



Evaluating managerial competence of small, medium and micro-entrepreneurs to ensure sustainable economic development in the eThekweni municipal area

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Abstract: This research investigates the influence of Small, Medium, and Micro Entrepreneurs (SMMEs) on sustainable economic development in the eThekweni Municipal Area of South Africa. It focuses on the capability of SMME managers and operators to efficiently and effectively utilise available resources, ensuring their enterprises make a meaningful contribution to sustainable economic growth. Data was gathered from a diverse set of SMMEs in the eThekweni Municipal Area using a simple random sampling method, with 229 entrepreneurs participating. Key findings reveal that entrepreneurs underscore the importance of knowledge, skills, value judgments, behavioural traits, and social networks in establishing and operating successful businesses. A notable challenge identified was their limited ability to identify viable business opportunities. Nevertheless, these entrepreneurs demonstrate a commitment to maintaining their local environments and providing employment opportunities to community members, and some contribute to community development initiatives. The primary recommendation emerging from this study is providing support and tools to assist potential entrepreneurs in effectively recognising and seizing business opportunities.



Keywords: sustainable economic development, municipal area, entrepreneur, South Africa

1. Introduction

Sustainable development is a critical concern in today's world as it is a phenomenon that permeates every aspect of human endeavour, be it cultural, social, political, economic or environmental (Omotola, 2010:107). Since the inception of sustainable development, the persistent poverty levels in various communities have been of paramount importance to many governments that aim at enhancing the economic situation while dealing with issues at hand without affecting the environment and the future of the younger generation in the country (Aremu & Adeyemi, 2011, p.203). South Africa, amongst other countries, is no exception as the government has similar plans to stimulate growth and equitable development in the nation by using Small, Medium and Micro Entrepreneurial activities (SMMEs) as one of the viable means to unlock economic opportunities (Qi, Deng and Wang, 2011, p.314).

In order to create a better life and improve the standard of living of citizens, particularly women, youth and disabled people, the government deemed it fit to address the issues of concern in the nation. Examples are the inequality of economic structures, low labour costs and significant capital investments (Hendrawana, 2012, p.77). The South African government has been embarking on tackling the challenges encountered in the country, namely high rates of poverty, joblessness and inequality (Cant & Wiid, 2013, p.707). Based on this proposition and in attempting to strengthen sustainable economic development, the government has seen the need to boost the efficiency of SMMEs in the country as they are known to be drivers of economic growth and job procurement (Zulu, 2014:5). The government has engaged in various initiatives to enhance SMME activities and their performance through the use of both financial and non-financial institutions. These are also attempts to enhance the competence of SMME managers in their duties and ensure that the sustainability role is carried out in the economy.

Scheers (2011, p.5049) reveals that despite the paramount role played by SMMEs, they still encounter challenges such as managerial competence; financial constraints and poor access to markets; poor infrastructural facilities; lack of technological know-how; and high taxation rates. As a result, the South African government has engaged in several initiatives to ensure that SMMEs grow as expected. For example, according to Ramukumba (2014, p.20), several initiatives have been established to assist SMMEs. The Small Enterprise Development Agency (SEDA) is responsible for registering and nurturing companies, particularly small businesses. They offer full support that can stimulate the growth of small businesses, from inception to the maturity stage, in the competitive business world.

Despite the above initiatives, Urban and Naidoo (2012, p.147) observed that operational skills are lacking in the administration of SMME activities, which retard their progress. These authors attributed this retarded progress to bureaucratic procedures, poor basic amenities, an ineffective legal system, inadequate financial muscle and an unattractive tax regime. Within the context of eThekweni is a result of profound visions and understanding between the workers and management (Edge on Economic Development and Growth in EThekweni, 2013, p.33). This may suggest that essential characteristics of managerial competence are lacking not only in large organisations but in SMME's.

1.1. Research objectives

The study sought to achieve the following objectives

- i. To examine the level of financial knowledge possessed by SMME managers;
- ii. To establish whether the managers can identify the business opportunities around them;
- iii. To analyse the level of computer literacy of managers;
- iv. To assess managers' awareness of the environmental changes that affect their businesses and
- v. To assess the attitude of managers towards poverty alleviation in the communities in which they operate.

