurial mind-set. The proverbial spine of entrepreneurship as a field of study ought to be introduced at an early stage and this could only be achieved if there is a paradigm-shift from the policy-makers and the authorities. The proverbial spine takes into account learning inventory-elements like: risk, resources, opportunities, value-chain, innovation, strategy, sustainability, markets, management, business acumen, technological prowess and demand-driven awareness just to mention a few.

- **Entrepreneurial resource expediency**

The lack of transparency in the institutions that are meant to resource the SMME's with both the monetary and non-monetary support is appalling given that the country is still attempting to navigate itself from the economic and human rights injustices of the Apartheid induced era. The SMME's could not produce, perform and compete in the global village if the playing field is not levelled and the institutions that are meant

to be a catalyst are fulfilling their institutional mandate. The challenge in the South African society appears to be the dereliction of duty and the abdication of accountability and a vacuum in responsibility given that the laws are collecting the dust on the shelves while the SMME plight continues unabated.

- **Window of opportunities**

It appears that while the basic public have the Public Protector to echo their grievances, it's about time that the SMME's needs their opportunity Ombudsman given the rife levels of corruption, graft, maleficence, mismanagement, fruitless/wasteful expenditure, nepotism/favouritism and the general lack of inclusivity in both the public and the private sector. The situation has deteriorated into such an extent that the present levels of unemployment has reached more than 27.% within the economically active population especially the Youth that it is a ticking-time bomb waiting to explode in not so distant-future. Therefore the study espouse to unlock and demystify the mystery surrounding the opportunity compass will not only benefit the SMME's but also make a constructive and meaningful contribution to the country's economic prosperity.

- **Mobile Digitization of Communication platforms**

The DSBD should be at the forefront in facilitating the collaborative and the rigorous effort in connecting the appropriate institutions that are meant to foster the SMME exposure to the digitization fraternity. Presently the information is travelling at a lightning velocity and speed but the onus is on the policy-makers to level the playing field and introduce avenue for this digital evolution and tsunami to the benefit of SMME's. South Africa has so much potential, resources and wealth of talent which could catapult the country into greater entrepreneurial heights on behalf of the SMME's if we could all pull in one direction of embracing each other as opposed in pulling in the different direction. This especially evidenced in the form of the relations between the public and the public sector, there is just a tension of animosity which is plundering the country into a world of uncertainty, volatility and pessimism.

- **Inclusivity of SMME's not only on the local economic development perspective but integrating this with global value chains**

The findings extrapolated in the expressly and explicitly indicated that the SMME remains an SMME and the propensity to grow is stifled by the current business climate. The business and public pundits continue to point fingers at each other in such a way that there has been echoes of a need for an “economic CODESA” to really invigorate the lack of inclusivity and performance in the economy from the SMME's perspective. Therefore the writing is on the wall that the continued subdued and sluggish levels of entrepreneurial stimulation and vibrancy will persist for some time into the future if the not only the public sector authorities but also the captains of industry pull in opposite directions.

7.9 Conclusion

The study area of focus was to examine the critical role that is played by the institution like the DSBD in affording the SMME to realize their full potential and hence make a constructive and a meaningful contribution not only to the positive economic growth but to also assist them to live a better quality of life as human beings. Therefore there is a direct relationship ship between the successful SMME's and the economic wellbeing of the country irrespective of whether it is in the developed or the developing and emerging markets. The study interrogated the perceptions of SMME's in their understanding between their relationship as the beneficiary entity and the rate of that benefit in terms of the functional and transparent intervention by the DSBD whose sole mandate is the contentment of the SMME's in terms of being not only supported, but developed and strengthened to find a growth trajectory.

This was done by evaluating and assessing the existing literature, theories and concepts within the broader scope of management science and the associated field of research like economic growth, institutional theory, network theory, entrepreneurship and social entrepreneurship. This culminated in the identification of an appropriate research methodology, design and instrument to solicit data and the resulted presentation of the findings from the respondent who have been sampled in the study. It should be stressed however in as much as the stress test levels are at a heightened

phase from the pessimism and the uncertainty of the part of the SMME's. However, it should be cautiously noted that's not doom and gloom if the relevant authorities could roll up their sleeves and put the shoulder behind the developmental wheel in support of the SMME's. South Africa is such a resilient society that has proven beyond reasonable doubt that it can wither the storm of adversity and unfavourable circumstances. The time study has exposed that the time for laissez faire is not yet suitable in our skewed business landscape which is to the detriment and adversarial conditions for the SMME's. The dereliction of tasks or duties by those entrusted with the mandate to support and develop the SMME's need to re-imagine the method and style they are adopting in dealing with these challenges.

