ANALYSIS OF THE EFFECTS OF GOVERNMENT SUPPORT FOR THE SURVIVAL OF
SMALL AND MEDIUM BUSINESSES IN SOUTH AFRICA

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Approval of the Thesis

ANALYSIS OF THE EFFECTS OF GOVERNMENT SUPPORT FOR THE SURVIVAL OF SMALL AND MEDIUM BUSINESSES IN SOUTH AFRICA

This Thesis by Kudakwashe Duncan Chingono has been approved by the committee members below, who recommend it be accepted by the faculty of Unicaf University in Zambia in partial fulfillment of requirements for the degree of

Doctorate of Business Administration (DBA)

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Abstract

ANALYSIS OF THE EFFECTS OF GOVERNMENT SUPPORT FOR THE SURVIVAL OF
SMALL AND MEDIUM BUSINESSES IN SOUTH AFRICA

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SME businesses in South Africa contribute 32% of the gross domestic product and 90% of formal employment. The South African government introduced the National Development plan aiming to reduce the high unemployment rates, through the SME sector and the SMEs would assist in the alleviation of poverty and inequalities in the country. Problem statement is that the SMEs fail at very high rates in South Africa, which is of great concern. The research intended to investigate and understand the reasons of the high failures of SMEs in South Africa and how Support from the South African Government affects the failure or success of the SMEs. The research used mixed methods research using the grounded theory approach based on Resource-Based View and Institutional Theory to investigate what are the reasons for failure of SMEs in South Africa. Mixed methods study affords the understanding of complex issues with triangulation and convergence of findings which is essential for reliability and trustworthiness of research. SMEs crash because of different reasons such as lack of finance, including delayed payments, absence of management principles, not receiving enough support from the government and corruption. The findings of the research were converging and provided recommendations that included government to enable support and access of information to SMEs, reduction of corruption, facilitation for the training and development of SMEs and other recommendations for future research were provided.

Keywords: SME, mixed method, grounded theory, delayed payments, corruption and lack of government support, lack of finance, Resource-Based View and Institutional Theory.

Declaration

I declare that this thesis has been prepared and written by myself and has never been submitted in part or as a whole in any previous applications of my degree or any other publications. The thesis is composed completely of my own work without any use of AI at any given point.

AI Acknowledgment

Non-Use of AI:

I acknowledge that I have not used any AI tools to create, proofread or produce any text or ideas related to any draft or final versions of the thesis.

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Dedication

My dedication goes to my friend and mentor Mpumi Mguni whose support and encouragement and guidance during my MBA was unwavering. We had agreed and committed to going through the Doctorate program together. With him passing away as I registered to start and prepare for his registration, I committed myself to finish this as we had promised each other. May his soul rest in peace.

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CHAPTER 1: INTRODUCTION

Introduction

The research seeks to investigate and understand why small to medium businesses (SME) fail at high rates in South Africa. The research topic is the analysis of the effects of government support for the survival of small and medium businesses in South Africa.

The general objective of the study is to examine and analyze the reasons for the failure of small and medium businesses in South Africa and the effects of government support on the survival of small and medium businesses in South Africa. Other specific objectives are to;

(i)   Identify the effect of the South African government support on the survival of small and medium businesses in South Africa,

(ii)   Examine the effect of the South African government assistance on the small business entrepreneur's start-up training in South Africa,

(iii)   Determine the effect of entrepreneur's knowledge and skills on success of SME businesses in South Africa,

(iv)   Find the problems and issues faced by SMEs that eventually lead to their failure

(v)   Identify the effect of business practises on SMEs in South Africa.

South African small business (SMEs) failure rates have been noted to be very high when comparing it to other countries in the world and other developing countries. It is important to research and study SMEs to understand why they fail in South Africa because they do not only act as high employment creators but contribute highly to the gross domestic product of South Africa. Statssa (2019) acknowledge the importance of SMEs stating that small to medium companies

contributed 32% of the total gross domestic product (GDP) of South Africa. 32% of the GDP represents 3,36 trillion as the amount that is contributed by the SMEs to the GDP of the country and is clear presentation of how big the SME sector is in South Africa. It must be noted that SME failures have gained much interest as a research area in South Africa and the world in general. The South African Government developed the national development plan (NDP) which must be achieved by 2030 and is looking at the SME sector as the main driver of the plan besides the high failure rates in this sector. Eze and Lose (2023) suggest that the NDP is party of the South Africa government policy and the NDP requires that in the next twenty years, most job creation opportunities should be provided by the small to medium businesses and that the NDP must enable and assist in the reduction of poverty and in equalities in the country. The NDP policy aims at introducing economic activities into previously disadvantaged communities of South Africa with the use of small to medium businesses as the driving vehicles. The failure of micro, and small and medium organizations rate is stated to be above 60% and, in some cases, rated at above 90% over long periods over ten years as will be described and illustrated in the chapters to follow.

The research problem statement is that there is a very high failure rate for small to medium businesses (SMEs) in South Africa. South African SME demise rates are considered to be the highest in the world. For any research to be useful it must be addressing a problem, so for a researcher to start on any research they must first identify a problem which needs to be addressed. Pardede (2018) suggests that the formulation of a research problem is like starting the foundation of any building to be built. Solving a problem starts with the identification of the issues, therefore research problem identification and design is the most important and complicated step for any researcher to complete so that the research can commence. MacMillan and Schumacher (2014)

state that a research problem becomes important if it assists in development of new concepts, knowledge, and practice. How important the research question provides the justification of the research, and the following conditions can make the research very important, (i) does it give rise to new knowledge, (ii) does it test some theories, (iii) does it provide more information in advances in technologies, (iv) methodologies, is it exploratory research or is it a current issue that warrants study. Smith at al. (2015) suggest that very general or ambitious research questions can be problematic, research questions should be clear and able to be linked to the outcomes of the research. In other words, they claim that research questions should be clearly defined and narrowed to a specific deliverable that can be achieved. The research problem or statement can be summarized as a brief conversation of the issue or thought concisely identifying the need for the research or study and value of the research or study.

The success rate of South African Small to Medium Enterprises (SMEs) start-up businesses is lower when compared to global standards as the failure rate is very high, even when compared to other African or developing countries. Leboea (2017) acknowledges that South Africa has the highest collapse rates of SMEs if compared to other developing or African countries. Cant and Wiid (2020) suggest that 5 out of 7 SMEs diminish in the first year, Bushe (2019) states that 40% of new startups crash within the first year and over 60% in the second year and 90% over the next ten years of starting operations, whilst the Government of South Africa view the SME sector as a very important sector as it accounts for 91% of formal employment in the country contributing to 57% of the country's Gross Domestic Product (GDP). Cant and Wiid (2020) suggest that the South African`s Government National Development plan (NDP) is centered around SMEs hence the need to find ways of assisting SMEs not to fail and to be sustainable in their endeavors. Eze and Lose

(2023) confirms stating that 50% of start-up businesses in South Africa collapse within their first year of operation, whilst 70% halt and not go past their 2nd year in operation and within the initial 10 years of operations 80% of the start-ups are found to have been unsuccessful. These are very high failure rates at all stages of the SME life cycles as stated by the author and provides a serious cause of concern as SME`s are seen as the drivers of the economy in all aspects. Eze and Lose (2023) suggests that small to medium enterprises' success rate is lower compared to all other global standards. Fatoki (2014) acknowledges that small and medium enterprises or organizations are an essential part of the South African economy, that might resolve the difficulties of unemployment, support economic growth and enable the national development plan but the enormous degree of catastrophes of startup of small to medium organizations, provides a depressed image for the idea of having small to medium business sector as a way for maintainable job creation, resulting in economic growth, which could result in reduced poverty in South Africa. Wagner (2013) quotes Bloomberg stating, eight out of ten small to medium organizations fold in their starting eighteen months. This proclamation is echoed by Fatoki and Garwe (2010) by stating that many businesses (SMEs) collapse in the year they are formed and start operating. The Covid-19 epidemic came with even more challenges that had adverse effects on the small and medium enterprises which were reported to be struggling in different media forums, despite all the relief packs that the government availed to try and save this important sector of the country. Failure of SMEs results in a deprivation of growth in the wide-ranging economy and jobs are lost instead of being created. As stated by Manuel (2011) that the country should generate eleven million jobs in the next two decades and nine out of ten new jobs will be generated in the small and medium organizations. Leboea (2017) acknowledges how important is the SME sector in South Africa stating that SMEs are the feeder lines for big businesses, that drives larger cooperates to continue operating and are

the engine that grows the South African economy. According to Eze and Lose (2023) the National Development Plan (NDP) which is part of the South Africa government development plan that seeks to have most of the jobs created in the small to medium enterprises in the next foreseeable future, estimating that for the next 20 years the small to medium enterprises will be the drivers of the NDP through increased job creation and enabling reduction inequalities and poverty in previously disadvantaged areas. Rual (2017) affirms the government position, stating that the National Development Plan anticipates alleviating the problematic issue of unemployment by generating eleven million jobs by the year 2030. This gives rise to the need for further research to discover theories and information that will assist the South African government to achieve the NDP goals by 2030 through successful and thriving SME sector. This is affirmed by Leboea (2017 p. 91) stating that "Additional research would be needed to determine how best to reduce the failure rate faced by SMEs in South Africa."

Methodology is unique for every research as it must be applicable to the research problem and to the situation or phenomenon being researched, Smith at al. (2015). Methodology refers to the approaches that will be employed for data collection, the sample or population to be used. Creswell and Creswell (2018) simplify the description of methodologies by simply putting it as the "the process of the research". The author's further state that research is primarily qualitative or quantitative research although some research uses mixed methods where there is a need to understand both the quantitative links between the variables and the need to discover the qualitative relations in depth. As stated by Brierley (2017 p.6) "combining questionnaires and interviews in a single research study brings together the advantages of breadth and depth associated with these two respective methods". Dawadi at al. (2021) concur stating that mixed methods

research provides the breadth and depth of data collected with the triangulation that it brings and convergence of findings from separate sources provides strong validation of findings there by producing outputs that can be trusted, (trustworthiness of the research study) and reliable (reliability of the research study), and generalization to the greatest extent possible to the population of small to medium businesses. It is important to provide the reasons or justification of why a particular method was chosen for the research, so that the purpose and fitness can be clearly understood by the reader and other stakeholders. For this study the researcher employed the mixed method research approach. Mixed method research involves the use of both quantitative and qualitative research methods for primary data collection and analysis. The reason for using mixed method approach is that the researcher chose to be flexible and elect to use both as they are appropriate to thoroughly interrogate the research problem and have through understanding of the research topic Brierley (2017). This is normally referred to as triangulation meaning having taken more than one method to use for the investigations that is derived from data that is from more than one source Bryman (2006). Bans-Akutey and Tiimub (2021) suggest that triangulation is encouraged in research studies as it enables the improvement of validity and credibility in research studies, as the use of different methods of data collection decreases bias and the reduction of bias in any research study provides for increased credibility and validity. Bans-Akutey and Tiimub (2021) assert the use of mixed methods and triangulation stating that the improvement of validity and integrity of any research study with triangulation enables the researcher to proceed with their research with complete confidence. Bangarigadu and Nunkoo (2023) suggest that use of mixed methods (qualitative and quantitative methods) and other models could strengthen the research findings. Brannen (2016) also suggests it is good in academic circumstances to use two methods as it provides different stages of examining for the exploration of different characteristics of the

same problem, using decisive and carefully considered different ways that add great depth and breadth to the analysis. Dawadi at al. (2021) agree stating that using mixed method research has become the native choice contemporary research as it complements through the use of both qualitative and quantitative research methods to serve for the ever-increasing complexity in modern research. Bryman (2006) further assets the use of the two methods as he said many other writers have noted that qualitative and quantitative research could be used at different phases of the research like (i) creation of the research question (ii) data collection (iii) sampling (iv) analysis of data. Furthermore, multi-strategy research papers mostly involve collection and analyzing of data using both qualitative and quantitative information. Combination of qualitative and quantitative represents mixed methods research which can result in

      a.) Triangulation which seeks to find the convergence, correspondence and corroborating points from the different methods,

      b.) Complementary seeks to enhance, elaborate, illustrate and clarify the findings of one method to the other,

      c) Expand as it seeks to strengthen the depth and breadth of investigation using different methods at different information points,

      d.) Initiative as it seeks to determine inconsistencies or contradictions and introduce new viewpoints and reorganization of questions or results from one approach with results or questions from the other approach,

      e.) Completeness brings the idea of wanting to bring together a comprehensive interpretation of the problem using both methods,

      f.) Explanation seeks to highlight that the other method is used to explain the findings of the other.

Bryman (2006) and Brierley (2017) and Doyle at al. (2016)

Problem Statement

The research problem statement is that there is a very massive failure ratio for SME businesses in South Africa. South African SME collapse rates are considered to be the highest in the world. The research topic is analysis of the effects of government support for the survival of small and medium businesses in South Africa. The purpose of the research or problem statement is to describe and unpack what the research topic tries to address, it provides the understanding and reason for the research or what does the research studies try or aim to resolve or address. Pardede (2018) suggests that the formulation of a research problem is like starting the foundation of any building to be built. Solving a problem starts with the identification of the delinquent, therefore research problem identification and design is the most important and complicated step for any researcher to complete so that the research can commence. Miles (2017) suggests that the problem statement expresses the problem and enables the identification of the variables that will be examined in the research study. A well-presented problem statement must present the underlying principles of the research study, employs evidence and to prove that there are compelling reasons for the issues or problems identified to be addressed. A problem statement must be specific and not make un necessary generalization statements, must identify the predominant questions and their variables, must provide the main thoughts and relations as well as set to provide the likely benefits to be provided by the study and the reasoning of the research study and should be able to answer questions such is the "so what" and they should not be trivial incorporated with needless jargon there by providing the foundation and strong basis for the research study to be undertaken Miles (2017). Almahameed and Alajalein (2021) suggest that the research problem statement is the principal subject that the study or the researcher is looking to explore, in other words the research problem is the important topic the whole projects intend to confront. Pardede (2018) states that the research problem must be clearly defined or presented in the beginning stages of research project giving the readers of the research the reasons why the research study is important and why it should be done. Pardede (2018)

articulates that research is an organized process of discovering the issues that are still known by everyone which is then referred to as the research problem or problems. Since the research problem provides the basis of any study it is very critical for any researcher to clearly identify the problem to be examined so that a great foundation is built for the success of the exploration. A good research problem must then have the following characteristics (i) clearly identify the problem to be solved (ii) identify the phenomena and situations that need improvement (iii) should be able to articulate if there is gap that exists in knowledge or scholar or researcher literature (iv) identify if there is theory that still needs eloquent understanding (v) is there some form of knowledge or opinions that are held in different places that still need to be validated or endorsed so that they can be applied in some known problems or issues Pardede (2018). Almahameed and Alajalein (2021) states that the research study`s problem statement should be clearly specified and never be neglected or not properly pronounced in any research study. Pardede (2018) concludes stating that a research topic is relatively a broad subject issue whereas the research problem identifies the specific issue that needs to be addressed. For this research study, the analysis of the effects of government support for the survival of small and medium businesses in South Africa, the research topic introduces the broader problem being the collapse of small businesses in South Africa and the problem statement should then articulate the specific issues of SME businesses (entrepreneurs) in South Africa, which in simple terms is the high rate of letdown of the small to medium businesses in South Africa. The failure rate of small businesses is considered to be too high and, in many cases, described as being the highest in the world, including other developing countries, besides all the support that the government is affording the sector, this becomes the highlight of the problem statement. It has been noted and observed that there are general high breakdowns of small, medium and Micro Enterprises (SME)s in South Africa. The literature evaluation below demonstrates the problem, and that additional research is required to appreciate and understand the analysis of the effects of government support for the survival of small and medium businesses in South Africa. According to Bushe (2019) collapse rate of SME in South Africa is over 70% within the first 5 to 7 years of starting operations. Moos and Sambo (2018) puts the demise rate at between 70 to 80% of SMEs across different sectors in South Africa. Bushe (2019) states the collapse ratio as 40% of SMEs collapse within the first year of their existence and 60% do not succeed in the second year and around 90% crash within 10 years of their existence. In his study Worku (2017) states that 40% of

the 1,058 businesses used in the study in the city of Tshwane failed within a 3-year period of their operations and that 50% of other SMEs in the City of Tshwane collapsed within 3 years. Saah and Musvoto (2020) argue that breakdown of SMEs in South Africa is one of the highest in the world with 75% SMEs crashing in the first five years. Iwara at al. (2021) state that 3 out of 4 SMEs collapse within the first 3 years putting South Africa amongst the highest countries with high failure rates for small to medium enterprises, suggesting that the high unemployment rate is also linked to the high letdown rate of SMEs in South Africa. Eze and Lose (2023) confirms stating that 50% of start-up businesses in South Africa stop within their first year of operation, whilst 70% do not to go past their 2nd year in operations and within the initial 10 years of operations 80% of the startups are found to have botched. Eze and Lose (2023) suggests that small to medium enterprises' success rate is lower compared to global standards.

Existing literature recognizes and ascertains these failures but very little is stated on what needs to be done to change the situation or a general agreement of the actual reasons for the letdowns is still to be reached. This research intends to provide some suggestions of actions that can be taken by the South African Government to assist the SME collapses and thus reduce the high breakdown rates if adopted and implemented. Saah and Musvoto (2020) suggest that the demise of SMEs can be attributed to poor management practices due to lack of management skills. Bushe (2019) suggests that it remains unclear as to why SME breakdown rates remain high and no sight or ideas that can be clearly stated as to how to change the situation despite all the efforts put in by entrepreneurs and other stakeholders. Iwara at al. (2021) suggest that the high unemployment rate is also linked to the high collapse rate of SMEs and that high breakdown rate can be linked to exogenous factors and mostly finance. Cant and Wiid (2020) suggest that the government of South Africa`s National Development plan (NDP) is centered around SMEs hence the need to find ways of assisting SMEs not to weaken and to be sustainable. Cant and Wiid (2020)

view the failure of SMEs as being because of calamity to adjust or management being unable to react and take appropriate decisions on the ever-changing business environments. Worku (2017) suggest SMEs in the City of Tshwane fail due to several reasons like nonexistence of access to finance, absence of evaluation and monitoring programs, the lack of entrepreneurial skills, inefficient municipality services, too much bureaucratic procedures and regulations, deficiency of good governance, absence of morals, lack of financial skills and in efficiencies in management and administration of license applications in the city of Tshwane. Further research is therefore required to understand the real reasons for small to medium businesses' failures and what needs to be done to correct or try and assist with the problem. If the real causes are studied and are clearly defined and understood policy makers and governments will be able to draft and have policies that promote the development and growth of SMEs, providing guidelines and frameworks that would assist entrepreneurs to understand and run their small businesses in ways that would enable their small to medium businesses to become sustainable and able to stand the test of time and not collapse.

The research formulated a new frame of information that would assist in getting in-depth understanding of the causes for failure of small to medium businesses and deliver business skills and knowledge that generates an atmosphere that enables small to medium businesses to prosper.

Purpose Statement

The purpose statement in research directs the development of the research study, it gives or elaborates the purpose of the research providing the scope of how the exploration will be done,

the methods that can be applied into the research and presents the direction that the study will follow. The purpose statement should be vibrant and brief and aligned with research questions and the research problem. The statement should be clear providing particular information concerning the variables and main concepts and what methods (research methods approaches) the research will use. Lim at al. (2015) describes the purpose of any research as that it provides direction, and the development of the research study and purpose statements act as signpost through which literature can be formed for the research study. The research pursues to determine the reasons of the failure of small to medium organizations in South Africa. This research employed both Quantitative and Qualitative methods to collect information from the participants. This therefore means that the research will use a mixed method research approach. Mixed methods research allows for the understanding and getting to the bottom of the researched issues as the two methods compensate for the weakness of one another there by producing results that are reliable if convergence is achieved. Taherdoost (2022) suggests that use of mixed methods research approach enables the understanding of complex issues in research. Jonsen and Jehn (2009) and Koyuncu (2019) argue that mixed methods research introduces triangulation and removes bias from the study as the two methods oppose each other and increases the reliability and the validity as well as the trustworthiness of the research outcomes. Survey questions and in-depth interviews will be done with small to medium business owners and managers in South Africa. The sample population will be SMEs owners, previous owners, and managers as they are or were involved in running the SMEs businesses and some of them could have had some failed operations and could offer valuable insights. Palinkas at al. (2013) and MacMillan J. and Schumacher S. (2014) describe this as purposeful or expert sampling which is a method that chooses people with experience and extraordinary knowledge about the question or problem under the study.

The raw data was critically analyzed and examined with the use of SmartPLS and SPSS (Statistical Package for Social Sciences) as well as the thematic investigation technique and was presented in graphs or tables or pie charts and in descriptive format. SPSS are combined application programs that are used to analyze systematic data that relates to social sciences. Thematic analyses are a way of analyzing data in qualitative research where shared themes and codes are identified, providing meaning that comes up recurrently MacMillan and Schumacher (2014).

The research will have a set of survey questions that best describe or answer how the participants feel or think about what the real sources for failure of SMEs are, and every participant will be given the same set of questions that they need to answer using the same format being Completely Agree, Agree, Not Sure, Disagree, Completely Disagree. These answers will have a weighting of 1 to 5 and will form part of the quantitative research and analysis. The qualitative part will be in-depth interviews, which will be done with participants providing the contributors with the opportunity to express their views on why and how SMEs fail, what they believe should be done to prevent them from collapsing. The in-depth interviews will be done in groups and on one-on-one settings where possible, with the use of technology using online tools such Skype, Teams, WhatsApp, and Zoom. The results of both the qualitative and the quantitative methods were analyzed for the purpose of finding clear links and uncovering issues that could be missed by the other method if one method was used alone as described in various sections of the document.

Purpose of the Study, Research Aims, and Objectives

Purpose of the Study

The purpose of the study and research aims and objectives are very important facets of any research project as they provide the latitude, complexity, and direction that the exploration will follow. Effective or good research aims and objectives outline to the reader what your aims are (what do you intend to achieve) while the objectives show how all this will be achieved. Singh (2019) suggests that the purpose of the research is very important as it provides the motivation for intending to go through the research project and this changes over time. The purpose of the study is typically categorized into three categories, which are (i) exploratory research, which is guided in studying the research questions and then research on the new issues that have not yet been investigated. Singh (2019) suggests that explanatory research enables effectiveness in identifying what is happening and examine the events and occurrences in a different perspective. (ii) descriptive research, it pays attention to contemporary issues by gathering information and data that is current, and (iii) explanatory research which is centered on exploration of underlying associations within the variables of the phenomena. The purpose of the research is to deliver findings that must provide clear and appropriate considerations of the reasons as to why to many SMEs fail in South Africa, especially in their initial stages of operating. Mixed method research approach was used for the study as it brings the two methods of research Qualitative and Quantitative together to provide greater meaning and understanding of the phenomenon. Mixed methods of research approach were adopted as it afforded convergence of the two methods being qualitative and quantitative research approaches. Convergence is very important if achieved in a study as it shows the coloration and agreement of findings of different methods used in the

investigation. Dawadi at al. (2021) affirms the use of mixed methods research suggesting that it has become the natural choice for contemporary studies as it uses both qualitative and quantitative research methods for purposes of complementing and catering for the ever-increasing complexity requirements of the modern-day examinations. According to Axinn and Pearce (2006) and Johnson at al. (2007) and Koyuncu (2019) and Creswell and Creswell (2018) mixed methods research provide exceptional circumstances to work with dissimilar data that is attained by the use of differing methods and grasp the following:

(i)   information or data found from one research method approach that could have not been identified from the differing opposing method.

(ii)   eradication of bias instituted by utilizing data or information from one technique source or method.

(iii)   outcomes that provide a decrease in non-sampling errors that are introduced because of the use of information or data from separate methods and sources.

(iv)   provides robust and better-off data, it affords the merging of theories and philosophies.

When the mixed methods approach is used it introduces extra reliability, validity and confidence of outcomes or findings because the two research types have contradictory disadvantages and advantages. Therefore, the errors of one research approach are amended by the advantages or strengths of the contrasting approach. For the purposes of getting precise or correct evidence, primary data should be gathered from the partakers of the study who should be SME business managers, or entrepreneurs and owners who should have worked with some small to SME operations that might have failed or are still operating.

The research was generally qualitative in character but utilizing some quantitative research method style to justify the outcomes or results from the qualitative approach. Interviews were conducted in an unstructured manner and structured questioners and surveys together with focused group conversations were used for the study. Focused group discussions, surveys, Interviews, and questioners were engaged with knowledgeable people with acquaintance, good understanding and experience within the SME sector and the problem statement being studying, hence purposeful sampling style was employed. MacMillan and Schumacher (2014) and Bungay at al. (2015). Etikan at al. (2016) describes purposive sampling as a process where the investigator selects participants who are willing to take part in the research by virtue of their experience and knowledge. Purposive sampling provides information rich participants for the exploration. Serra at al. (2018) concurs stating that purposive sampling approaches differ from other probability sampling approaches in that purposive sampling does not use generalization or randomness in participants selection but seeks well informed participants on the research problem so that chances of collecting rich data for the phenomena under the study are high. The author further states that purposive sampling is more useful because it chooses participants that are wealthy in information intended by the study. To this effect current business entrepreneurs and former business entrepreneurs, managers and ex-managers will be subjects of the research as they have experience and first-hand information in the operation of the SME businesses. They will provide accurate or relevant information that will assist in understanding causes of failures for SMEs in South Africa. The data will then be analyzed using the two different methods continuously during the research aiming to unpack the reasons for the failures of small to medium businesses from all angles and different forms of understanding of the issues.

The objective of using the mixed method research approach is to be able to:

(i)   Analyze, examine, and interrogate factors (behaviors, issues, practices and policies) that causes small to medium businesses (SME) failures.

(ii)   Understand and provide frameworks or ideas that could stop or reduce failures of small to medium businesses (SME).

(iii)   Provide evidence-based information to entrepreneurs, policy makers and government on how to mitigate small to medium businesses (SME) failures and promote viable and performing SMEs.

(iv)   Provide recommendations that are implementable that can reduce the high failure rates of the small to medium-sized organizations.

Research Aims and Objectives

The general objective of the study is to examine the analysis of the causes for the failure and effects of South African Government support on small and medium businesses in South Africa. Other specific objectives are to;

(i)   Identify the effect of the South African government support on the survival of small and medium businesses in South Africa,

(ii)   Examine the effect of the South African government assistance on the small business entrepreneur's start-up training in South Africa,

(iii)   Determine the effect of entrepreneur's knowledge and skills on success of SME businesses in South Africa,

(iv)   Find the problems and issues faced by SMEs that eventually lead to their failure,

(v)   Identify the effect of business practises on SMEs in South Africa.

The research aims of a research study must put emphasis on the extended period consequences of the study whilst the research objectives of the investigation pay attention to what the examination intends to do, what is required to be achieved by the exploration. Doody and Bailey (2016) states that researchers must be aware that research aims and objectives are closely related to the research questions. To determine the research aims and objectives the researcher must determine what are the generally long-lasting aims of the study so that they can be able to describe the real purpose of the investigation (what is it that they really want to establish or find out). Determination of research aims is a pathway of clearly defining the research objectives. If the research aims and objectives are then correctly defined and described at the end of the study, the researcher can then easily evaluate if the aims and objectives were achieved. Doody and Bailey (2016) suggest well defined research aims and objectives assist in the understanding of different phenomena that are complex, enable testing and generating new ideas, add to the body of knowledge in the area under the exploration and provide social, and organizational, and institutional influence and delivering knowledge to the intended stakeholders. The research aim is to determine the reasons of the failures of small and medium organizations in South Africa. The aim is to be able to provide some detailed analysis of these letdowns and how they come to be, their causes and how they result in business demise and find out if there is anything that can be done to reduce these high collapse rates for small to medium enterprises. Since the breakdowns of SMEs can be attributed to many different factors which on their own can be subject to research for them to be understood better. The research aims to provide a common framework that can bring

some understanding of the combined attributes together which could highlight areas that would need special attention and further research and clearly guide policy makers like the South African Government and entrepreneurs on best behavior's and ways of doing business that will promote sustainability and growth of the small to medium enterprises bringing the levels of the failures towards much lower levels than what is currently being experienced by the small to medium businesses.

Nature and Significance of the Study

Nature of Study

The study intends to investigate the effects of government support for the survival of small and medium businesses in South Africa. This is a complex phenomenon because there are various factors or issues that can influence the failure of any business organization. The complexity of the study calls for the choice of research method to enable the study such that it can interrogate complex business and social issues, and mixed methods research is one such method that can enable the interrogation of the complex issues. Sirvent at al. (2022) suggests that the importance of mixed method research is that since it combines qualitative and quantitative research studies the blend can introduce triangulation and convergence which helps in providing sound understanding of the different magnitudes of the complexity of the issues under the examination which then enables the findings and conclusions to provide solutions to the research questions and the research problem. Mixed methods research employ the concept of triangulation which is described by Noble and Heale (2019) as triangulation is method that is employed in intensification of validity and credibility of research findings and triangulation`s ability to interact with two different research approaches safeguards the removal of bias into the study as the two methods oppose each other whist at the same time triangulation enables the exploration and explanation of complex phenomena that then enables the investigator to provide balanced findings and conclusions to the

study. Mixed method approach was employed as it offers several advantages which produce results which are valid (validity) and trusted through convergence or triangulation (credibility). Proudfoot (2023) suggests that statistics and informational triangulation enable the assurance of mutual validity in mixed methods research if the data collected from different sources (questioners, interviews, and surveys) in one study are merged and analyzed providing similar meanings there by convergence or agreeing results are obtained. Dawadi at al. (2021) concur stating that mixed methods research provides the breadth and depth of data collected with the triangulation that it brings and convergence of facts from separate sources provides strong validation of findings there by producing outputs that can be trusted, (trustworthiness of the research study) and reliable (reliability of the research study), and generalization to the greatest extent possible to the population of small to medium businesses. Validity of results measures how accurately the used approach assessed the issues at hand and if the findings are closely related to the actual actions or activities being studied. Credibility refers to how believable or how trustworthy an exploration can be classified Noble and Heale (2019). The two notions of research validity and credibility bring other concepts like reliability which cannot be seen the same as credibility and validity as good research should provide all these facets, which this research aimed to provide. Ahmed and Ishtiaq (2021) state that validity in research is an instrument that is used for measuring how correct the data is and, or results of a study whilst reliability is measures or checks how consistent is the data or the results of the exploration. Therefore, Validity and reliability should be taken and known as very important impressions in research, that are used to evaluate the quality of examination which both stipulate how good was the methodology and data collection methods and the data analysis. Doyle at al. (2016) described Mixed method research as a method where research is conducted by collecting, analyzing and interpreting data using both qualitative and quantitative methods incorporating both approaches in many different forms and structures in the study with a specific strategy. This results in providing a method that achieves the following complementarity, expansion, development, triangulation (convergence), completeness and initiation. Similarly, Koyuncu (2019) described Mixed method research as a third method of research which combines the two research methods for several justifications and has been given different names such as multimethod, blending methods, integration methods and Multisim triangulation. Thus, bringing qualitative and quantitative methods in one study to enable validation of results by convergence

thereby strengthening the research and by overcoming the disadvantages or short cummings of using one method Noble and Heale (2019).

Mixed research methods were used for the study, as the convergence design of the Mixed Methods research will be employed. According to Pluye at al. (2018) convergence design is a process of successive, continuous, and persistent improvements of data gathering and evaluation that produces convergent results. Johnsen and Jehn (2009) Suggests that realistic explorations, like grounded theory and thematic explorations, can use mixed methods and many different sources in order to cancel bias and validate the findings.

Extensive interviews and surveys and we done with individuals and groups, online, over the telephones via WhatsApp and face to face with business owners (SMEs) and managers in South Africa. The (SME) small to medium business owners or entrepreneurs and managers were targeted because they had experience running these businesses and their valued experience could give insights into the reasons why (SME) small to medium businesses collapse in their early years of operation. This then detects that the research should formulate a proper sampling strategy that will ensure the correct participants are selected for the research as suggested by Dawadi at al. (2021) explaining that the researcher needs to resolve on who should participate in the research study and what will be the most appropriate criteria to employed for sampling purposes. Small to medium businesses are operated mostly by the owners and appointed managers who are the people who then should have the knowledge and understanding of how the operations are done or work, what are the challenges and obstacles that are faced during the SME operations. This provides or forms

the justification for this research study to use owners, entrepreneurs, and the managers of the small businesses as the correct participants for the research study.

Types of Purposeful Sampling

Expert Case Sampling was used for the study.

Purposeful expert sampling was hired in this research because the purpose and/or aim of the research was to gather data or evidence from the most appropriate participants with rich information about issues being investigated, which is the explanations for failure for small to medium enterprises in South Africa. Palinkas et al. (2013) and MacMillan and Schumacher (2014) pronounced the type of sampling describing it as purposeful sampling or expert sampling, which is an approach where subjects or members are chosen because they possess some superior knowledge and experience on the phenomena or problem that is being investigated. Mweshi and Sakyi (2020) describe purposive sampling as being based on the understanding that the study seeks to pick on the finest cases or participants who are well informed and best placed to address the research questions and problems. Mweshi and Sakyi (2020) state that for purposive sampling to be effective there must be very clear measures and justification of why the selected set of people (participants) or characteristics are desirable for inclusion in the research study. Similarly, Bungay

at al. (2016) define Purposeful sampling as a tactical selection of evidence rich cases or participants with wealthy information about the subject being examined. From the pursued small to medium business owners and managers Random Purposeful Sampling will be applied as stated by Harsh (2011) that even small samples of Purposeful Random Sampling can increase credibility of results. Participants were chosen randomly from all the provinces from all industry categories to avoid sampling bias as stated by Bungay at al. (2016) that after clearly defining the targeted group (SME owners and managers), data must be collected from varied locations. The research aimed to not only collect data from different locations but also collect data from many different sectors of the economy in South Africa so that the findings can be generalized to all segments of the economy. South Africa has nine provinces, and all the nine provinces were included in the study and only owners and managers (current and precious) of small to medium businesses were selected for participation in the study.

Simple questions which require a yes or no answer were designed using google forms, a free internet survey tool, that can assist in making it easy for participants to take part in the research. The process for participation in the study must be simple and not time-consuming so that participants will find it easy to participate and give valuable information as long-time consuming surveys deter participants from taking part in research. Emails were sent asking the subjects or participants to take part in the survey and it was clearly stated that participation is voluntary, and all participants will remain confidential as their particulars will not be disclosed or included in any part of the research. Participants were advised of their right to withdraw from the study at any given point and that their information will not be used if they choose to withdraw for whatever reason during the exploration period. The concept of informed consent was applied so that all

participants were expected to sign and return informed consent forms to show and validate that they have been informed of all their rights and their participation is voluntary. The survey was short and precise, not more than 15 minutes, encouraging participants to take the survey as it did not take much of their time. This formed the quantitative part of the research project.

In-depth Interviews were done, face to face or online using all the available online platforms such as Teams, Skype or Zoom and any other platforms which was preferred by the participants, employing open ended structured questions giving participants room to add any relevant information that might lead or assist in understanding issues that related to the high rate of failure for SMEs. Group discussions also followed the same nature of being open-ended structured questions and were limiting the discussions to the particular problem in question for the research being the examination of the reasons for the high failure of SMEs in South Africa. The researcher should develop or have good communication skills so that the interviews will be correctly moderated to avoid bias and deviation from the main theme of the research topic. Collected data and information were analyzed in some descriptive presentations for the qualitative research approach and were presented in tables, pie charts and graphs using software packages like SPSS (Statistical Package for Social Sciences) and SmartPLS Software for the quantitative research method approach. Typology Development or analysis involved data coding and thematic analysis as stated by Doyle at al. (2016) that Typology development; data analyzed with one method provides a structure for analysis of the other approaches data. Quantitative data gives the context to apply qualitative data. Coding matrix was developed which classified the central quantitative outcomes then explained them by explanatory qualitative data followed by thematic analysis.

Significance of the Study

For any study to be useful and generate interest from all stakeholders, the researcher must spell out the significance of the study to enable the reader and all stakeholders to understand the reason and rational for the examination. The research problem must clearly be identified and explained and evidence providing how important the research is, how the research will contribute to knowledge and policy formation, and future research must be provided. Clearly defined significance of a study will generate good interest from the readers and stakeholders to understand what the findings and contributions to knowledge that the research provided. Several authors and scholars including Bushe (2019) and Moos and Sambo (2018) and Worku (2017) and Saah and Musvoto (2020) and Iwara at al. (2021) and Cant and Wiid (2020) have noted the high failure rates of SMEs in South Africa and that South Africa as one of the highest SME closures in the world. Several issues have been identified as possible reasons for the high demise of the SME sector businesses but there is no common agreed cause for these high letdown rates, and the South African Government view this sector (SME sector) as very important sector in the country that would support the National Development Plan (NDP) yet there is no possible solution or advice on how to avert the high closure rates of the SMEs in the country. This research covered the identified gaps and provided some information that will be useful and helpful in assisting SMEs in South Africa to reduce their high failure rates and assist the government in attaining the NDP as required by 2030. The NDP describes the support of small businesses (SMEs) as a key factor to its success which could result in job creation and poverty alleviation which are serious problems faced by the

South African government. The research expected to provide information that would assist the South African Government and policy makers in tackling these issues as well as provide entrepreneurs or the business owners with important information that will enable them to avoid actions, practices, behaviors, or business decisions that can possibly lead to failure.