2. Literature review

2.1. Theoretical framework

This research is based on the theories of knowledge on management and human behaviour. White (1959:297) initiated the term competence to bridge the gap between human behaviour and psycho-dynamic models to enrich Drive's reduction theory. He centres his study on personality, which deals with individual differences in values, attitudes, personal memories, social relationships, habits and skills.

Reference is also made to D'zurilla and Goldfried's (1969:151) work, researching children who are at risk of psychopathology. In carrying out the study, the authors propound a behavioural analytical model to explain the term social competence to address the following: (a) situational analysis; (b) response enumeration; (c) response evaluation; (d) measurement development; and (e) evaluation measurement. Competence, in the authors' view, shows the trait or attributes of how an individual can use an idea, thought and experience to address the event of the occurrence or interaction and mode of relation, thereby placing judgment about other people in the organisation.

As pointed out by the authors (D'zurilla & Goldfried's, 1969, p.154), children or people in the organisation fail in social competence because of their inability to express themselves, which results from a lack of composure, distress and self-control. A person encountering the stated problem above needs to have an internal discussion that he or she is not a failure but an achiever, as this will enhance the potential to gain control and confidence to deal with past experiences where failure has been made. Also, managers or business owners and employees must encourage one another to build confidence and team spirit to boost morale in the business organisation.

McClelland's (1973:2) study broadens the concept of competence in a paper titled –Testing for Competence rather than Intelligence. From McClelland's (1973a) perspective, people test for intelligence in the workplace, school and recruiting firm to determine the best candidate choice. According to the author, the level of education or qualification did not guarantee an individual's competence, behaviour or conduct. Therefore, the attributes of an individual manager or employee (examples of which include skills, abilities, knowledge, personal commitment to work and talent) will reveal their competence or distinction amongst other colleagues. When selection is made in an organisation based on intelligence, McClelland's (1973) suggests training not only to the existing members alone but also new intakes to enrich their competence and aid their performance at the workplace to deliver the desired result.

Sveiby (1997, p.73) approached the term competence by using knowledge management theory to explain competence through human and intellectual capital. He further clarifies that competence can be used twofold, which includes transferring and converting knowledge internally and externally to the organisation to which the individual manager or employee belongs. These are human capital and intellectual capital. Human capital specifically deals with the capacity of members to work with experience, skills, abilities and education within and outside the organisation to develop their functional roles. On the other hand, intellectual capital refers to human capital and other qualities, such as the structural and social capital needed to aid organisational task performance. Sveiby (1997) emphasised an individual's competence as providing that such a person can utilise his or her wealth of resources such as knowledge, skills and experience, amongst others, not only for personal gain but for the mutual benefit of his or her environment.

In light of the above, there is a need to use intellectual resources to ensure that sustainable economic development in the modern era impacts positively on the environment. However, the effect of market forces caused by globalisation; competition in the world of business; technological advancement; and the premature winding-up of business necessitate the need for competence as a measure to control the lavish use of resources in order to develop and sustain the environment (Wuim-Pam, 2014, p.49).

2.2. Managerial competence

Managerial competence, according to Krajcovicova, Caganova and Cambal (2012, p.1119), is described as an approach employed in work activities or professions through knowledge, skills, and the behavioural nature which is required to attain work performance to make meaningful decisions on which informed judgments can be placed. The authors believe that the challenges that inspire performance centre on two factors, namely (i) the type of work to do; and (ii) the strategy to make it workable. It is a basis through which a firm attains both the vision and mission statement by adding value to the organisational status to ensure business sustenance and self-development.

Krajcovicova, Caganova and Cambal (2012, p.1121) argue that despite managers using resources like knowledge, skills, ability and experience, managers must design their plans in line with the following plans. Firstly, their ability to understand the organisation where they work and comprehension of the organisational code of conduct, which gives extensive detail on the policies, procedures, mission, vision, goals and strategic plan of the organisation; secondly, the leadership approach which involves having a concrete relationship with both the staff and customers to elicit needed information on which to draw inference for decision-making purposes; thirdly, resource supervision which has to do with understanding the current scenario and using appropriate tools of knowledge, skills and experience to make plans on projects and budgets to maximise opportunity within the business environment and lastly, creating an enabling environment where the employees and customers are granted the opportunity to express their opinions on which they expect changes to be initiated based on informational resources to form decisions.