Even though the findings in the study discovered various impediments that could be described as the bottlenecks for the SMME's to blossom from the sustainable perspective the researcher has been encouraged by the level of commitment and dedication that has been exuded by the positivity and the optimism that has been exuded. It is truly encouraging, motivational and inspiring that against a mountain of odds, the SMME's are still willing to give their all in an effort to contribute not only to their individual success but also to nation building and the reconciliation. Lastly but not least the task ahead of DSBD will not only be solved by its internal capability and ability but it will take collaborative and multi-disciplinary effort starting from policy-makers, public officials, private sector, academic institutions, civic society organizations, religious and community based organization and a little bit of altruism from all and sundry.

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	ANNEXURES	
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	ANNEXURE 1 LETTER OF INFORMED CONSENT	
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UNIVERSITY OF KWAZULU-NATAL
COLLEGE OF LAW AND MANAGEMENT STUDIES

Dear Respondent,

Doctor of Business Administration Research Project
Researcher: Mr Tony Ngwenya (0734618159/0312608937)
Supervisor: Dr Wellington Bonginkosi Zondi (0744127054)
Research Officer: Mr Prem Mohun (0312604557)

I, Tony Ngwenya, Student no. 213573696 am a DBA student, at the Graduate School of Business, at the University of KwaZulu Natal. You are invited to participate in a research project entitled: **IMPACT OF THE DEPARTMENT OF SMALL BUSINESS AND DEVELOPMENT (DSBD) ON THE PERFORMANCE OF SMALL, MEDIUM AND MICRO ENTERPRISES IN DURBAN, SOUTH AFRICA** .The study aim is to understand the role of the Department of Small Business Development under the curatorship of the Honourable Minister Ms. Lindiwe Zulu on catalysing the performance of Small, Medium and Micro Enterprises in the context of a City of Durban.

Through your participation, I hope to derive a comprehensive understanding of the pivotal role of the DSBD in helping the SMME's to accomplish their full potential. The outcome of this inquiry is earmarked to stimulate an original, independent and pragmatic contribution to the scholastic work and practical reality confronting our very own SMME's culminating in the development of a conceptual framework that could be utilized in advancing the departmental understanding of SMME's institutional expectation and delivery. This will translate into a special purpose vehicle that could be replicated and scalable in the entire country to the optimal benefit and support of our SMME's.

I guarantee that your responses will not be identified with you personally. You may opt for non-participation in this study without fear nor prejudice and or withdraw from the project at any time with no negative consequence. Your participation is out of your benevolent volition and there is no transgression should you decide not to partake in the study. Please sign on the dotted line to show that you have read and understood the contents of this letter. If you have any queries or point of clarification regarding the questionnaire completion or about partaking in this study, feel free to bring such into my attention at the number listed above. The survey should take you about 15 minutes to complete. I humbly value your participation in this study and God bless you.

Yours sincerely

T. Ngwenya

Signature of the
researcher.....Date.....

**UNIVERSITY OF KWAZULU-NATAL
COLLEGE OF LAW AND MANAGEMENT STUDIES**

Doctor of Business Administration Research Project
Researcher: Mr Tony Ngwenya (0734618159/0312608937)
Supervisor: Dr Wellington Bonginkosi Zondi (0744127054)
Research Officer: Mr Prem Mohun (0312604557)

CONSENT

I hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.
I understand that I am at liberty to withdraw from the project at any time, should I so desire.

SIGNATURE OF PARTICIPANT.....

DATE.....

This page is to be retained by researcher

	ANNEXURE 2 RESEARCH INSTRUMENT	
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QUESTIONNAIRE

SECTION 1

Tick the appropriate box with an **X**:

Question 1: Gender

Male Female

Question 2: Enterprise Location

Urban Rural Semi Rural Informal Sector

Question 3: Educational Achievements

Pre-Tertiary Tertiary Post Tertiary Other

Question 4: Years' Operating the Enterprise

< 1 year 1-5 years 5 – 10 years > 10 years

Question 5: Annual Turnovers (R in millions)

< R 1 million R 1 m – R 5 m > R 5 m

Question 6: Personnel Profiles

< 5 employees 5 – 10 employees > 10 Employees

Question 7: Enterprise Life Cycle Phase

Pre-Start up Start -up Growth Maturity Decline

SECTION 2

Question 1

I received finance in the form of a grant contribution as a beneficiary SMME.