Further research in this area to find the reasons for the high failure of Small to Medium businesses in South Africa is required. Leboea (2017) concurs as he suggests that "Additional research would be needed to determine how best to reduce the high collapse rate faced by SMEs in South Africa." Bushe (2019) concurs suggesting that available literature does not show any agreement of what are the real causes for the breakdown of SME`s hence the difficulty to overcome these letdowns and further suggest a wide range of further studies to be conducted to assist in understanding the SME failures.

From the discussion above it can been noted that using only one type of research method such as qualitative or quantitative research method might not produce the required results hence it was appropriate to use the mixed method approach that could possible bring some understanding of the reasons for the high rate of closures of small to medium organisation, which provided useful information to all stakeholders being the government entities and policy makers, business owners, managers of SME businesses, scholars, researchers and the research indicated areas that will require further research to clearly understand the nature of the problem.

Research Questions and Hypotheses

Research Questions

Research questions assist the researcher in providing solutions to the research problems. Research questions are the tools that can be used to address the issues or problems that would have been identified through trying to understand a topic or phenomena via the studying and evaluation of available literature and knowledge in the particular area of study. The research questions should then lead to the development of new knowledge and theories in the area undergoing research. Research questions should be simple, clear and unambiguous. Doody and Bailey (2016) suggest that unambiguous research questions are very important as they form the foundation for formation of good research aims and objectives that can be indivisibly linked and set the boundaries by providing the limits to which the research study can stretch stressing which type of data can be gathered for the study. Once the research problem and research problem statements have been defined the researcher must formulate the questions and the hypothesis which provides the stage for the research MacMillan and Schumacher (2014). Research questions and hypothesis are normally founded by researchers epistemological, ontological, and axiological assumptions. The rest of the research is mostly planned to try and answer or provide solutions to the research questions and problems using the research questions and hypotheses that would have been produced. Leboea (2017) simplifies the aims of the research questions as, it is the motivation of the exploration showing what the study will want to achieve. Finfgeld-Connett (2018) argues that research questions normally emphasize exploring, describing and realizing the study ideas. MacMillan and Schumacher (2014) propose that the construction of the research questions in

advance might end up with a limited investigation, academics and researchers ultimately state the research question and properly define them or provide research questions that are not restricted to the how and what, from this understanding and reasoning the research questions can be modified continuously as the study progresses. MacMillan and Schumacher (2014) articulate that specifying research questions presents the investigator an opportunity to find clarity on what has to be done, affording attentiveness on answering the research questions, as such to resolve the research problem the researcher must construct research questions that when answered will provide answers to the research problem.

It, therefore, follows that the research questions must align with the research problem statement and the research topic and the studies objectives. The research questions will be listed below, and they will support the investigations for the research to provide findings and answers to the research topic and problem so as to achieve the research objectives.

Q1.) Does the South African government support have effect on the survival of small and medium businesses in South Africa?

Q2.) Does the South African government have any influence on the small business entrepreneur's start-up training in South Africa?

Q3.) Do South African entrepreneurs' knowledge and skills have any effect to run a successful business in South Africa?

Q4.) Do the South African business regulations have effect on the success factors for small to medium businesses in South Africa?

Q5.) What effects do business practices such corruption have on the small business' failure in South Africa?

Research Hypotheses

Hypotheses form the understanding of the research questions from the researcher's point of view with reference to the knowledge gained by the researcher from studying the phenomenon through literature reviews and other methods. Hypothesis assists the scholar to find testing points for the findings and outcomes of the study. Research hypothesis can be defined as a possible testable suggestion of a probable outcome of an exploration or problem and hypothesis gives a tentative justification of the problem enabling expansion of knowledge and gives direction of the research as well as structure for reporting the findings and hypothesis can be tested Mourougan and Sethuraman (2017) and Agee (2009). In addition, Mourougan and Sethuraman (2017) suggest that the initial step in research is not the observations or results but the creation of research questions and hypothesis which are testable in a critical manner with findings and observations of the study. The aim of research is not to verify the original hypothesis but to nullify the original hypothesis. The importance of hypothesis is to give a cautious explanation of the issue providing opportunity for generation of new knowledge and gives the researcher a coherent statement that is unswervingly tested by the study or exploration, and gives direction for the research, and provides background for presentation of the conclusions of the study and provides a functioning mechanism of theory building Mourougan and Sethuraman (2017). Hypothesis enables the researcher to organize the research approach enabling them to be focused and being purposeful and are very valuable in scientific examinations.

Below is a list of Hypothesis for the research.

HO_1 South African Government support on startup SMEs do not have effect on the survival of small and medium businesses in South Africa.

HO_2.) South African Government has no influence on the small business entrepreneur's start-up training in South Africa.

HO_3.) South African entrepreneurs' knowledge and skills on business management have no effect on the running of a successful businesses in South Africa.

HO_4.) South African business regulations on payment periods for work done for the entities have no effect on the success factors for small to medium businesses.

HO_5.) Business practises such as corruption have no effect on the small businesses' failure in South Africa.

CHAPTER 2: LITERATURE

Literature Review

Literature review forms the basis of understating and finding the probable answers to the research question. Literature reviews provide some understanding of issues that are being looked at and form the basis of how research questions can be answered and how the study can be tackled using the relevant literature. This section will provide a comprehensive review of the literature of all aspects of small to medium business failures. The literature review will be divided into several section that will enable understanding of the research topic, the analysis of the effects of government support for the survival of small and medium businesses in South Africa. Lim at al. (2022) suggest that Literature review is a piece of every scholarity study, and that literature review is a synopsis of other studies of an explicit field which can be done for two reasons as part of a theoretical understanding of a experiential research or an autonomous study. The literature review forms or provides the conceptual framework and background to the exploration, giving readers information or background understanding of the research topic as described by other scholars (what knowledge exists in that special field or area). It helps provide a good understanding of the important concepts together with the essentials of any suggestion or assumption among the perceptions and thoughts of the research. For independent studies it becomes central to learning and provides the main backer of the study. Paré and Kitsiou (2017) similarly describe literature review as a very important part of every scholarity research, providing the background and provides an opportunity to identify gaps within the study area that the research intends to address. Literature review also gives the conceptual framework for the intended study supporting the causes

of the research problem to enable justification of the exploration and that it is possible to contribute to the body of knowledge and it also validates the research methods that can be used for the study. Templier and Paré (2015) concur stating that literature reviews act as the background of any experimental research or if for an independent study can provide beneficial knowledge to the subject. Literature reviews assist the investigator to gain good understanding of the subject or research topic on what is already known on the matter and how has been researched before and what are the main matters that are important for the study at hand, as well providing some context to the research and provide justifications of the research methods or approaches that will be used together with the tools. The independent type of literature reviews provides the purposes of the main study as there will be no primary data collection to be used for analysis. Templier and Paré (2015) suggest that literature reviews form an important part in providing references as centers of knowledge for dissertations for doctoral studies and new researchers as they join the fields.

In summary good literature reviews on any research or study must have the following elements (i) bring good understanding of issues and matters that are important to the study or research topic, (ii) evaluate if there are any research gaps within the area of study that still need to be filled and show the need for future or further research on the subject, (iii) identify and justify the methods and tools that will be employed for the research. (iv) identify and single out differences and similarities together with weaknesses and strengths on information in the available literature, (v) referencing or acknowledging the source of information or literature that was referred to in the literature review. Fink (2019) acknowledges stating that literature reviews must be methodical, explicit, and replicable ways of discovering, assessing, and analyzing of information and available body of knowledge produced by other academics and researchers. The

review must provide recommendations or conclusions based on actual information from other researchers and academics. García-Peñalvo (2022) concurs stating that, efficient literature reviews are logical means of distinguishing, appraising, and interpreting available information from other researchers and academics in a chosen area of study with aim of recognizing gaps in the information and further research in a specific study area.

The different sections of literature reviews discussed in this study will enable or provide background and understanding of the research question for this study and highlight areas where further research will be required by identifying gaps that still exist in the area of this study and the analysis of the effects of government support for the survival of small and medium businesses in South Africa.

SME Failures and the consequences

Failures of small to business organisations have far reaching effects to the entrepreneurs, and other stake holders such as investors and creditors and the employees. It results in direct loss of income to the business owner and the employees. SMEs are normally situated in communities, and the societies suffer when the SMEs collapse because of negative income to the business owner and the workers as the earnings that normally circulate in the community will seize to exist. The outcome is that there is less spent in the local economy of the groups and unemployment increases as both the business owners and the workers remain with no work, and all become unemployed. Investors lose the equity that they would have invested in the small to medium businesses resulting in losses or reduced wealth. The creditors remain unpaid, and this creates loss of returns to them

as well and these lost proceeds might also lead to them being without jobs as well, depending on the how much the futile SME operations could have botched to pay the creditors because huge amounts might affect the cash position of the creditors leading to their ultimate catastrophe. From the explanation above it is demonstrated that just one let-down of very small to medium organisation can have and these adverse effects which can translate to be huge in South Africa as the failure rate of the SMEs is recorded as being very high and one of the highest in world.

Most scholars agree that SME let-downs result in many serious consequences such as increased job loss rates in the economy, higher levels of poverty in societies that are affected, loss of revenue to both employees and entrepreneurs, lower economic growths as SMEs are seen as drivers of larger firms in many ways and probability of high crime rates due to advanced levels of unemployment to mainly youths. This is why it is important to research and understand why small to medium organisations collapse and particularly in South Africa where the failure rates are very high as compared to many other countries in the world. Eze and Lose (2023) propose that when small to medium businesses crash, occupations are lost, and small to medium business owners suffer economically, emotionally, and socially, manifesting in great emotional and sore experiences for themselves and their loved ones. These may lead to high social problems like suicide, prostitution, and increased crime rates. The economy is greatly affected as the gross domestic product reduces and may result in inflation going up and increasing poverty levels in the country and other economic effects being reduction in revenue collected by the government in the form of taxes whilst in the opposite direction government expenditure increases in the form of combating law breakers as crime rates increases. Eze and Lose (2023) adds that unsuccessful small to medium businesses reduces competitiveness in the marketplace as the market then gets

dominated by larger corporate companies whose pricing is normally high because of the operational structures and costs there by increasing the cost of living for the ordinary people. The seriously high failure rates of small to medium companies have serious effects discouraging other upcoming entrepreneurs to enter the market as their fear for their possible collapse grows because of the high atrocious statistics. In the same study Eze and Lose (2023) acknowledges the importance of small to medium businesses in South Africa and the world in general and states that there is still not enough studying being carried out to understand the problems. Bushe (2019) suggest several serious consequences that may result due to failure of small to medium businesses, such political issues when more people are unemployed, xenophobia, (financial losses) Banks and other creditors facing financial losses, directors and investors losing their investments, high un employment rates, direct and indirect effects to other stakeholders such employees and the families, suppliers and stigma from entrepreneurs who have had failed ventures more than once. Fatoki (2014) suggests that SME Failures could be disastrous to any economy as the SMEs are supposed to enable job creation, provide maintainable growth of the economy, provide for poverty elevation though distribution of income in poorer arears and are the engines for stimulating economic growth. Small to medium business diminishing do not just affect the entrepreneurs as they lose their businesses and assets but also have a high cost into the economy resulting in high job fatalities, decrease of income on both employer and employees, reduction in productivity and financial impact to debtors who do not get paid as a result. Although SME failure can be taken as learning point for future endeavours the cost to the economy is much greater and affects the Government's efforts to achieving the National Development plan (NDP). In a similar manner Ayandibu and Houghton (2017) advocate that SMEs play an important role in job creation, poverty elimination or reduction and alleviation of crime and contribute a high percentage of GDP (Gross

Domestic Product) in both developed and developing countries. Failure of small to medium organizations will effectively reduce employment creation resulting in high unemployment to the people, higher crime rates and growth in equalities and poverty levels as well as lower growth of economies GDP. Ayandibu at al. (2019) confer and acknowledge that the high failure rate of SMEs in South Africa are a challenge to the country and continue to hinder the economic growth and poverty elimination and job creation as SMEs are considered to be an instrument for the reduction of poverty and employment creation and address the inequalities that exist in the country from the apartheid error describing SME sector as a multiplier in terms of job creation. The multiplier effect is realized more in local communities as they have higher impact on resident spending than larger enterprises Ayandibu at al. (2019).

In contrast Adeleye et al. (2019) suggest SME failures create financial loses including psychological and social distress which is followed by a phase of logic making which introduces learning points that induce learning and entrepreneurs should take the failures as important learning points which should results in entrepreneurs having the ability to identify new opportunities and being knowledgeable from past mistakes and disappointments and that financial loses are experienced but should be seen as temporary let downs. Entrepreneurs should learn from previous mistakes and introduce measures that reduce financial losses that can lead to failure on their future business ventures. Careful considerations of why previous operations failed can lead to critical thinking, better planning, better controlling measures and innovation which is required and is very useful for SMEs to be successful. Dias and Teixeira (2017) suggest that many scholars see failure as a roadmap to success because they look at let-downs as a learning experience as entrepreneurs change their business practices in grace of their past disappointments. Corner at al.

(2017) consider effects and consequences of business failure addressing them at different levels which are entrepreneur's resilience and psychological bounciness which can be grouped back into learning experiences of failure at all the levels considering the experience that business went through during and after the setbacks and how new endeavours are then formed or created using previous experience and knowledge gained from previously abortive business ventures.

Alsaaty and Makhlouf (2020) Summaries consequences for SMEs failure as that it has economic, human, psychological and financial implications. The human implications are the that workers miss their jobs, projected future in come and any other benefits that could have accrued during the cause of the employment in the failed SME business venture, whilst the owners or the entrepreneur's dreams and visions are destroyed, and their careers vanished and their equity that was initially invested is also lost in many cases. The economic costs are that botched SMEs stop contributing to the economy's gross domestic product and economies or countries thereby have lower growth in terms of their GDP. This also result in government dropping in revenue as taxes will not be collected, reduced employment opportunities and low levels in production of goods and services in effected areas and communities. The psychological implications are SMEs setbacks maybe very long lasting to the entrepreneurs or owners although others recover from such psychological effects faster especially if they had established some other already operating business schemes, whilst other entrepreneurs take these as learning points quoting Dias and Teilxeira (2017) who said successful leaders in business did not start with accomplishments but continuously tried after waning until they become effective and profitable. As Nelson Mandela once said the important thing about humankind and life is the ability fail and lift yourself up again as looking at failure as learning a point is the beginning of success. Other entrepreneurs lose the

self-confidence, feel stigmatized for ever and end up changing careers trying to avoid further hindrances. This is one of the undesired effects of breakdowns in SMEs as such individuals will never reach their potential as their inner confidence is destroyed for ever. The other financial implications are that the owners or entrepreneurs lose the equity that was invested, some might declare bankruptcy and liquidation whilst others can choose to avoid bankruptcy through restructuring of debt and seeking new strategies to turn around the business. The other disastrous effects of business failure are that it can be difficult to have new owners with intentions to take over because of excessive or high debt that might be inherited if bought as going concern resulting in total loss and closure in the hands of the new owners as well.

Lee (2017) analyses the cost of failure for small to medium business and the impact it has on entrepreneurs including the behavior and decision making, acknowledging the negative and positive effects of the experience of business collapsing. The positive side is that it should be taken as an opportunity for learning for future success as entrepreneurs gain skills and knowledge that can be used in future business ventures. The negative effects are that entrepreneurs suffer costs that are directly linked to business failure. The price might not just be financial but can have emotional and social effects. Financial costs affect entrepreneurs in many ways as they directly affect their income or wealth which is reduced and, in many cases, they remain responsible personally for all the debts from the abortive business which can take years to repay back, that affects their lives and families as their survival income or money is taken away from them due to the mishappening. On the emotional side entrepreneurs with failed businesses would suffer from serious emotions like guilt, humiliation, pain, shame, grief, fear and anger. Emotional distress can be difficult to overcome in some cases and can cause other serious health issues like mental health in some cases. On the social side business interruption can have negative effects on entrepreneurs

that affect their private and social life like the breakdown of professional and personal relations which can end up in divorce and loss of other very close relationships that existed before the failure. Lastly, business collapse also affects relations with other stakeholders such as suppliers, investors, employees, and many other stakeholders who have interest in the business. On the effects of behavior and decision-making Lee (2017) suggest that higher costs of small to medium business failure is that it hampers entrepreneurs' actions, and which has led to policies to establish institutions that can reduce the cost of business failure such as the bankruptcy laws which are aimed at removing or reducing personal liability so that entrepreneurs can have a fresh start.

Theoretical/Conceptual Framework (Field/ Industry Description)

Introduction

Theoretical framework is very different from conceptual framework, yet it is found in many cases, that the terms are used as if they are interchangeable to mean the same thing, yet they don`t mean the same. Theoretical framework refers to what has been said by other specialists, researchers, and scholars on a topic or a subject which one intends to investigate. In other words, theoretical farmwork is the foundation that holds and supports theory in a study during research. Theoretical framework is not comprised of theory only but includes the plot and reasons concerning how the researcher connects the theory to the hypothesis of the study. Theoretical framework is founded using the problem statement as well as the research questions and the information obtained during literature review for the topic. Hypothetical structure then provides the models of how data collection can be done and how the analysis will be performed, the tools

and methods of analysis and how the findings can be generalized if possible. Whilst conceptual framework provides a coherent arrangement of concepts that are connected to assist in giving the researchers or philosophies in a study that are related to each other inside the academic context. Grant and Osanloo (2014) and Imenda (2014). Conceptual framework comprises of at least one or many theories used as a whole or in parts together with ideas and observed conclusions from existing literature. It is usually used to illustrate associations between ideas and how they connect with analysis in question and expresses the appropriate purpose of a research project, outlaying the process of exploration building together to provide comprehensive findings. Conceptual frameworks are normally formulated at the beginning before the research proceeds to data collection. Morwabe (2024) described conceptual frameworks as they demonstrate the anticipated associations concerning the variables, whilst providing the appropriate objectives of the process for the investigation laying out how they are connected to afford wide-ranging conclusions. Imenda (2014) further suggest that using deductive method in doing literature reviews usually uses theoretical frameworks whilst employing the inductive approach provides for the expansion of conceptual frameworks which can be developed into conceptual models.

Kivunja1 (2018) described theoretical framework as it is composed of theories articulated by specialists of the field which a researcher plans to study, which provides for basis or scope of analysis of the data and explanations of the findings, it should uphold, or back theory used in the learning. It must be noted that theoretical framework is not what the researcher thinks at the beginning of the research but a summary of what other scholars and experts expressed or concluded and how the investigator understands the theories and how they can be applied in their exploration to interpret their data. Similarly, Dickson at al. (2018) described theoretical framework as a

structure that is built on present or current theory in the field or special area to be studied by the proposed inquiry. It provides the foundation of the proposed study and provides accepted theories to base research investigations on. It is therefore important for researchers to build theoretical frameworks for the study they intend to undertake so that sufficient knowledge is gained and can be used in application for the study to be conducted and may assist in the data collection and analysis for the research. In this section some theoretical frameworks that relate to this study will be discussed.

Resource-Based View (RBV) Theory

The Resource-Based View (RBV) theory was primarily developed by scholars such as Wernerfelt (1984) and later expanded by Barney (1991), it offers a framework for understanding how firms can achieve competitive advantage through the unique resources and capabilities they possess. The basic tenet of the RBV is that not all resources are equally valuable, and those that are rare, inimitable, and non-substitutable can lead to sustained competitive advantages. This perspective emphasizes the internal factors of a firm, suggesting that the strategic management of resources is crucial for performance and longevity in the marketplace. The RBV has become a foundational theory in strategic management, particularly in analysing how businesses leverage their unique assets.

The assumptions of the RBV are critical to its application in understanding business performance. Firstly, the theory posits that firms are heterogeneous, meaning they possess different resources and capabilities that influence their performance outcomes Barney (1991).

Secondly, it assumes that these resources are not perfectly mobile; therefore, they cannot be easily transferred between firms, which creates a competitive landscape where some firms can outperform others based on their resource endowments Peteraf (1993). Additionally, the RBV assumes that the resources must be valuable, rare, inimitable, and non-substitutable to contribute to a firm's sustained competitive advantage, which highlights the importance of strategic resource management.

Despite its widespread acceptance, the RBV has faced several criticisms. One significant critique is that the theory may be too inward-looking, neglecting external environmental factors that can also influence firm performance Priem and Butler (2001). Critics argue that while internal resources are crucial, the dynamic nature of markets and competition means that firms must also adapt to external changes Teece (2007). Furthermore, the RBV has been criticized for its vague definitions of what constitutes valuable resources, leading to difficulties in empirical testing and application Newbert (2007). These criticisms suggest that while the RBV provides valuable insights, it may require integration with other theories to fully understand complex business environments.

In the context of small and medium enterprises (SMEs) in South Africa, the RBV explains the analysis of the effects of government support for the survival of small and medium businesses in South Africa by emphasizing the importance of resource management. Many SMEs in South Africa struggle due to limited access to financial resources, skilled labour, and technological capabilities, which are critical for sustaining competitive advantages Fatoki (2014). The RBV suggests that those SMEs that effectively leverage their unique resources—such as local

knowledge, niche markets, and innovative capabilities—are more likely to succeed. Conversely, those that fail to recognize and develop their resource base may encounter significant challenges, leading to high failure rates. This framework thus provides a lens through which policymakers and entrepreneurs can identify critical resource gaps and strategize accordingly.

Several studies have utilized the RBV to explore similar topics related to business performance and failure. For instance, a study by Makhitha (2016) examined the role of resource management in the survival of SMEs in South Africa, concluding that firms with a strong resource base are better equipped to navigate challenges and reduce failure rates. Similarly, a study by Moyo and Fashoyin (2018) highlighted the importance of human capital as a resource, arguing that firms that invest in employee development are more likely to achieve sustainable growth. These works reinforce the notion that the RBV is a valuable framework for understanding the dynamics of SME performance and failure in various contexts.

Supporting the RBV theory has several implications for understanding business performance, particularly in developing economies like South Africa. By focusing on the unique resources and capabilities of SMEs, stakeholders can better identify areas for support and intervention, such as enhancing access to finance, providing training, and fostering innovation Khalid et al. (2020). Additionally, the RBV encourages a strategic approach to resource management, prompting SMEs to build and sustain competitive advantages that can lead to long-term success Hoskisson et al. (2011). Overall, the RBV provides a compelling framework for assessing the causes of failure among SMEs and highlights the importance of strategic resource management in fostering resilience and growth.

Institutional Theory

Institutional theory, primarily developed by scholars such as DiMaggio and Powell in 1983, provides a framework for understanding how institutional environments influence organizational behaviour and decision-making. The basic tenet of this theory is that organizations are shaped by the rules, norms, and beliefs prevalent in their institutional context, which can lead to isomorphism, where organizations become similar over time due to external pressures. This theory emphasizes the importance of social structures and cultural contexts in shaping the strategies and practices of organizations, particularly in how they respond to legitimacy and stability within their environments Scott (2001).

The assumptions of institutional theory are foundational for its application in organizational studies. One key assumption is that organizations operate within a broader social context that imposes certain constraints and influences their behaviour Scott (2001). This theory posits that organizations are not only driven by market forces but also by the need to conform to social norms and expectations, which can lead to legitimacy-seeking behaviours DiMaggio and Powell (1983). Additionally, institutional theory assumes that these pressures can come from various sources, including regulatory bodies, professional associations, and cultural norms, thereby creating a complex web of influences that shape organizational practices and outcomes. Despite its contributions, institutional theory has faced several criticisms. One significant critique is its tendency to overemphasize conformity and stability while underestimating the role of agency and strategic choice within organizations Sahlin and Wedlin (2008). Critics argue that this focus on isomorphism may overlook how organizations actively negotiate and adapt to their institutional

environments, leading to variations in practices and outcomes Oliver (1991). Furthermore, some scholars contend that institutional theory can be too deterministic, suggesting that organizations have limited capacity to influence their environments or innovate beyond established norms Zucker (1987). These criticisms highlight the need for a more nuanced understanding of the interplay between institutions and organizational behaviour.

In the context of small and medium enterprises (SMEs) in South Africa, institutional theory provides valuable insights into the analysis of the effects of government support for the survival of small and medium businesses in South Africa. Many SMEs face significant challenges related to regulatory compliance, access to resources, and market legitimacy, which are heavily influenced by the institutional context Fatoki (2014). For instance, the pressure to conform to formal regulations can be overwhelming for small businesses, leading to operational inefficiencies or even closure when they cannot meet these demands Makhitha (2016). Additionally, the lack of support from institutional frameworks—such as financial institutions and government policies—can exacerbate vulnerabilities, making it critical to understand how these external pressures contribute to business failures.

Several studies have applied institutional theory to examine similar topics regarding SME performance and failure. For example, a study by Moyo and Fashoyin (2018) explored how institutional pressures affect the operational strategies of SMEs in South Africa, concluding that those firms that align more closely with institutional expectations are more likely to succeed. Similarly, research by Makhitha (2016) demonstrated that SMEs that navigate regulatory environments effectively can mitigate risks associated with failure. These studies underscore the

relevance of institutional theory in understanding the dynamics of SME performance, highlighting the importance of aligning organizational practices with institutional norms to achieve legitimacy and success.

Supporting institutional theory has several implications for understanding business performance, particularly in the context of developing economies like South Africa. By recognizing the influence of institutional environments, policymakers and business leaders can identify critical areas for intervention, such as improving regulatory frameworks and providing support for compliance Khalid et al. (2020). Moreover, understanding the role of institutions can help SMEs develop strategies that enhance their legitimacy and resilience in the face of external pressures Hoskisson et al. (2011). Overall, institutional theory provides a robust framework for assessing the causes of failure among SMEs, emphasizing the importance of navigating the complex interplay between organizational practices and institutional expectations.

Theoretical and Conceptual Framework

Conceptual Framework and theoretical frameworks provide the expected associations expected within the variables or the specifics of a research study, which are generally founded from available literature in the work to be undertaken. Theoretical frameworks can be classified as the knowledge or previous experience of the subject including the known theories and information that can be obtained through literature reviews. It is generally known that small to medium businesses have very high breakdown rates in South Africa. Failures of small to medium businesses are major concern for the South African government and the economy as small to

medium businesses are the major drivers of economic activity in communities and the country at large, contributing significantly to the gross domestic product of South Africa and enable the reduction of unemployment in the country as SMEs are known to job creators and the South African Government, National Development Plan believes the SMEs play a pivotal role in the achievement of the NDP by the year 2030. The fiasco of small to medium businesses remains a highly researched area in business studies as the SMEs form a very important sector of the South African economy. There are many research projects that have been done and findings presented for the research study of the causes of failure for Small to Medium Businesses (SME), though the topic remains an extremely discussed theme as too why many (SMEs) are still waning in South Africa, at a very high rates yet there are no useful explanations put across to offer sustainability of this very significant imperative segment of the South African economy. Seeletse (2012) proposes that the reasons for failure for small businesses (SMEs) are that business owners or entrepreneurs lack essential business management skills, do not have financial management knowledge and there is no infrastructure in the South African rural areas. The research presents a lot of gaps as it was concentrated only in a specific area or municipality town in South Africa Gauteng province. The investigation did not include some of the small to medium business (SME) sectors, henceforth it is difficult to generalize it for all small to medium (SME) business segments and South Africa as whole. Lekhanya at al. (2014) study was performed in five small rural areas in South Africa in the district of KwaZulu Natal. The examination covered most business sectors, and the results or findings were very comparable to those of the research done by Seeletse (2012), with few additional findings like lack of access to finance as part of the explanations for the catastrophe of small to medium (SME) businesses. The inability to get finance is directly linked to institutional theory as explained Scott (2005) and Sahin and Mert (2023), that institutional theory is based on

the character of the greater surroundings and how they affect organizational arrangements and practices. Organizational plans are not only influenced by their stakeholders such as the owners in cases of SMEs but by the conventional and informal atmospheres from where the firms operate from. SME failures are caused by elements such as in ability to raise capital and are directly linked to institutional theory. When support from government is found to be missing as expressed in the findings of the study it brings again the idea of institutional failure into the fore as SME collapse due to all these factors that linked to institutional theory. The literature review and findings of the study found corruption as another major reason for the demise of SMEs and is has become general knowledge that corruption is high in South Africa, as seen in the state capture cases where billions of rands have been lost through state capture. These environmental factors directly affect the workings of SMEs, and such the letdown of SMEs is highly linked to institutional theory and practice. The exploration presented a lot of research gaps as it only selected five rural areas in the provinces of Kwa Zulu Natal, this population does not correctly represent all South African small to medium business (SME) sector considering all other aspects like access to markets, infrastructure, and location, and the demographics of South Africa. Questionnaires that were used in the research, were noted as a drawback as applicants could not offer additional information that they felt can be necessary or would be required, this presented another research gap and highlights the need for using mixed method research as participants can be offered the opportunity to offer further materials that might be useful in understanding issues using mixed method research as open ended questions in interviews can be included in the qualitative approach. Fatoki (2014) studied extensively on a similar topic or research and presented findings that included lack of management ability and functional skills, no or poor training on staff, absence of customer relations, no sustainable chain supplies, expensive distribution costs, high competition, insufficient funding,

crime, and high costs of running businesses. The study presented bigger research gaps as it relied on using literature reviews and did not do any primary investigations with the business community or people who owned the SMEs. It is important to match theory with actual findings from data hence the need for primary data collection would have strengthened the findings that were presented and reduced the gaps in the research.

Bushe (2019) Suggests that about forty percent of new businesses do not succeed in the 1st year, of their existence, which is in the five stages of growth for business (existence, survival, success, take-off, and resource maturity) and around sixty percent collapse in their survival stage mostly in the second year and around ninety percent then stop within the first ten years being the success stage. Noting the importance of the SME sector to the South African economy besides these high failure rates, the study by Bushe (2019) used Pestel Analysis and literature Review as the main elements to conduct the research and could not give clear reasons for the letdown of entrepreneurship ventures and efforts in South Africa and Africa in general and goes further to state that there is still no agreed position of what causes failures of SMEs. The author suggests that catastrophe occurs within three frameworks or settings being the (i) business owner (ii) the organization or company (iii) the operating environment and that the list is endless for reasons that can be singled out for business fiascos and highlighted poor management or mismanagement, lack of finance and financial skills, deficiency of entrepreneurial skills, non-existence of industry experience, poor or bad marketing, not doing enough industry research and analysis and poor leadership and bad planning failing to understand business models, waning customer care and inadequate controls, not looking at competition, uncontrolled growth and unrealistic goals, absence

of government commitment, in adequate support for SMEs, corruption and crime and economic events as the major causes of failures. Bushe (2019) acknowledges further studies are required in the factors identified by his study and still extra studies are required using imperial evidence and not just literature reviews.

Ayandibu at al. (2019) used qualitative research and in-depth interviews were done with ten SME owners in KwaZulu-Natal South Africa, and the findings were similar in nature to some of the findings provided by other scholars suggesting insufficient training and illiteracy as the most important factors causing SME letdowns indicating more vigorous research will be required covering more areas and more entrepreneurs to conclusively conclude these as the reasons for failures that can be generalized to the greater population of South Africa. El Nemar et al. (2022) state that knowledgeable or skilled workers provide good results through the competitive and reputational advantages and that the resource-based view theory shows that skilled and knowledgeable workers provide excellent success features that can influence the success of SMEs which emphasizes the point that SME owners and managers must have the required skills to enable their organizations to be competitive and reduces the risks of collapsing. SMEs in South Africa fail because they lack this required and essential attributes offered by the resource-based view theory as the findings show that SME owners and managers lack essential skills and knowledge such financial, marketing and strategic planning skills. Resource based theory suggests that companies can reinforce their positions in the areas they operate by capitalizing on their strategic assets which does not only create value into the companies but enables the establishment and maintenance of the competitive advantages that are required in due course El Nemar et al. (2022). Using the resource-based theory Chumphong et al. (2020) suggest that SMEs must provide

competitiveness by providing resources and ideas that are very unique and will be difficult to copy and create good value for the organization, this can be achieved through training and skills development in SMEs.

Madzimure and Tau (2021) used a quantitative study to examine challenges facing SMEs in a municipality called Metsimaholo in South Africa. In their analyses, they acknowledge the high importance of SMEs to the South African economy in terms of Job creation, poverty alleviation and named SMEs as a gateway to economic freedom. They estimated breakdown rate for SMEs in South Africa at 75% in the first 3 to 4 years using 42 months as their parameter. Madzimure and Tau (2021) acknowledge the limitations of their research for being central to a municipality rather than a province or South Africa as whole, for better results that can be generalized, this again is a clear case to call for further research covering wide ranging areas so that the results can be understood much better and can be generalized to greater population of South Africa.

Gyimah at al. (2020) acknowledge the role played by SMEs in employment creation, economic growth and social cohesion and development, as well gross domestic product growth and the high failure rate. They used the Lussier model to investigate factors that could forecast breakdown and success rate of SMEs in Ghana. The authors used the model to investigate failures related to financial and management implications and modelled 15 variables for the study and suggested the modelled research was successful and approves the use of the Lussier model as acceptably accurate. The authors acknowledge that this model has not been used in other African countries, and this provides a research gap, and the researchers personal view is that this research does not provide accurate information on what entrepreneurs should do to avoid failure except

being an accurate predictor of collapse or success rates. Therefore, further research on actual reasons why SMEs tremble particularly in South Africa is still required. Bangarigadu and Nunkoo (2023) used similar research model the Lussier (1995) model and acknowledges the limitations of the model stating that the model seems to be quite accurate using those 15 models but it might not be correct to assume that the 15 models used in the exploration could correctly represent the modern business factors as it was developed many years ago and some technology could be required to be built into this model for it to correctly reflect the modern business challenges and the success and let-down factors. Bangarigadu and Nunkoo (2023) suggest that use of mixed methods (qualitative and quantitative methods) and other models could strengthen the study findings. Eze and Lose (2023) in their research acknowledge the high crash rates of small to medium businesses citing many other scholars as their examination was based on literature reviews. Their exploration had an extensive interrogation of issues affecting small to medium businesses and provided some recommendations that can assist in making the small to medium businesses more sustainable. Their research presents a gap in that it also referred to secondary data collection with review of available literature only without conducting and primary research on the consequences of failure to small to medium businesses and the challenges that they face. This suggests that further research in this particular area of SMEs is still required using primary data sources to get the experiences, feelings, and greater knowledge and understanding from the affected small to medium business owners and managers.

Saah and Musvoto (2020) used the quantitative approach in studying the management approaches that could promote business sustainability of SMEs in the Northwest Province of South Africa. This study concentrated on strategic management styles that could be employed to enable

SMEs success thereby preventing SMEs letdowns, their contribution is recognised but does not cover all aspects that could influence SME business failures and participants of the research had no option to indicate other areas that could course disappointments for the SMEs as it was limited to strategic management areas specified for the study and also covered one South African province. This provides for another gap as other provinces and other systematic and no systematic fiascos were not researched and need to be investigated with mixed methods to understand the issues better from both perspectives on the greater business population of South Africa.

In his research Makwara (2022), large firms as threats to small business survival in South Africa, the author acknowledges the limitation for using literature review only suggesting that more research would be required including primary data collection and the probable use of mixed methods. Findings from his study suggest that larger firms contribute to the high collapse rate of SMEs in South Africa as there is high risk for abusing advantages that bigger organizations have over SMEs and that the companies act should develop policies that protect SMEs capacities and that huge firms must commit to paying SMEs in time. Scott (2005) and Sahin and Mert (2023) in the studies on institutional theory concur with assertion that bigger corporations threaten the survival of SMEs as delayed payments from larger corporates and government result in the demise of SMEs as in this study it is noted that delayed payments are now very systematic in the business environment in the country. Makwara (2022) further states that additional research is needed in the study of why SMEs fail to also quantify the harmful practices from bigger corporates to SMEs, how SMEs growth is affected and what are the economic effects of these bad practices.

Conceptual Framework

       Conceptual Framework was employed to demonstrate the connections between concepts and how they connect and associate with the research study. The diagram below illustrates the conceptual framework for the research study.