Ismail, Domil and Isa (2014, p.139) add that managerial competence is an individual's behaviour or approach to active performance on various organisational tasks. From the perspective of SMMEs, the insufficient financial strength of the firm will make them depend on managerial competence skills, which are seen as a central body of business. In the authors' view, managers' lack of knowledge and skills in overseeing business affairs significantly impedes the growth of SMME activities in the country.

2.3. Sustainable development

According to Peng, Guosheng and Yancai (2011, p. 922), sustainable development is a process of meeting immediate needs with no intention of jeopardising future generations. For sustainable development to be effective, the trinity of sustainability or pillars of sustainable development that need to be considered are environmental, social, and economic factors (Peng, Guosheng & Yancai, 2011, p. 923).

Aremu and Adeyemi (2011, p.203) describe sustainable development as a requisite for realising economic goals without affecting the environment. In order to achieve sustainable development, organisations and individuals must combine efforts to make it achievable. Given this, supportive hands should be stretched (by stakeholders, government, financial institutions and non-financial institutions) to SMMEs to enable them to be strong associations to fulfil economic sustainability.

3. Research methodology

This study aims to establish the specific characteristics of managers to their competence in operating their enterprises. In describing such characteristics, a descriptive design was chosen for the study because it described the characteristics of existing phenomena to discover answers to the questions relating to the research subject (Saunders, Lewis & Thornhill, 2012, p.326). All SMMEs within the eThekweni Municipal Area formed the target population for this study. A probability sampling design was used for this study to ensure that SMMEs on the list had a known and equal chance of being selected, while simple random sampling was used to select the respondents. Regarding this, 250 respondents, which consisted of SMME managers, owners and entrepreneurs from different locations in the municipal area, were selected for the study. A total of 229 responses were received, forming this study's sample size. The findings of this study were drawn from these responses. The research instrument for this study was a structured questionnaire with a 5-point Likert scale. A questionnaire was helpful in that information from a large number of respondents could be collected in a relatively cost-effective way. A 5-point Likert scale of strongly disagree, disagree, uncertain, agree, and strongly agree was used. The reason for choosing this scale was that it was easy to understand and a universal survey method, making the response easy to quantify and subject to computations of mathematical analysis. The questionnaire was personally distributed to SMME managers and operators. Data was captured and analysed using the Statistical Package for Social Sciences version for Windows 24 (SPSS 24).

4. Presentation and discussion of results

This section presents and discusses the results of this study. The data was collected from two hundred and twenty-nine SMMEs and was captured and analysed using the Statistical Package for Social Science (SPSS version 24).

4.1. Financial knowledge

The following results relate to questions that aimed to test the respondents' financial knowledge.

Table 1: Financial knowledge

Responses	Variables							
	My financial knowledge has assisted me in establishing my business capital		My orientation about finances assisted me in opening doors of financial assistance		I am able to keep proper records of my business		I am able to draw up and follow the business budget	
	N	%	N	%	N	%	N	%
Strongly agree	146	63.8	133	58.1	136	59.6	97	42.4
Agree	77	33.6	81	35.4	81	35.5	102	44.5
Not sure	4	1.7	11	4.8	6	2.6	19	8.3
Disagree	1	.4	1	.4	4	1.8	11	4.8
Strongly disagree	1	.4	3	1.3	1	.4	-	-
TOTAL	229	100.0	229	100.0	228	100.0	229	100.0

Almost 97.4% of the respondents have good financial knowledge, which they believe has been very useful in establishing their businesses. Starcek and Trunk (2013, p.1445) explain that to maximise financial wealth, it is essential for managers to have skills to make decisions that will aid forecasting, mainly on financial products or services. This will help entrepreneurs to properly monitor their business liquidity while imbuing the spirit of self-control to put temporal discordance of wishes into check and give real needs utmost attention.

93.5% of the respondents attested that their orientation on finances was a door opener to financial assistance. Eresia-Eke and Raath (2013, p.398) view financial knowledge as the ability of a manager to have in-depth fundamental concepts of finances, which a manager confidently displays in business activities through skills and abilities on which to make informed judgments for enhancing long-term planning and short-term decisions to avoid costly mistakes.

A total of 95.1% agree that they can keep proper records of their businesses. Mboniyane and Ladzani (2011, p.553) explain that lack of proper record-keeping is one of the numerous constraints facing the growth of SMME activities. In their view, setting the record straight through proper documentation allows the manager to know the business position in a readily ascertained manner. Krajcovicova, Caganova and Cambal (2012, p.1121) agree that keeping a record of business activities enables the manager to know and understand business policies and procedures to ensure that the vision, mission and objective of establishing the business is not derelict.