Agree		Disagree	
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Question 2

I raised finance in the form of a loan as a beneficiary SMME.

Agree		Disagree	
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Question 3

The finance I raised required collateral security (investment, guarantees, life policies, suretyship).

Agree		Disagree	
-------	--	----------	--

Question 4

I received favourable credit from suppliers as a beneficiary SMME support.

Agree		Disagree	
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Question 5

I benefited favourable discounts from suppliers/manufacturers as a beneficiary SMME support

Agree		Disagree	
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Question 6

I received funding for the business from the company that performs enterprise development support (e.g. a JSE listed company).

Agree		Disagree	
-------	--	----------	--

Question 7

I have accessed funding for my business requirements from one of the retail bankers in the country (e.g. Standard Bank, FNB, ABSA & Nedbank)

Agree		Disagree	
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Question 8

I have successfully obtained funding for my business entity from one of the Financial Development Institution in the country (e.g. iThala Development & Finance Corporation, SEFA, IDC or NEF)

Agree		Disagree	
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Question 9

I believe that the DSBD is already playing an important role for the SMME's to achieve their full potential.

Agree		Disagree		Unsure	
--------------	--	-----------------	--	---------------	--

Question 10

I have in the past requested financial, technical and operational assistance from DSBD?

Agree		Disagree	
--------------	--	-----------------	--

Question 11

I am of the opinion that DSBD has facilitated my business' access to markets.

Agree		Disagree	
--------------	--	-----------------	--

Question 12

I believe that the business landscape environment is levelled for the SMME's to prosper.

Agree		Disagree	
--------------	--	-----------------	--

Question 13

The present business climate is offering SMME's sufficient opportunities to thrive.

Agree		Disagree	
--------------	--	-----------------	--

Question 14

As a business owner I agree that I don't fully understand the demands of the competitive environment.

Agree		Disagree	
--------------	--	-----------------	--

Question 15

I am of the opinion that the external environment is conducive enough for the SMME to fulfil their full potential.

Agree		Disagree	
--------------	--	-----------------	--

Question 16

I believe that the red tape should be reduced e.g. when registering the entity.

Agree		Disagree	
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Question 17

The DSBD offices are easily accessible in the provincial and the local government level.

Agree		Disagree	
--------------	--	-----------------	--

Question 18

I believe that the institutions that are meant to assist the SMME's are accessible to the SMME's.

Agree		Disagree	
--------------	--	-----------------	--

Question 19

I believe that it is important for the SMME's to join the networks association for future growth and other benefits.

Agree		Disagree	
--------------	--	-----------------	--

Question 20

I have taken part in the network activities organized by DSBD through organizations such as BSU, Business Chamber and SEDA etc.

Agree		Disagree	
--------------	--	-----------------	--

Question 21

In my opinion the DSBD facilitate the information sharing sessions on behalf of the SMME in the similar sector at the provincial and the local government level.

Agree		Disagree	
--------------	--	-----------------	--

Question 22

I believe that it is important for the DSBD to promote the set aside for business opportunities on behalf of the SMME' e.g. advocate that 10% of the procurement opportunities.

Agree		Disagree	
--------------	--	-----------------	--

Question 23

In my opinion I believe that DSBD encourages inter organizational structure network dimension on behalf of the SMME at the provincial and the local government level.

Agree		Disagree	
--------------	--	-----------------	--

Question 24

As an SMME I have gone beyond my own territory to expand my business.

Agree		Disagree	
--------------	--	-----------------	--

Question 25

DSDB has assisted my entity as an SMME to access other markets in other provinces.

Agree		Disagree	
--------------	--	-----------------	--

Question 26

I believe that the type of business that I am operating does not require the latest technology for better and improved performance e.g. computers, internet, social media platforms etc.

Agree		Disagree	
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Question 27

In my opinion the DSBD is doing enough to promote my readiness as the SMME's to compete at all levels of the different sector value chain in the local and the provincial scene.

Agree		Disagree	
--------------	--	-----------------	--

Question 28

I have formal qualification to operate necessary for the business that I am operating.

Agree		Disagree	
--------------	--	-----------------	--

Question 29

I believe the DSBD is visible enough in advocating, lobbying and advancing the objectives of the SMME's across all the sectors of the economic business landscape.