INPUT	PROCESSES	OUTPUT
South African Government Financial, regulations and Training Supports. ------------ Business Practices. (Institutional theory)	Tax incentives offered Regulation Simplification Funding grants Business Incubation Centre Mentorship Program Access to network Startup Sustainability ----------------------------- Unfair competition tactics Nepotistic hiring practices Corruption Efficient dispute resolution Regular payment schedules Prompt vs Delayed payments	Affect survival, success and Sustainability of Startups of small and medium businesses in South Africa -------------- Affect Small business's failure in South Africa
South-African Entrepreneurship Knowledge. (Resource based theory)	Operational efficiency skills Strategic planning ability Marketing expertise knowledge	Affect running of a successful businesses in South Africa

Researcher's Conceptualisation, 2024

Theoretical and Conceptual Frameworks Conclusion

As stated by Kivunja1 (2018), it is important to build some theoretical frameworks for research as they assist in

(i)   Increasing credibility when using qualitative study and validity (internal) when using quantitative study,

(ii)   Increases the ability to transfer findings from qualitative study data and the generalization from quantitative study data,

(iii)   Improves confirmability of results when using qualitative study data and objectivity of the results when using quantitative study data,

(iv)   Increases dependability of results when using qualitative study data and reliability when using quantitative study data.

As stated by Dickson at al. (2018) theoretical and conceptual frameworks are important as they help researcher to identify the applicable research approach, analysis tools and engagements for the exploration review and enable study results or findings to provide good meaning and become generalized as well as show that the research is grounded in established theory from other scholars and specialists.

Imenda (2014) concludes that conceptual and theoretical frameworks signify a combined understanding of problems in the given study which assists the investigator to conclude or answer the research problem or question under the study. This has direct effect on choosing the correct research method to be used in the research and how the results will be interpreted.

Van der Waldt (2020) similarly suggest that conceptual frameworks are informed by theoretical frameworks to implant the philosophy and the epistemology and the methodology of the study and that the concepts and theories applied in the conceptual framework are therefore guidelines for the application of the theoretical frameworks identified.

Saah and Musvoto (2020) and Cant and Wiid (2020) and Iwara at al. (2021) and Moos and Sambo (2018) and Bushe (2019) and Worku (2017) acknowledge that South Africa is known to have the highest failure rates of small to medium businesses as compared to all other countries in the world and other developing countries.

Meaning of Failure of Small to Medium Businesses (SME)

Understanding what an SME is

Defining what is an SME can be a very complex task. SME can be classified as micro, very small, small or medium organisations. All the mentioned enterprises can be classified or grouped as SMEs. In South Africa the minister of small business development revised the definitions for SMEs and published a schedule according to the sectors and subsectors. Most scholars agree and attest to the fact that SMEs are drivers, and stimulators, and centres of innovation that drive economic growth and as such the high failure rates that are prevalent in the South African economy are not good for the country as they have far much greater effects to the economy and society in general.

Below is a table that defines SMEs as defined by the minister Lindiwe D Zulu in 2019 in South Africa.

Table 1

SMEs as defined by the minister Lindiwe D Zulu in 2019 in South Africa

Industrial Classification by sector and or subsectors	Enterprise class or size	Permanent Salaried employees	Turn Over of the Enterprise per year in Rand
Agriculture	Medium	51-250	≤ 35 million
	Small	11-50	≤ 17 million
	Micro	0-10	≤ 7 million
Quarrying and Mining	Medium	51-200	≤ 210 million
	Small	11-50	≤ 50 million
	Micro	0-10	≤ 15 million
Water, Gas and Electricity	Medium	51-200	≤ 180 million
	Small	11-50	≤ 60 million
	Micro	0-10	≤ 10 million
Construction	Medium	51-200	≤ 170 million
	Small	11-50	≤ 75 million
	Micro	0-10	≤ 10 million
Motor trade, repair and retail Services	Medium	51-200	≤ 80 million
	Small	11-50	≤ 25 million

	Micro	0-10	≤ 7,5 million
Wholesale	Medium	51-200	≤ 220 million
	Small	11-50	≤ 80 million
	Micro	0-10	≤ 20 million
Accommodation, catering and other trade	Medium	51-200	≤ 40 million
	Small	11-50	≤ 15 million
	Micro	0-10	≤ 5 million
Communication, storage and transport	Medium	51-200	≤ 140 million
	Small	11-50	≤ 45 million
	Micro	0-10	≤ 7,5 million
Finance and Business Services	Medium	51-200	≤ 85 million
	Small	11-50	≤ 35 million
	Micro	0-10	≤ 7,5 million
Social, communication and Personal Services	Medium	51-200	≤ 70 million
	Small	11-50	≤ 22 million
	Micro	0-10	≤ 5 million

Adopted *GOVERNMENT GAZETTE*, Zulu. L, 2019, p. 2.

From the table it can be noted that SMEs are generally categorized by their size (number of employees they employ) and the annual turnover of the organizations.

According to the Government Gazette (2019) a small enterprise is any separate and different business organization, combined together with all its branches and or divisions that might

exist which includes cooperatives, which are managed by a single owner or more predominantly doing business in any sector or subsector of the economic activities and listed in the Schedule and can be classified as a medium, small or micro organization as specified.

The National Small Business Act (102 of 1996) of South Africa provides classification of all the organisations that constitute SMEs, as an SME can be defined as an organisation which employs less than 200 workers with turnover of less than sixty-four million Rands per year and total assets that will be less than ten million Rands. Dabić at al. (2020) and aver stating SMEs can be defined based on the number of workers in the companies, total annual turnover, total amount of asserts and few other measurable with upper and lower limits of employees ranging from 5 to 250. According to the European Commission (2020) Small Medium Enterprise has different categories classified as medium sized, small and micro. The medium sized can have a maximum of 250 members, the small size can have a maximum 50 members, and the micro size can have a limit of 10 members. Furthermore, the OECD (2005, p. 17) defines SMEs as Small and Medium sized enterprises which can be non-subsidiary and independent firms which employ less employees compared to the given limit number. The most used maximum number being 250 employees, Both the European Commission (2020) and the OECD (2005) define the classes of SMEs in the same manner. According to the OECD (2005) financial assets are now used to define SMEs, However, the balance sheets for medium, small and micro should be less than EUR43 million. Berisha and Pula (2015) believe that SMEs are easily distinguished from large business by their quantitative number that classifies them according to medium, small and micro and at times defined as small businesses or small and medium enterprises they all refer to the same class of business, but the difference is in the degree of involvement. Hence SMEs are named by

describing words indicating the size which economists tend to divide them into categories by using quantitative measurable indicators.

Senderovitz (2009) defines SMEs as small organizations as compared to large corporations and further explains that SMEs play a very imperative role in the economy and account for above 95% of all firms, 60 to 70 % of total employment as they generate a huge scale of employment. Manzoor at al. (2021) agrees that SMEs are a fundamental tool for the economy and a major source of creating employment, alleviating poverty and creating wealth in developing countries and remote regions. Small and Medium Enterprises Development Corporation (SMEDCO) (2018) cited in Mashingaidze at al. (2021) define SMEs as a registered firm with l00 employees or less and a maximum turnover of USD830 000 with both annual revenue and capital value not above USD890 00 and SMEs are an essential sector in many high preforming countries because they foster economic growth and employment. Smit and Watkins (2012) explain that in South Africa, the National Business Act 102 of 1996 amended by Act 29 of 2004 classify SMEs into 4 classes which are (i) micro including survivalist, (ii)very small, (iii)small and (iv) medium enterprises. The difference in the categories being the quantitative number of employees.

The definition for SME as per South African Standards as defined by the Department of Small Business Development gazette of March (2019) can be summarized as a separate business organization composed of all its branches and subsidiaries where available including its cooperative establishments which is managed by a one or more owners, with businesses that are determined in the defined sectors from (i) micro (ii) small, (iii) medium organizations with numbers of people working in them that range from 0 to 250 with a maximum turnover of 220

million. The defined sectors in the gazette being agriculture, mining and quarrying, manufacturing, electricity water and gas, retail, motor trade and repair services, wholesale, catering, accommodation and other trade, transport, storage and communication, finance and business services community, social and personal services Government Gazette (2019).

Msimango (2023) suggests that SMEs are defined differently in different countries and regions, and they can be defined using the following parameters annual turnover of the SME, number of employees, assets held and capitalization. The Banking Association of South Africa states that The National Small Business Act (102 of 1996) who's goals are to offer for the establishment of the Advisory Body and the Enterprise Promotion Agency; that will give procedures and rules for state institutions for them to promote SMEs in South Africa; and to provide for matters incidental thereto. The National Small Business Act therefore defined SMEs as medium, small, very small and micro enterprises based on certain characteristics which are

Sector or subsector in accordance with the standard Industrial Classification,

Size of organization (small, micro, very small, medium),

Number of full-time employees,

Total annual turnover up to sixty-four million rand,

Total value of assets up to twenty-three million rand.

Defining SME Failure

Small to medium business failures can be very difficult to define as SME breakdowns can occur in many ways, some of which might not be classified as disappointments such sale of an entity whist it is a going concern, retiring of owners or relocation of the owners and some are true commercial letdowns such as bankruptcy, un able to meet operating costs and many others. To understand and bring meaning to the issue being understudied which is causes for the failure of Small and Medium (SME) organizations in South Africa. It is important to first provide clear meaning or elaboration of what collapse means in business terms and how an SME organisation can be classified as a failed SME. There is no one definition that can be singled out as the perfect definition for SME failure, scholars and researchers try to distinguish small to medium business crashes at times describing or using how the SME enterprise failed using different terms. Bushe (2019) states that there is no sole agreed description of SME business failure, which makes SME business fiasco a complex notion to define. There are many terms that can be used to subscribe the meaning of SME let-down such as bankruptcy, serious stress of financial difficulties in ability to pay loans, and failure to pay creditors, stopping of operations of a particular business unit without closing the whole business, organisations stopping businesses leaving losses to creditors, trade closed due to liquidation, either involuntary or voluntary, stopping operations completely to avoid further losses, organizations manoeuvres stopped because of commercial performance that is below organisational goals Bushe (2019). In summary Bushe (2019) tries to define SME business failure as insolvency where an organisation fails to pay due debt when it becomes due thus results in stopping of operations within a period of six to twelve months, as a result of either owner's

negligence or connected patterns developing and evading the owner's scrutiny or one decision that was taken wrongly or when owners misappropriated finances.

The author gave a simple definition of failure in business as an organisation or company that can be considered as having unsuccessful if stops operations due to it being unable to make profit or not making enough money that can meet and cover all its expenses. It then follows that an SME cannot be considered to have been botched because it's just not making enough profit but should be considered as a failed SME when it is not able to pay for its operational expenses as a result of waning to make profits or enough income that can cover its expenses and also resulting in the business deteriorating in payments to its creditors. There are many ways which SME letdowns or corporation failure is defined and described. The below paragraphs will examine, explain, and define what is SME or firm failure.

Dias and Teixeira (2017) Simply define business failure as when the company dies by making losses for creditors and investors. The authors detailed description of commercial fiasco is stated as enterprise crush happens when the corporation eventually stops functioning because of financial related reasons as a choice which can be due to the entrepreneurs deteriorating in achieving the expected results like poor growth, not enough profits, and general poor performance and not for personal reasons such retirement or relocation. Dias and Teixeira (2017) describe firm collapse as a stressful situation or traumatic event that can be in the form of financial losses, social cost, and psychological costs. Similarly, Corner at al. (2017) defined entrepreneurial or business catastrophe as termination of commercial venture due to inability of being economically viable and states that corporate letdown is not when operations are stopped for other reasons like retiring

or selling of investments for other the purposes of pursuing other opportunities. Corner at al. (2017) also consider business crash as a traumatic event just like Dias and Teixeira (2017). Bushe (2019) acknowledges the complexity of agreeing on single definition for defining commercial failure and described organizational failure as insolvency, stopping of operations of an organisation; when a entity becomes unable to pay what is due to its creditors when they are due and payable or when a company becomes bankrupt such that it cannot make enough money to remain liquid and maintainable looking at the long term and there by becomes impossible to operate. An organisation can be described as having been unsuccessful when all operations are stopped as results of default in meeting the expected performance or critical goals that can make the institution remain viable. Bushe (2019) further describes insolvency as a form of institutional failure where there is decline in revenue whilst expenses continue to rise to levels where the organisation cannot attract or get new funding including new dept.

Other scholars define and describe failure in many different forms such as Fang He at al. (2018) and Everett and Watson (1998) who try to describe discontinuance of business as a firm failure yet business that would have been sold or discontinued in some cases would have not been botched operations, but the owners had other reasons for discontinuing the trade such as making substantial immediate profits in selling a business whilst it is very profitable or just retiring. Bankruptcy is another definition yet again provided by scholars like Everett and Watson (1998) and Dias and Teixeira (2017) but the definition is not adequate because it excludes other unsuccessful business that did not go into bankruptcy because the owners closed the production after realising, they are not making profits before they could be declared bankrupt. Business failures are centred on ownership discontinuation and business discontinuity, where owner

discontinuity includes selling of the commercial venture for other reasons such as buying another corporate venture which could be considered as to be profitable which in the researchers view is not an enterprise failure because the sold business ventures could still be profitable and could have operated for many more years to come and business discontinuity which cannot be described as venture collapse because other dealings are discontinued for several different reasons such as retirement of business owners and enterprise title-holders just deciding to move into other commercial ventures and not that the business itself was failing or not profitable. Bankruptcy can be described as when a business liquidates all their assets to try and settle their debt and it must be noted that there are laws that govern how organisations can declare bankruptcy and the processes that should be followed to be declared bankrupt in business and bankruptcy laws are there to offer some form of protection to financially abortive companies.

Everett and Watson (1998) describe another form of business failure where an operating company is sold off to avoid additional losses and is sold at a loss, this reduces the losses to the shareholders as they recover whatever they can recover from the sale. This type of failure is a true venture collapse, but it is not commonly discussed. Everett and Watson (1998) called this type of business crash as liquidated or sold to prevent further losses. This is a true form of operational failure as owners or entrepreneurs who get to this stage acknowledge operational fall and are trying to manage further losses by selling. Everett and Watson (1998) discuss other forms of business failures such as "failure should mean in ability to 'make a go of it'". In this form of business failure, it is elaborated that the operations would have aborted to make enough profit for the owners and other investors but does necessarily mean total failure in some cases as the entity might continue to operate although it does not meet some other objectives of the stakeholders who

invested in the business. This definition does not fully qualify for commercial letdown as some stakeholders might be willing to take the knock and accept the limited returns coming through for as long as they believe a turnaround point will be reached when enough profits can be realised. Everett and Watson (1998) also discuss bankruptcy as another form of business failure and again it`s not a complete definition as some businesses fail by just closing or stopping operations without going into bankruptcy. Lastly Everett and Watson (1998) describe another form of enterprise failure as trade discontinuance, this definition or description does not fully qualify professional failure in that some trades are discontinued for many other reasons other than failure such as retirement, relocation or just deciding to venture into different opportunities that could be more profitable or of interest to the entrepreneurs having lost interest in that type of industry.

Amankwah-Amoah et al. (2021) described business failure as a state where an organization finds itself in a position where it cannot function sustainably resulting in forced closure and retrenching staff resulting in a market exit and simplifies it as trade discontinuity which is many situations is slow, or sudden death happens to an entity. Lee (2017) described business failure in many ways from a broad description of corporate collapse being when ownership is discontinued, these are businesses that closed because of being economically unviable, having difficulty to source further funds to keep the trade afloat and those that sell their venture to make profit and others to go into retirement or start other business ventures. The narrow definition of business failure by Lee (2017) is when operations eventually stop as result of insolvency and bankruptcy. Summarizing the definition of business failure as a business can be considered to have collapsed if there is a reduction in revenue with expenses that are rising to levels where insolvency is reached,

no new credit or equity can be sourced resulting in the entity being unable to continue with the operations with the current management or owners.

Adeleye at al. (2019) defined business failure as termination of business venture because it fails to meet the minimum requirements of the ventures viability as stated by the business owners. Gourinchas at al. (2020) describe enterprise crush as that organizations use simple business rules that an organization can remain in business for as long as the cash flows have the ability to cover the financial operational expenses or else the organization should seize operations meaning it becomes an abortive operation. The authors describe enterprise failure to try and distinguish between bankruptcy and actual organizational collapse stating that failure is not just when an organization is un able pay for their short term credits especially in critical situations like the COVID 19 pandemic but these should be classified as bankruptcy proceedings and business failure will be when an organization cannot to attract or get fresh capital to cover the operational costs and liquidation becomes the only reasonable and possible solution then operations stop as liquidation proceeds.

SME business failure can be summaries as it is when a business stops operations because it cannot continue to be sustainable with the operations and then closes, resulting in other stake holders having losses that are directly linked to the closure. Lee (2017) acknowledges stating that business failure is when a business is discontinued because of insolvency or bankruptcy because other forms of exit such as selling for profit and retirement do not suffer the effects of business failure and cannot be considered as commercial failure. Stake holders that can be affected by the losses of commercial fiascos include owners, workers or employees within the organisation,

suppliers of goods and services to the company, investors who had invested hoping to earn returns, investors might include the entrepreneurs themselves and other investors who could have put their moneys in the ventures, Banks and Financial institutions that could have advanced loans in different forms to the failed SME in some cases customers who could have paid for services that were not delivered because of the closure. The summary provides a clear picture of how SME failures can be defined and how destructive SME failures can be as they can affect many different stake holders hence the need for continuous research to understand and avert these SME failures as their effects cause distress to many especially the poor and the venerable communities which deeply depend on SMEs for survival in terms of income and service delivery.

Failure rates of SMEs in South Africa

SME failures are a general problem the world over and in South Africa in particular. According to Saah and Musvoto (2020) and Cant and Wiid (2020) and Iwara at al. (2021) and Moos and Sambo (2018) and Bushe (2019) and Worku (2017) South Africa is known to have the highest failure rates of small to medium businesses as compared to all other countries in the world and other developing countries. The businesstech.co.za states that South Africa is considered to have one of the biggest SME failure rates when compared to the rest of the world with every five SMEs out of seven waning during their first year as stated by the specialist advisory service (Director Cova Advisory Tumelo Chipfupa) Staff writer (2021). It is therefore important for further research to try and understand why South Africa in particular has this high rate of SME collapse rates. In contrast SME catastrophe rates in the European (EU) are considered to be much

lower with 17 countries studied in 2017 and the failure rate being considered higher than the great depression in the European Union (EU) during the COVID 19 period and the failure rate of SMEs is only recorded as 9% without Government Support for the SMEs and even lower with Government support Gourinchas at al. (2020). It is important to note the large difference presented between the EU countries and South Africa failure rates in general and probably in the United States of America. Compared to the American region, South Africa still features high with 20% of SMEs collapsing in their second and year and 50% fading after five years and 70% stopping within the first 10 years in the American region. Maclntyre (2020).

Olarewaju and Msomi (2021) suggest that South African failure rate for SMEs, is one of the highest in the world with a closure rate of 75% and that South Africa`s development of SMEs and entrepreneurs is still found to be lower than that of most developing countries. In an article in news 24 former minister of trade and industry in South Africa (Rob Davies) is quoted declaring that more than 70% of the SME businesses stopped operations within their first two years of operations Kriel (2020). Bushe (2019) agrees with these statistics on breakdown rates stating that 70% of SMEs fail in the first five to seven years in South Africa. The rate of collapse is generally high in South Africa as 70% is not a simple ratio that can be easily ignored from any angle anyone can take or consider. Olarewaju and Msomi (2021) acknowledge that SMEs form a very important sector for the South African economy and besides many other things they contribute to innovation which is required for South Africa to become a good industrial economy, yet the failure rate remains higher than that of many countries with over 5 out of 7 SMEs waning to remain in operation within the first year of operation. Rambaruth at al. (2021) urge that SMEs are at the center and heart of the South African economy contributing highly to the economy, yet they are

still faced with very high shutting rates and as such many are threatened with closure within their first few months of operation and 63% of the SME businesses stop operations in the first 4 years and 91% collapse in the first 10 years of operating and available data shows that between seventy to eighty percent SMEs crash in the 1st year of starting their businesses. Rambaruth at al. (2021), In their research for the construction industry they found that about 85% of the contracted SMEs that were graded as grade 1, and data showed that 90% of the SMEs mainly from the black entrepreneurs ended operations in the 1st 5 years of their existence. Results from their study showed that just about 28,2% of the businesses had been operating for between six to ten years, this again represents a high breakdown rate of 71,8% within the first six to ten years of operation. The authors acknowledge need for further research as they stated in their limitations to their study, is that it does not cover other municipalities or provinces of South Africa and do not represent the whole construction sector and other industries such as agriculture and manufacturing hence, they cannot be generalized for the whole of South Africa. Similarly, Madzimure and Tau (2021) view the failure rates for SMEs in South Africa as very high besides noting that SMEs are seen as the path to economic freedom and facilitators of the growth of the economy and employment creation and the government spends millions of Rands trying to support the sector yet 63% of the SMEs close shop in their first eighteen months of operations due to illiteracy, lack of knowledge in ability to calculate risk and many other factors. Eze and Lose (2023) provide the failure rates of small to medium businesses as that in South Africa as 50% of small to medium businesses end operations within the first year, whilst 70% do not operate past the 2nd year and around 80% are seen waning within 10 years of their operations noting that the success rate of small to medium businesses in South Africa is very low.

Worku (2017) suggests that 40% to 50% of SMEs crash within the first 3 to 4 years of operation in the City of Tshwane due to poor services and policies from the City of Tshwane suggesting that the city should have programs and training targeting start-up new businesses to stimulate growth and profitability and reduce letdowns. Adeleye et al. (2019) points to a high failure rate of SMEs that is estimated to be around 90% which shows the need for serious research required to reveal the enactment and consequences of SME breakdowns and that most research has been done in developed countries than in developing countries and that it is important to have research on SME failures widened to areas like sub-Saharan Africa which include South Africa. The Small Enterprise Development Agency (2021) acknowledges the high closure rate of SMEs in South Africa stating that the number of total SMEs in the country continue to decline at rate of 11% year on year representing a figure of 290 000 decline in SMEs recorded yearly. This represents a very high number of SME shutting down on yearly basis and being worrisome situation amongst the SMEs themselves. Msimango (2023) in his research indicates that twenty percent of small to medium businesses that start close shop in the first year, whilst thirty percent also fail in the third year of operations and on the fifth year 50% would have botched and around seventy percent waning in the first 10 years. Msimango (2023) provided many factors that cause failures for SMEs that included poor planning, lack of management and training, unable to do market research, deficiency of technology, absence of satisfaction within workers, and deficit in financial support and many others.

Table 2

SME Failure Rates for South Africa

Author	Failure rate in 1st Year	Failure rate within 5 Years	Failure rate within 10 Years
Mmbengeni at al. (2021)	40%	75%	90%
Cant and Wiid (2020)	71%		
Worku (2017)		40% to 50%	
Saah and Musvoto (2020)		75%	
Kriel (2020)		70%	
Bushe (2019)	40%	70%	90%
Madzimure and Tau (2021)		63%	
Rambaruth at al. (2021)	70% to 80%	63%	91%
Olarewaju and Msomi (2021)	71,4%		
Msimango (2023)	20%	50%	70%
Eze and Lose (2023)	50%	70%	80%

Authors computation 2023

The figures above represent very high and worrying failure rates for SMEs in South Africa looking at any time frame within year 1 to 10 years of operations.

From an international perspective and for the COVID 19 period Gourinchas at al. (2020) present that SME disappointments represent 3,1% of businesses waning the private sector in

Europe and that the industries that were most affected were entertainment, education, arts, food, and accommodation services. Seventeen countries across Europe were used as the sample for the study and these results show that SME breakdowns in other countries are not as high as it presents itself in South Africa. Considering the drastic effects of the COVID 19 pandemic SME letdowns in other countries remain reasonably low and do not even get anywhere nearer to the levels of South Africa, this depiction reflects the need for SME failure research targeted at South Africa to understand why the high catastrophe rates are a permanent feature. Ahmad (2009) provides the collapse rates for SMEs in Australia to be around 23% which is also much lower that for South African rates. In contrast Dewarajan and Sammani (2021) suggest that Malaysia has high failure rate which can be compared to South Africa as they state that SME fiasco rate in Malaysia is estimated at 60% and that there is evidence that most SMEs in Malaysia will stop to survive in the first five years after their startups going forward with effects of the COVID 19 pandemic adding onto the already high letdown rate in the country. Ahmad (2009) acknowledges the huge breakdown rates of SMEs in Malaysia stating that the crisis rates of SMEs is estimated at 60% and that the Malaysian government is taking different serious measures to try averting these collapses.

Causes for Failure for SMEs in South Africa

Scholars and researchers attribute the failure of SMEs to many factors and reasons and there is no agreement on any definite causes for the SME closures and the main question that remains and is still to be answered is, what are the core reasons of the catastrophe amid SMEs in the country Bushe (2019). Olarewaju and Msomi (2021) attribute the failure of SMEs to poor

financing naming it financial sustainability, their research was based on data collected from three hundred and ten respondents using quantitative research from the following industries agricultural, retail construction and manufacturing industries from SMEs in KwaZulu-Natal. Madzimure and Tau (2021) suggest that SME crashes are as a result of many factors which include inferior marketing, deficiency of management competences, being unable to get financing and manipulation of financial goings-on in business. The research was also done using quantitative methods and covered a municipality called Metsimaholo in the province of Free State. Rambaruth at al. (2021) suggest SME collapses are caused by poor planning, little or bad strategic planning and meagre implementation of the strategic plans. The study was done in eThekwini (Kwa-Zulu Natal Province with SMEs in the construction industry and used the quantitative approach. Bushe (2019) study was based on literature reviews attributed failure of SMEs were mainly caused by three elements which he categorized as environmental inauspiciousness, incompetence from the entrepreneurs and incapacity of the entrepreneurs and suggests further studies are required for these elements to be researched and assist in understanding further why there is the general high failure of SMEs. Saah and Musvoto (2020) research were quantitative and was done in the Northwest Province of South Africa and proposes that SMEs collapses are an outcome of bad management practices due to lack of management skills. Eze and Lose (2023) suggest that small to medium business fiascoes are caused by the scarcity of skilled manpower, not taking up the uses, and advantages of the new digital platforms, and the obstacle in access to finance or loans, and increased heights of corruption in the society and country, and the education system not equipping students with entrepreneurial skills, and having inadequate skills in finance, and the regulatory systems from government being unfavorable to the growth of small to medium businesses.

Iwara at al. (2021) suggest that SME failures can be associated with exogenous issues which are most linked to finance and access to markets as companies with the ability to raise enough resources and have done their market research were most likely to succeed, the study was done in Vhembe a municipality found in the Limpopo Province and employed the mixed method approach. Cant and Wiid (2020) advocate that SME collapses are a product of managements in capability to adopt and adjust to the continuous changes in the business environment and disappointment of marketing strategies and the study or research was done in most province of South Africa (Limpopo, Free state, Gauteng, Mpumalanga, KwaZulu Natal and the Western cape). Earlier studies by Smith and Watkins (2012) concur stating that SME Failures can be attributed to many factors that include poor management skills, lack of education and training or skills, financial effects due to high interest rates and the inability of entrepreneurs to learn (research) and understand what the market expects. Jayasekara at al. (2020) agree that breakdown can be due to many factors suggesting that SME crashes cannot be linked to a single or a few causes but to several types of reasons depending on the age and size of the business. The authors provide a long list of possible causes for business fiascoes such as unbeatable competition, inadequate staffing, lack of institutional support, wrong pricing, isolation, in ability to satisfy investor or principal stakeholders, stopping of operations because business performance is lower than the prescribed important thresh holds, failing to pay liabilities, waning profit for a period of 3 years, income does not meet expenses, absence of skills, the list is endless. Whilst Worku (2017) suggested SME closures are a result of lack of appropriate training programs that are aimed at freshly started businesses and bad or poor policies in the City of Tshwane that could assist new SMEs suggesting governance issues are causes for failures of SMEs in the City Tshwane.

Mmbengeni at al. (2021) suggests that there is absurd relationship between ethics and profitability of SMEs as they rely on their reputation to continue to survive but are faced with great temptation to practice some unethical decisions to survive as he attributes SME unsuccessfulness to unethical practices such as corruption, fraud, extortion, and corporate governance in general.

Table 3

Illustration of reasons for failures for SMEs from different scholars.

	Suggested Reasons for failures					
Author	Management Skills (poor)	Financial Reasons	Market Failure	Education and Skills	Governance	Other Factors
Bushe (2019)	Yes	Yes	Yes		Yes	Yes
Mmbengeni at al. (2021)	Yes				Yes	Yes
Smith and Watkins (2012)	Yes	Yes	Yes	Yes		
Iwara at al. (2021)		Yes	Yes			
Cant and Wiid (2020)	Yes		Yes			
Madzimure and Tau (2021)	Yes	Yes	Yes	Yes		
Rambaruth at al. (2021)	Yes					
Saah and Musvoto (2020)	Yes					
Olarewaju and Msomi (2021)		Yes				
Worku (2017)	Yes	Yes			Yes	
Leboea (2017)	Yes	Yes	Yes	Yes	Yes	Yes
Eze and Lose (2023)		Yes		Yes	Yes	Yes

Authors computation 2023

Covid 19 epidemic came with serious challenges and affected SMEs contributing to great SME let-downs because SMEs did not have high financial reserves and no financial capacity to survive the disturbances and shocks presented by the pandemic Gourinchas at al. (2020). The Small Enterprise Development Agency (2021) state that 14% of businesses that had been in operations for more than 20 years botched during the COVID 19 period, whilst 46% of firms with less than 3 years in operations aborted and 66% of SMEs that have been in operations for between 3 to 20 years winded up during the COVID 19 period. Most countries had to introduce several policies to try and save the SME sector both in developed countries as well as developing countries including South Africa. The incentives or initiatives given to SMEs as COVID 19 relief, assisted but could not change the gloomy picture of closure rates for SMEs in the country, as they continued to fail at very high rates. The Small Enterprise Development Agency (2021) acknowledge the toll that the COVID 19 pandemic had taken on the SME sector suggesting that most SME companies were now employing survival tactics to try and keep the doors open with 94% of SME that were surveyed stated that their turn overs contracted by between 50% and 75% during the lockdown periods and 90% of the jobs that we lost during pandemic were from the SME Sector. The tourism sector was hard hit during COVID 19 periods especially on the lockdowns as in the western cape areas which are normally driven by tourism activities with approximately 155 000 SMEs in the accommodation industry closing Small Enterprise Development Agency (2021).

Importance of SMEs in South Africa

SMEs are very important sector of the economy of South Africa, Cant and Wiid (2020) states that SMEs contribute 91% to the formal businesses in South Africa, with a contribution of around 57% to the Gross Domestic Product (GDP) and that National Development Plan (NDP) is mostly centred on the SME sector for job creation and tripling the country`s economy by the year 2030. Musabayana and Mutambara (2022) aver stating that SMEs are a critical part of the South Africa economy in terms of alleviation of poverty, creation of employment and are seen as drivers of economic growth. More than 90% of businesses in South Africa are SMEs that contribute to more than 50% of the GDP and employ more than 50% of the workforce. Madzimure and Tau (2021) acknowledges the significance of SMEs in the country stating that SMEs employ about 68% of formally employed people and are catalysts and drivers of economic growth and generators of employment. The Small Enterprise Development Agency (2021) states that 68% of all the jobs in the country are from the SME sector being 10,1 of the 14,9 million jobs as of the 3rd quarter for 2020 besides this number being a drop from previous year which was 77% of the total workers. Msomi and Olarewaju (2021) concurs stating that for an economy to have sustainable growth and a vibrant industry it needs a good and working SME sector. SMEs are drivers of innovation, creators of employment (70 to 80% of South African labour force are from the SME sector with total figure of around 5,6 million) and contribute greatly to the GDP of the country accounting to around 36% of the GDP of South Africa. Rajagopaul at al. (2020) acknowledges the prominence of SMEs comparing South Africa to European Union Countries (EU) in terms of backing to the GDP stating that SMEs in South Africa contribute 39% of the GDP whilst SMEs in the EU underwrite 57% of the country's GDP. Eze and Lose (2023) highlights the imperativeness of small

to medium businesses in South Africa stating that SMEs are employed as shapers of the country as they provide productive resources into the formally disadvantaged communities, decrease the levels of the very high unemployment rates and that small to medium businesses provide for over 50% of the gross domestic products of many economies including the developed world, and that two million four hundred thousand (2 400 000) small to medium businesses operate in South Africa despite the high failure rates and that small to medium businesses are the pivot and provide support to the economic growth of the country and great employment creators that contribute to the reduction of in equalities and poverty in the country. Rajagopaul at al. (2020) also states that SMEs in South Africa employ between 50% and 60% of the total country workforce, representing 98% of businesses in South Africa. Worku (2017) stresses the value of SMEs stating that 20% of exports in South Africa are from SME sector and that SMEs are a very valuable sector of the economy and country as they assist in eradication of poverty and unemployment. From the above, it can be noted that SMEs form a very integral part of the South African economy as the contribute to the GDP and employment figures significantly whilst at the same time are participators in all sectors of the economy including exports and innovation which in many cases are assumed to be done by larger corporates (exports and innovation), it is therefore vital to understand the reasons for failure for SMEs so that the necessary support can be provided were necessary avert the closures.

Ayandibu and Houghton (2017) suggest that SMEs are a critical part of the south African economy and are considered as the pillar and back bone of the economy that cannot be ignored as they provide for poverty reduction in communities, engine for growth of the economy, and form an central sector in development of the country, reducing crime rates as they employ more people in local communities in the country, boosting employment in local communities also leads to

higher equitable distribution of income, contribute to innovation and development of new products and the telecommunications industry was provided as an example were innovation from SMEs as they are widespread. Ayandibu and Houghton (2017) state that the SME sector is very eminent as it has the highest contribution number to job creation in most countries including South Africa. Fubah and Moos (2022) acknowledge the statue of SMEs, suggesting that SMEs are very significant to any economy as they are agencies of creating work, resulting in reduction of unemployment rates and a tool that generates wealth, promote development of innovation which provides a net result of adding value to economies. Ayandibu and Houghton (2017) agrees suggesting that SMEs provide innovation which in turn leads to industrialized, renewal and growth in economic recovery. In many cases SMEs provide environments that are labor intensive hence they provide more employment opportunities that result in greater opportunities for work and income generation within communities which have a net result or effect of reducing poverty in communities. It is estimated that SMEs provide seventy-five percent of all new jobs created in the country. The South African Banking association website states that SMEs are seen as drivers of an inclusive growth in the economy and estimate that ninety-one percent of formal businesses are SMEs which employ about sixty percent of the total labor force in South Africa and represent around thirty-four percent of Gross Domestic Product (GDP) of the country. The importance of SMEs to the South African economy has made the South African Government establish frameworks to support SMEs, which are.

> The National Small Business Act of 1996, which defines and provides provisions for SMEs operations and provided for the formation of National Small Business Council and the Ntsika Enterprise Promotion Agency (Ntsika),

Khula Enterprise Finance, which is entitled to provide security on behalf of SMEs to funders such as retail financial institutions and banks as well as giving loans to SMEs via its partner institutions.

The Banking Association of South Africa has several initiatives that are also aimed at supporting the SME sector which they view as very influential to the country. The significance of SMEs can be seen to take center stage as institutions which are not linked to the SME sector are seen to have special provisions like these initiatives for SMEs. The initiatives include.

(i)   Financial Sector Charter and BBBEE,

(ii)   Finance and Investment Committee – Credit Extension to distressed SMEs (a response to the global crisis) – NEDLAC,

(iii)   Financial Sector Program (FSP) – USAID,

(iv)   SME Financial Literacy – BANKSETA and FSP,

(v)   Risk Capital Facility (RCF) – EU fund admin by the Industrial Development Corporation,

(vi)   Stakeholder engagement – Gauteng Dept. of Economic Development, Industrial Development Corporation, Khula, Small Enterprise Development Agency, South African Micro-Finance Apex Fund, Development Finance Institutions, Department of Trade and Industry, and donors etc,

(vii) Research and Knowledge Management.

Fatoki (2014) states that SMEs are an imperative driver that addresses the problems of employment creation, constant economic growth, justifiable circulation of income and the stimulus of commercial growth of the South African economy.