The results above indicate that most respondents agreed that their financial knowledge is an asset that makes them administer the affairs of their business activities. Many participants agree that they ingrained the culture of making a business plan for their business to ensure smooth administration and financial controls. Tieguhong, Grouwels, Ndoeye, Mala, Sakam, Useni and Betti (2012, p.112) state that a deficiency in the business budgeting plan can result in poor implementation of organisational policies. Where this situation arises, there can be an irresolute blockage to achieving financial, strategic, and structural growth in the business (Eresia-Eke & Raath, 2013, p.402).

4.2. Identification of business opportunity

The following results relate to questions that aimed to test the respondents' ability to identify business opportunities.

As high as 88.2% percentage of the respondents agree that the increase in population has provided an avenue for their businesses to expand. Chea (2008:38) points out that an entrepreneur's focus is beyond establishing a business boundary. The cognisance of spotting and exploiting business opportunities should be one of the cogent factors to consider for task framework and accomplishments, particularly in economic, social, cultural and technological areas that other people have failed to notice.

Table 2: Identification of business opportunity

Responses	Variables									
	The increase of population has given me an avenue to create room to expand		The increase in the price of goods and services enables me to make more money		I chose my business premises after having observed consumer concentration		I am able to choose the right spots and media to advertise my business		I take advantage of bad service quality service rendered to the community members by my competitors	
	N	%	N	%	N	%	N	%	N	%
Strongly agree	57	24.9	56	66	66	28.9	57	24.9	68	29.7
Agree	145	63.3	123	141	141	61.8	138	60.3	125	54.6
Not sure	19	8.3	24	14	14	6.1	25	10.9	20	8.7
Disagree	7	3.1	20	7	7	3.1	8	3.5	12	5.2
Strongly disagree	1	.4	6	2.6	-	-	1	.4	4	1.7
TOTAL	229	100	229	100	228	100	229	100	229	100

Table 2 reveals that 78.2% yielded to the fact that the rise in the price of goods and services has added to their financial wealth, whereas 21.8% of the total number of respondents oppose this statement, stating that on the contrary circumstances leading to an increase in the price of commodities have no significant enhancement to their profit realisation. Bernard, Kritzinger and Kruger (2011, p.114) emphasise in their study, which was conducted on the business location strategies for improving SMME businesses and performance, that entrepreneurs are contributing actively to economic development such as offering employment opportunities to the needy, poverty reduction, contributory to national wealth such as GDP and NDP among others. However, change in government policies on tax, especially on goods and services and rent provided by the government, has drastically deterred entrepreneurs from functioning as a service provider, and this concern has caused many of the entrepreneurs to encounter severe adversities as inflation increases, making other prices of goods and services to increase as well. The authors suggest that entrepreneurs should be aware of price changes as the high increase in goods and services might adversely influence their business.

Regarding the choice of business premises, 90.7% of the respondents agree that their choice was made having considered the concentration of people in the area where their businesses are located. However, 6.1% did not think consumer concentration was on their minds when they chose their business premises. Business growth can be actualised when an enterprise is established in a location where existing and potential customers, employees and suppliers can easily access the business. (Willard, 2012, p.20).

Regarding whether managers can choose the right spots and media for advertising, 85.2% consented, whilst 3.9% disagreed. This reveals that a large number of entrepreneurs use advertisement as an instrument for creating awareness among people in the eThekweni Municipal Area of KwaZulu-Natal. Nosrati, Karimi, Mohammadi and Malekian (2013, p.56) describe advertising media as a channel through which information is conveyed to the audience in the form of listening, viewing and, recently, electronic media that involve the use of a computer or social networks to reach out to a large number of people. Examples are Radio, Billboards, Television, Facebook, Skype, WhatsApp, Newspapers and Magazines. Managers must familiarise themselves with social networks to have comprehensive coverage of marketing their products to many consumers.

A large number of the respondents consisting of 84.3% agrees that they can exploit business opportunities arising from the weaknesses of other entrepreneurs in the same line of business. Gilbert and Sutherland (2013, p.2) opine those competitors not only help entrepreneurs maximise profit but also evaluate their strategic plans to develop ideas that can produce creativity for business sustainability. According to the authors, business exploitation is one of the attributes a manager or an entrepreneur must possess to be the best service provider and champions in their career, mainly where competition exists.