Agree		Disagree	
--------------	--	-----------------	--

Question 30

The Low Total Entrepreneurial Activity of the SMME's is as a result of the lack of concerted effort by the DSBD in pioneering the aspirations of the very SMME's.

Agree		Disagree	
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Question 31

I share the sentiment that the onus is on the shoulders of the SMME's to influence the entrepreneurial policy direction that benefits their aims, goals and objectives.

Agree		Disagree	
--------------	--	-----------------	--

Question 32

The socio-economic ills of mismanagement, corruption, maladministration, graft, greed, nepotism and favouritism do not affect the SMME to realize their full potential.

Agree		Disagree	
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Question 33

I have approached the DSBD to assist address business challenges that are facing my enterprise.

Agree		Disagree	
--------------	--	-----------------	--

Question 34

In my opinion the policy –makers are doing enough in making a constructive contribution in the reduction of the three social ills of unemployment, poverty and per capita income inequalities.

Agree		Disagree	
--------------	--	-----------------	--

Question 35

I have collected sufficient resources, tools and expertise required for the successful running of my business.

Agree		Disagree	
--------------	--	-----------------	--

Question 36

I believe that the business that I am currently operating is in line with the job I was doing while I was formally employed.

Agree		Disagree	
--------------	--	-----------------	--

THANK YOU VERY MUCH FOR YOUR VALUABLE CONTRIBUTION IN THE STUDY

	ANNEXURE 3 ETHICAL CLEARANCE APPROVAL	
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UNIVERSITY OF
KWAZULU-NATAL
INYUVESI
YAKWAZULU-NATALI

12 April 2017

Mr Charles Tony Siphiso Ngwenya (213573696)
Graduate School of Business & Leadership
Westville Campus

Dear Mr Ngwenya,

Protocol reference number: HSS/0310/0170

Project title: Impact of the Department of Small Business and Development (DSBD) on the Performance of Small, Medium and Micro Enterprises in Durban, South Africa

Full Approval – Expedited Application

In response to your application received on 05 April 2017, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and FULL APPROVAL for the protocol has been granted.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

Dr Shamila Naidoo (Deputy Chair)

/ms

Cc: Supervisor: Dr Bonkinkosi Wellington Zondi
Cc: Academic Leader Research: Dr Muhammad Hoque
Cc: School Administrator: Ms Zarina Bullyraj

Humanities & Social Sciences Research Ethics Committee

Dr Sheruka Singh (Chair)

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Website: www.ukzn.ac.za

	ANNEXURE 4 GATE-KEEPER'S LETTER	
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SUSTAINABLE DEVELOPMENT & CITY ENTERPRISES
Business Support, Tourism & Market Unit

Suite (10) 11 Floor
75 Dr Langalibalele Dube Street
Durban, 4001
P.O Box 680, Durban 4000
Tel : 031 311 4500 , Fax : 031 322 6408
www.durban.gov.za

Dear Mr T. Ngwenya

Subject: Request to conduct research within the Business Support Unit of eThekweni Municipality

I, Lindiwe Vumile Mchunu, Regional Manager, Business Support Unit, eThekweni Municipality, hereby confirms that the permission is granted to Mr. Tony Ngwenya to conduct research on **“Impact of the Department of Small Business and Development (DSBD) on the Performance of Small, Medium and Micro Enterprises in Durban, South Africa”**.

I, further wish to confirm that the findings of the research related to EThekweni Municipality will be held in confidence and a copy of which will be made available authorities of the participating areas in the Municipality.

Signature.....

Date

24/3/2017

	ANNEXURE 5: EDITOR'S REPORT	
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ASOKA ENGLISH LANGUAGE EDITING

CELL NO.: 0836507817



DECLARATION CERTIFICATE OF ENGLISH LANGUAGE EDITING

This is to certify that I have English Language Edited the thesis:

Impact of the Department of Small Business and Development (DSBD) on the performance of small, medium and micro enterprises in Durban, South Africa

Candidate: Ngwenya CTS

DISCLAIMER

Whilst the English language editor has used electronic track changes to facilitate corrections and has inserted comments and queries in a right-hand column, the responsibility for effecting changes in the final, submitted document, remains the responsibility of the candidate in consultation with the supervisor/promoter.

Director: Prof. Dennis Schaffer, M.A. (Leeds), PhD, KwaZulu (Natal), TEFL (London), TITC Business English, Emeritus Professor UKZN. Univ. Cambridge Accreditation: IGCSE Drama. Hon. Research Fellow, DUT. Durban University of Technology.