In acknowledgement of the above the President of Business Unity South Africa (BUSA) is quoted by Liedtke (2019) in an article in engineering news stating that SMEs are a crucial element for inclusive growth in South Africa as they pay 6% of the company taxes, contribute over 20% of the economic gross domestic product (GDP) and more than 47% of the South Africa working population are employed within the SME sector. Reynolds at al. (2019) assert the position of SMEs in South Africa stating that SMEs contribute 22% of (GDP) Gross Domestic Product and that the National Development Plan (NDP) was introduced to try and develop and enhance the sustainability of the SME sector. Similarly, Mmbengeni at al. (2021) acknowledge the importance of SMEs urging that SMEs contribute the development of the economy, SMEs are seen as engines of the economy in many countries and that there is agreement within scholars of business entrepreneurship that SMEs promote economic growth, creation of employment, reduce poverty and inequalities within communities. It therefore means that SMEs are enablers of the National Development Plan (NDP) as poverty, unemployment and inequalities are the most imperative factors of the NDP as it aims at eliminating these problems and SMEs are structures that fight these three elements correctly at community level and the results filter directly to the people who the NDP want to address. Mmbengeni at al. (2021) aver the significance of SMEs in the health sector as they provide larger production volumes, innovation and increased exports as well as contributing around 52% - 57% of the GDP and 61% of employment statistics. The authors suggest that SMEs are meant to increase competitiveness in business and not just creating employment and general growth of the economy Ayandibu and Houghton (2017) and Fubah and Moos (2022) and Mmbengeni at al. (2021).

Statistics South Africa affirm the standing of SMEs in South Africa stating that they have been a lot of continuous job losses in South Africa with the unemployment rate rising to 35,3% in the 4th quarter of 2021 as per the survey they conducted Statssa (2022a). The report view SMEs as a catalyst to job creation as they require low capital injection and very flexible with ability to adjust to different changes in the environment and different customer needs as has been seen in the COIVD period with increase of home deliveries for customers in their home comfort seeing many jobs being created even in the lock down periods as SMEs innovate reacting to different environmental challenges. The significance and importance of SMEs is shown by the reaction from the government which introduced relief schemes for SMEs in order to save them from failure and continue to create employment and improve the lively hood of communities. It shows that the Government of South acknowledges and recognizes the value of SMEs and did not take time to save the critical sector from collapsing totally because of the COVID pandemic. High number of SME applications for the SME relief schemes were seen receiving over 35,865 applications for amount of R500 million Rands as stated by Statssa (2022a). This again shows the need for different studies and research to be conducted to highlight to Government and regulating authorities to understand what can be done assist in reducing the failure of SMEs as they are very vital sector of the South African economy. In another document Statssa (2019) acknowledge the worthiness of SMEs stating that SMEs contributed to 32% of the total DGP of South Africa. The government acknowledged the importance of the SMEs in 2020 by introducing a new bill, the National Small Enterprise Amendment Bill 2020 that would support SMEs so that they can grow by handling SME complaints and ensure that their disputes are resolved and that SME contracts are enforced to save them from unfair practices.

Diagram below depicts the importance and contribution of SMEs to the South African economy.

Small business generated 22% of turnover in the formal business sector
Percentage contribution to total turnover by enterprise size, 2019

Total turnover R10,5 trillion

Small 22%

Medium 10%

Large 68%

Source: Annual Financial Statistics (AFS), 2019
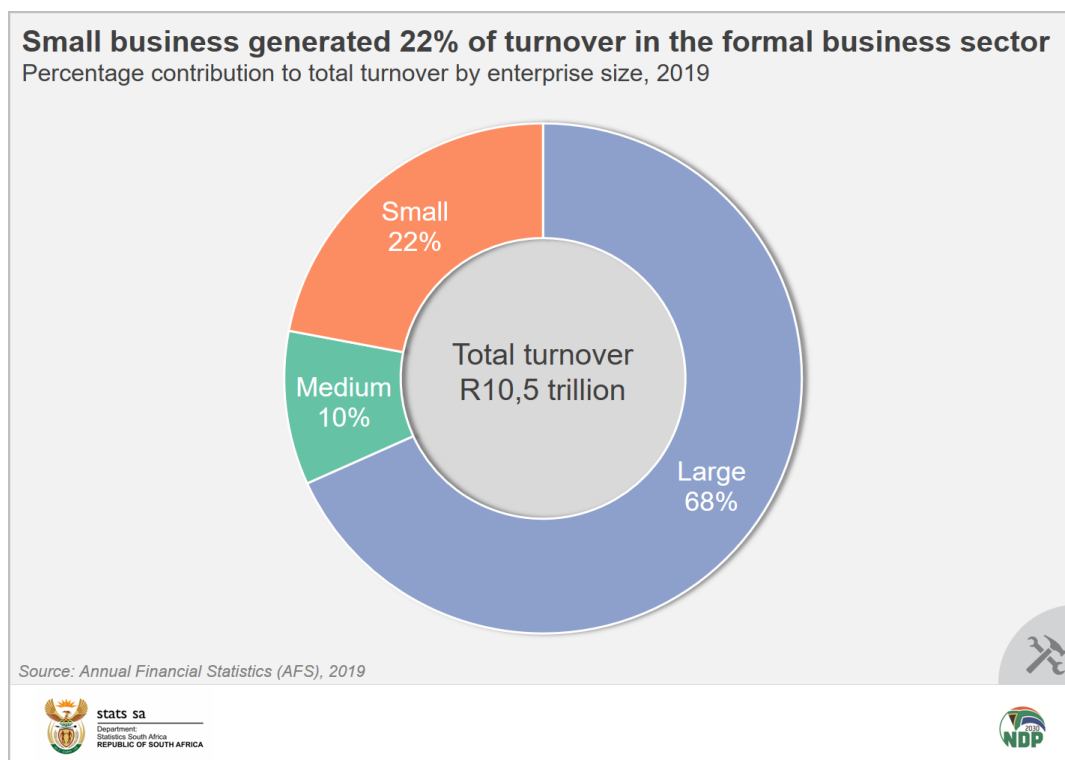
Small to medium enterprises are a chief part of the South African economy as majority of the black community live in the townships and rural areas which are not normally serviced by the large companies and therefore the small to medium enterprises play a major role in providing employment, goods and services within the reach of the communities as they are located within the communities. As part of South Africa's plan to achieve the National Development Plan 2030, the Department of Small Business Development in 2019 developed the SME Support Plan through the nine interventions aimed at providing business supporting infrastructure aimed at growing and creating businesses in those areas. The SMEs therefore provide a strategic platform for the government to achieve one of the main objectives of the Buy Local drive which seeks to promote the local supply chain within the community. The SMEs are important to the South African economy as the enable they government through the Department of Small Business development

to build an industrial base for both domestic and foreign markets. These objectives are achieved by supporting local producers of raw materials, upgrading the manufacturing sector to state-of-the-art factories that will produce export quality goods that are competitive on an international market. These are being made possible through the government's initiatives and support through business management training, technical skills and providing financial support as well as infrastructure support. Due to the significant role the SMEs play on the South African economy, the government through the Department of Small Business Development working together with Small Enterprise Development Agency (SEDA) and Small Enterprise Finance Agency (SEFA) to help SMEs grow and be more profitable by providing information, advise, referrals, tender information, import, and export training, business assessments, mentoring, technical support, funding and other relevant resources to ensure the small business do not go out of business Statssa (2019). The same document Statssa (2019) states that an average of 22% of the country's GDP was from SMEs being R2,3 trillion out of the total of R10,5 trillion and over ten million jobs were created through the SME sector. The vice president Sage Africa and Middle East were quoted trying to emphasize the significance of SMEs in South Africa saying "Small businesses are agile and resilient. They are used to fending for themselves and if their potential is truly unleashed, they can take South Africa's growth to a whole new level. Small businesses are tough, flexible and hardworking." Fin24 (n.d.).

Inequality is a vital factor to be addressed because of the historical in balances caused by apartheid that resulted in a society that is very un-equal and unjust, which naturally has direct effects on SMEs and how they contribute to the economy. The South African Government has noted and taken various actions to try and correct the inequalities and in balances because black

owned SMEs could not contribute meaningfully to growth and development of the South African economy. With these government intervention SMEs are very valuable for the South African economy where blacks and females have been excluded. Broad –Based Black Economic Empowerment (BBBEE) was introduced by the South African Government to increase participation and involvement of black owned businesses in the economy and female participation as well. Black owned and female owned businesses still have very high failure rates besides the introduction of the BBBEE policies which tries to enable SMEs as they are seen as important factors or contributors to the South African economy Irene (2017). Similarly, Musabayana and Mutambara (2022) acknowledge the position of SME organizations as tools for enabling the South African Government Black Economic Empowerment (BEE) programs and policies that help remove or reduce the in equalities of the apartheid policies and aims at equitable distribution of wealth and reducing inequalities, unemployment and poverty in previously disadvantaged communities and creating skills and human development in these communities.

From an international perspectives SMEs are very significant just as good as they are important in South Africa. Kalemli-Ozcan at al. (2020) suggest that in European Union SMEs account for 99.8% of firms that employ the greater population providing 65% of work in the private sector and 54% of the gross output within the same sector. Grondys at al. (2021) agree stating that SMEs are responsible and accountable for the growth and development of most countries and in the European Union, bringing a lot of benefits to the economies such as decentralization of industry and the economy, even development in different regions whilst being innovative and bringing mitigation of crises in the economy. 98% of companies are classified as SMEs in the European Union and employ around 67% of the working population and provide 58% of total value addition

whilst in Poland SMEs are responsible for 50% of GDP of that country Grondys at al. (2021). Gourinchas at al. (2020) concurs stating that from the countries that were part of the research 62,68% of employment came from SME sector, 65,50% of revenue from the countries used as samples were from SME sector and the SME segment asserts were 65,48% of the total asserts combined for all the countries that formed part of the sample. Gourinchas at al. (2020) describe the role and magnitude of SMEs in the European Union countries that were part of the study as an oversized role of SMEs trying to emphasize the role of the SMEs in these countries. Mihajlović and Stojanović (2019) describe the SME sector in Serbia as the largest sector of the economy with about 99,8% of operating organizations being SMEs that employ 66.67% of the non-financial sector suggesting that SMEs are notably biggest employment creators, reduction of poverty and minimizing in-equalities, provide great contributions to the GDP and are centers of innovation.

The status of SMEs cannot be taken lightly as it is shown above that they are important economic players in both the developing and the developed countries. Alsaaty and Makhlouf (2020) aver that SMEs are universally seen and accepted as the drivers of the world economy. They are honored for contributing significantly to all countries' GDP, innovation, employment and revenue collection through taxes. The authors provide a large list that shows the major benefits of SMEs that are ignored by other scholars listing them as (i) raises the financial and social positioning of entrepreneurs (ii) cover the gaps that is ignored or left by larger companies by producing goods and services that are needed within communities and society (iii) increases efficiencies in the market by introducing competition (iv) services offerings are improved by their ability to customize as per customer needs which cannot be easily done by large companies (v) assist in the increase of goods that can be exported (vi) introduce livelihood to poor regions and

communities (vii) they can easily adapt and react to environmental challenges that external (viii) their easier lines or channels for communication as they are less hierarchy (ix) they have ability to make and take decisions very fast.

The significance of the SME sector to the economy is again highlighted by the Small Enterprise Development Agency (2021) who in their report state that SMEs contribution to the economy rose up slightly from thirty-seven percent to thirty-nine percent in all the three quarters of 2020 besides the COVID 19 pandemic and lockdowns that took place although the SME share net prices fell to 39% from 44% over the same period. SME total share capital investments rose to 18% from 16% in the same period seen as total investments of all enterprises in the country. These figures presented were at a very difficult time and highlights how the SME sector continues to be a major economic contributor even in the COVID 19 pandemic and which was a difficult period. Small Enterprise Development Agency (2021) suggest that the SME sector remained a very vital segment during the lockdown periods especially in the fisheries and agricultural sector which saw more new SME enterprises entering the market during the COVID-19 pandemic phase.

Despite the high failure rates SMEs remain a very important part for the South African economy as they continue to increase in numbers as stated by Enterprise Development Agency (2021) which saw increase in number of SMEs in the fisheries and agricultural sector at the peak of the lockdowns and the COVID pandemic as well as was seen in the customer services sector the with increase in home delivery services as innovation from the SMEs, as people cloud not visit restaurants and other recreation facilities. More need to be done to investigate and understand how and why SMEs fail at such high rates and what can be done to reduce these massive collapsing

rates. The prominence of SMEs has been noticed to be a worldwide phenomenon as seen also in developed countries and not just in South Africa and the developing countries.

Government Support and Survival of SMEs

Bennett and Robson (2022) suggest that government support plays a crucial role in enhancing the survival rates of small and medium-sized enterprises (SMEs). Effective government policies can provide SMEs with the necessary resources and frameworks to navigate the challenges they face, particularly in competitive markets. Support mechanisms such as training programs, advisory services, and access to information can empower SMEs to improve their operational efficiency and strategic decision-making. Furthermore, government-backed initiatives that promote networking and collaboration among SMEs can foster a supportive ecosystem that encourages innovation, resilience and ultimately reducing the likelihood of failure.

Kumar and Singh (2023) argue that in addition to direct support programs, government policies aimed at creating a favourable business environment can significantly influence SME survival. This includes reducing bureaucratic hurdles and ensuring that regulatory frameworks are conducive to business operations. By simplifying processes such as business registration and compliance, governments can help SMEs allocate more resources toward growth and sustainability rather than navigating complex regulations. As such, strong government support not only provides immediate assistance but also lays the groundwork for long-term success and stability in the SME sector.

Means through which Government support SMEs

Funding Grants

Harrison and Mason (2023) allude to that funding grants are essential for the survival and growth of SMEs, particularly in the early stages of development. These grants provide financial resources that can be used for various purposes, including product development, marketing, and operational costs. Unlike loans, grants do not require repayment, making them a valuable resource for SMEs that may struggle to secure traditional financing due to limited credit histories or collateral. Access to funding grants can enable SMEs to invest in innovation, adopt new technologies, and expand their market reach, thereby enhancing their competitive edge and reducing the risk of collapsing. Baker and McKenzie (2023a) add that funding grants often come with additional support mechanisms, such as mentorship and training programs, which can further bolster the capabilities of SMEs. By providing not only financial resources but also strategic guidance, grant programs can help SMEs navigate challenges more effectively and build sustainable business models. This holistic approach to funding fosters a culture of entrepreneurship and innovation, ultimately contributing to the resilience and longevity of SMEs in a dynamic marketplace.

Regulatory Simplification

Smith and Lee (2023) suggest that easing regulatory frameworks is a critical factor in mitigating SME failure rates. Complex regulatory environments can create significant barriers to entry and operation for small businesses, often leading to frustration and resource drain. By

streamlining regulations and reducing compliance burdens, governments can facilitate a more conducive environment for SMEs to thrive. Simplification efforts, such as the introduction of "one-stop-shop" services for business registration and licensing, can significantly reduce the time and costs associated with regulatory compliance. This allows SMEs to focus more on their core business activities rather than getting bogged down by bureaucratic processes. Johnson and Patel (2023) add that regulatory simplification can enhance transparency and predictability in the operating environment, which is vital for SMEs planning their growth strategies. When regulations are clear and accessible, SMEs are better equipped to make informed decisions regarding investments and expansions. This not only reduces the likelihood of non-compliance but also fosters a culture of trust between SMEs and regulatory authorities. Ultimately, a simplified regulatory framework can enhance the overall business climate, encourage entrepreneurship and reducing the failure rates of SMEs.

Tax Incentives Offered

Nguyen and Tran (2023) states that tax incentives are powerful tools that governments can utilize to enhance the survival of SMEs. By offering tax breaks, credits, or exemptions, governments can alleviate the financial burden on small businesses, allowing them to reinvest savings into growth initiatives, such as hiring, research and development, and marketing. These incentives can be particularly beneficial during economic downturns when SMEs may face heightened financial pressures. By reducing tax liabilities, governments can help SMEs maintain cash flow and operational stability, which are critical for long-term survival.

Thompson and Chen (2023) support arguing that tax incentives can encourage SMEs to engage in socially beneficial activities, such as sustainable practices or community development. For instance, incentives for adopting green technologies can motivate SMEs to innovate while contributing to environmental sustainability. This dual benefit not only supports individual businesses but also promotes broader economic and social goals. By strategically implementing tax incentives, governments can create an ecosystem that nurtures SME growth and resilience, ultimately reducing the risk of business failure.

Mentorship Programs

Rae (2022) suggests that mentorship programs are vital in supporting small and medium-sized enterprises (SMEs) by providing guidance and expertise that can significantly reduce the risk of collapses. Experienced mentors can share valuable insights and practical knowledge that help entrepreneurs navigate the complexities of starting and managing a business. These programs often facilitate one-on-one relationships, where mentors offer tailored advice on various aspects of business operations, including strategic planning, financial management, and market positioning. Research indicates that SMEs with access to mentorship are more likely to achieve growth and sustainability, as they benefit from the mentor's experience and networks, which can lead to increased opportunities and resources. Furthermore, mentorship programs can enhance the confidence and decision-making abilities of SME owners. By fostering a supportive environment, these programs encourage entrepreneurs to take calculated risks and innovate, which are essential for business survival in competitive markets. Kelley and Singer (2023) add that mentors can help identify potential pitfalls and provide strategies to overcome challenges, thereby equipping

entrepreneurs with the tools necessary for long-term success. The positive impact of mentorship on SME resilience highlights the importance of establishing and promoting these programs within entrepreneurial ecosystems.

Business Incubation Centers

Mian (2022) states that business incubation centers play a crucial role in reducing SME failure rates by providing essential resources and support during the critical early stages of business development. These centers offer a conducive environment for startups, including access to office space, administrative support, and shared resources. By lowering operational costs and providing essential services, incubation centers allow entrepreneurs to focus on refining their business models and developing their products or services. Studies have shown that businesses that participate in incubation programs tend to have higher survival rates compared to those that do not, as they benefit from structured support and guidance. Moreover, Bøllingtoft and Ulhøi (2023) agrees pointing out that incubation centers often facilitate networking opportunities and connections with investors, industry experts, and other entrepreneurs. This access to a broader network can lead to valuable partnerships and collaboration, further enhancing the chances of success for SMEs. Additionally, incubation programs frequently include training workshops and mentorship, which equip entrepreneurs with the skills and knowledge necessary to navigate the complexities of running a business. As such, business incubation centers serve as a vital resource for fostering innovation and supporting the growth of SMEs.

Access to Networks

Aldrich and Cliff (2022) state that access to networks is a critical factor influencing the success and survival of SMEs. Networking provides entrepreneurs with opportunities to connect with potential customers, suppliers, and partners, which can lead to increased visibility and business growth. Strong professional networks can also facilitate knowledge sharing and collaboration, enabling SMEs to leverage resources and expertise that would otherwise be unavailable. Study suggests that SMEs with robust networks are better positioned to adapt to market changes and seize new opportunities, ultimately reducing their risk of failure. Hoang and Antoncic (2023) concur by stating that networks can provide emotional and psychological support, which is essential for entrepreneurs facing the challenges of running a business. Engaging with peers who understand the entrepreneurial journey can foster resilience and motivation, helping SME owners overcome obstacles and maintain a positive outlook. Networking events, industry associations, and online platforms can serve as valuable venues for building these connections. By actively participating in networks, SMEs can enhance their competitiveness and sustainability in an ever-evolving market landscape.

Small Business Entrepreneur's Start-Up Training

Kuratko (2022) suggests that start-up training programs are instrumental in equipping small business entrepreneurs with the skills and knowledge necessary to succeed in a competitive marketplace. These training initiatives often cover essential topics such as business planning, financial management, marketing strategies, and operational efficiency. By providing

entrepreneurs with a solid foundation in these areas, start-up training can significantly reduce the likelihood of failure, as participants are better prepared to navigate the challenges of launching and managing a business. GEM (2023) affirms suggesting that start-up training programs often include practical components, such as workshops and mentorship opportunities, which enhance learning and application of concepts. Entrepreneurs can benefit from real-world scenarios and case studies, allowing them to develop problem-solving skills and critical thinking. Furthermore, these programs can foster a sense of community among participants, encouraging collaboration and support. Overall, comprehensive start-up training is a vital component in promoting the success and sustainability of small businesses.

Entrepreneur's Knowledge and Skills in Business Management

Beck and Demirgüç-Kunt (2022) points to that the knowledge and skills of entrepreneurs in business management are critical determinants of small and medium-sized enterprises (SMEs) success and sustainability. Entrepreneurs who possess a strong foundation in business principles— such as financial management, marketing strategies, and operational efficiency—are better equipped to navigate the complexities of running a business. Research indicates that SMEs led by knowledgeable entrepreneurs tend to exhibit higher performance levels and lower failure rates, as these individuals can make informed decisions, adapt to market changes, and implement effective strategies. Additionally, the ability to analyze financial statements, manage cash flow, and understand market dynamics significantly enhances an entrepreneur's capacity to sustain and grow their business. Kuratko (2023) agrees suggesting that continuous learning and skill development are essential for entrepreneurs to remain competitive in a rapidly changing business environment.

Entrepreneurs who engage in professional development opportunities, such as workshops, mentorship programs, and networking events, can expand their knowledge base and improve their management capabilities. This ongoing education helps them stay abreast of industry trends and best practices, ultimately contributing to better business outcomes. In contrast, a lack of knowledge and skills can lead to poor decision-making, ineffective strategies, and ultimately, business closures.

Means by which Entrepreneurs can adopt Knowledge and Skills for Running SMEs Successfully

Strategic Planning Ability

The ability to engage in strategic planning is a crucial determinant of SME success and longevity. Strategic planning involves setting long-term goals, identifying resources, and developing actionable plans to achieve objectives. Mintzberg (2022) affirms stating that SMEs that prioritize strategic planning are more likely to anticipate market changes and adapt their operations, accordingly, reducing their risk of failure. Study indicates that businesses with a clear strategic direction are better equipped to allocate resources effectively and respond to competitive pressures. Kirkpatrick and McMillan (2023) concur suggesting that strategic planning fosters a culture of proactive decision-making within SMEs. By regularly reviewing and adjusting their strategies based on market trends and performance metrics, entrepreneurs can make informed choices that enhance operational efficiency and customer satisfaction. This adaptability is essential in today's fast-paced business environment, where failure to respond to changes can lead to

obsolescence. Therefore, cultivating strategic planning abilities among SME owners is vital for ensuring their resilience and success.

Marketing Expertise Knowledge

Chaffey (2022) suggests that marketing expertise is a critical component for the success of SMEs, as effective marketing strategies can significantly influence customer acquisition and retention. SMEs often operate with limited resources, making it essential to utilize marketing knowledge to maximize impact. Understanding target markets, consumer behavior, and effective communication channels allows SMEs to create tailored marketing campaigns that resonate with their audience. Previous studies show that SMEs with strong marketing capabilities are more likely to achieve sustainable growth and avoid breaking down. Kotler and Keller (2023) affirm stating that marketing expertise enables SMEs to differentiate themselves in a competitive landscape. By leveraging unique selling propositions and effectively communicating their value, SMEs can build brand loyalty and establish a strong market presence. Additionally, digital marketing knowledge has become increasingly important, as online platforms provide cost-effective avenues for reaching potential customers. As such, enhancing marketing expertise among SME owners is essential for driving business success and ensuring long-term viability.

Operational Efficiency Skills

Operational efficiency skills are fundamental for SMEs aiming to optimize their resources and maximize productivity. Slack and Lewis (2022) agree to state that operational efficiencies can

lead to cost savings, improved service delivery, and enhanced customer satisfaction, all of which are critical for survival in competitive markets. SMEs that focus on streamlining processes and eliminating waste are better positioned to respond to market demands and adapt to changes. Studies indicate that operational efficiency is closely linked to business performance, with more efficient SMEs experiencing lower failure rates. Bessant and Caffyn (2023) add, operational efficiency skills encompass a range of competencies, including supply chain management, quality control, and process optimization. By fostering these skills within their teams, SMEs can create a culture of continuous improvement that drives innovation and enhances competitiveness. Furthermore, efficient operations can free up resources for investment in growth initiatives, allowing SMEs to explore new markets and opportunities. Ultimately, prioritizing operational efficiency is essential for the long-term success and sustainability of small and medium-sized enterprises.

Government Business Regulations on Payment Periods and Success Factors for SMEs

Baker and McKenzie (2023b) suggest that Government business regulations regarding payment periods can significantly impact the success factors for SMEs. Regulations that mandate timely payments can alleviate cash flow issues that many small businesses face, allowing them to manage their operations more effectively and invest in growth opportunities. Delayed payments from larger clients can be detrimental to SMEs, often leading to financial strain and an increased risk of failure. By enforcing regulations that ensure prompt payments, governments can create a more equitable business environment that supports the sustainability of SMEs. Moreover, clear and fair payment regulations can enhance trust between SMEs and their clients, fostering long-

term relationships that contribute to business stability. When SMEs are assured of timely payments, they can plan their finances more accurately and allocate resources efficiently. This regulatory support not only aids in the immediate survival of SMEs but also encourages them to engage in long-term strategic planning and investment, ultimately contributing to their overall success, Nguyen and Tran (2023).

Factors of Government Business Regulations on Payment Periods and Success Factors for SMEs

Prompt Payment Policies

Baker and McKenzie (2023a) suggest that prompt payment policies are essential for ensuring the financial health and sustainability of SMEs. Delayed payments from clients or customers can create significant cash flow challenges, leading to operational difficulties and, in severe cases, business failure. When SMEs are unable to manage their cash flow effectively due to late payments, they may struggle to meet their financial obligations, such as paying suppliers, employees, and other operational costs. Implementing prompt payment policies can mitigate these risks by ensuring that payments are made in a timely manner, allowing SMEs to maintain a stable financial position. Nguyen and Tran (2023) agree that prompt payment policies can foster stronger relationships between SMEs and their clients, as they promote trust and transparency in business transactions. When clients adhere to agreed-upon payment schedules, it enables SMEs to plan their finances more accurately and allocate resources effectively. This reliability can enhance customer satisfaction and loyalty, ultimately contributing to business growth. In contrast, a failure to

implement or adhere to prompt payment policies can lead to strained relationships, reduced cash flow, and increased risk of insolvency for SMEs.

Efficient Dispute Resolution

Miller and McCarty (2022) suggest that efficient dispute resolution mechanisms are crucial for minimizing conflicts that can jeopardize the survival of SMEs. Disputes can arise from various sources, including contractual disagreements, payment issues, or service quality concerns. When SMEs lack effective dispute resolution processes, conflicts can escalate, resulting in costly legal battles that drain financial and human resources. Research indicates that SMEs with established dispute resolution strategies—such as mediation or arbitration—are better positioned to resolve conflicts amicably and maintain business continuity. Duncan and Smith (2023) agree, efficient dispute resolution fosters a positive business environment, promoting collaboration and trust among stakeholders. When SMEs can resolve disputes quickly and fairly, it enhances their reputation and strengthens relationships with clients, suppliers, and partners. This proactive approach not only minimizes the risk of financial loss but also contributes to the overall resilience of the business. In contrast, a lack of effective dispute resolution can lead to prolonged conflicts, reputational damage, and ultimately, business failure.

Regular Payment Schedules

Johnson and Patel (2023) state that regular payment schedules are vital for maintaining the financial stability of SMEs. By establishing predictable payment timelines, SMEs can better

manage their cash flow and ensure they have sufficient resources to meet their operational needs. Regular payment schedules help businesses anticipate income and expenses, allowing for more effective budgeting and financial planning. Research has shown that SMEs with structured payment schedules experience fewer cash flow disruptions and are better equipped to handle unexpected financial challenges. Nguyen and Tran (2023) add, regular payment schedules can enhance relationships with clients and suppliers by promoting transparency and accountability. When both parties adhere to agreed-upon payment terms, it fosters trust and encourages long-term partnerships. This reliability is crucial for SMEs, as strong relationships with stakeholders can lead to repeat business and referrals, further contributing to growth and sustainability. Conversely, irregular payment practices can lead to financial strain, increased operational risks, and a higher likelihood of business tragedy.

Business Practices and Small Business Failure in South Africa

Fatoki (2022) suggest that in South Africa, certain business practices have been identified as contributing factors to the high failure rates of small businesses. Poor management practices, lack of financial literacy, and inadequate market research are common issues that hinder the success of SMEs. Many entrepreneurs enter the market without a clear understanding of their target audience or the competitive landscape, leading to misaligned products and services. Research indicates that SMEs in South Africa often struggle with insufficient planning and strategic foresight, which can result in operational inefficiencies and ultimately, operations demise. Moreover, Makhubela and Fatoki (2023) also suggest that the socio-economic challenges faced by South African SMEs, including limited access to finance and infrastructure, exacerbate these

issues. Entrepreneurs may resort to unsustainable practices, such as underpricing their products or neglecting quality control, in an attempt to compete in a challenging market. These practices can erode profit margins and damage reputations, making it difficult for businesses to survive in the long term. Addressing these challenges through improved training, access to resources, and supportive policies is essential for reducing the failure rates of SMEs in South Africa.

Factors of Business Practices and Small Business Failure in South Africa

Unfair Competition Tactics

Khan and Awan (2022) suggest Unfair competition tactics pose significant risks to the viability of SMEs, as they can distort market dynamics and create an uneven playing field. Tactics such as predatory pricing, false advertising, and intellectual property theft undermine the efforts of legitimate businesses and can lead to financial losses for SMEs. When larger competitors engage in unfair practices, they can drive smaller businesses out of the market, limiting consumer choice and stifling innovation. Other studies have shown that SMEs are particularly vulnerable to these tactics, as they often lack the resources to compete effectively against larger, more established firms. Furthermore, Gonzalez and Lee (2023) agree that the prevalence of unfair competition can discourage entrepreneurship and investment in the SME sector. When potential entrepreneurs perceive the market as hostile or unfair, they may be less likely to start or grow their businesses. This can lead to a stagnation of innovation and economic growth, further exacerbating the challenges faced by SMEs. Addressing unfair competition through robust regulatory frameworks

and enforcement mechanisms is essential for creating a fair and supportive environment for small businesses.

Nepotistic Hiring Practices

Baker and Smith (2022) states that nepotistic hiring practices can negatively impact the performance and sustainability of SMEs. When businesses prioritize familial or personal connections over merit-based hiring, it can lead to a workforce that lacks the necessary skills and expertise to drive success. This practice may result in inefficiencies, low morale, and reduced productivity, ultimately hindering the growth potential of the business. Research suggests that nepotism can create a culture of favoritism, where qualified candidates are overlooked, leading to a decline in overall performance and innovation within the organization. Nguyen and Tran (2023) affirm, nepotism can damage the reputation of SMEs, making it difficult to attract top talent and build a diverse workforce. In a competitive market, the inability to hire the best candidates can leave SMEs at a disadvantage, limiting their ability to adapt to evolving market conditions and customer needs. This can ultimately lead to stagnation and an increased risk of collapse. To mitigate these risks, SMEs should adopt transparent and merit-based hiring practices that prioritize skills and qualifications over personal connections.

Corruption

Transparency International (2023) suggests that corruption represents a significant barrier to the success of SMEs, particularly in regions where it is prevalent. Corruption can manifest in

various forms, including bribery, favoritism in government contracts, and regulatory capture, all of which create an uneven playing field for small businesses. SMEs often lack the resources to navigate corrupt environments and may find it difficult to compete against larger firms that engage in unethical practices. Research indicates that corruption can exacerbate the challenges faced by SMEs, leading to increased operational costs and reduced access to essential resources.

Khan (2022) concurs stating that corruption can undermine trust in institutions and erode the overall business climate, discouraging investment and entrepreneurship. When SMEs perceive that corruption is rampant, they may be less likely to invest in growth or innovation, fearing that their efforts will be undermined by unethical practices. This can lead to a cycle of stagnation and failure within the SME sector. Addressing corruption through robust governance, transparency initiatives, and accountability mechanisms is essential for fostering a supportive environment for small businesses

South Africa National Development Plan and SME contribution

The National Development Plan (NDP) was adopted and launched on 12 September 2012 and is championed by the Minister in the Presidency and chairperson of the National Planning Commission. According to the South African Government website the National development plan intentions are to eradicate poverty and inequality by the year 2030. Abisuga-Oyekunle at al. (2020) acknowledge stating that after the adoption of the (MDGs) United Nations Millennium Development plan in the year 2000, African countries started developing different initiatives to bring about sustainable economic development through increased productivity which would result

in the reduction of poverty. South Africa then developed the National Development plan which looks forward to SMEs that will generate employment and assist in the reducing of poverty in the country. The plans and actions of the NDP are directed from the fact that the Government has realised that the national unemployment statistics are very high, meaning poverty and inequalities are still very prevalent in the country within poor communities and that about 75% of economic activity in the country remains in the private sector in the hands of few from previously advantaged communities. SMEs are a special tool or group that can assist the government of South Africa in attaining the goals and aspirations of National Development Plan (NDP). The National development plan emphasises the need to open more opportunities to SMEs and encourages all organisations and government to actively procure from SMEs as they are active contributors to the economy and the NDP itself in communities they operate from. The NDP states that there is need to change ownership and control ratios in the private sector and this can only be achieved by involvement of SMEs in the ownership and control of the private sector and enables growth that is inclusive in the country. Growing of SME sector and firms is proposed in the NDP in areas such as fisheries, agriculture, tourism, and any other sectors where opportunities permit. The NDP document states that growth should be done in an inclusive manner which is an indication that SMEs should be part of the growth and drivers of the NDP agenda as they are derived and are operated in communities. Eze and Lose (2023) suggest that NDP and government strategy looks forward to seeing most of the new jobs being created by small to medium businesses for at least the next twenty years. The NDP document states that the country needs to create two million jobs by 2030, and this can only be realised through a successful SME sector, then such jobs can be created and the realisation in the reduction of high unemployment rates will be possible resulting in poverty reduction and elimination of inequalities. Chumphong et al. (2020) concurs stating that

in many countries that are still developing the important machinery that pushes economic growth, and national GDP is the SME sector because SMEs thrive on being creative, innovative, good service and being able to continuously find new ways of doing business. The authors add that the promotion and progressing of SMEs is a strategy that enables the achievement of national development and achievement of such goals, as required by the NDP for South Africa.

Summary

From the literature review above it is very clear that an investigation for the causes for failure of SMEs in South Africa is essentially required for the South African economy, to understand and articulate the reasons why SME failure is very high in the country. An understanding of these causes or reasons will assist the South African Government and many other policy formulation processes that will be done to promote in the supporting and maintenance of SMEs to have reduced let-downs in this very important sector of South Africa. With these high levels of SMEs closures that are prevalent it becomes unclear if the National Development plan will be achieved as required by 2030 and kick starting the economy to growth rates of more than 5,5% per annum will remain a dream in the short to medium term.

Small to medium business failure is a state where an SME business venture perishes, stops operations resulting in creditors and investors suffering losses as the business fails to generate enough revenue to cover all its operating costs. Corner at al. (2017) agree stating that a failed SME business is when the business terminates its operations because the operations will have become

economically unviable, and that SME failure is not when business venture stops operations because of reasons such as retiring and selling of business still being operated as a going concern for the purposes of pursuing other opportunities. Amankwah-Amoah, J et al. (2021) concede stating that business letdown occurs when a business gets to a position where there is forced closer because it becomes unsustainable financially to continue with the operation. Adeleye et. al (2019) defined business failure as when the business operations are terminated because the business is no longer viable as per the goals and aims of the business owners.

Several authors and scholars still view the South African closure rates for SMEs as one the highest in the world at around 75% Msomi and Olarewaju (2021) and Saah and Musvoto (2020) and 80% from Reynolds at al. (2019) and Eze and Lose (2023). Bushe (2019) alludes to the same stating that in contrast success rates of SMEs is in South Africa are much lower than the global standards. Break down rates for SMEs remain very high in South Africa and are seen as an obstacle to economic growth and the recovery of the country from the Global economic meltdown that has been worsened by the covid pandemic. Madzimure and Tau (2021) and Saah and Musvoto (2020) SME crash rates are recorded at 75% within the first 4 years of SMEs going into business. Iwara at al. (2021) concur giving the collapse rates of SMEs at 75%. Msomi and Olarewaju (2021) acknowledges giving failure rate of 5/7 in the 1st year and Rambaruth at al. (2021) acknowledge stating that available figures show that seventy to eighty percent of SMEs do not make it past their 1st year of operation. South African SMEs continue to shut their doors due to several factors despite that the country looks forward to the sector pushing economic activities as they are drivers and stimulators of the national growth. Madzimure and Tau (2021) states that SMEs are seen as facilitators and instruments of enabling economic and growth and employment creation and the

gateway for economic independence which would enable the previously disadvantaged communities. Msomi and Olarewaju (2021) suggest that having a good SME sector is very vital for an economy to have sustainable growth and a good industrial sector. The National development plan (NDP) will not be achieved as desired if the issues that causes SMEs to fail are not clearly articulated and are addressed to avert the closures. Madzimure and Tau (2021) confirm that unemployment levels reached 32,5% at the end of 2020 whilst the NDP looks forward to 2 million jobs being created by 2030. Bailey (2019) assets how important are SMEs in Africa suggesting that SMEs are the main employers providing 80% of formal employment. Cant and Wiid (2020) suggest that SMEs form 91% of formal businesses that contribute as much as 57% of the GDP for South Africa and suggests that the NDP intends to triple the size of the South Africa GDP by the year 2030 and is centred on the growth and development of the SME industries. Eze and Lose (2023) highlights the important of small to medium businesses in South Africa stating that small to medium businesses are employed as shapers of the country as they provide productive resources into the formally disadvantaged communities, decrease the levels of the very high unemployment rates and that small to medium businesses provide for over 50% of the gross domestic products of many economies including the developed world, and that two million four hundred thousand small to medium businesses operate in South Africa despite the high failure rates and that small to medium businesses are the pivot and provide support to the economic growth of the country and great employment creators that contribute to the reduction of in equalities and poverty in the country.