4.3. Level of computer literacy

The results below pertain to questions that sought to test the respondents' computer literacy level.

Table 3: Level of computer literacy

Responses	Variables									
	Being computer literate has reduced my workload		Using computer systems makes me work faster and more efficiently		All my records are computerised		The availability of a mobile network enables me to contact a wide range of potential and existing customers.		The use of modern technology enables me to secure my business against fraud.	
	N	%	N	%	N	%	N	%	N	%
Strongly agree	127	55.7	121	53.1	29	12.7	66	28.9	52	22.7
Agree	74	32.5	76	33.3	85	37.3	135	59.2	143	62.4
Not sure	13	5.7	13	5.7	22	9.6	17	7.5	18	7.9
Disagree	11	4.8	16	7.0	78	34.2	9	3.9	16	7.0
Strongly disagree	3	1.3	2	.9	14	6.1	1	.4	-	-
TOTAL	228	100.0	228	100.0	228	100.0	228	100.0	229	100.0

Most respondents alluded that being computer literate has simplified their workload. Only a tiny percentage of the respondents do not agree with this. Chimucheka (2013:789) highlighted that the performance and growth of SMME businesses had necessitated the use of competent skills and ideas in information technology systems in order to relieve workloads such as security of the business, communicating with a large number of the audience, storing and keeping business files for easy retrieval of information and reducing the cost of production. This increases sales and thus maximises profits.

As many as 86.4% of the respondents affirmed that computer systems have boosted their work efficiency. Neves, da Silva, Salomon, da Silva, and Sotomonte (2014:125) posit that knowledge acquisition and its applicability are among the criteria promoting work efficiency. According to the authors, computers and Information Technology are generally accepted by people of this modern era because they contribute to time conservation, better record-keeping, computerisation of processes and accounting analysis. Although maintaining a computer system can be expensive for managers and business owners, Neves et al. (2014:135) suggest that investment in IT is paramount to enhancing work capacity volume.

Half of the total respondents, 50%, have computerised their systems, whereas the other 50% are not there yet. Cavico, Orta, Muffler and Mujtaba (2014:43) explain that it is essential for managers, business owners and entrepreneurs to computerise their work details for easy documentation and retrieval in time of need. This also helps in making essential and prompt decisions.

Mobile networks have enabled comprehensive coverage to about 88% of the respondents. According to Garrigos-Simon, Alcamí and Ribera (2012:1880), smartphones can do office work better than desktops. The phone holder can download clients' documents, scan official papers, attend meetings through conference call, communicate with direct recipient, save and attach files and send e-mail messages via phone to a direct person.

Modern technology has improved the security of business. That is according to according to about 85% of the respondents. Bressler (2009:8) highlights insecurity as one of the problems faced by businesses nowadays. This situation has made businesses with good aspirations experience anxiety and compulsory winding up because of the increased crime rate. Premises sometimes are broken into, shoplifting, robbery, hacking of sensitive data, and manipulation of facts and figures to benefit personal influence by employees and customers within and outside the business circle are some of the security challenges that business people have.

4.4. Environmental awareness

Many entrepreneurs agree that they consider proximity to natural resources when choosing a business location. The nearer the business is to the materials it needs, the better. This minimises the cost of production and avoids delays in the delivery of the necessary input materials (Zhdanov, Zhuchkov and Ya. Dashhevskiy, 2013:631).

Table 4: Environmental awareness

Responses	Variables									
	Being near natural sources was one of the factors I considered when choosing my business location.		Transportation costs of my employees were a factor I considered when choosing my business location.		Being near health facilities is an essential issue in my business		I dispose of waste in a responsible manner		I take part in the provision of infrastructure projects for the community	
	N	%	N	%	N	%	N	%	N	%
Strongly agree	76	33.3	56	24.6	56	24.6	102	44.7	41	17.9
Agree	104	45.6	66	28.9	66	28.9	107	46.9	126	55.0
Not sure	25	11.0	42	18.4	42	18.4	9	3.9	39	17.0
Disagree	21	9.2	53	23.2	53	23.2	8	3.5	22	9.6
Strongly disagree	2	.9	11	4.8	11	4.8	2	.9	1	.4
TOTAL	228	100.0	228	100.0	228	100.0	228	100.0	229	100.0

Half of the respondents considered the employees' transport costs in getting to the business. For the other half, choosing a business location was not an issue.