The outlook for SMEs does not look good for the South African economy as acknowledged by The Small Enterprise Development Agency (2021) stating that SMEs have a decline rate of

11% year on year which gives the number of 290 000 decline as a total number of SMEs closing doors every year. The statement from Small Enterprise Development Agency (2021) again brings to light how the SMEs themselves represented by the association acknowledge that the SME Failure rate is too high and the importance of the contributions that this this research present great insights that are be very useful to the SMEs themselves and the country at large in trying to alleviate SME let-downs.

The importance of SMEs in any economy cannot be underestimated as SMEs are pillars of innovation, centres of economic growth, employment creators, contribute to reduction of poverty and inequalities and large contributors to the GDP of most economies. Alsaaty and Makhlouf (2020) assert stating that SMEs are very important sectors of all economies, irrespective of the size of the country or economy, regardless of whether it is a developed or developing country. They labelled SMEs as the biggest creators of jobs and that they are more innovative than larger corporates. Warsame (2020) suggest that SMEs contribute to employment creation providing opportunities for women, youths and communities in general, are a source of income generation for society and aid to the growth of economies. Cant and Wiid (2020) allude to the importance of SMEs stating that SMEs contribute 91% to the formal businesses in South Africa with a contribution of around 57% to the Gross Domestic Product (GDP) and that National Development Plan (NDP) is mostly centred on the SME sector for job creation and tripling the South African economy by the year 2030. Fubah and Moos (2022) recognize how significant SMEs are to the South African economy and the world economy at large, stating that SMEs are essential to any economy as they are agencies of creating jobs, resulting in reduction of unemployment rates and

a tool that generates wealth, promote development of innovation which provides a net result of adding value to economies.

SMEs fiasco became worse because of the COVID 19 pandemic and the many fundamentals that came with it. Gourinchas at al. (2021) suggest that shocks that were brought about by the COVID 19 pandemic were complex, unexpected and very severe and created a time bomb which affected SMEs greatly and affected the greater economic recovery programs and plans for many countries. Many countries in the world over including South Africa introduced several or different stimulus or protective support policies that aimed to temporarily reprieve businesses from the sudden and unexpected shocks from COVID 19 and SME business failures were still experienced besides having these supportive policies. As recovery programs start to kick in, in all countries several issues came into effect and SMEs where not spared and more SME collapses where seen. Gourinchas at al. (2021) suggested that there are three separate issues that remain as time bombs and will affect SMEs resulting in many more SMEs crashing which are.

(i) Support policies given by different countries at the beginning and peak of the COVID 19 pandemic were temporary and could have just delayed bankruptcies of SME businesses as they could have been too generous and wrong organizations and industry sectors were targeted,

(ii) Many SMEs could have taken the Government guarantees to access loans which could result in SME companies with high levels of debt and will be pushed into insolvency as economic recovery starts to kick in,

(iii)   The removal of the stimulus packages including tightening of conditions for credit will likely see SME firms having liquidity problems and increase the failure rates of SMEs.

Interest rates that were at their lowest rates started to be increased gradually in South Africa and the world in general which will see many SMEs failing to settle their debt and being forced into liquidation, bankruptcy and this leads to SMEs business failure.

CHAPTER 3: RESEARCH METHOD

Introduction

The research topic is the analysis of the effects of government support for the survival of small and medium businesses in South Africa. It has been noted that there is a very high failure rate of SME in South Africa as stated by several authors such as Cant and Wiid (2020) who suggest that 5/7 SMEs fail during their first year of operation. Saah and Musvoto (2020) argue that failure of SMEs in South Africa is one of the highest in the world with 75% SMEs failing in the first five years and Bushe (2019) states the failure rate of SMEs is 40% within the first year of their existence and 60% in the second year and around 90% within 10 years of their existence. Whilst Eze and Lose (2023) provide the failure rates of small to medium businesses as that in South Africa 50% of small to medium businesses fail within the first year, whilst 70% do not operate past the 2nd year and around 80% are seen failing within 10 years of their operations noting that the success rate of small to medium businesses in South Africa is very low. It is going to be very difficult for the South African Government to attain the goals of the National Development plan which aim to eradicate the problem of poverty and unemployment which are currently very high in South Africa with these high crashing rates of small to medium business. According to Statistics South Africa Quarterly Labour Force Survey (QLFS) Q2 of year 2022 the unemployment rate was recorded at 33.9% being the 2nd quarter of the year 2022. Statssa (2022b). The official youth unemployment rate stood at 46,5% for the same quarter which translates to almost 50% of youths being unemployed, which is not a healthy state for any economy to have so many youths doing nothing

as it may result in the increase in the rates of crime and other social unrests related to poverty and unemployment. The National Development Plan aims to introduce eleven million new jobs by 2030 and is looking forward to the SME sector to create these jobs Manuel (2011), yet the sector has high failure rates that will make the National Development plan to be difficult to achieve as the SME sector is the main contributor to the success of the National Development Plan. Eze and Lose (2023) suggest that NDP and government strategy looks forward to seeing most of the new jobs being created by small to medium businesses for at least the next twenty years. The NDP document states that the country needs to create two million jobs by 2030, and this can only be realised through a successful SME sector, then such jobs can be created and the realisation in the reduction of high unemployment rates will be possible resulting in poverty reduction and elimination of inequalities.

For the research topic the analysis of the effects of government support for the survival of small and medium businesses in South Africa, a suitable research method must be applied to enable the researcher to solve the problem statement, and a careful consideration of all the research methods must be done such that the best method will be applied. The researcher chose to use the mixed method research approach as it combines the quantitative and qualitative research approach with the aim of giving greater understanding of the research problem statement. According to Taherdoost (2022) the use of mixed method research will assist in understanding complex issues under research by taking advantage from both advantages of the two-research methods, quantitative and qualitative research approach resulting in greater understanding of the issues under the study. Mixed method research will be performed employing the grounded theory approach as the grounded theory approach develops theories from the research processes from

actions and information obtained from the viewpoints of participants. Taherdoost (2022) states that grounded theory derives theory from data that will be collected during the research and not from literature. Literature can then only be used to support or discredit the findings as they are gathered and presented using grounded theory.

Mixed methods research will be employed in this research to get greater understanding of the problem of why the small to medium businesses fail at a very high rate in South Africa and what are the effects of government support with reference to the survival of the SME in South Africa. According to Koyuncu (2019) mixed method is third method of research study which brings together qualitative and quantitative methods into one study and aims at bringing completeness to the problem being investigated as both methods are applied, and convergence brings high validation for the validity of the study. Similarly, Soleimani (2020) states that using mixed methods research enables the two methods to compensate for the weakness of one method by the other method providing validity and reliability of the findings. Koyuncu (2019) and Soleimani (2020) state that mixed methods research gather data by using questionnaires and semi-structured interviews enabling the researcher to dig into the mind, thoughts, and insights of the participants. For this research the data collection tools that will be used will be surveys, in the form of questionnaires, interviews one to one and focused group interviews.

The emphasis of this chapter was to come up with an appropriate research design, have the necessary approvals from the ethics committee to proceed with data collection, do the data collection and prepare the data for analysis in the next chapter, being chapter 4.

This chapter will be divided into the following subtopics that detail the research being research approach and design, description of the population and sample for the study, description and listing the research tools that will be used in the study highlight any ethical issues if they exists and take the necessary steps to avoid any ethical issues being raised for the study and have primary data collection for the research study.

Research Approach and Design

To carry out a successful research project it is necessary for the researcher to plan and come up with a research design that is suitable for research. Sileyew (2019) suggests that research design saves the purpose for providing the correct structure for the research study. One of the most important aspects of research design is to provide the research approach which forms the basis of how data for the study will be collected and it must be noted that research design is made up of different interrelated processes and decisions. Chali at al. (2022) suggests that the selection of the research design is influenced by the type and classification of the research problem, what are the problems that need to be solved by the research problem and the experience and epistemology of the researcher and who are the stakeholders for the research. Research design involves investigating the research process, what methods will be used for data collection, analysis and interpretation of the collected data. Asenahabi (2019) asserts stating that for any research to be done successfully, a suitable research design is required. The research design and plan should be done and adopted before any data collection is started so that the research objectives are achieved in a valid manner. Similarly, Akhtar (2016) states that research design enables even sailing of

different procedures of the research, making the research as professional as possible, providing the required information with little effort and money resulting in minimum expenditure. According to Sileyew (2019) research methodology is a way that is used by researchers for them to be able to conduct successful research. Research methodology articulates the way which is used by researchers to come up with the research problem statement and the objectives of the research and how the findings will be presented out of the data that will be collected during the study. The chapter for research design and methodology chapter 3 aim is to illustrate how the research findings when research is finished are on the pathway of covering the main objectives of the research study. It means therefore that this chapter is dedicated to discussing the research methods applied to the research study. This will include the research strategy, design of the research, methodology used for the research, the focus of the study is on what form will be the primary data collection follow, describe and apportion the population for the study and the sampling methods as well as the sample size, and to how the findings will be presented. This chapter will form and provide the research design and approach for this research, analysis of the effects of government support for the survival of small and medium businesses in South Africa.

Asenahabi (2019) suggests that the core or main aim for research design is to interpret the research problem into some data that can be analyzed to provide responses to the research questions. Research design is a strategy or plan which the researcher will follow or use to understand the phenomena being researched, enabling answering of the research question, and is guided by methodology and philosophy Chu and Birks and Francis (2019). Similarly, Creswell and Creswell (2018) describe research design as plans and procedures that provide steps and detailed methods of how data collection, analysis and interpretation will be done. Akhtar (2016)

simply defined research design as a conceptual outline of how the research will be conducted. Philosophy of the researcher influences the research design and the methodology that can be used. The selected research approach is normally informed by the research problem that the researcher aims to address, and the researchers believes and personal experiences and the audiences for the research Creswell and Creswell (2018). Philosophy can be defined as how the world is seen encompassing the mechanisms and questions that inform the way the world is seen. Methodology can be defined as the design of the research that forms the selection and use of data collected and the method used to analyze the data. Chu and Birks and Francis (2019). Epistemology is another factor that can influence the way researcher can tackle the research problem. Epistemology is about personal beliefs (epistemology) and how they can influence research approach and design. Soleimani (2020) states that beliefs are a group of personal values that can filter into how an individual behaves or makes decisions or acquires knowledge, research is about understanding and acquiring new knowledge hence it can be affected by the researcher's epistemology or beliefs.

There are three approaches to research design. The research approaches can be qualitative, quantitative, or mixed research methods.

Qualitative research

Qualitative research can be defined as a method of exploring or getting an understanding of the meaning to which, a person or group of people ascribe their social problems to. It involves combining questions and procedures and data is usually collected from the participants social settings and data is then analysed to provide themes that provide meaning. It is normally a complex

process as it analyses complex social problems or issues Creswell and Creswell (2018). Similarly, Asenahabi (2019) describes qualitative research design as that it borders on discovering and understanding the meaning which a person or a group of people ascribe their social problems to. Data collection is normally done through interviews, by participation and observation. Dagnino and Cinici (2016) suggest that qualitative research has strength in understanding processes as it can capture evolving rich data, something that is not easy to do with other methods. Dagnino and Cinici (2016) agree with Creswell and Creswell (2018) that qualitative approach is complex and as it cooperates observing and examining processes over time for social issues via meetings, conversations, and events. Taherdoost (2022) suggests that qualitative research methods objective is to have primary data collection as in textual facts, and firsthand data and then provide analysis using detailed explanatory methods, and such qualitative research can discover ideas and insights there by creating new theories.

Quantitative research

Quantitative research can be defined as a research method that can be used to test theories by observing or analysing the relationships that may exist amongst the variables. The variables can be measured and further analysed statically Creswell and Creswell (2018). Similarly, Dagnino and Cinici (2016) state that quantitative approach focuses on understanding the relationships between variables. Asenahabi (2019) states that qualitative research is divided into non-experimental research and experimental research which is done applying statistical methods by collecting data that is numerical and can generalize results for the studied population. Taherdoost (2022) suggests that quantitative research methods employ numerical numbers that are obtained

from observations for explaining and describing a phenomenon as reflected from the observations. Quantitative methods can use both descriptive statements and experimental statements, and analysis is then done statistically.

Mixed method research

Mixed method research is an approach that combines the two research methods qualitative and quantitative research methods. According to Taherdoost (2022) Mixed method research is a combination of the two methods quantitative and qualitative methods centered mostly on the purpose and nature of the research question or research problem with aim of gaining greater understanding of the research topic. Mixed method research will be described in detail in the next topic as it is the main approach adopted for this research study. Migiro and Magangi (2011) described mixed methods of research as a combination of qualitative and quantitative research studies to take advantage of both methods such that the two methods complement each other as the findings from the other method are employed to complement the findings of the method and enable the generation of findings with great depth and breadth leading to greater understanding of the research problem. Mixed methods research introduces triangulation which according to Noble and Heale (2019) triangulation opinion that the different methods can produce convergent findings and results which is very important in research as findings that are converging lead to higher confidence of the findings of the research study.

The diagram below summaries research design and shows that it is mostly influenced by how the researcher views or sees the world (researcher's world view)

Table 4

The Four World Views

Postpositivism	Constructivism
• Determination • Reductionism • Empirical observation and measurement • Theory verification	• Understanding • Multiple participant meanings • Social and historical construction • Theory generation
Transformative	**Pragmatism**
• Political • Power and justice oriented • Collaborative • Change-oriented	• Consequences of actions • Problem-centered • Pluralistic • Real-world practice oriented

Adopted from *Research Design*, Creswell and Creswell 2018, p. 47

The diagram below summarizes the research designs that can be used by researchers for different reasons that are deemed suitable for their research.

Table 5

Research Design

Research

Quantitative	Qualitative	Mixed

| Experimental
True experimental
Quasi experimental
Non-Experimental
Survey Research
Casual-Comparative
Research
Correlation Design
Longitudinal designs | Case Studies
Narrative Research
Phenomenological Research
Grounded Theory
Ethnography
Action Research | Convergent parallel mixed method
Explanatory sequential mixed methods
Exploratory Sequential mixed methods
Complex designs with embedded designs |

Adopted from *Research Design* Creswell and Creswell 2018 p. 54

In this research study Mixed methods was employed into the research and will be described below in detail and how it benefited the researcher in understanding and answering the research problem and research questions.

Mixed Method Research

The research purpose is to find or establish the causes of the failure of Small and Medium (SME) organizations in South Africa by undestaning the effects of South African Government

support on SMEs in South Africa. Mixed method research will be used for the purposes of studying and understanding the causes and failures of the SMEs in South Africa. According to Taherdoost (2022) mixed method research uses both qualitative and quantitative research approaches depending on the on the nature and purpose of the study trying to provide much greater understanding of the research question or research problem. Researchers can easily take advantage of the benefits of the two methods in one research providing richer and greater understanding of complex phenomena that are presented in the study. Mixed methods involve the use of both quantitative and qualitative research methods to obtain triangulation or convergence. Bans-Akutey and Tiimub (2021) suggest that researchers discover how to produce reliable findings in their research through triangulation. Bans-Akutey and Tiimub (2021) defines triangulation as a procedure that enables to increase validity and credibility of any research study. Triangulation in research means that the findings of the study can be validated by the two methods (the results from the two different methods agree or support each other). Bans-Akutey and Tiimub (2021) states that triangulation should not be seen as mixed methods in research because triangulation pronounces how the researcher managed to use the many approaches in one study to produce the required evidence and managed to critically analyze the data whilst mixed methods just combined the two different methods (qualitative and quantitative approaches) to provide solutions to the research questions and problems. The researcher wishd to achieve or attain triangulation from the findings of the research when completed. If triangulation was obtained the results of the research will provide high validity as the two methods findings will be supporting each other. Bednarz (1983 p,38) cited in Greene and McClintock (1985) define "Triangulation as the multiple employment of sources of data, observers, methods, or theories" to observe similar or equivalent occurrences. In a similar manner Onwuegbuzie and Turner (2004) describes triangulation as methodology that

aims to combine and validate research findings obtained from differing methods that are examining a similar phenomenon. Noble and Heale (2019) describe triangulation as an approach that provides findings that are credible and valid, meaning the findings can be trusted as they are credible, and the findings accurately represent the experiences and feelings of the participants as the findings will be valid. Noble and Heale (2019) adds to this stating that triangulation enables the removal of bias that can be introduced by using a single method and triangulations enables explanation and exploration of complex issues providing reliable, trusted and balanced findings in a research study.

MacMillan and Schumacher (2014) agree and defined mixed method research or triangulation as research study that uses both qualitative and quantitative information collected at the same time. Olsen (2004) describes mixed methods or triangulation as combination of methods and data collection such that different perspectives or viewpoints can cast light upon on an issue under investigations. According to Taherdoost (2022) Mixed method research is a combination of the two methods quantitative and qualitative methods centered mostly on the purpose and nature of the research question or research problem with aim of gaining greater understanding of the research topic. Migiro and Magangi (2011) described mixed methods research as a combination of qualitative and quantitative research studies to take advantage of both methods such that the two methods complement each other as the findings from the other method are employed to complement the findings of the other method and enables the generation of findings with great depth and breadth leading to greater understanding of the research problem. Creswell and Creswell (2018) describe Convergent Mixed Methods Design as a combination of qualitative and quantitative research methods usually done in a single phased approach where data is collected

using both methods and then analysed separately being qualitatively or quantitatively comparing results and findings to obtain convergence of the findings. As such, mixed method research provides corroboration and rationalization of differing methods employed on comparable or shared research problem, and therefore, triangulation affords findings that can be trusted and are validated. Validity in research studies refers to the how accurately a specific approach quantifies something tightly to the findings and how related are the findings to the actual phenomena being examined Bans-Akutey and Tiimub (2021). Validity provides a good indication of how the findings of a research study can be relied upon. Similarly, Ahmed and Ishtiaq (2021) state that validity in research is an instrument that is used for measuring how correct is the data and, or results of a research study whilst reliability is measures or checks how consistent is the data or the results of the research study. Coleman (2022) suggests validity is concerned about trustworthiness, how valid or how trusted the findings can be from the research study referring on the accuracy or integrity that comes out of the explanations or descriptions of the findings and conclusions of the search study. Validity signifies how good the data presented in the research symbolizes the actual findings amongst the subjects of the study and other individuals with similar circumstances that were not part of the study.

Mixed methods research does not in any way try to replace any of the two commonly known research methods (qualitative or quantitative) but rather improves research findings and results by taking advantage of the strengths provided by the two separate methods at the same time compensating on the weaknesses of the two separate methods, Johnson and Onwuegbuzie (2004). This is the major reason for choosing mixed method research approach to take advantage of the two research methods whilst at the same time covering for the weaknesses to provide results that

will be trusted, valid (validity of results) and reliable (reliability of results) if the results provide convergence at the end. Similarly, Onwuegbuzie and Leech (2005) advocates that mixed method research must be treated as 3rd type of research method that can be used to bridge the separation between the two research methods (qualitative or quantitative). Olsen (2004) emphasises the importance and advantages provided using mixed methods or triangulation stating that triangulation does not just validate the findings but provides superior understanding of the occurrences. Greene at al. (1989) state that triangulation or mixed methods removes bias in the study of a comparable phenomenon as the methods are contradicting in nature. Noble and Heale (2019) concur stating that triangulation of the two different research methods removes major bias that can be introduced by the use of one research method. Bans-Akutey and Tiimub (2021) suggest that triangulation is encouraged in research studies as it enables the improvement of validity and credibility in research studies, as the use of different methods of data collection decreases bias and the reduction of bias in any research study provides for increased credibility and validity. Bans-Akutey and Tiimub (2021) assert the use of mixed methods and triangulation stating that the improvement of validity and integrity of any research study with triangulation enables the researcher to proceed with their research with complete confidence.

This research aimed to provide trusted or accurate presentation of the reasons why small to medium businesses (SMEs) fail, how support by Government has direct effects to the SMEs fitness and should either support or discredit the original hypothesis that existed before the study with evidence-based findings. For the reasons described above, mixed method research was appropriate and was employed for this research study and provided an understanding why SMEs still have a high failure rate in South Africa.

This research employed the convergent Mixed method research. Creswell (2018) describe Convergent Mixed Methods Design as a combination of qualitative and quantitative research methods usually done in a single phased approach where data is collected using both methods and then analysed separately being qualitatively or quantitatively comparing results and findings to obtain convergence of the findings.

The research employed the grounded theory which is a systematic analysis in understanding of the research question.

The research employed surveys as the tool for the quantitative part of the research and interviews and focused groups for the qualitative part of the research. It was important to employ these 3 effective tools because they cover and enable the use of mixed method research approach that was adopted for the study. The tools that were used will be discussed in detail from page 148 to page 151 of this thesis.

Grounded Theory Approach

The research used the grounded theory approach as it affords for continuous and simultaneous data collection and analysis which enables deeper understanding of the issues through data and enables theory formation. Stough and Lee (2021) suggest that grounded theory is special as it endeavors to produce new theory that is mainly based on evidence or data obtained in the research study. Grounded theory approach is systematic in nature and is different from other

forms that are hypothesis steered which envisages the use of evidence and data from research to prove existing theory but does the opposite as it produces new theory from the data that is collected or presented from the research. Mohajan and Mohajan (2022a) suggest that grounded theory is based on a researcher generating theory from data that is obtained and analyzed simultaneously whilst the research is still in progress and enables the researcher to discover complexities and provides analysis for qualitative data proficiently to understand the participants experiences and viewpoints. Asenahabi (2019) states that grounded theory is a sociological design which a researcher finds conceptual theory of a process or actions from interactions grounded in the views derived from the participants (evidence based). It is a process that involves different stages of data collection and continuous analysis of interrelationships of groups of information through coding. According to Warku (2017) grounded theory involves the collection and analysis of the data simultaneously as the research evolves. Theory is cautiously developed and fine-tuned from the data that is collected in different continuous periods and is continuously refined over cycles and usually done over four cycles. UNICAF (2022) similarly describe grounded theory as it develops new theory using participants' experiences during the research process and enables the researcher to provide a generalized explanation or theory of the connections or relationships formed from the greater number of the participants. Chu and Birks and Francis (2019) describe grounded theory as a complex process that is flexible and can be used for both qualitative and quantitative research methods. The authors state that grounded theory aims to determine or build theory from data that is systematically gathered and analysed employing relative analysis methods. The importance of grounded theory is that it generates theory that is based on data Chu and Birks and Francis (2019) and Makri and Neely (2021). From its history and formation grounded theory is termed the original way of organizing and analyses of data qualitatively. Theory is formed and generated from

the data analysis, in other words theory is not discovered but instead theory is built by the researcher through their own lens on how they see the world. Grounded Theory research is not linear but recursive and iterative. Chu and Birks and Francis (2019). Makri and Neely (2021) concur that grounded theory affords researchers an opportunity to gather data using mixed methods and state that using grounded theory, the researcher can view the research problem as seen by the participants rather than employ gap spotting using literature reviews giving more practical and targeted recommendations or solutions for the research problem. When using grounded theory, it is recommended that researchers should focus on what the data suggests than focusing on literature. The research will employ the exploratory research format as it seeks to understand what is happening looking for new insights and accessing the phenomena being researched in new light. As stated by Makri and Neely (2021) deductive research uses existing theory to create research questions and hypothesis which then leads to a guide on how data will be collected and analysed. Abductive research is when the researcher employs both the inductive and deductive approach in a comparative manner. Proudfoot (2023) describes abductive deductive research as deductive analysis affords organised analysis of data using well-entrenched and thorough imagined theoretical framework. The process of using abductive approach enables the identification of similarities or differences in data meaning and interpretation. Deductive approach also enables the identification of unexpected occurrences and enables explanation from the surprising information or data. This will involve moving back forth from data collection and data analysis. This research will be mostly abductive relying mostly on the deductive approach as the main basis as the researcher seeks to have a critical view of the issues that affect small businesses and thereby start introducing failures in their operations.

Summary research design approach.

Sileyew (2019) suggests that research design saves the purpose for providing the correct structure for the research study. One of the most important aspects of research design is to provide the research approach which forms the basis of how data for the study will be collected and it must be noted that research design is made up of different interrelated processes and decisions. Chali at al. (2022) suggests that the selection of the research design is influenced by the type and classification of the research problem, what are the problems that need to be solved by the research problem and the experience and epistemology of the researcher and who are the stakeholders for the research. Research design involves investigating the research process, what methods will be used for data collection, analysis, and interpretation of the collected data. As stated by Asenahabi (2019) and Chu at al. (2019) and Creswell and Creswell (2018) research design are a global plan of conceptualizing the research problem for the appropriate and practical attainable practical research. It provides clear directions of the procedures that will be followed by the researcher before data collection and analysis is started. This research employed the mixed method approach as it enhances reliability and validity of the findings through convergence of results as the approach utilizes the advantages of both the qualitative and quantitative research methods whilst at the same covering for the weaknesses of the two approaches as they are naturally opposite of each other. Asenahabi (2019) concur stating that mixed methods integrate quantitative and qualitative research methods for the purposes of getting to the depth and breadth in understanding and corroboration. The method neutralizes the weaknesses of both designs and provides greater and in-depth understanding of being achieved than using any of the single approaches. Triangulation will strengthen the findings of the research study. Bans-Akutey and Tiimub (2021) defines

triangulation as a procedure that enables to increase validity and credibility of any research study. Jehn (2009) defined triangulation as a grouping of research methods in a research study of the equivalent incident or phenomenon. Triangulation eliminates individual bias that is built from the use of distinct research methods and imply that triangulation affords union and impartiality that provides distinguished valid findings as the different research methods authenticate the findings from the other. Similarly, Bans-Akutey and Tiimub (2021) states that triangulation is a procedure that improves the validity and credibility of research conclusions as the mixed methods research approach are employed to authenticate the research findings of the different research methods. Triangulation can result in convergence of findings that then shows how the study employed different methods in a single study and extracted the crucial facts providing conclusions that are credible and valid. Lastly Koyuncu (2019) defines triangulation as complex use of different methods to agree to a position based on the two established points. Chu and Birks and Francis (2019). Makri and Neely (2021) conclude that grounded theory affords researchers an opportunity to gather data using mixed methods and state that using grounded theory, the researcher can view the research problem as seen by the participants rather than employ gap spotting using literature reviews giving more practical and targeted recommendations or solutions for the research problem. When using grounded theory, it is recommended that researchers should focus on what the data suggests than focusing on literature.

If triangulation in research is achieved, it means that the findings of the study have been validated by the two methods, and the findings can be trusted.

Population and Sample of the Research study

Population in research can be defined as the total group of people with certain types of characteristics that a research study might be interested in or pursues to examine. Population is normally defined or measured by geographic area so that it can be correctly identified. A sample then is just a part or subgroup of the general population; this means then that a sample must provide a good representation of the population under the study. A sample must have the same characteristics as the population that it is meant to represent, and the sample populace must come from the identified geographical area for the identified population under investigation. For accurate and valid data collection it is important for the researcher to correctly identify the population that best represents the issues or problem statement of research study. Mweshi and Sakyi (2020) described population and sampling as, a population is the greater group of people with interests that are closer to the research study and when this group of people has been identified a sample, being a proportion of the selected population that is representative of the identified populace is then chosen as the sample of the people and that there must be specific exclusion and inclusion criteria for the population and on which boundaries can be included being the geographical areas. The exclusion and inclusion criteria are then applied for the proper and correct selection of the appropriate sample for the study. Staller (2021) did no define population directly but defines sampling and the definition gives some meaning to the definition of population by stating that a study sample is drawn from a population of the people with predefined characteristics and the sample should be representative of the already defined population and that everyone in the populace must have the probability of being chosen to be part of the sample. This introduces the concept of sampling methods which will be discussed in coming subtopics. Staller (2021)

emphasizes the importance of choosing the correct sample in any research stating that generalization of findings or results is only possible if the sample was the correct representation of the greater population. Careful considerations must be made for the purpose of identification of the correct targeted population and taking note that the geographical area is also correctly identified and defined. For this research study the population was carefully identified and chosen. The population was composed of only small to medium business owners and managers, the population must not be limited to only current business owners or managers but must also include previous business owners and managers in case some of the business owners and managers would no longer be practicing after the demise of their small to medium businesses. The research intends to investigate the reasons for failure for small to medium businesses in South Africa by understanding the effects of Government support in SMEs in South Africa. The special characteristics identified for correctly identifying the suitable population in this research study was "failure of small to medium businesses". Small to medium businesses are operated and managed by the owners or entrepreneurs who started them and any other managers they appoint to run or oversee the businesses. This then becomes the correct group of people who understand and have good knowledge of how the small to medium businesses operate or were functioning and probably have knowledge of why the businesses botched if they operated any unsuccessful small to medium businesses. The research study correctly identified the suitable population that provided answers to the research problem, the geography is easily defined in the research topic "in South Africa", it then follows that the targeted population must only be owners and managers of current and previous small to medium businesses that operated in South Africa and are of sound mind to be able to provide informed consent to be able participate in the study. The targeted population was drawn from all industry types that exist in South Africa. The population and geography for this

research study was accurately identified and the next step will be to choose the best method to find the correct sample or the sampling methods to be used for the research. A theoretical discussion on population will be done below followed by the sampling methods that will be used or employed in this research study.

Obilor (2023) suggests that population of study can be very large or small, when populace is broad it can be very difficult and very expensive and very time consuming to include the complete group of people in a single study which then calls for a representative part of the targeted inhabitants to be used in research studies, which is then referred to as sample in research. Similarly, Nanjundeswaraswamy and Divakar (2021) defined population in exploratory study as the complete set of people which a specific study will be interested in and then part of the populace becomes the sample of the targeted group, and that population is then represented by the part of the people (the sample). A sample is therefore a representation of the entire population. Nanjundeswaraswamy and Divakar (2021) and Obilor (2023) suggest that a sample is a subgroup of the whole populace, and a sample must correctly represent the total set of people from where it is drawn from and must be of adequate size to justify statistical analysis. For this study it is estimated that the number of SMEs that are registered in the country (South Africa) under the study is about 2 600 000. This number will be used for calculations of the sample size below. The sample size and the sampling techniques used in any research should be carefully considered so that the findings of the study can be used to provide conclusions that can be generalized to the entire population that was represented by the sample used in the investigation. Sampling is then the process that is then used to choose and select the appropriate participants using certain characteristics and parameters of the entire population to suit the research study Obilor (2023).

Nanjundeswaraswamy and Divakar (2021) defined the process of choosing the subgroup from the entire population as sampling.

Van Rensburg et al. (2010) defined sampling as a procedure used for selection of participants of a research process that correctly represents the population under the study. It must be emphasized that sampling is very important for research as the sample employed in the scrutiny should provide the solutions to the research problem and the findings should be valid and reliable thus providing validity and reliability. Sampling should enable the researcher to gather correct and enough data that should then assist in answering the research questions and problems without taking or looking at the complete population under examination, this saves money and time, hence sampling is a very important component of research process, and the study sample has to be considered very carefully. Uprichard (2011 p.1) concurs that "the internal and external validity of any empirical study rests to a large extent on the adequacy of the sample to meet the research aims and objects". Mweshi and Sakyi (2020) define sampling as process through which researchers cautiously choose, using non-probability and probability sampling methods on a few individual participants from the greater population of concern that can be selected for careful study. Sampling methods should have specific exclusion and inclusion criteria specified so that boundaries on what needs to be selected or left out on the given population are clearly defined. Sample size is, therefore, the number of chosen participants for the research that can provide data which is representative of the entire population being studied. Quantitative research normally uses large sample sizes whereas qualitative research normally uses smaller sample sizes with participants who are eloquent and knowledgeable enough to provide information that is rich in describing their experiences. The chosen participants who are described as current/previous business owners or

managers of SMEs have excellent knowledge and experience on operation and management of SMEs in South Africa and as such will provide good insights and experiences that will enable in uncovering the experiences and reasons for the demise of SMEs in South Africa. Staller (2021) suggests that quantitative researchers need to be mathematical for statistical analysis so that the findings can be valid and representative of the greater population at large. The participants must be randomly chosen and must be representative of the greater group or populace so that the findings can be generalized. In qualitative research, purposive sampling is generally used, on the premise that information rich participants or cases are used to cover the depth of the study as was done in this exploration. Qualitative research sampling requires few participants that quantitative study sampling does not try to achieve statistical significance but instead aims for saturation of data when themes clearly repeat each other as seen in the data analysis process. Qualitative research aims to provide great insights and in-depth understanding of the issues under investigation. Purposive sampling is about selecting participants with the most relevant information and data that can answer the research topic and research questions. Mweshi and Sakyi (2020) state that when researchers decide on a sample to be used for a study, a relatively small population sample that is very representative of the issues being investigated in the greater population is used and that the sample selection must be fair and unbiased in a scientific manner for providing results that can match the behaviors and characteristics of the general population such that validity and reliability of the research will not come into question. Ahmed and Ishtiaq (2021) assert that reliability is a measure or a check of how consistent is the data or the results of the research study, it then follows that sampling methods used for any research must be suitable to ensure that the correct data will be collected for the exploration, which will result in the research data passing the reliability test as well as the validity test.

MacMillan and Schumacher (2014) and Etikan at al. (2016) state that sampling can either be probability or non-probability sampling. Using probability sampling participants are selected from the population employing known probabilities such that every participant has a probability of being chosen, whereas in no probability sampling, the probability of being picked from the greater population is unknown. Both methods (probability and non – probability sampling will be used for the research and the methods that will be used will be described after the below diagram.

The diagram below illustrates possible methods of sampling.

Table 6

Sampling Methods

Probability Sampling Methods			
Simple	Stratified	Systematic	Cluster

Non - Probability Sampling Methods		
Convenience	Quota	Purposive
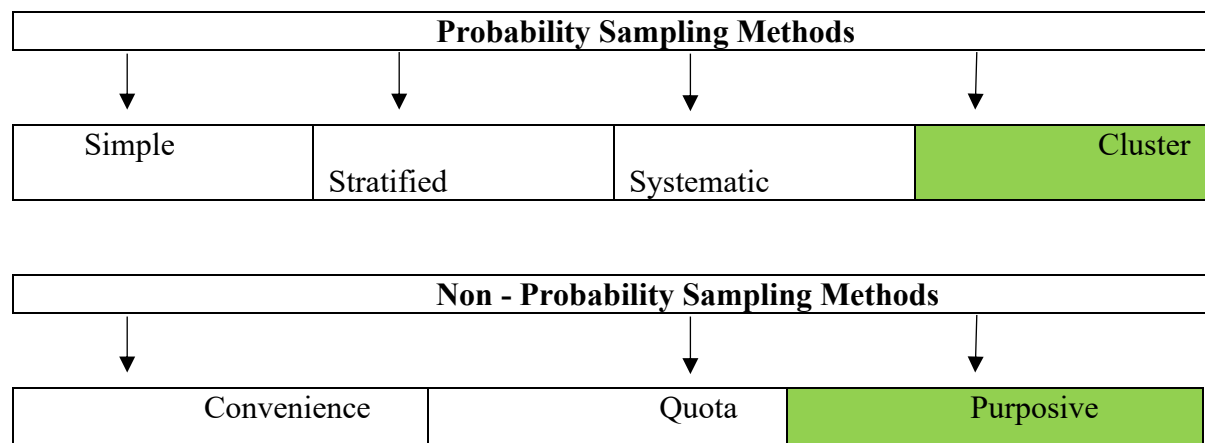
Authors computation 2022

In this study cluster and purposive sampling was employed as they provide for carefully defining of the general geographic area "South Africa". The country will then be split into clusters that are much smaller than the provinces (Custer Sampling) and the targeted participants with special knowledge and experience and interest on issues under examination (purposive sampling) being current/previous owners and managers of operating or collapsed SMEs. The two-sampling methods, Cluster and Purposive sampling, will be discussed below in much more detail.

Cluster Sampling

Cluster sampling is a probability sampling research method that is used when a researcher intends to study a targeted population that is large and is spread across widely different geographic areas. The intention for cluster sampling is to split the population into reduced groups of the geographic areas, that then get to be referred to as the clusters. It is normal to have sub clusters in research as the sub clusters enables the reduction of larger clusters to smaller clusters that can be easily managed and navigated, example of cluster sampling can be described in the South African context as, South Africa the country, a country with provinces that are then presented as the clusters. There are nine Provinces which are then classified as the clusters for study. The provinces will have cities and towns that are then referred to as sub clusters. As an example, the province of Gauteng will have Pretoria and Johannesburg that different cities as sub clusters for Gauteng. Cluster sampling is a process of separating the entire population from the larger geographic area into smaller geographic groups which are then referred to as clusters Nanjundeswaraswamy and Divakar (2021). In a similar Obilor (2023) describes cluster sampling as a process of dividing the greater geographic population into smaller unbroken geographic groups which are then called clusters and geography is one of the characteristics that the clusters can be classified. Mweshi and Sakyi (2020) suggest that cluster sampling involves splitting the targeted population for examination into subgroups and that these subclasses should have the same characteristics as the original larger group. Cluster sampling is suitable for use when large numbers of participants are anticipated in investigation from distributed far apart areas that are different in locations.