Part of the strategies to ensure that workers live richer and satisfactory lives includes the provision of transport for easy mobility of employees, vehicle loans, educational leave and allowances, housing and retirement benefits and others. All these benefits are meant to boost the morale of the employees in order to ensure their retention and give their best abilities to the business organisation (Patro, 2012:19).

Half of the respondents believe that the security and health care of employees, customers and the organisation is an essential issue in their business. The other half are not concerned about such issues.

Odeku and Odeku (2014:652) have found that providing security for an organisation and its employees guarantees getting employees motivated and working without anxiety or hesitation. This purpose allows the employees to give in their best capacity to actualise the organisation's goals and missions. Where such a provision is initiated, employees are assured that their lives and families are protected (Odeku and Odeku, 2014:655). A very high percentage of the respondents are responsible citizens who responsibly dispose of waste.

One of the strategies for ensuring a healthy life is the adopting of environmental hygiene, which involves the joint effort of individual and organisational sectors (Palaniappan, Gleick, Allen, Cohen, Christian-Smith and Smith, 2010:34). Taking care of industrial sewage, especially on the part of those businesses that involve the productions with by-product is a starting point to keeping our environment clean from air, water and land pollution. Khalili, Duecker and Ashton (2015:30) also advise that to attain sustainability development where waste is controlled in a manner that allows the curbing of environmental issues and fostering economic prosperity, people must dispose of waste appropriately to minimise diseases.

The majority of the entrepreneurs are involved in community projects. Sadly, some do not seem to be interested in such development.

Community development, according to Yalegama, Chileshe and Ma (2016:644), is a concept that focuses on the ideology of removing poverty to enrich people's lifestyles in urban, rural and township areas with the sole aim of meeting the social, economic and environmental needs of the people. This exposure was embarked on through a participatory approach in the 90s' where each individual, Non-Governmental Organization (NGO), and the private and public sectors made efforts to address and minimise the poverty levels in the community, particularly those residing in rural areas. Yalegama, Chileshe and Ma (2016:655) suggest an association of citizenry, corporate bodies and organisations to jointly support, fund and offer assistance towards providing infrastructures that can provide an enabling environment where peace reigns.

4.5. Poverty alleviation

Poverty alleviation efforts were tested using the statements below, the results of which are given hereunder. Many entrepreneurs source their labour from neighbouring communities to assist in poverty alleviation. Some entrepreneurs do not worry about this.

Ramukumba (2014:33) has observed that providing jobs for communities helps reduce unemployment and goes a long way to eradicate crime.

Only about 50% of entrepreneurs participate in community poverty alleviation programmes. Morikawa (2014:178) suggests that alleviating environmental poverty requires the collaboration of government and Non-Governmental Organizations to boost the educational level and provide enlightenment programs that can make people self-sufficient.

It was unpleasant that only 36% of the entrepreneurs donated food to deserving families. A whole 64% do not involve themselves in such philanthropic acts. Rocha (2012:336) explains why entrepreneurs do not engage in benevolent activities in communities where hunger, poverty, crime and unemployment prevail.

The findings in Table 5 suggest that entrepreneurs are not very philanthropic. Chilya and Chikandiwa (2011:30) explain the reasons for this flaw to include inadequacy of capital outlay for business operations, extravagance attitude of the entrepreneurs, risk-averse, ineffective sales, low business IQ and insecurity.

Table 5: Poverty alleviation

Responses	Variables									
	Staff recruitment is done from the community to create employment opportunities.		I sponsor poverty alleviation programmes in the community		I donate some food stuffs to deserving families in the community		I give bursaries to deserving students of the community around business		I support community projects in my area by purchasing their products	
	N	%	N	%	N	%	N	%	N	%
Strongly agree	33	14.4	16	7.0	19	8.3	11	4.8	56	24.6
Agree	132	57.6	98	42.8	64	28.1	65	28.4	119	52.2
Not sure	46	20.1	56	24.5	62	27.2	67	29.3	28	12.3
Disagree	15	6.6	48	21.0	62	27.2	70	30.6	24	10.5
Strongly disagree	3	1.3	11	4.8	21	9.2	16	7.0	1	.4
TOTAL	229	100.0	229	100.0	228	100.0	229	100.0	228	100.0

On a positive note, it was revealed that entrepreneurs do support community projects by purchasing their products. Char, bin Yaso' and Hassan (2010:67) acknowledge that SMMEs are recognised in many countries because they offer employment opportunities to job seekers. This could align with a situation where stocks are procured from the community as raw materials, which is an avenue to flourish domestic economies.