MacMillan and Schumacher (2014) and Van Rensburg et al. (2010) suggest that cluster sampling is a method that employs splitting of the targeted geographic population into groups or bunches of geographic areas, which is the opposite of stratified sampling which requires research subjects from the population to be in mixed groups rather than comparable groups. Cluster sampling can be described as multi staged, meaning it can have two or more stages enabling the researcher to start by sampling a much more general group than the following or last group. MacMillan and Schumacher (2014) suggest that cluster sampling is cost effective when the population and geographic area under research is large as it allows for evaluation of individual clusters being the reason why it will be employed in this study. The research is being done with no budget and very little resources and covers the whole of South Africa which very large; hence cluster sampling becomes very useful. South Africa has 9 (nine) provinces which are Gauteng, Limpopo, KwaZulu-Natal, Mpumalanga, North West, Northern Cape, Eastern Cape, Western Cape, and Free State. These nine provinces will be used as the main clusters for exploration. The diagram below illustrates the nine provinces (the clusters for the research) as presented in the findings and results section.

Table 7

South African Provinces

Province		Frequency	Percent
Valid	EasternCape	30	8.5
	Free State	30	8.5
	Gauteng	97	27.3
	KwaZulu-Natal	35	9.9
	Limpopo	30	8.5
	Mpumalanga	32	9.0
	North West	31	8.7
	Northern Cape	34	9.6
	Western Cape	36	10.1
	Total	355	100.0
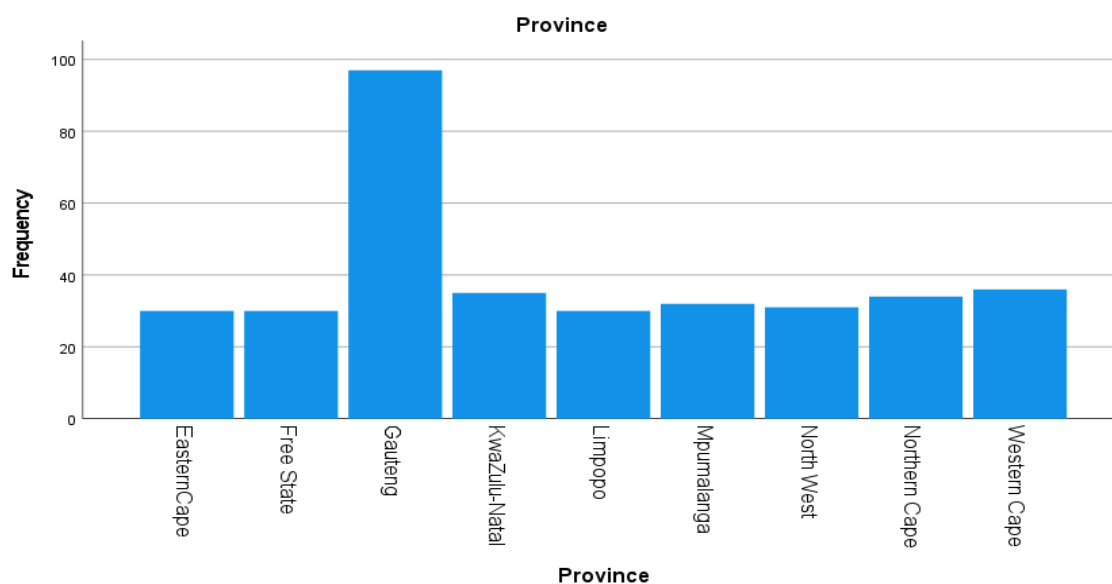
Authors computation 2024

The total number of participants was 355, and Gauteng had the highest participants 97 (27,3%) followed by Western Cape 36 (10,1%) followed by KwaZulu-Natal 35 (9,9%) followed

by Northern Cape 34 (9,6%) followed by Mpumalanga 32 (9,0%) followed by Northwest 31 (8,7%) and Eastern Cape, Free State and Limpopo who had 30 (8,5%)

The next stage after choosing the sampling methods to be used is to define the number of participants that should be part of the research study. Staller (2021) suggests that qualitative research using grounded theory numbers of between 20 to 30 participants and numbers of between 30 to 50 for are acceptable for ethnography noting that as little as 6 is enough to comprehend the core of experiences of the research participants. Staller (2021) suggests that sample size is important although in research what is imperative is whether the research question is being answered, it then follows that when researcher gets saturation of information during qualitative studies it can then be suggested that enough participants have participated in the study. Staller (2021) suggests that saturation of theoretical evidence using grounded theory is when no additional hypothetical evidence can be gathered through interviewing more participants in that investigation. Staller (2021) states that using saturation as measure of adequacy in terms of sample purposes in research is now a generally accepted concept. For this study saturation was achieved during qualitative exploration after 28 interviews and 3 focus groups interviews and it was the basis for stopping doing any further interviews. Etikan at al. (2016) agree stating sample size is determined by achievement of saturation rather than any statistical means in research studies, adding that in purposive sampling emphasis is placed on getting saturation of evidence for obtaining complete understanding of the research problem. It therefore follows that it is important to reach saturation of evidence in qualitative research. Mweshi and Sakyi (2020)

For the research study the sample size was estimated at 400 (four hundred participants) although (355) three hundred and fifty-five participants actually participated from all the nine

provinces of South Africa. Three hundred and fifty-five participants took part in the quantitative research method, and questioners and surveys were sent to participants to fill using google forms, a tool that is freely available and can be used from the internet (online).

Purposive Sampling

Purposive sampling is method of choosing participants where the researcher chooses only those participants that can fulfil the objectives of the study, and the aim of the researcher is to obtain detailed information concerning a certain phenomenon which these participants have good understanding, experience, and knowledge of. A real purposive sample must have specific criteria and reasoning for inclusion of participants as the sample. If correctly done purposive sampling reduces the margin of error because participants that will provide rich data during the research that will be best fit for the purposes of the research Obilor (2023). According to Tansey (2007) Purposive Sampling is method of selecting participants where the researcher's knowledge of the population drives the process, and it involves choosing participants with particular interest or knowledge that is required for the study purposes. It concentrates on participants that best fit the set criteria leaving out those that do not fit the set criteria. In this study the chosen participants were previous/current business owners and managers of SMEs in South Africa. Similarly, Etikan at al. (2016) describes purposive sampling as process where the researcher chooses participants who are willing to take part in the research by virtue of their experience and knowledge. The chosen members have experience and understanding on SME operations as they managed them. Purposive sampling provides for information rich participants for the research. Serra at al. (2018) concur stating that purposive sampling approaches differ from other

probability sampling approaches in that purposive sampling does not use generalization or randomness in participants selection but seeks well informed participants on the research problem so that chances of collecting rich data for the phenomena under the study are high. The author further states that purposive sampling is more useful because it chooses participants that are rich of information intended by the research.

Staller (2021) agrees stating that the reasoning and energy of purposive sampling comes in that it chooses knowledge rich participants for an in-depth study of the research problem. Participants with rich knowledge of the subject or phenomena provide great awareness and thorough understanding of the issues than other general participants. Staller (2021) further states that purposive sampling talks to the strategic judgements from the researcher on understanding which participants will offer the best expert perspectives on the intended questions to be addressed and answer or address the research questions, the idea of this type of selection is to harvest the most appropriate and abundant information from the information or knowledge rich participants. For this research the criteria for participants selection are that; the participants must be (SME) small business owners or managers or are previous business owners or managers of SME businesses that could have failed or is still operating in South Africa. All participants should be of sound mind capable of providing own informed concert for participating in the research. These participants that will be chosen using purposive sampling will be fit for purpose for these examination study as they have or are still actively participating or participated in small to medium business operations at levels that understand all the operational and technical and management aspects of the businesses and will provide the correct and required information of

why SME fail is South Africa, as they have experience in managing or setup and winding up of the SME business as they are either previous or current mangers or owners of SME businesses.

Purposive sampling is described as a non-probability sampling method where participants are chosen deliberately because of their qualities such as knowledge and experience in the research study's main domain. These chosen participants must be proficient and information rich about the phenomenon under investigation and should be willing and available to participate with the ability to express or articulate their experiences and opinions on the research subject. Purposive sampling methods aim at getting into the depth and breadth of the enquiry providing comprehensive understanding until no essential information is required (saturation). Etikan at al. (2016) suggest by using purposive sampling the researcher has a specific understanding of the research problem and can choose participants that are best fit for the research. Jahja at al. (2021) concurs stating purposive sampling is employed because it can expose rich information about the phenomena under research because of the characteristics of the participants that are envisaged for the study. Kubat (2018) confirms stating that purposive sampling approach is very helpful in that it explains with the explanation of facts in most cases as it affords the study to produce rich data and information as it chooses participants that are rich in information that the research study will be looking for.

For the research two types of purposive sampling will be used, maximum variation sampling and total population sample. The two methods will enable the researcher to choose a minimum number of participants that would best answer the research questions. Total population sampling is a method where the complete population meets the minimum requirements or criteria

for the study, such as experience and skill sets whereas, maximum variation sampling is method where were participants are taken from a broad spectrum that is related to the research and enables greater understanding of the phenomenon Etikan at al. (2016). This means that for participation in the research will have not too many restrictions or discrimination criteria except that the participants must be current or previous SME business owners or managers aged between 18 and 65 and the business operations should be or have been in South Africa and should have the ability to provide their own consent to participate.

CIPC (Companies and Intellectual Property Commission) of South Africa is responsible for registration of companies in South Africa. CIPC will be contacted to find out if they can provide the researcher with register or contacts of all SME companies in South Africa. Websites like https://smesouthafrica.co.za/, http://www.smallbusinessdirectory.co.za/, https://www.yep.co.za/, https://mytechiesa.co.za/ were used to get details contact of SME companies in South Africa as well as other online platforms such as WhatsApp and Facebook groups. The limitation to the research was that participant information could not easily be provided because protection of personal information (POPI) act in South Africa forbids the sharing of personal information of individuals by organizations. Etikan at al. (2016) suggest that sample size is determined by achievement of saturation rather than any statistical means in research studies, adding that in purposive sampling emphasis is placed on getting saturation of evidence for obtaining complete understanding of the research problem. Staller (2021) getting the sample size for participants when using purposeful sampling must be flexible and not be fixed or be predetermined as the purpose for purposeful sampling is not achieve generalization but to gain in-depth knowledge and understanding from the wealthy of information received from purposefully chosen participants.

Purposive and clusters sampling formed the qualitative research method part of the research and a total of three hundred and fifty-five participants were chosen from the (9) nine provinces of south Africa. The research therefore anticipates that saturation will be reached and the total number of the qualitative participants for the study will be determined by when saturation is reached. Staller (2021) suggests that participants between 30 to 50 are more than sufficient when using purposive sampling and grounded theory but it must be noted that if theoretical or thematic saturation is reached there might be no practical reasons to invite more participants into the research when using grounded theory. Jahja at al. (2021) acknowledges stating that determination of sample size in advance can be questionable as the researchers cannot predict the form of the analysis beforehand and suggest that sampling should end when saturation of information achieved in research studies. The participants will be interviewed face to face, online and telephonically depending on the preference and convenience of the participants.

Summary population sampling research design

Population in the research represents the entire group of people with interests or behaviours that the research intends to study and understand. Mweshi and Sakyi (2020) described population and sampling as, a population is the greater group of people with interests that are closer to the research study and when this group of people has been identified a sample, being a proportion of the selected population that is representative of the identified population is then chosen as the sample of the population and that there must be specific exclusion and inclusion criteria for the population and on which boundaries can be included being the geographical areas. There are many different forms of sampling that can be used to try and get

the best sample or group of people that will correctly represent the general population intended by the study.

The research employed two methods as data collection approaches, being cluster sampling and purposive sampling. The two methods will assist in getting the correct sample for the research purposes as there is limited time and very little resources and the area under study South Africa is vast and wide with nine different provinces which are far apart. MacMillan and Schumacher (2014) suggest that cluster sampling is cost effective when the population under research is large as it allows for evaluation of individual clusters. According to Tansey (2007) and Etikan at al. (2016) Purposive Sampling is method of selecting participants where the researcher's knowledge of the population drives the process, and it involves choosing participants with particular interest or knowledge that is required for the research purposes. Many other scholars and researchers such as Jahja at al. (2021) and Staller (2021) and Etikan at al. (2016) and Kubat (2018) agree that the use of purposive sampling is very useful in qualitative studies and purposive sampling provides research findings that are very rich in depth and breadth because the selection of participants it uses specific criteria that incorporates only those participants that are information rich and have the capacity and knowledge and experience to address the research questions and research problems under the study. The authors suggest that population sampling required for participation (the number of participants) in qualitative studies might not be very useful because the researcher cannot predict the nature of findings or responses that will be obtained during the research process especially when grounded theory approach is used but researchers must use information saturation to inform them to know when to stop inviting further participants to the research. Staller (2021) suggests that for qualitative

research using grounded theory information saturation can work as the indicator for adequacy of sampling and it is now becoming increasingly acceptable in qualitative research using grounded theory to use this as the barometer to know when to stop. Etikan at al. (2016 p.4) state that "Sample size is determined by data saturation not by statistical power analysis". Jahja at al. (2021) concur, stating that the sample size should be decided because of saturation of data rather than the number of participants.

Therefore, it implies that for the research all participants will either be current or previous SME business owners and managers who should be between the ages of 18 and 65. There will be no limitations in terms of other demographic categories for participation in the research except age, all other demographic categories will be allowed to take part in the research without any other elimination criteria being used. The participants will be contacted and recruited via emails, telephonically from the CIPC register, other SME websites and using social media such as WhatsApp, Facebook and from professional and social media groups and previous contacts kept from previous contacts in some past contracts that the researcher has worked on.

According to OECD (2022) there are two million six hundred thousand (2,600 000) registered SMEs in South Africa. The study, therefore, made use of the available total number of registered SMEs to calculate the estimated sample size. These 2,600,000 total forms the population for the study and Taro Yamme formulae was used to arrive at the estimated study sample for the study.

The sample was carved out using Taro Yamane. The formula is:

n= $\dfrac{N\ \text{I am a current or previous business owner/manager} = \text{Yes or No}}{1+N\ (E)^2}$

Where   n=sample size

N= population of the study

E = error term

n= $\dfrac{2{,}600{,}000}{1+\ 2{,}600{,}000\ (0.05)^2}$

n= $\dfrac{2{,}600{,}000}{1+\ 2{,}600{,}000\ (0.0025)}$

n= $\dfrac{2{,}600{,}000}{6500.0025}$

n=   399.9, Approximately 400

The sample size of this study was estimated to be +/- 400 according to Taro Yamane formula used above.

It must be noted that the research attracted a total of 355 participants, which was +/- 89% of the calculated sample size of 400 and was considered adequate for the study. The 355 participants took part in the surveys for the quantitative part of the study and of 355 members 28 participants took part in the interviews whilst 3 focus groups interviews were conducted with an average of 4 participants per focus group for the qualitative part of the study and saturation was achieved. The number of participants was not equal to the calculated number of participants of 400 as only 355 participants participated. This was attributed to different challenges faced by the

investigator during the data collection processes despite the momentous effort the researcher put to get the required participants. Participants were mostly reluctant to participate, and the researcher had to follow up several times to get responses with some participants wanting to be rewarded to participate, which was beyond the researcher's capacity as there was no budget for that. Of 355 participants only two indicated they were not SME owners or managers which were ticked in error as was confirmed by the participants these would only introduce 0.006 error margin if one was to be critical why they were still used in the research which is considered very insignificant by any standard.

Materials/Instrumentation of Research Study

To focus on the research and finding the correct tools to use for the best fit and provide data that will be relevant and can answer the research questions is a daunting task. Research study instruments are normally composed of surveys, interviews, observations, questioners, focus groups and checklists. The researcher was faced with the task of understanding the nature of the research study and what is the research methodology that will apply to the research. It is important to carefully consider and choose the correct research method for use in the research as the research method would then provide some guidance of which research instruments would apply to the research method. To give an example of how the research method influences the research instruments, it is known that interviews are normally used for qualitative research methods whilst surveys and questioners are normally used for quantitative research methods. Dawadi at al. (2021) suggest that qualitative researchers use instruments such as observations, focus groups and

interviews to gather information and understand the different situations for the issues under the research, whilst quantitative research methods mostly employ surveys. Similarly, Chali at al. (2022) state that qualitative research studies employ observations, documentation, audiovisual data, and interviews as instruments for data collection whilst quantitative research methods employ surveys. Mkandawire (2019) concurs stating that quantitative research methods use surveys and questioners and polls and other national standardized assessments as instruments for research whilst qualitative research methods use observations, text analysis, artifacts, interviews focus groups and literature reviews as instruments for data collection. The data collection tools should provide data that will result in recommendations and findings that are reliable and valid. Research questions for the research must be formed or constructed as they would guide the research as part of the instruments used in the research. The research questions for this research study, "the analysis of the effects of government support for the survival of small and medium businesses in South Africa", many questions arise as to what causes these failures and what can be done to avert the failures. According to MacMillan and Schumacher (2014) to get solutions to the research topic and research problem researchers must formulate research questions that enable the researcher to have a clear view of what they are trying to achieve or solve throughout the research as they answer the research questions. Finfgeld-Connect (2018) concur suggesting that research questions focus on unfolding and scrutinizing and understanding the research problem. It is therefore important to choose and employ the correct tools or instruments that can assist in answering research questions and research problems. The tools that will be used for this research should cater for both the qualitative and quantitative portions of the research since both methods will be employed in the research as the research is mixed method research.

Data Collection and Tools

Sahoo (2022) suggests that research study tools form the most important part in the process of doing research. Research tools enable the researcher to collect data so that they can be able to test the hypothesis of the research and provide answers to the research questions and research problem. Data collection tools and methods can be mixed especially when research is done using the mixed method approach as what will be done with this research. Mixed data collection tools will provide data that is rich in content and enables great understanding of the issues under research. MacMillan and Schumacher (2014) confirm stating that there is great benefit in using mixed method approach as the results will be articulated both qualitatively and quantitively providing confidence in the recommendations and findings meaning the research and findings will be reliable with high validity. Brierley (2017) asserts the use of combining data collection methods stating that combining the data collection tools in one research takes advantage of the depth and breadth that is associated with the different data collection methods. Bryman (2006) and Brierley (2017) and Doyle at al. (2016) suggest that combining the data collection tools and analysis will produce triangulation and convergence, providing completeness of findings as they bring together wide-ranging interpretation of the issues under research and expansion as the investigation enhances the strength of the finding's breadth and depth and complementarity as the combination enhances and elaborates and clarifies the findings of one method from the other. The following data collection tools will be used for this research study.

(i) Surveys

(ii) Interviews

(iii) Focused Groups

A detailed description of these data collection tools and why they will be used is provided below.

Surveys

Surveys will form part of the tools that will be used for research for data collection purposes. It is important to employ surveys as a tool because surveys enable data collection from participants in different places and this research will require data to be collected from owners or previous owners and managers or previous managers of small businesses across South Africa. Rice and Winter (2020) concur that electronic surveys afford researchers much greater audiences as they are sent online, and researchers get access to the entire population without boundaries. Rice and Winter (2020) suggest that if the research intends to capture or understand the opinions and attitudes of participants, as is required by this research, then surveys will be appropriate tool for data collection and that using surveys does not limit the researcher from using other tools. Online surveys can be done with free or lower cost software tools such as survey monkey and google forms that will assist in making the research process cheap and affordable as it is easy to use for both the researcher and the participants. Surveys can be used for qualitative research to expose experiences, accounts and opinions and can be used as precursors for focus groups or interviews that will follow. Surveys have other added advantages as they can be changed to add additional information providing a method that is responsive and evolving as the research progresses and data collection is achieved quicker with less effort. Rice and Winter (2020) suggest that surveys can be used for qualitative and quantitative research methods meaning it is a tool that can be very useful for mixed method research. As stated by (MacMillan and Schumacher (2014) survey questions must be simple, without any bias, relevant, clear and must be directed to the correct

people with experience, knowledge and good understanding of the questions being asked in the survey for the research question and problem to be answered. Seixas at al. (2018) stress that surveys must be developed in a manner that engages participants effectively without reducing their ability to provide responses. Taherdoost (2021) that surveys and questioners must be short and simple questions, they must be easy to understand by providing clear statements to all participants of all different educational backgrounds, and wording must be positive with only question per item and reliability can be increased using appropriate wording, and at all cost researchers must avoid providing clues or hints to the questions.

This study used a structured questionnaire as the instrument of the study. This is to ensure that it fits both the context of the study as well as the major constructs of the study adequately. This was validated using face validity through the research supervisor as well as experts in the field of management while construct validity was assessed using both discriminant validity through Fornnel Lacker scale and convergent validity through average variance extracted (AVE). while the reliability was assessed through internal consistency using Cronbach alpha and composite reliability.

Interviews

Sahoo (2022) describes interviews as focused communications from which one person (the interviewer) can gather information or data from one or more people during the process of communication via a succession of questions. Interviews are special in that they are not general discussions, but an interview must have a pre-defined purpose such that it only focuses on

gathering answers or understanding experiences through the successive questions in the interview. The questions are designed by the researcher to enable us to answer the research questions and research problems. Interviews are at times referred to as the best way of obtaining information as they provide an enormous amount of information, which will not normally be provided via other resources. Interactions and observations of complex discussions enable the researcher to understand the issues more as they observe and pay attention to the emotions of the interviewee. Taherdoost (2021) states that interviews are as process where questions are inquired with participants and there are in social discussions and data is then collected from the responses from the questions which are answered by the participants, and this is the opposite of surveys and questioners where data is directly collected from the participant. Social collaboration enables the researcher to gather more data and information including confidential information which could not be exposed via surveys or questioners. Interviews can be done in person one to one and via many other forms of communication such telephones or via computers. The use of open-ended questions and close ended questions make interviews a special tool that can be used for both qualitative and quantitative research Taherdoost (2021). Gill and Baille (2018) suggest that interviews permit the researcher to have a great in-depth of the experiences, perspectives as well as beliefs of participants which this research is looking for the reasons of why SMEs fail in South Africa to be exposed and understood. Participants experiences, beliefs and perspectives will allow the research topic to be unfolded allowing a greater understanding as to why small to medium businesses fail in large numbers in South Africa. Interviews can be face to face or online using software packages like Teams, Skype, or Webex and on the phone or even WhatsApp video and voice calls. It has become easier and more convenient for most people to have interviews online with the Covid-19 pandemic which took the world like a storm. de Villiers at al. (2021) and

Thunberg and Arnell (2021) acknowledge stating that video or digital technologies are progressively being used, and this had been fast-tracked by the Covid-19 pandemic. For the research analysis of failure for small to medium businesses in South Africa, interviews will afford a convenient and cheapest way for data collection as online interviews will be done removing the cost of travelling all over South Africa, a situation that would have made the research very costly and unaffordable. Thunberg and Arnell (2021) and Gill and Baille (2018) acknowledge stating that the advantages of online interviews are that they save costs on travelling and the need to travel long distances. de Villiers at al. (2021) highlights that face-to-face interviews are normally preferred as they provide researchers with the opportunity to shape and maintain connection with the participants. Online interviews have another advantage in that both researcher and participant can also text to elaborate on points during the interview giving more information in the process of the interview, whilst online video interviews allow the researcher greater understanding through body language, and fascial expressions and interviews can be recorded allowing researcher the time and ability to listen again as they replay allows greater understanding de Villiers at al. (2021). Semi structured and Unstructured interviews will be employed for this research to enable the participants to articulate the issues that they feel cause small businesses to fail at high rate in South Africa. Rensburg at al. (2010) state that unstructured interviews enable the discovery of more information as they are open ended enabling the participants to express their views and points unfolding the unanticipated information. Gill and Baille (2018) similarly describe unstructured or semi-structured interviews as that, they facilitate a more flexible and in-depth interviewing approach providing clarification of the topic and allows participants to discuss issues, they think are important to the topic. Gill and Baille (2018) also emphasizes the importance of informed concert for participants giving them the required respect and autonomy and information on how

their data will be stored and used and their right to withdraw at any point of the research with no reprisal. Taherdoost (2021) described semi structured interviews as formal discussions that are done, following a guide as the interviewer or researcher`s questions are guided by the already planned questions. Semi structured interviews allow the participant to express their views and emotions yet still the interview structure is not lost as all questions are guided, and it is the interviewer's job to ensure they follow the guided questions and not get lost in the discussions. Taherdoost (2021) suggests that it is the role of the interviewer to keep participants motivated to continue with the interview process and provide feedback and analyses if the provided answers of good quality or relevant to the interview questions. Interviewers are warned against avoiding bias in research as they go on with the process of interviewing the participants. Gill and Baille (2018) and Taherdoost (2021) and Du Plooy et al. (2010) suggest that interviews have the advantages of collecting data that is very rich and detailed with a lot of depth giving the chance to gain more knowledge about past events and expected future events as well as giving the interviewer the opportunity to clarify any questions or areas of doubt giving clear understanding of issues.

Focus Groups

Sahoo (2022) suggests that focus groups as another specific type of interview, it can be easily described as a group interview where the interviewer seeks to gather collective understanding of issues under the research study from various participants at the same period. For focus group interviews the researcher arranges the interviews with a group of people for the same topic to be discussed in one sitting or meeting. Focus group interviews normally happen through semi structured questions and structured questions being posed to the group and it is the duty of

the interviewer to ensure participants of all members and maintain order and alignment to the purpose of the interview. The advantages of focus group interviews are that participants in the group respond to questions and discussions of other participants and not only to those of the interview, and this type of interaction normally brings greater understanding of issues that matter for the research study. Taherdoost (2021) defined focus groups as a combination of doing interviews and observing, enabling the uncovering of participants attitudes and behavior on a certain concept under the study. Focus groups provide a method that gathers a few people normally not more than 12 per focus group to discuss and gives the researcher or interviewer opportunity to discover the social dynamics of the group and strengthens understanding of issues under the research study. Focus groups interviews will be essential to allow participants to explore and explain their views on the research topic and research problem. Group discussions allow for greater detail to be explored as individuals give their different views in the group discussion. It remains the obligation of the researcher to safeguard that the discussions remain focused on the research topic and problem. UNICAF (2020) and Van Rensburg et al state that focused group discussions are very important because they bring together several participants providing the group effect which allows participants to explain and explore their viewpoints with the researcher who continuously moderates the discussions to ensure the discussions remain focused on the research topic and research problem and questions. UNICAF (2022) defined focus groups as a research method that permits the collection of qualitative data via group exchanges over a research topic chosen by the researcher. The discussions in focus groups allow the building of meaning within the different participants on the research topic. Focus groups allow for the in-depth discussions and provide for greater details to be elaborated in the discussions as the researcher is given the chance to appreciate and understand how the affected people view their own reality getting closer

to the data. There are few criticisms for using focus groups such as the fear to discuss personal issues in groups other participates may not actively participate UNICAF (2022). The disadvantages are outweighed by the benefits for the research topic analysis for the causes of failure for small to medium business in South Africa because the topic is not very personal and is a highly debated issue where participants might wish to contribute to finding solutions for the problem. Taherdoost (2021) suggest focus group interviews provide a platform for participants to feel comfortable as group structure opens up space to discuss further and interact enabling the researcher to gain deeper understanding of concepts and issues under the research and enable the understanding of complex issues.

Most of the focused group discussions will be done virtually to reduce cost and reach out to participants that are different places and bring them together to enable and hear all viewpoints from people from different areas. Participants right to privacy and respect (ethical considerations) will be observed and participants will be requested for permission to record the sessions and clear engagement rules explained. Engagements rules are very important to keep the discussions focused and not infringe on participants rights and enables expressions of thoughts to be guided for the purposes of the discussions under considerations only.

Summary for research Tools

Mixed method research was employed for the research as it provided for good prospects of working with different data attained from differing sources as bias will be eliminated with use of opposing methods, non-sampling errors are also limited with the use of different data sources

and information that could be missed by one approach will be picked by the other approach Axinn and Pearce (2006). Asenahabi (2019) similarly describe mixed methods as providing great breadth and depth in understanding the research problem whilst at the same time compensating for the weaknesses of the other method. The search tools that were used for the research were interviews, surveys and focused groups. The use of interviews, surveys and focused groups enabled the researcher to get in-depth and greater understanding of issues and enable the formation of findings that are valid and trustworthy using triangulation and obtaining convergence. Rice and Winter (2020) and Taherdoost (2021) suggest that surveys enable the researcher to access large numbers of participants faster with less cost as they can be sent via different online platforms which are easy to access. Gill and Baille (2018) and Rensburg et al. (2010) suggest that interviews provide good platforms for the researcher to gain greater understanding of perceptive and experiences from participants providing platform for further interrogation of issues that the researcher might need to clarify. UNICAF (2022) and Taherdoost (2021) and Van Rensburg et al. (2010) suggest that focus groups provide the interviewer opportunity to discover the social dynamics of the group and strengthens understanding of issues under the research study enabling building of meaning through in-depth discussions and that group effects enable the exploration and explanation of viewpoints.

Below is a list of the standardized research tools that were used in the research.

The first part will require the participant to complete details below after signing the informed concert form. A standardized questioner was used for the study on the quantitative part of the research.

Personal Information

I am a current or previous business owner/manager = Yes or No

I have operated a previously failed business operation = Yes or No

Gender = Male or Female or prefer not to state

Research Questions

These research questions below will form the Quantitative data collection tool.

For the questions below Please choose yes or no and answer all questions

1.) Does government provide the required support for SME

a. Yes b. No

2.) Is government assisting in training of SME start ups

a. Yes b. No

3.) Most entrepreneurs have the required knowledge to run SME business

a. Yes b. No

4.) Corruption can result in SME business failures

a. Yes b. No

5.) It is important for entrepreneurs to have some management functions knowledge or training

a. Yes b. No

Surveys Questions One

These survey questions below will be another part of the Quantitative data collection tool.

For the questions below please choose the most appropriate answer to the question depending on your understanding on why SME fail or succeed in their business endeavours rating your answers from 1 to 10 where 10 is you totally agree with statements, please answer all questions.

Below is the 10-point Likert scale that was used for these questions

1   Extreme lack of knowledge (Amateur)
2   Very bad lack knowledge
3   Bad lack of knowledge
4   Somehow bad knowledge
5   Neutral
6   Very little knowledge
7   Some reasonable knowledge
8   Good knowledge
9   Very Good knowledge
10   Extremely knowledgeable (Expert)

1.) Knowledge for management functions like people management is very essential for the success of any SME business

1, 2, 3, 4, 5, 6, 7, 8, 9, 10 Answer =

2.) Knowledge for management like accounting and finance is very essential for success of any SME business

1, 2, 3, 4, 5, 6, 7, 8, 9, 10 Answer =

3.) Knowledge like marketing or understanding different marketing ways such e-marketing are essential for any SME business to succeed

1, 2, 3, 4, 5, 6, 7, 8, 9, 10 Answer =

4.) Knowledge like marketing or understanding different marketing ways such traditional marketing are essential for any SME business to succeed.

1, 2, 3, 4, 5, 6, 7, 8, 9, 10 Answer =

5.) There are many business practices that lead to SME business failures such as corruption.

1, 2, 3, 4, 5, 6, 7, 8, 9, 10 Answer =

6.) Entrepreneurs and SME business managers believe they get required and enough support from government to run the organisations to avoid failures.

1, 2, 3, 4, 5, 6, 7, 8, 9, 10 Answer =

7.) Government should ensure all SME startups have some business management training and support SME in gaining some business management training for all start ups

1, 2, 3, 4, 5, 6, 7, 8, 9, 10 Answer =

8.) Corruption, payment of bribes and other forms of underhand facilitations of business acquisitions have effects on business operations and subsequent business failures.

1, 2, 3, 4, 5, 6, 7, 8, 9, 10 Answer =

9.) There is enough information available to SME owners and managers on support that is provided by government to SME

1, 2, 3, 4, 5, 6, 7, 8, 9, 10 Answer =

10.) Entrepreneurs don`t need to have any business management knowledge or principles they should just have business ideas.

1, 2, 3, 4, 5, 6, 7, 8, 9, 10 Answer =

Survey Questions Two:

For the questions below please choose the most appropriate answer to the question depending on your understanding on why SME fail or succeed in your business endeavours rating your answers from 1 to 5 where 5 is you strongly agree with statements, please answer all questions.

Section One: Government Support and Survival of SMEs

Funding Grants

1. Funding grants provided by the government significantly enhances the survival chances of SMEs.

   1, 2, 3, 4, 5 Answer =

2. Access to government funding grants positively impacts the operational stability of SMEs.

   1, 2, 3, 4, 5 Answer =

Regulatory Simplification

1. Simplified regulations facilitate smoother operations for SMEs. 1, 2, 3, 4, 5 Answer =

2. The current regulatory environment supports the survival of SMEs in South Africa. 1, 2, 3, 4, 5 Answer =

Tax Incentives Offered

1. Tax incentives offered by the government contribute positively to the financial health of SMEs. 1, 2, 3, 4, 5 Answer =

2. The availability of tax incentives is crucial for the sustainability of small businesses. 1, 2, 3, 4, 5 Answer =

Survival of SMEs

1. Government support mechanisms are vital for the long-term survival of SMEs. 1, 2, 3, 4, 5 Answer =

2. SMEs in South Africa face significant challenges that threaten their survival. 1, 2, 3, 4, 5 Answer =

3. The overall climate for SME survival has improved due to government initiatives. 1, 2, 3, 4, 5 Answer =

Section Two: Government Support and Small Business Entrepreneur's Start-Up Training

Mentorship Programs

1. Mentorship programs significantly improve the success rates of new SMEs. 1, 2, 3, 4, 5 Answer =

2. Access to mentorship positively influences the entrepreneurial journey of small business owners. 1, 2, 3, 4, 5 Answer =

Business Incubation Centers

1. Business incubation centers provide essential resources that enhance the likelihood of SME success. 1, 2, 3, 4, 5 Answer =

2. Participation in business incubation programs improves the skills and knowledge of entrepreneurs. 1, 2, 3, 4, 5 Answer =

Access to Networks

1. Access to professional networks is crucial for the growth of SMEs. 1, 2, 3, 4, 5 Answer =

2. Networking opportunities provided by the government positively impact small businesses. 1, 2, 3, 4, 5 Answer =

Small Business Entrepreneur's Start-Up Training

1. Start-up training programs equip entrepreneurs with necessary skills for business success. 1, 2, 3, 4, 5 Answer =

2. Knowledge gained from start-up training directly contributes to the growth of SMEs. 1, 2, 3, 4, 5 Answer =

3. Ongoing training is essential for the success of small business entrepreneurs in South Africa. 1, 2, 3, 4, 5 Answer =

Section Three: Entrepreneur's Knowledge and Skills on Business Management

Strategic Planning Ability

1. Effective strategic planning is critical for the success of SMEs. 1, 2, 3, 4, 5 Answer =

2. Strong strategic planning abilities enhance the operational success of small businesses. 1, 2, 3, 4, 5 Answer =

Marketing Expertise Knowledge

1. Marketing knowledge is essential for attracting and retaining customers in SMEs. 1, 2, 3, 4, 5 Answer =

2. Effective marketing strategies are vital for the growth of small businesses. 1, 2, 3, 4, 5 Answer =

Operational Efficiency Skills

1. Operational efficiency is a key factor in the success of SMEs. 1, 2, 3, 4, 5 Answer =

2. Skills in operational management positively impact the performance of small businesses.

    1, 2, 3, 4, 5 Answer =

Running of a Successful Business

1. Knowledge and skills are sufficient to run a successful business. 1, 2, 3, 4, 5 Answer =

2. The ability to adapt business practices is crucial for entrepreneurial success. 1, 2, 3, 4, 5

    Answer =

3. Continuous learning is necessary for the ongoing success of SMEs. 1, 2, 3, 4, 5 Answer =

Section Four: Government Business Regulations on Payment Periods and Success Factors

for Small to Medium Businesses

Prompt Payment Policies

1. Prompt payment policies positively impact the cash flow of SMEs. 1, 2, 3, 4, 5 Answer =

2. Timely payments from clients are critical for the survival of small businesses. 1, 2, 3, 4, 5

    Answer =

Efficient Dispute Resolution

1. Efficient dispute resolution mechanisms are essential for maintaining business

    relationships. 1, 2, 3, 4, 5 Answer =

2. The ability to resolve disputes quickly has a positive effect on SME operations. 1, 2, 3, 4,

    5 Answer =

Regular Payment Schedules

1. Regular payment schedules help SMEs manage their cash flow effectively. 1, 2, 3, 4, 5

    Answer =

2. Predictable payment timelines contribute to the financial stability of small businesses. 1, 2, 3, 4, 5 Answer =

Success Factors for Small to Medium Businesses

1. Government regulations significantly influence the success of SMEs in South Africa. 1, 2, 3, 4, 5 Answer =

2. Access to financial resources is a key factor for the success of small businesses. 1, 2, 3, 4, 5 Answer =

3. A supportive business environment is crucial for the success of SMEs in South Africa. 1, 2, 3, 4, 5 Answer =

Section Five: Business Practices and Small Business Failure

Unfair Competition Tactics

1. Unfair competition tactics negatively impact the survival of SMEs. 1, 2, 3, 4, 5 Answer =

2. Unethical practices by larger firms create challenges for small businesses. 1, 2, 3, 4, 5 Answer =

Nepotistic Hiring Practices

1. Nepotistic hiring practices undermine the effectiveness of SMEs. 1, 2, 3, 4, 5 Answer =

2. Merit-based hiring is essential for the success of small businesses. 1, 2, 3, 4, 5 Answer =

Corruption

1. Corruption in the business environment poses significant challenges for SMEs. 1, 2, 3, 4, 5 Answer =

2. Corruption negatively affects the growth potential of small businesses. 1, 2, 3, 4, 5 Answer =

Small Business Failure

1. Many SMEs in South Africa fail due to a lack of support and resources. 1, 2, 3, 4, 5 Answer =

2. The business environment in South Africa presents significant risks for small business survival. 1, 2, 3, 4, 5 Answer =

3. Understanding the causes of failure is crucial for preventing it in SMEs. 1, 2, 3, 4, 5 Answer =

Interviews and Group Discussion guide questions

These research questions below will form the Qualitative data collection tool.

Below are the questions that will guide the interview and group discussion processes.

1.) What do you think of support for SME`s provided by government?

2.) Do you feel or think SME owners and entrepreneurs should have some knowledge on business management functions?

3.) How do payments and other financial issues affect SME businesses?

4.) How does corruption and other under hand activities affect SME businesses?

5.) What can be done by government and other institutions to assist SME companies from failing?

6.) Is there any training that you think should be provided to SME startups?

7.) Is there anything you think, or feel can be done to prevent SME businesses from failure?

Data Collection and Analysis

According to Kairuz at al. (2007) it is the responsibility of the researcher to choose the best method for data collection by considering the strength and weaknesses of the research approach to be used for both data collection and analysis. This choice must be carefully made as it has great effects on the rest of research project. Well planned research methods for data collection and analysis will attract the correct participants that have the ability to provide information and data that can contribute to the answering of the research questions. Similarly, Sutton and Austin (2015) suggest that data collection and analysis process should enable the researcher to see and identify issues under research, in the same manner as the participants meaning data collection and analysis should be carefully considered so that accurate information as gathered from the participants should be captured for the research study to provide clear reflections of issues under the study. Kairuz at al. (2007) and Sutton and Austin (2015) suggest that data collection can be done in the form of interviews, that can be semi-structured or using focus groups and other in-depth interviews and that these interviews can be done face to face or using other technologies such telephones.

The research used mixed methods approach to try and understand the phenomenon of why SME organizations fail at high rates in South Africa. The aim for using mixed methods was to try and establish if triangulation and convergence could be achieved from the data collected from the two different research methods (Qualitative and quantitative) as stated by Brannen (2016) that using mixed methods enables the examination of the different characteristics of the issue being researched by employing the methods carefully which enables understanding issues in great depth and breath. Creswell and Creswell (2018) stipulate that triangulation fortifies reliability and internal validity of a research project. Triangulation in research is reached when there is convergence of information from the two different research methods. Triangulation strengthens

research by removing bias, by mixing theories, observations and methods and enables exploration of complex behaviors enabling explanations of findings that are balanced there by producing credible and valid research findings Noble and Heale (2019). Sirvent at al. (2022) confirms that triangulation worries about the ability and possibilities of mixing data, research methods and theories and all other factors at the same time to get great and deep understanding of the phenomena. Taherdoost (2021) states that researchers use different types of data collection and analysis tools and methods to find enough information required for the study and provide findings with meaning.

After careful consideration of all research methods approaches including their advantages and weaknesses the researcher chose to do data collection using different methods such as questionnaires, survey, and interviews including focus group interviews. This is a clear indication, as was described in the paragraph above that mixed methods research approach were employed for the research study. It then follows that the data analysis was in two parts to produce findings for the qualitative part of the research and the quantitative part of the research. Quantitative analysis used SPSS software and SmartPLS Software as the main tools for data analysis whereas Qualitative analysis employed the NVivo software for data analysis. Below a brief discussion of how the data analysis was carried out will be given.

Qualitative Data Analysis

Data analysis methods will always be dependent on the type of research method that was used for the research. Qualitative research methods will adopt analysis of data that are suitable for

qualitative research approaches and the same applies to quantitative research methods. Taherdoost (2021) describes qualitative data analysis as description of events in the settings using the collected data from qualitative methods. Taherdoost (2022) states that data analysis in qualitative research involves coding and formation of themes for producing meaning that is descriptive enabling in depth understanding of issues and the phenomena under investigation. Qualitative data analysis employed the Thematic Approach. The thematic approach analyses data in a systematic manner and the analysis involves formation of codes and themes that enable great understanding of the phenomenon. Boyatzis (1998) describes coding as the uncomplicated elements of raw data that can be used to produce good meaning of the phenomena and states that thematic codes provide the qualitative goodness of the phenomenon. Thematic analysis involves analysis of data by understanding the occurrences of information in the data that informs the formation of codes and themes that are then used to combine the data to form common meaning and understanding providing analysis of the researched data. Elster (2020) states that themes are usually formulated from detailed annotation of data that forms the codes, whilst the coding is a method of structuring the thematic maps that provide insights that are very rich and provide for analyses that is implicit and explicit to the content. Transcription of interview data was done and when data was correctly transcribed into scripts of themes and codes, the researcher then proceeded with the data analysis. Elster (2020) states that themes provide patterns of meaning derived from the data. The method of thematic analysis can be trusted as it produces validations and findings that give a true reflection of the participants' views as the analysis is based only on primary data collected from the research. Computer software packages such as NVivo that were used for this research for qualitative analysis provided easier, faster, and effective ways of doing thematic analysis of qualitative data. Allsop at al. (2022) remark that critics of software users urge that software create distance from the research

as the researcher will not do the actual analysis as it will be done by the software but instead software packages are tools that assist in the data analysis process and provides for an opportunity to produce replication together with verification that increases methodological thoroughness.

Use of the NVivo Software

Data will be prepared and made ready to be imported into the Nvivo software, this is called transcription of the data. Transcription is the first step that I will do to ensure the different forms of data collected is ready for importing into the NVivo software. The process below will be followed, after transcription is complete to import the data.

1. Open Nvivo and create a new, empty Nvivo file;
2. SC "Import" on the ribbon;
3. SC "Files";
4. Navigate to the files of interest;
5. Select the desired file(s) to import into Nvivo;
6. SC "Open";
7. SC "Import";
8. SC "OK";

Adopted from Allsop et al. (2022 p.144).

The second step will be coding for the Data. Coding involves working through transcripts provided to produce initial codes that reflect what was discussed by the participants Allsop et al. (2022). The Deep Dive Method for open coding will be used for research. It involves the use of already transcribed importation of data into the NVivo software. Other methods that could be applied include keyword method that searches for key wording in the data. Several steps are taken during this process to be completed and should be done for every interview.

The third step will be consolidation of Open codes to prepare for systematic coding. It involves merging closely related codes into one theme there by forming different themes. Different themes are then formed and will be followed by an elimination process where themes that are not frequently seen across interviews are then removed to reduce themes to those that have meaning and are frequently used.

The last step will be systematic coding of all the themes. This stage confirms how many times each theme is found in the interviews, identifies participants selections that relate to certain codes and prepares research for finalization.

Quantitative Data Analysis

Quantitative analysis uses statistical analysis. Statistical analysis involves systematically collection of data that is numerical and how to interpret it, where the descriptive statistics describe the straightforward features from the data that would have been collected to provide the measured samples like median, mean, or standard deviation, when used with graphical analysis and the SmartPLS (Partial Least Square) Software will be used to verify the rationality and the reliability of the data, these two then form the basis of quantitative analysis. Quantitative analysis requires eyeballing of the collected data employing graphs and exploratory data analysis so that important aspects of the data are understood and detection of outliers and data that could have been incorrectly captured is possible. It will be important for this research to start with this process to identify outliers and incorrectly captured information for the research data to produce results that will be valid and reliable. It will be important for the results to be valid and confident so the Alpha

level (p value) for statical analysis will be used. Alpha level (p value) will be used to reject or accept the hypothesis using the significance level the alpha (a) level. This is important so that the researcher checks that these results are valid and were not reached by chance. The significance levels for the research must be lower than 5% and the table below illustrates the alpha p value.

$p = 1.00$, would mean that the possibility that these results occurred by chance are 100%

$p = 0.50$, would mean that the possibility that these results occurred by chance are 50%

$p = 0.05$, would mean that the results have 95% chances of being correct

$p = 0.01$, would mean that the results have 99% chances of being correct, the ideal position for good research.

Adopted from Week 19 (2022)

The research used the SPSS Software to try and produce results that will have good descriptive statistics with generated reports in the form of graphs, plots, and line databased analysis

Use of SmartPLS Software

For SmartPLS analysis, data will be prepared and imported from the Excel sheets created from the raw data collected during the research. This software is particularly useful for structural equation modeling (SEM), allowing researchers to analyze complex relationships between variables effectively. The first step in using SmartPLS involves defining the constructs and their indicators, which can be accomplished through a clear specification of the measurement model. When entering the research constructs, researchers can choose to label each construct descriptively or use coding for efficiency. Once the constructs are established, the next step is to input the actual

research data into the SmartPLS data view. This software facilitates the handling of both reflective and formative measurement models, making it versatile for various research designs.

SmartPLS allows for the estimation of path coefficients, which provides insights into the strength and significance of relationships between constructs. This feature is particularly valuable for understanding the dynamics of the variables involved in the study. The software generates comprehensive output that includes not only path coefficients but also significance levels, R-squared values, and model fit indices, which are crucial for evaluating the overall model performance.

The user-friendly interface of SmartPLS enables researchers to visualize the model through path diagrams, making it easier to interpret the relationships among constructs. The graphical representation enhances the clarity of the findings, allowing for effective communication of results.

SmartPLS is especially advantageous when dealing with smaller sample sizes, as it employs a partial least squares (PLS) approach that is robust to violations of normality. This flexibility is beneficial for studies where sample sizes may be limited, as it allows for meaningful analysis without compromising the integrity of the results.

Furthermore, the software supports bootstrapping techniques to assess the significance of path coefficients, providing a reliable method for hypothesis testing. By utilizing SmartPLS, researchers can derive meaningful insights into the factors influencing the phenomena under investigation, thereby contributing to a deeper understanding of the research topic.

SmartPLS serves as a powerful tool for researchers looking to perform structural equation modeling, offering a range of features that facilitate the analysis of complex relationships, enhance model visualization, and support robust statistical testing.

Study Procedures and Ethical Assurances

It has become standard practice for all researchers to consider all ethical issues that can be possibly encountered during the research process, especially research that involves human beings. Failure to consider all ethical issues can result in harm of individuals and participants which is not the intention of any research or researcher as researchers are supposed to protect the identity of all their participants during and after the research study. For good and ethical research, it must not be possible for any findings or any part of the research study to be associated with any particular participant. Ethics in research provides the standards for conduct that differentiate between what is acceptable behavior or not acceptable behavior in research David and Resnik (2020). Van Rensburg at al. (2010) concur, stating that ethics signifies given standards according to a given group or community that regulates their behavior. Similarly, MacMillan and Schumacher (2014) claim that there are guidelines and principles that guide the researcher on ethical issues and the responsibility remains with researcher to ensure that ethical practices are followed throughout the research. Considering ethical issues in research is important as it guides the researcher on issues such, human rights, how to protect personal information for participants, and how to protect all participants from harm which may arise because of the research. Research that has human elements must be carefully configured for research to ensure no harm whatsoever might arise out of the

research findings or recommendations, all participants' information must remain confidential and analysis or findings must never be linked to any participant. Many countries have different laws that protect personal information about individuals and specific instructions and rules of how data that contains personal information should be handled. Ethics in research ensures that no breach may arise out of the research and universities are very strict about ethical issues and no research can commence before clearance is obtained from the institution's research committee. For our University UNICAF the UREC (Unicaf Research Ethics Committee) committee is responsible for providing ethical clearance before any data collection commences. For this research clearance was sort and approved by the UREC committee before the research could commence with data collection.

In South Africa there are laws that used for protection of personal information such as the (POPIA)South African Protection of personal Information Act which came into effect in June 2021, and the act aims to protect the South African personal information public in general so that they don`t suffer from misuse or theft of their personal identities. The POPIA act stipulates individuals or entities can be penalized with different fines and sentences for breaching the act. Staunton at al. (2020) state that the right to privacy is enshrined in the South African constitution and The Protection of Personal Information Act [No.4 of 2013] (POPIA) was the first all-inclusive act for data protection in South Africa enabling protection of the South Africans as per their constitutional right to privacy. Under the act it is an offence to share private information of individuals without their concert. Zenda at al. (2020) similarly state that The Protection of Personal Information Act [No.4 of 2013] (POPIA) was enacted for the protection of personal information as instrument to support the constitutional rights of citizens to their right to privacy,

and further privacy laws have been introduced to ensure that organizations handle and use personal information as per the laws and that it is not allowed to share personal information without consent. It must be noted that in South Africa there is no other body that regulates research except for the health professional's council which regulates research for healthy studies. Staunton at al. (2020) state that for any health-related research approval must be sort from the research ethics committee (REC). There was no further approval that could be sort for this research as there is on other body that regulates SME research in South Africa. It must be noted as well that documents like the Gate Keeper document could not be signed by organizations such as (SEDA) The Small Enterprises Development Agency as they do not regulate SME or research into SMEs and that there laws that are in force in South Africa for the data protection include POPIA prohibiting the sharing of personal information and it was not possible to get any cooperation (SEDA) for this research because of these reasons.

Participants must voluntarily agree to participate in the research (informed consent) and be advised of their rights to withdraw from the research at any given time without providing any reason for their withdrawal. McNamee (2001 p.2) states that "The notion of voluntary consent is unquestionable at the heart of research ethics in the natural sciences". MacMillan and Schumacher (2014) and Van Rensburg at al. (2010) agree stating that informed consent enables participants to agree to be part of the research with full knowledge of the purpose of the research project. Consent form must have the following information (i) research purpose, (ii) information on how to cover confidentiality issues (iii) what are the risks associated with the research, (iv) what benefits will come out of the study (v) pronouncement that participation is completely voluntary (vi) contact details if there any questions about the research MacMillan and Schumacher (2014). Researchers

are advised never to deceive or coerce participants, and the researcher must assure all participants that they will be free from any sort of harm and that their information will remain confidential through put the research and after the findings have been published or released. For this research participants were informed of their right to voluntarily participate and the right to withdraw at any given point and concert forms will be provided for participants to sign as sign to show that they voluntarily participate in the research. The informed concern forms will clearly state all this as quoted below.

"The above-named Student is committed in ensuring participant's voluntarily participation in the research project and guaranteeing there are no potential risks and/or harms to the participants. Participants have the right to withdraw at any stage (prior or post the completion) of the research without any consequences and without providing any explanation. In these cases, data collected will be deleted. All data and information collected will be coded and will not be accessible to anyone outside this research. Data described and included in dissemination activities will only refer to coded information ensuring beyond the bounds of possibility participant identification. Unicaf (2022)".

All transcripts that were be used for recording participants input for the research study was coded with information that does not relate to the participant in any manner and the online questions and surveys were anonymous to ensure the responses cannot be linked back to any participant. The duties of the researcher included explaining the informed consent concepts to all participants to ensure that all participants are aware of their rights and will be protected from any

form of harm and that their information will be kept as confidential and will not be shared with anyone.

The researcher was responsible for doing the interviews and recording on inscription of transcripts and the researcher ensured that they do not influence in any manner how the participants should respond to any part of the research data gathering process. The researcher should have the ability and skill to ask a few leading questions depending on responses from participants to gain more understanding of issues as explained the participants. The researcher avoided presenting or asking questions in any manner that will influence responses from participants using the standard questions that were prepared and approved by the UREC committee. This will assist in prevent researcher bias and influence that might affect the finds of the research.

The research is of business nature and cannot be linked to any religious, traditional, or personal believes which greatly reduces the risk of other bias from the researcher, as such issues (religious, traditional believes) can the influence the way the researcher approaches and performs part or whole of the research study. Participants for the research should be of sound mind above the age of 18 and be business owners or managers or people who have previous experience as business owners or managers. The specific requirements also reduce the risks that are associated with ethical issues as no minors can be enrolled as participants as well as no one who has any mental disabilities can be enrolled for the research. Permission will be sort from participants for interviews to be recorded before recording starts and those who do not agree to be recorded will not be recorded and the researcher will take notes for transcripts as the interview proceeds.

As described at the beginning of this subtopic ethical issues were approved by the UREC before data collection commenced. The researcher highlighted all ethical issues that could arise and filled in the forms that were provided by the university. The forms were first reviewed by the researcher's supervisor and after approval by the supervisor they were then sent to the UREC committee for approval. Some changes were recommended from the UREC committee and the changes we worked on and added to the document and approval was eventually granted by the UREC committee.

It is important to note that ethical matters must be considered at all stages of the research to avoid and identify all possible ethical issues as research might be deemed as not credible if ethical issues arise or are picked up. Ethical matters also incorporate plagiarism, it is important for researchers to acknowledge other authors by referencing their work. Creswell and Creswell (2018) state that ethical issues can be caused by matters like authenticity, personal disclosure, and credibility of the research report.

Chapter 3 Summary

This chapter 3 discussed research methods and the approach that will be used for this research. The research method that was discussed and chosen as the most appreciate research method to use for this research study is mixed methods research. The research employed mixed research approach to try and achieve convergence and triangulation as this will provide high validity and reliability of the research as was achieved. Koyuncu (2019) and Soleimani (2020)

suggest that using both qualitative and quantitative methods in research as mixed method research provides completeness and greater understanding of the issues being researched as they two methods compensate for the weakness of each other and can result in convergence of findings. If convergence is achieved the findings could be trusted as they will have high validity and reliability. Ahmed and Ishtiaq (2021) state that validity in research is an instrument that is used for measuring how correct is the data and, or results of a research study whilst reliability is measures or checks how consistent is the data or the results and findings of the research study. Onwuegbuzie and Turner (2004) and Bednarz (1983) and Olsen (2004) and MacMillan and Schumacher (2014) and Johnson and Onwuegbuzie (2004) propose that triangulation allows at looking at the research problem using different viewpoints or perspectives giving clear understanding of the issues at hand through validation of results from the two different methods and as a result removes bias from the research. Triangulation in mixed methods research provide findings that rich and can be trusted with high validity and reliability as they are supported by the two research methods (qualitative research methods and quantitative research methods). Grounded theory approach will be adopted as the views of the participants will form the basis of findings and theory is continuously developed and refined using participants experiences and explanations Warku (2017) and Asenahabi (2019). Chu and Birks and Francis (2019) and Makri and Neely (2021) and Birks and Hoare and Mills (2019) asset stating that, grounded theory develops theory from the data collected from participants. Mohajan and Mohajan (2022b) affirm stating that grounded theory is a universal method of research that affords competent theory formation from strong data that was collected within a good research method. The research findings and recommendations of this study were informed the data that was collected during the research process and no other means as grounded

theory approach was employed by the study. The data collection tools that were employed were in the form of questioners, surveys and semi structured interviews and focus groups.

Both probability and non-probability sampling will be used for the research employing cluster and purposive sampling. Van Rensburg et al. (2010) defined sampling as a procedure used for selection of participants of a research process that correctly represents the population under the study. It must be emphasized that sampling is very important for research as the sample employed in the research should provide the solutions to the research problem and the findings should be valid and reliable thus providing validity and reliability. Mweshi and Sakyi (2020) define sampling as process through which researchers cautiously choose, using non-probability and probability sampling methods on a few individual participants from the greater population of concern that can be selected for careful study. Sampling can be summarised as described by Obilor (2023) who described sampling as a procedure, act or practice used for the selection of the appropriate sample or a illustrative portion of a population for the determination of features of the greater population. Cluster sampling and purposive sampling were chosen as the sampling methods to be sued for the research study. Cluster sampling will enable the creation of clusters that the research will be directed at, as the whole of South African is to be researched and is too big to be used as one cluster, therefore the provinces of South Africa will then form the clusters that will used for the research. MacMillan and Schumacher (2014) state that cluster sampling is used when the population being researched is large and it is very cost effective. According to Obilor (2023) cluster sampling is a sampling method that uses geographical areas or alliances to divide the greater population into reduced symbols of the greater population and the clusters must be jointly exclusive and jointly exhaustive and cluster sampling uses the probability sampling method.

Purposive sampling will be employed, because the method allows for selection of participants with great insights and great understanding of issues being researched. Etikan at al. (2016) and Tansey (2007) allude stating that purposive sampling allows the researcher to choose participants that are information rich and with great experience. Obilor (2023) agrees stating that purposive sampling can be classified as a non-probability sampling method, where the researcher chooses participants that fulfil the objectives and aims of the research study using the researcher's objective judgement. Purposive sampling methods aim at getting to depth and breadth of the enquiry providing comprehensive understanding until no essential information is required. The total number of participants was three hundred and fifty-five (355) partakers and the main criteria for their selection was that they should be people who own or manage or previously owned or managed small to medium businesses in South Africa and should be of sound mind to provide informed consent to participate in the research.

After data has been collected, it was analyzed using both quantitative and qualitative methods just as good as the data was collected using the same methods. The use of software packages was employed to provide greater and more detailed analyses of the data. Quantitative analysis will be done using SPSS software whilst the qualitative data analysis will be done using the NVivo software.

Ethical issues were considered, and no ethical issues were identified that could cause any risk or harm to the study and the participants. No ethical issues could easily arise as the research is business in nature and not a very personal research study which affects or can affect an individual in their personal capacity. Approval was sought and provided by the UREC committee of the

university. Voluntary participation will form the basis of enrolling participants and participants are supposed to sign informed consent forms. Voluntary participation means all participants can participate in the research only due to their willful acceptance in being participants of the research. MacMillan and Schumacher (2014) and Van Rensburg at al. (2010) concur stating that, informed consent enables participants to agree to be part of the study with full knowledge of the purpose of the research project and any participants can withdraw from the research at any point of the research without explaining their reasons for withdrawal from participation. All transcripts that will be used for recording participants input for the research will be coded with information that does not relate to the participant in any manner, this will enable to keep participants information confidential such no findings or any part of the research can be associated with any individual who participated in the research.

CHAPTER 4: DATA ANALYSIS AND DISCUSSION ON FINDINGS

Introduction

In these chapters (chapter 4 and 5) the study presents the findings or analysis of the research, on a discussion based on data that was collected from the empirical study. All findings should be based on primary data that was collected during the research study, such that the results and findings of the research will have great validity and can be trusted as they will be reliable. Ahmed and Ishtiaq (2021) suggest that the validity and reliability of any research study must be protected at all stages of the study by doing thorough data collection and thorough data analysis such that the findings are based on the actual data that was collected from the research. The data that was collected should drive the findings building theory and findings from the data as suggested by the grounded theory approach used in the research study. Warku (2017) and Asenahabi (2019). Chu and Birks and Francis (2019) and Makri and Neely (2021) affirm that grounded theory creates theory and findings from the primary data that was collected during the data collection process of the research study.

The study involved the analysis of statistical data that was collected during the data collection process as part of the quantitative section of the research and the qualitative section or part of the research was analyzed using systematic thematic analysis. The analysis will illustrate the phenomena that was seen in the quantitative section to achieve triangulation using systematic thematic analysis. Thematic analysis involves analysis of data by understanding the occurrences

of information in the data that informs the formation of codes and themes that are then used to combine the data to form common meaning and understanding providing analysis of the researched data. Boyatzis (1998) describes coding (formation of codes) as the uncomplicated elements of raw data that can be used to produce good meaning of the phenomena and states that thematic codes provide the qualitative goodness of the phenomenon. Elster (2020) states that themes are usually formulated from detailed annotation of data that forms the codes, whilst the coding is a method of structuring the thematic maps that provide insights that are very rich and provide for analyses that are implicit and explicit to the content. Triangulation was used in the research aiming to have convergence of the findings to strengthen the validity and reliability of the research findings. Jonsen and Jehn (2009) defined triangulation as a combination of research methods in a study of the same occurrence or phenomenon. Triangulation removes personal bias that is built from the use of single research method and suggests that triangulation provides convergence and objectivity that provides high valid results as the two methods validate the results from the other. Similarly, Bans-Akutey and Tiimub (2021) states that triangulation is a process that increases the validity and credibility of research findings as the mixed methods are used to validate the research findings of the other method. Triangulation or convergence of findings shows how the study employed different methods in a single study and extracted the critical information providing findings that are credible and valid. Lastly Koyuncu (2019) defines triangulation as complex use of different methods to agree to a position based on the two established points. This research intends to produce a critical analysis of data using the two different methods providing results that will produce triangulation with high validity and credibility. Triangulation enables greater understanding of the phenomena under the study as the two methods compensates for the weaknesses of each other and enables high lighting issues that could have been missed by the other

method providing very rich data that could not have been possible with the use of one single method.

The analysis was be based on the interpretation of the research questions and research objectives which is to analyse the factors that causes the high failure rate for small to medium businesses (referred to as SME) in South Africa and the effects of Government Support on the survival of SMEs in South Africa. This chapter 4, is structured into the following sections demographic information of small to medium businesses owners/managers, business profile, and the factors that are associated with the high failure rate of the small to medium businesses in South Africa as was reviewed in the literature review section and seen in the findings or information that was gathered from the participants. The research hypothesis below will guide the analysis of the data that was gathered during data collection process of the research. The research hypothesis has been taken from earlier chapter where they were discussed in detail.

Research Hypothesis used as basis for analysis is listed below.

HO_1.) South African Government support on startup SMEs do not have effect on the survival of small and medium businesses in South Africa.

HO_2.) South African Government has no influence on the small business entrepreneur's start-up training in South Africa.

HO_3.) South African entrepreneurs' knowledge and skills on management have no effect on the running of a successful businesses in South Africa.

HO_4.) South African business regulations on payment periods for work done for entities have no effect on the success factors for small to medium businesses in South Africa.

HO_5.) Business practises such as corruption have no effects on the small businesses' failure in South Africa.

The results and interpretations will be discussed section by section following the way the research questions were presented, the data and responses being matched to the hypothesis of the research, providing an opportunity of approving, or disapproving the hypothesis. Mourougan and Sethuraman (2017) suggests that the purpose of a research study is not to verify the original hypothesis but not to nullify the hypotheses whilst building new knowledge and theories. Findings from research should not always be positive to the hypothesis because negative results (null hypothesis) are as important as the positive results as they support knowledge and building new theory. It must therefore be noted that hypothesis in research is an informed guess to the research problem using available literature and should then be investigated using data that is obtained during the research such that the hypothesis can then be rejected (null hypotheses) or be confirmed (alternate hypotheses). Quantitative analysis will be directly matched to the qualitative analysis to check whether triangulation or convergence is achieved, if triangulation or convergence or saturation is achieved this will provide high grounds and reason for validity of the findings being trustworthy and the ability to generalize the findings to the general population of the small to medium businesses in South Africa.

Data that was collected in the following manner: from the survey questions, participants were requested to rate each point raised on how much they agreed with the suggested points from 1 to 10, where 10 they totally or agreed 100% to the statement and 1 they totally or strongly disagreed with the point 0% agreement with the statement. The study's intentions were to drill

down to specific aspects to understand what SME business owners or managers think about the widely agreed principles that could possibly cause SME business failures. Statistical Package for the Social Sciences (SPSS) and SmartPLS Software was used for the quantitative section to obtain descriptive analysis, as it offers comprehensive analysis of data producing reports and graphs that enables understanding and analysis of data to be much easier with graphical presentations that are easy to interpret. For easier interpretation and analysis, the responses of the ten survey questions questions from the results were formatted in the following manner. It was necessary to convert the scoring for easier analysis of the data.

Responses with 9 and 10 scored converted to 5 Totally agreed.

Responses with 7 and 8 scored   converted to 4 Mostly agreed.

Responses with 5 and 6 scored   converted to 3 Just Agreed or neutral.

Responses with 3 and 4 scored   converted to 2 Mostly disagreed.

Responses with 1 and 2 scared   converted to 1 Totally disagreed.

The next section before results presentation will cover aspects of validity and trustworthiness of the data and the research findings as researcher tries to highlight the importance and value of research data, as data used in research must be valid and trustworthy.

Trustworthiness of Data

Trustworthiness in research discusses the "accuracy value, pertinency, consistency, and objectivity" of the results or findings of a research study. Equally trustworthiness and authenticity encompass principles that can help a researcher judge the consistency with which the findings and results were acquired. It is important for any research data to be trustworthy as it

refers to the quality of the data and acceptance of the research findings. Without the research data being trusted it can be difficult for the findings of the research to be accepted in any environment, be it in business or any other social settings, trust is the foundation for being accepted in any environment and situation hence data trustworthiness is research is very important. Elo at al. (2014) suggests that the purpose of testing trustworthiness of data in qualitative research studies is for backing the notion that the research findings are wealthy enough for the intended audience to pay attention to them. Trustworthiness can be achieved by informing the procedure of content analysis as accurately as possible. Elo at al. (2014) and Lincoln and Guba (1997) suggest that researchers can test the trustworthiness of their research process by employing the following criteria: credibility, dependability, transferability, and confirmability. Similarly, Subedi (2016) and Ihantola Kihn (2011) suggest that trustworthiness of research is therefore determined on these factors which are transferability, conformability, transferability, and dependability. Other authors add authenticity to the list, in this research credibility, dependability, transferability, confirmability and authenticity will be briefly discussed below to provide an understanding of the need for trustworthiness of data in research studies. Williams and Kimmons (2022) define trustworthiness as an anticipation in qualitative research approach that the researcher must give sufficient clarifications, be transparent, and indications that the findings can surely be believed. Carter-Snell and Singh (2023) suggest that a research study can be trustworthy if there are other research studies that provided comparable or similar results for a population that is like the population or sample used in the research.

Credibility

Williams and Kimmons (2022) suggest that credibility is the accepted standard in qualitative research studies. That serious readers and participants of the study can approve that the data gathered and presented for the exploration represents the actual observations and occurrences for the phenomena in the research. Williams and Kimmons (2022) argue that for researchers to provide credible research they must use long-lasting engagements, determined explanations, triangulation, negative argument evaluations, continuing subjectivity tests, peer examinations and associate checking. Zambo (2004) defines credibility as how much is the data believability and stability. Credibility refers to the degree of how the findings or results of a research study correctly or accurately denote the perspective and experiences of the respondents to the research. In this regard, the study utilized various strategies for achieving credibility including using multiple sources of data to triangulate the findings and member checking to verify the accuracy of the data. The study also ensured data saturation to ensure that data collection is thorough, and comprehensive and peer debriefing was done to obtain feedback on the credibility of the findings. Elo-et-al (2014) states that credibility also refers to the correct choice of participants for the research, the study must ensure that participants for the research were correctly and accurately identified for their suitability to the research problem being investigated. Lastly Bans-Akutey and Tiimub (2021) suggest that triangulation also provides credibility and validity in mixed methods research. For this research, the study ensured that only rich informants or participants were invited to participate in the research, using strict criteria that the participants should be either current or previous small to medium business owners or managers. The researcher only extended invitations to participants who were, either current or

previous business managers or owners (entrepreneur's) in South Africa, this was the minimum criteria that could qualify participants to be part or included in the research study.

Transferability

Williams and Kimmons (2022) suggest that transferability is the capability of a reader of a research document or report with similar conditions to apply the findings of the research study to their own context or circumstances. It can be stated that transferability is the consideration of whether results from a study can be found in another situation within the same context or can be applied to similar settings or contexts. According to Babbie and Mouton (2001), transferability refers to the extent to which the findings of the research can be used in other situations or to different participants beyond the study sample (being the general population that the study refers to SMEs in South Africa). Similarly, Elo-et-al (2014) describe transferability as the possibility of extrapolation, meaning it must be possible to generalize the findings to the overall population of the study, or it must be possible to transfer the findings to other groups or settings of similar nature. In this study, to achieve transferability the study ensured the research was written in such a way that people can compare their situation to the situation under this study. This provided a detailed description of the study context and participants and used a representative sample that reflects the population of interest which was small to medium business owners or managers current or previous in South Africa. Also, the study compared the findings with existing literature to identify similarities and differences.

Dependability

Dependability is concerned with stability and consistency of the findings of the study overtime under differing conditions Elo-et-al (2014) and Leavy (2022) and Neuman (2014). Similarly, Williams and Kimmons (2022) states that dependability is fundamentals that state that the reasoning, judgement, methods and findings can be anticipated to remain consistent and constant over time, the more consistence of the researcher during the research process the more the findings can be dependable. A trustworthy study should provide proof to its intended audience that if a similar study was to be reproduced with participants in the same settings by a different researcher the findings will be same, Babbie and Mouton (2001). To ensure dependability, the study documented the research process, including data collection and analysis. The use of overlapping methods (mixed methods) and in-depth description of the methodology to allow the study to be repeatable. Dependability was also achieved through using a clear and systematic approach to data analysis and maintaining an audit trail that documents change in the research process and data that was coded.

Confirmability

Williams and Kimmons (2022) suggests that confirmability is the ability of the findings of a research process to be backed by other researchers, participants and available literature in the field of study. Elo-et-al (2014) defined confirmability as the objectivity, that is, the possibility for comparison between two or more individual people about how accurate the data is, and how relevant is it to the research question and does it bring meaning or understanding to

the research problem. Zambo (2004) states that confirmability can be obtained by employing a process that ensures that the data that was collected were neutral and objective for all purposes. Shenton (2004) suggests that the study must try as much as possible to show that the findings of the research come out of the data that was collected and not from their own personal predispositions. To ensure confirmability, the researcher kept transcriptions of interviews as an audit trail that documents decisions and changes made during the research process, using a systematic and transparent approach to data analysis as well as using multiple data sources to increase objectivity (quantitative and qualitative data was collected). Also, admission of the researcher's belief and assumptions, audit trial and recognition of the study's methodological shortcomings and their potential effects.

Authenticity

Research must be as original as possible so that the realities of the situations or issues under investigations can be brought to light. Authenticity can be referred to as to the extent to which the researcher depicts the different viewpoints and values of the subjects of a research study and adopts variation through all members and methods throughout the analysis of the research.

Elo et al. (2014) suggests that the study must be as fair and as faithful as can be possible to be able to highlight the different realities that may be paying out in the research or population under the study. In this research, the researcher-maintained faithfulness to the purpose and aims of the research study by letting the participants bring out their understanding of the issues

without guiding or giving them any form of direction, especially on the qualitative part of the research capturing the most important points as per the participants' point of view during the interviews.

Research studies that are not trustworthy fail to meet the standard that can be used for generalization of results and findings to the general population in question to be possible. As stated by Koyuncu (2019) mixed method research was adopted so that trustworthiness of data can be built in the research as it provides for validity and reliability of the research. Koyuncu (2019 p.63) goes further to state that "Mixed methods, as the authors assert, functions as a leverage for persuasiveness and trustworthiness of a study, let alone the justification of using mixed methods on the grounds of improving the reliability and validity."

CHAPTER 5: RESULTS OR FINDINGS

In this section the results or findings of the study will be presented as they came out of the data with minimum analysis as detailed synthesis will follow in the following chapter. The research data was collected between October 2022 and February 2023, responses to the research started with very low responses and had to be extended to get enough responses. However, out of 400 (four hundred) expected statistical samples, there was a total of 355 (three hundred and fifty-five) respondents which indicated 88.75% were purposively used in order to aid the focus and scope of the study. A major factor considered such as business experience via failure in the operation and the findings are tabulated below. The results tabulation below is a clear representation of the outcomes of the actual data that was collected, the tabulation does not have any analysis as analysis follows in the next section. The intention was to show and present the results as they came from the data collected and then analysis to follow later.

Demographic Characteristics of the Respondents

Respondents gender distribution

The table below presents the distribution by gender according to the participants who took part in the research study.