5. Testing the reliability and validity of the scales

Table 6: Reliability

Constructs	Cronbach alpha's
Financial Knowledge	.815
Identification of business opportunities.	.565
Level of computer literacy	.788
Environmental awareness	.705
Poverty Alleviation.	.667

Financial knowledge, computer literacy and Environmental awareness have excellent reliability because their Cronbach's alphas are above .7. This means that each construct is measured at least at 70%. For example, the items used to measure financial knowledge measure it at 81.5%. The table above also indicates an acceptable reliability (.667 > .6) of the construct Poverty Alleviation. However, there is a reliability concern regarding the construct Identification of business opportunities as its Cronbach's alpha is below the acceptable threshold (.6).

All the items used to measure the study variables; financial knowledge, identification of business opportunity, level of computer literacy, environmental awareness, and poverty alleviation had convergent validity as all their corrected item-total correlation coefficients are above .5.

6. Conclusions

Many SMME managers agreed that their understanding of finances has tremendously contributed to their business achievements. As stated by the respondents, their financial knowledge has helped them establish the business and sources for capital outlay from appropriate institutions, agents or relatives to boost financial strength to be potent enough to deal with the business' monetary matters. In addition, the managers' proficiency in financial administration has enabled them to keep and update business records on which decisions can be made for future projections.

The responses from the respondents revealed that managers could take advantage of events of occurrence to business' advantage, such as an increase in population as an avenue for business expansion; persistent rise in cost of goods and services for profit realisation purposes; choice of business location having observed the concentration of customers; selection of suitable advertising media for the business; and taking advantage of inadequate services rendered by competitors in the same line of business to the community. However, at this stage, a manager or business owner must be cautious, as a wrong perception of ideas, facts and information can be hazardous to the business's establishment, growth and survival.

Concerning the level of computer literacy of SMME managers in the eThekweni Municipal Area, a majority believed that they are competent enough to instil knowledge of information technology into their businesses for efficiency purposes. They affirmed that their computer literacy has reduced their workload; boosted their work efficiently and made it fast; helps keep the work records; contacts a broader range of existing and intending customers through IT and mobile networks; and secure their businesses against fraud occurrences.

On whether SMME managers can cognise environmental changes that affect their businesses, the study's findings revealed that most respondents believed that managers, operators and business owners can take cognisance of environmental changes that affect their business operations.

Concerning the attitude of managers in the eThekweni Municipal Area towards poverty alleviation, poverty is a leading factor that propounds dominant issues, resulting in other reasons why people experience unfavourable environmental, social and economic imbalances. The facts gathered revealed that many entrepreneurs source their labour from neighbouring communities to alleviate poverty.

7. Recommendations

Based on the findings of this study, the following recommendations are made to the entrepreneurs.

SMME managers, business owners and operators are recommended to have sound and quality education to boost their effectiveness regarding knowledge, skills, attitude, behavioural character, evaluation, values and even professional competence that build business opportunity. In addition, educational knowledge will allow managers to be proficient in rational thinking and make essential decisions on risk assessment; problem identification with solutions; product advertisement; staff evaluation and assessment; work delegation; planning, and goal setting.

As SMME activities are one of the significant projections used by the government as a way out of the poverty experienced by individuals around the world, the government should endeavour through financial and non-financial institutions such as SEFA, SEDA, KHULA and NTSIKA enterprises and others to brighten ideas of the existing and potential entrepreneurs on managerial competence and how to handle financial and operational matters in SMME businesses. The aim is to relieve the government of heavy burdens placed on job creation by the unemployed masses and, thus, reduce barriers to the equitable distribution of natural resources and unfavourable economic prosperity that people experience in the environment where they live.

Finally, the government should promulgate laws that will favour SMME businesses and remove other limiting barriers such as tariffs; fines; rates and penalties; subsidies; and deregulation of trades. This is to enable SMMEs to activities to wax stronger and function at both local and international levels. If all these requirements can be met, the problems affecting the competence of SMME managers will be curbed, if not eliminated, and SMMEs will be able to function as agents of sustainable development in the community where they serve.

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Competing interests

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