Table 8

Table presents the distribution of the research population by gender

Gender	Frequency	Percent
Female	118	33.2
Male	237	66.8
Total	355	100

Source: Authors compilation SPSS Software Analysis output (2023)
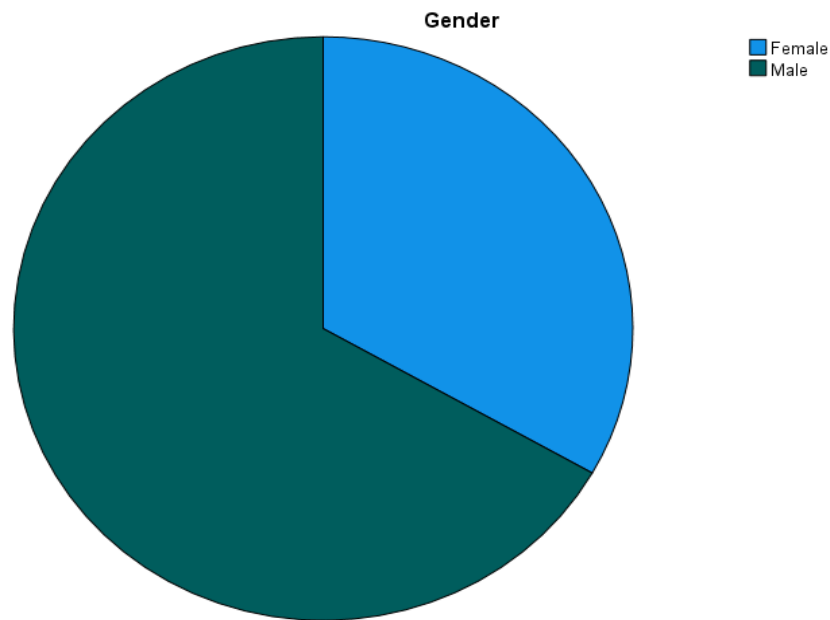
Gender

Source: SPSS Software Analysis output (2023)

Gender and Previously Failed Business Operation

The results below show owners or managers who previously operated failed SME businesses in South Africa and compares the ratio of these participants who previously operated failed SME businesses and those who have not operated any failed SME businesses by gender.

Table 9

Table shows owners and managers that operated a previously failed SME business by gender.

		I have operated a previously failed business operation		Total
		No	Yes	
Gender	Female	42	76	118
	Male	129	108	237
Total		171	184	355
Chi-Square value	11.196			
P-value	0.001			

Source: Authors compilation SPSS Software Analysis output (2023)

Current or Previous business owner/manager

Results below was a test to check if all participants were previous or current business owners or managers (a check of understanding if the correct targeted population was achieved.)

Table 10

Table presents the number of business owners and managers that participated in the study.

Business owner/manager	Frequency	Percent
No	2	0.6
Yes	353	99.4
Total	355	100

Source: Authors Compilation SPSS Software Analysis output (2023)

353 Participants were previous or current business owners or managers.

2 Participants were not previous or current business owners or managers.

Operated a previously failed business operation.

The results below show how many of the participants have operated a previously failed SME business and how many of them did not.

Table 11

Table presents the total number of participants that operated previously failed SMEs.

Operated a previously failed business operation	Frequency	Percent
No	171	48.2
Yes	184	51.8
Total	355	100
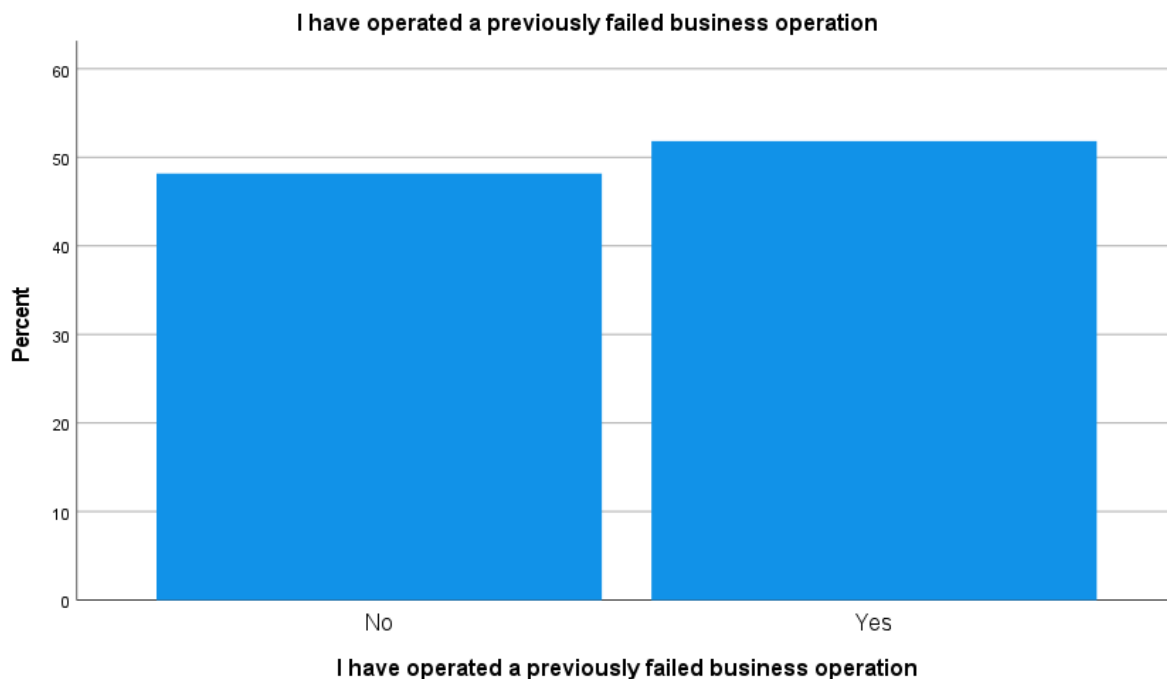
Source: Authors Compilation SPSS Software Analysis output (2023)

From the Table 11 above, it can be observed that out of the 355 participants in the study, 48.2% (171) responded that they had not operated a previously failed business operation, while 51.8% (184) indicated that they had experienced operating a failed business operation. The analsysis below intends to show the ratio of partcipants per province.

Province of Origin.

The respondents' place of origin were considered in order to identify the variety of provinces where small enterprenuers operate businesses in South Africa and who contribute to employment opportunities, production and diversification in the economy as well as give an indication of all provinces had adequate represtnation in participation in the research such generaliztion for the whole of South Africa might be possible. These provinces are a represenation of cluster sampling method that used for the research as the provinces of South Africa formed the clusters for sampling in the research study.

Figure 1

Figure 1 below presents participants by province

		Frequency	Percent
Valid	EasternCape	30	8.5
	Free State	30	8.5
	Gauteng	97	27.3
	KwaZulu-Natal	35	9.9
	Limpopo	30	8.5
	Mpumalanga	32	9.0
	North West	31	8.7
	Northern Cape	34	9.6
	Western Cape	36	10.1
	Total	355	100.0

Source: Authors Compilation SPSS Software Analysis output (2023)
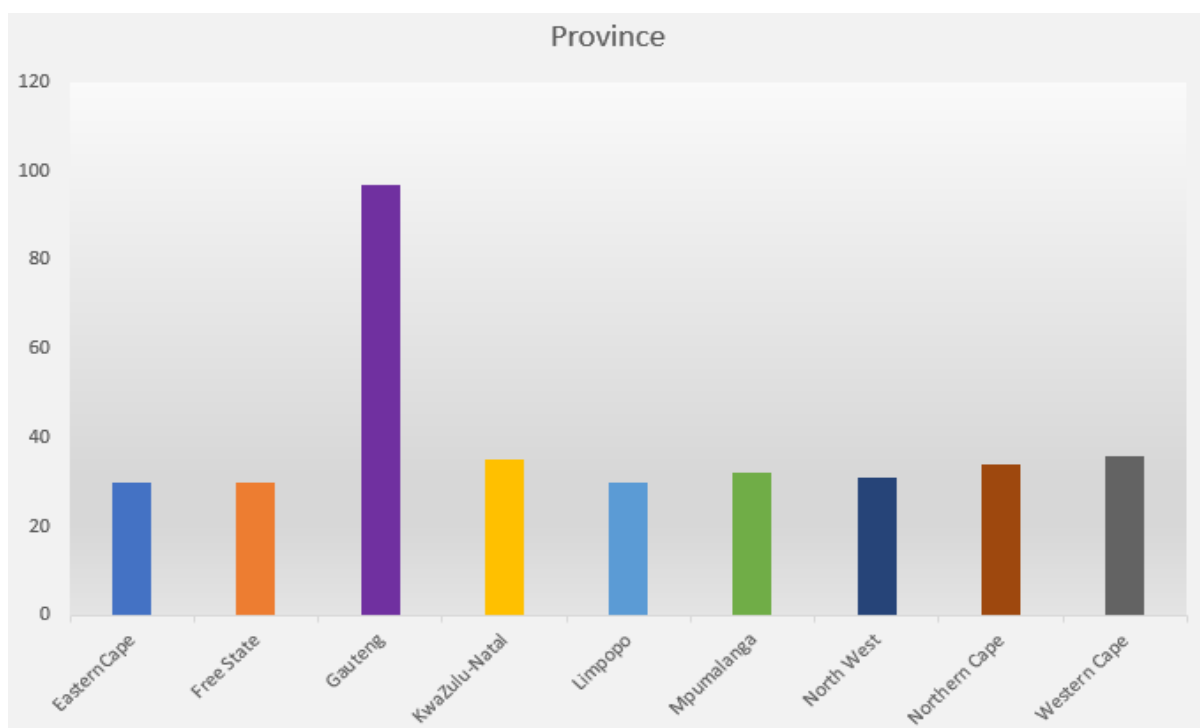
Source: Authors Compilation SPSS Software Analysis output (2023)

I am from Province (Choose your Province)
355 responses
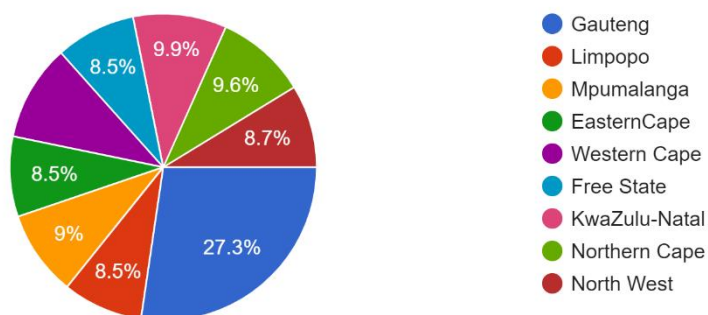
Source: Authors Compilation SPSS Software Analysis output (2023)

The results seen in Figure 1 above, displays that the study collected information showing the province of origin of the participants and that the research covered all provinces in South

Africa. Figure 1 shows the frequency and percentage distribution of participants based on their province of origin.

Quantitative Analysis and Findings on Objective One:

The question that was asked to the participants: **Does support by government contribute to the actual needs for SME businesses?**

Table 12

Table below represents responses of government support to SMEs

Does support by government contribute to the actual needs for SME businesses?	Frequency	Percent
No	333	93.8
Yes	22	6.2
Total	355	100

Source: Authors Compilation SPSS Software Analysis output (2023)
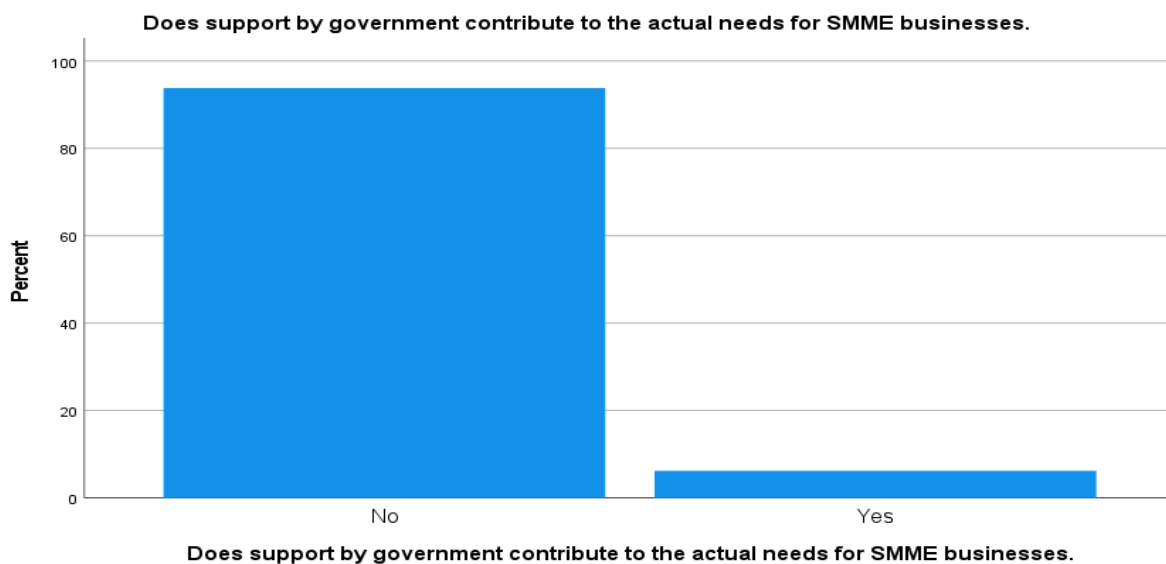
Source: Authors Compilation SPSS Software Analysis output (2023)

The study asked the question, does support by government contribute to the actual needs for SME businesses? 333 responded to answer No and 22 replied Yes.

The study asked the question**: Government is assisting in training of SME start-ups.**

Table 13

Table below presets results on assistance provided by government on training

Government is assisting in training of SME start ups	Frequency	Percent
No	324	91.3
Yes	31	8.7
Total	355	100

Source: Authors Compilation SPSS Software Analysis output (2023)
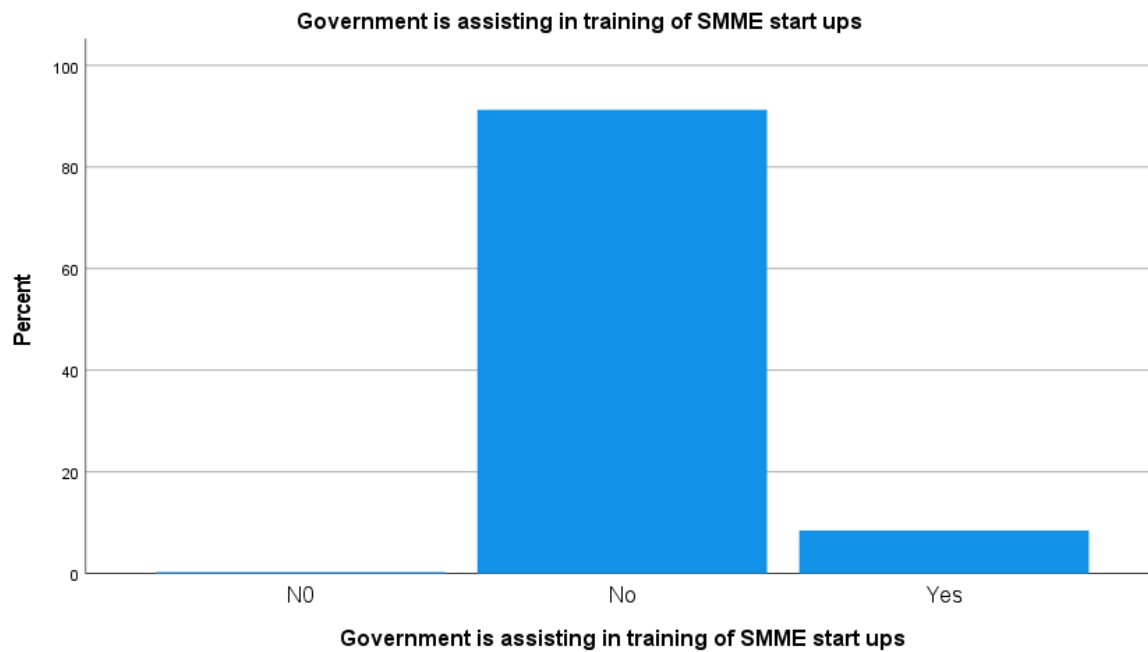
Source: Authors Compilation SPSS Software Analysis output (2023)

The study asked if the government is assisting in training of SME start-ups, 324 responded No and 31 replied yes.

Question asked by the study: **Entrepreneurs and SME business managers believe they get required and enough support from government to run the organizations to avoid failure.**

For easier interpretation and analysis, the responses of the ten survey questions from the results were formatted in the following manner. It was necessary to convert the scoring for easier analysis of the data.

Responses with 9 and 10 scored converted to 5 Totally agreed.

Responses with 7 and 8 scored converted to 4 Mostly agreed.

Responses with 5 and 6 scored converted to 3 Just Agreed or neutral.

Responses with 3 and 4 scored converted to 2 Mostly disagreed.

Responses with 1 and 2 scared converted to 1 Totally disagreed. **(Refer to Page 190)**

Table 14

Shows analysis of support for SMEs by government

Entrepreneurs and SME business managers believe they get required and enough support from government to run the organizations to avoid failure	Frequency	Percent
Totally Disagree	45	12,7
Disagree	271	76,3
Neutral	32	9,0
Agree	3	0.8
Totally Agree	4	1.1
Total	355	100

Source: Authors Compilation SPSS Software Analysis output (2023)

Entrepreneurs and SMME business managers believe they get required and enough support from government to run the organizations to avoid failures
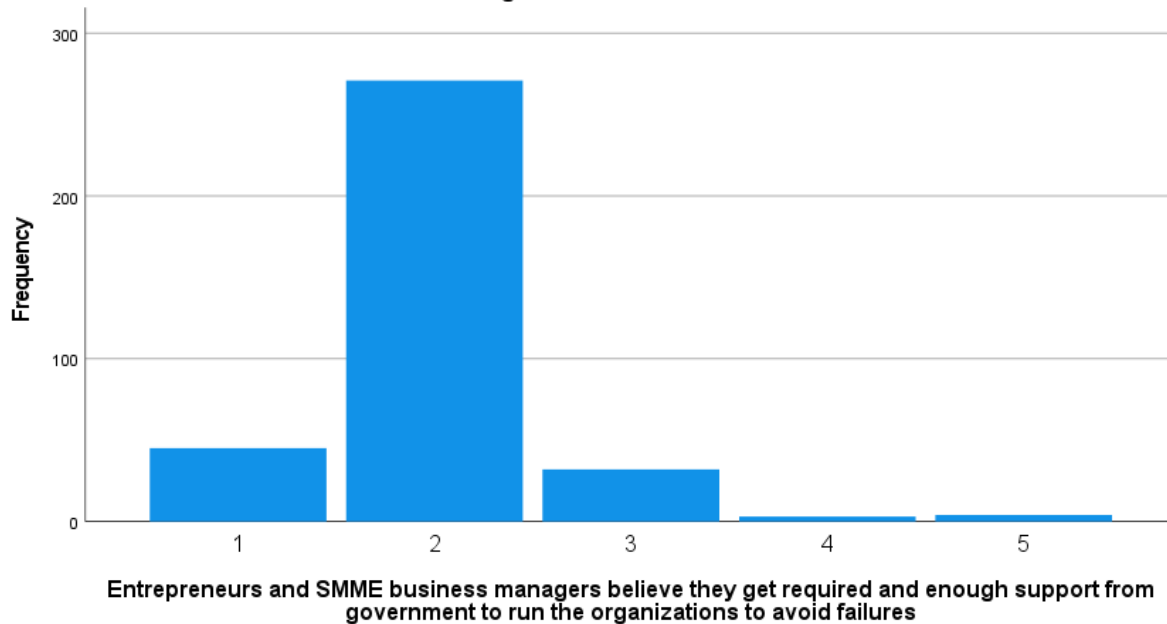
Source: Authors Compilation SPSS Software Analysis output (2023)

Of the 355 respondents only 4 (1.1%) totally agreed whilst 3 (0.8%) mostly agreed whilst 32 (9,0%) just agreed and 271 (76,3%) mostly disagreed and 45 (12,75) totally disagreed with statement entrepreneurs and SME business managers believe they get the required and enough support from government to run the organizations to avoid failure.

Descriptive Statistics of the Responses Relating to Research Questions One and Normality test

This section discusses the mean and standard deviation of responses obtained from the respondents to assess the descriptive statistics while the preliminary analysis in form of normality test was also conducted which covers Skewness and Kurtosis.

Table 15

Normalcy Test showing descriptive analysis

	Mean	Standard Deviation	Excess Kurtosis	Skewness	Number of Observations Used
Tax incentives offered 1	3.361	1.207	-0.742	-0.406	355.000
Tax incentives offered 2	3.529	1.242	-0.710	-0.582	355.000
Regulatory simplification 1	3.403	1.318	-0.899	-0.464	355.000
Regulatory simplification 2	3.622	1.223	-0.655	-0.603	355.000
Funding grants 1	3.387	1.278	-0.949	-0.413	355.000
Funding grants 2	3.235	1.281	-1.111	-0.158	355.000
Survival of SMEs in South Africa 1	3.303	1.400	-1.129	-0.384	355.000
Survival of SMEs in South Africa 2	3.765	1.248	-0.631	-0.718	355.000
Survival of SMEs in South Africa 3	3.891	1.333	-0.439	-0.931	355.000

Source: Authors Compilation SmartPLS 3.3.3 Output, (2024)

Table 15 shows the standard deviation and the mean of the variables/indicators that were employed in the study; these were derived from the study's questionnaire. The study examined South African government support and survival of small and medium businesses in South Africa, several key indicators were assessed, each shedding light on different aspects of the South African government support and survival of small and medium businesses in South Africa. The standard deviations, and the mean scores, and the number of observations used for each indicator provide significant understandings and implications for the study and the researchers and other scholars. The relatively high mean score which are above 3 for the questions implies that participants feel South African government support as providing substantial relationship with survival of small and medium businesses in South Africa. With low standard deviation in each case, indicating that there

is low deviation of the responses from the mean. These descriptive results underscore the multifaceted nature of South African government support on survival of small and medium businesses in South Africa. These emphasize the importance of survival of small and medium businesses in South Africa through a successful South African government support.

The normalcy results of the distribution revealed that the sample size is above 100 which imply that an absolute value of skewness of +1.0 or below is expected for the data to be normal. Also, for kurtosis, an absolute value of ±3.0 is expected for a normal peakedness as any figure outside the threshold may be severe signalling a concern. The normality test results shows and present that the variables are inside the level of the qualified value of ±1.0 and the kurtosis results was found to be within the qualified value of ±3.0. The implication from the normality test results shows that the information used and was inputted to be used for analysis was normally distributed and can be used for further analysis and inferences. This implies that all the variables used to measure South African government support have moderate mean with low deviation from the mean and the variables are all normally distributed indicating the usefulness of the variables in determining the causality between South African government support and survival of small and medium businesses in South Africa.

Objective and Hypothesis One Restatement

Objective One: determine the effect of South African government support on survival of small and medium businesses in South Africa

Ho1: South African government support does not significantly affect survival of small and medium businesses in South Africa

Assessment of Measurement Model

To assess the effect of South African government support on survival of small and medium businesses in South Africa, the variables used to measure South African government support are funding grants, regulatory simplification, and tax incentives offered against Survival of small and medium businesses in South Africa.

Figure 2

A path model of South African government support and survival of small and medium businesses in South Africa
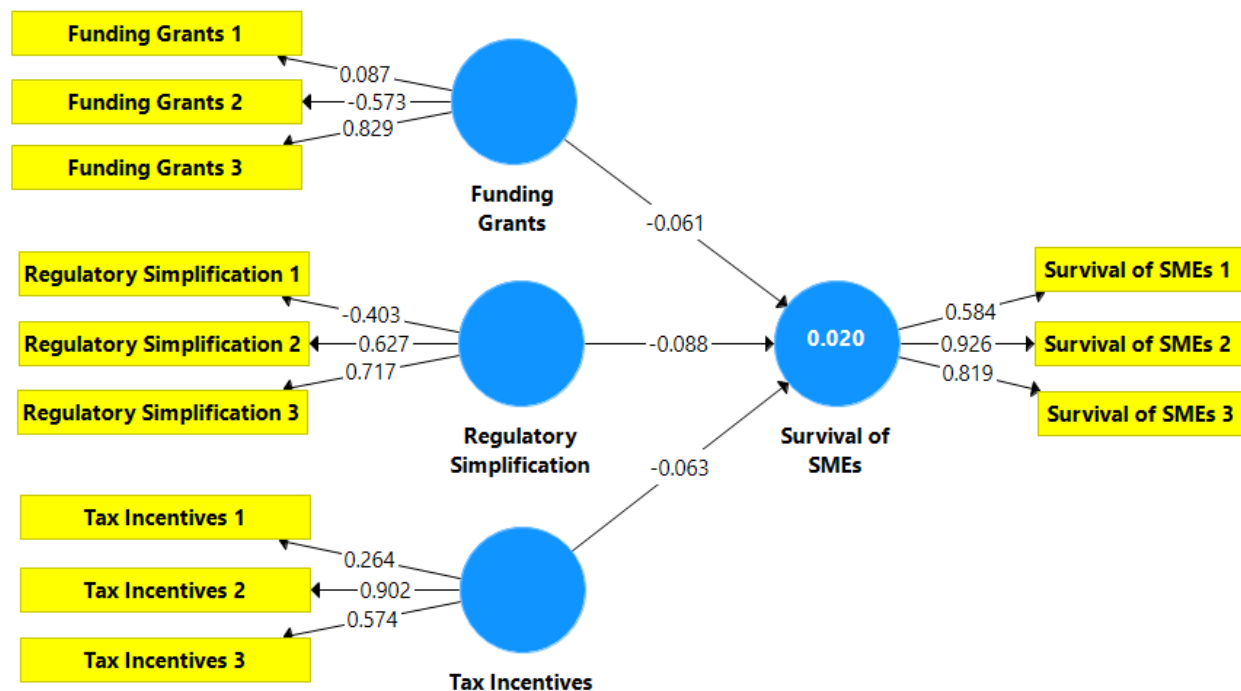
Source: Authors Compilation SmartPLS 3.3.3 Output, (2024)

Figure 2 showed the structural path model assesses the effect of South African government support on survival of small and medium businesses in South Africa. The model includes three independent variables: funding grants, regulatory simplification, and tax incentives offered, and one dependent variable: survival of small and medium businesses in South Africa. The model

results show that all three independent variables have negative insignificant effect on survival of small and medium businesses in South Africa. This means that South African government support is crucially lacking for businesses (SMEs), as it decreases the rate of survival of small to medium and micro businesses in South Africa. The specific effects shows that all the independent variables have a strong negative effect on survival of small and medium businesses in South Africa. This means that businesses should focus on other support to enhance survival of small and medium businesses in South Africa.

Table 16 Validity and Reliability Construct measure

Displays important statistical measures related to the reliability and validity concept measure of four supressed variables of the research study.

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Tax incentives offered	0.884	0.945	0.896
Regulatory simplification	0.862	0.935	0.878
Funding grants	0.706	0.871	0.772
Survival SMEs in South Africa	0.895	0.935	0.827

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

Table 16 displays important statistical measures related to the concept of validity and reliability of the four underlying variables of the study. These instruments help evaluate the strength of these variables in determining the essential concepts they are intended to represent. Construct reliability is evaluated through two key metrics: Composite Reliability and Cronbach's Alpha. By calculating the degree to which each item in the latent variable is associated with every other item, Cronbach's Alpha evaluates the internal consistency of a latent variable. The four latent

variables have internal consistency scores above 0.7, indicating good quality. These values indicate that the items within each variable are trustworthy indicators of the corresponding constructs because they are significantly higher than the generally recognized cutoff point of 0.7. Another construct reliability metric that considers the links between the items and the latent variable as well as internal consistency is called composite reliability. With all values above 0.7, all variables in this study exhibit good composite reliability, offering a more reliable measure of reliability. These high values indicate that the latent variables are reliable indicators of the constructs they represent.

Additionally, the table presents the Average Variance Extracted (AVE), which assesses the convergent validity of each latent variable. Convergent validity indicates the degree to which items within a variable are related to each other, and to what extent they measure the same underlying concept. AVE values in the table all surpass the recommended threshold of 0.5. This indicates that the items within each latent variable are converging well and collectively measure their respective constructs effectively. The results suggest that the latent variables in this study exhibit strong construct reliability and validity. They express sharp internal consistency, showing the strong combined reliability, and acceptable convergent validity, which are supported by the utilization of these variables which are then seen to be valid measures that are reliable for the research study.

Table 17

Discriminant Validity

	Funding Grants	Regulatory Simplification	Survival of SMEs	Tax Incentives
Funding Grants	**0.584**			
Regulatory Simplification	-0.005	**0.597**		
Survival of SMEs	-0.062	-0.111	**0.789**	
Tax Incentives	0.011	0.362	-0.096	**0.636**

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

The results of the discriminant validity analysis in table 17 indicate that there is strong evidence of discriminant validity among the latent variables: Tax incentives offered, Funding grants, Survival of small and medium businesses in South Africa, and Regulatory simplification. Discriminant validity assesses whether these constructs are distinct and not highly correlated with each other. Looking at the correlations between these variables, it's evident that the diagonal values (the correlations of each variable with itself) are all substantially higher than the off-diagonal values (the correlations between different variables). This suggests that each latent variable is more strongly related to itself than to the other constructs, supporting the idea that they are discrete and measure diverse aspects of the general construct. Survival of small and medium businesses in South Africa has a high correlation with itself, which is higher than its correlations with Funding grants, Tax incentives offered, and Regulatory simplification. Similarly, regulatory simplification has a strong correlation with itself compared to its correlations with the other variables. While it is the same for other variables in their respective situations.

These results provide evidence that the latent variables in this analysis are measuring distinct concepts and are not just different manifestations of the same underlying construct. This

suggests that the measurement model is suitable for the purpose of this study, as it effectively differentiates between these key factors: Tax incentives offered, Funding grants, Survival of small and medium businesses in South Africa, and Regulatory simplification.

Multicollinearity

This assesses the correlation between the independent variable. It is to know if two independent variables are not correlated and producing the same result. The variance inflation factor (VIF) is used in this study to assess likely correlation between the independent variables.

Table 18

Inner VIF Values

	Funding Grants	Regulatory Simplification	Survival of SMEs	Tax Incentives
Funding Grants			1.000	
Regulatory Simplification			1.151	
Survival of SMEs				
Tax Incentives			1.151	

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

Table 18, depict the VIF values for the latent variables related to Survival of small and medium businesses in South Africa. The VIF values for Tax incentives offered, Funding grants, and Regulatory simplification are all well below the threshold of 10, which is a positive sign. It suggests that there is no severe multicollinearity among these latent variables. In other words, these variables are not highly correlated with each other and are therefore included in this analysis without significant concerns about multicollinearity.

Test of Hypothesis One

Table 19

Coefficient of Determination Score

	R Square	R Square Adjusted
Survival of SMEs	0.020	0.011

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

Table 19 shows the coefficient of determination, or R-squared, which is a measure of a model's quality of fit. The Survival of small and medium businesses in South Africa Model's R-squared score of 0.020 suggests that the independent or latent variables that were included in the model, represent about 2.0% of the variables that were observed in the dependent variable (survival of small and medium businesses in South Africa). This therefore indicates that the viewed variations in the purchasing occurrences are obtained and are then explained by the model. 0.011 is the adjusted R-squared value. This yields a more cautious assessment of the quality of fit for the model. The fact that the adjusted R-squared value is almost the same as the standard R-squared value suggesting that overfitting or unjustified complexity is not possibly as a result from the independent variables' use in the model. This suggests that the model's descriptive strength continues to be strong even when considering the possibility of issues that may arise because of model complexity. The R-squared and adjusted R-squared values suggest that the survival of small and medium businesses in South Africa model is fairly effective at explaining survival of small and medium businesses in South Africa variability, and the model's performance doesn't appear to suffer from the inclusion of multiple latent variables.

Table 20

Assessment of the Effect Size (f^2)

	Funding Grants	Regulatory Simplification	Survival of SMEs	Tax Incentives
Funding Grants			0.004	
Regulatory Simplification			0.007	
Survival of SMEs				
Tax Incentives			0.004	

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

The effect size, often denoted as f-square is depicted in table 20, this tests the importance of the relationship or influence of the unrelated variables on a related variable in statistical analysis. This study assesses the effect sizes of various latent variables on "survival of small and medium businesses in South Africa." All the independent variables all have a value below 0.02 which is considered as no effect size. Hence, this suggests all the variables indicate a moderate effect size, indicating that they all have a noticeable impact on survival of small and medium businesses in South Africa. In other words, changes or differences in any of the variables can explain moderately the variability in survival of small and medium businesses in South Africa.

Table 21

Bootstrapping Results Showing Path Coefficient for Structural Model

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Funding Grants -> Survival of SMEs	-0.061	-0.009	0.116	0.526	0.599
Regulatory Simplification -> Survival of SMEs	-0.088	-0.030	0.116	0.760	0.448
Tax Incentives -> Survival of SMEs	-0.063	-0.080	0.090	0.698	0.486

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

The bootstrap path coefficient analysis depicted in table 21 was conducted to test the null hypothesis that South African government support does not significantly affect survival of small

and medium businesses in South Africa. The results indicate that there are no significant effects of tax incentives offered, funding grants, and regulatory simplification as factors of South African government support on survival of small and medium businesses in South Africa. A look at the path from tax incentives offered, funding grants, and regulatory simplification to survival of small and medium businesses in South Africa shows that the relationship between tax incentives offered, funding grants, and regulatory simplification and survival of small and medium businesses in South Africans are not statistically significant. The p-values are higher than the conventional significance level of 0.05 and the T statistics are greater less than 1.96, suggesting strong evidence to accept the null hypothesis. Therefore, tax incentives offered, funding grants, and regulatory simplification which are variables of South African government support are all insignificant to survival of small and medium businesses in South Africa.

Robustness Checks

Table 22 Heterogeneity; Fit Indices for the One to Six Segments Solutions

Criterion	1	2	3	4	5	6
AIC	2450.81	2402.65	2394.24	2373.43	2366.71	2342.11
AIC3	2464.81	2431.65	2438.24	2432.43	2440.71	2431.11
AIC4	2478.81	2460.65	2482.24	2491.43	2514.71	2520.11
BIC	2502.94	2510.64	2558.08	2593.12	2642.25	2673.51
CAIC	2516.94	2539.64	2602.08	2652.12	2716.25	2762.51
HQ	2471.66	2445.84	2459.76	2461.29	2476.91	2474.65
MDL5	2784.23	3135.74	3534.59	3919.1	4303.7	4685.32
LnL	-1205.41	-1169.32	-1150.12	-1127.72	-1109.35	-1081.06
EN	na	0.412	0.634	0.714	0.698	0.759
NFI	na	0.474	0.618	0.672	0.639	0.687
NEC	na	195.374	125.289	100.742	106.384	85.177

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

The fit indices in Table 22 show a steady improvement across segment solutions, with lower AIC, BIC, and better entropy values as the number of segments increases. The non-heterogeneity is clear: there are no irregular jumps or reversals, suggesting that the model improves consistently with more segments, supporting robustness in the segmentation structure.

Qualitative findings on Objective One:

1.) What do you think of support for SME`s provided by the government?

The study asked the participants what they think about the support for SME`s provided by the government. The following were themes emerging from the participants.

Theme 1: Support from the government is helpful to SMEs

"...government is doing what it can although it`s not enough. Funding is within different departments allocated and available. Departments do not use or dispose the money correctly but in corrupt manner. (Participant 4)

"..it seems Government provides a lot of support in trainings that are not teller made for different SME needs and happens to be a waste of money is there is no follow up on those that have gone through these training, no funding provided for them to use the training skills provided. (Participant 1)

"...eels it`s there but does not get to the targeted recipients, If it is done correctly, it helps with the development of industries, therefore creating employment. (Participant 16)

"...The support for SMEs provided by the government is crucial for their success. Governments can provide funding, tax incentives, mentorship, and training programs to help SMEs grow and thrive. (Participant 6)

"…the support that SME's get from the government is good but I think more could be done. They are getting financial support but I think more technical support is needed. More so, there could be mechanisms of safeguarding the capital given to the SMEs. (Participant 22)

Theme 2: Access to markets and training

"…However, it is important for the government to ensure that the support is accessible and easy to access, and that the SMEs are held accountable for the support they receive. (Participant 6)

"…the government is trying but not really benefit SME because of corruption only a few businesses in connection with the people in the government get support and the rest are not noticed. (Participant 7).

"…the government is supporting SME very well in areas like training, Support in terms of business is mainly on tendering Respondents suggest that support from the government for SMEs was not enough. (Participant 20)

"…the funding is not adequate and the Tendering models is exploited by big players, e.g. The support in terms of business is mainly on tendering but there are some manufacturing businesses that need business opportunities. (Participant 9)

Theme 3: Inadequate government support

"…there is no help from government because he has attempted many times to access support from government but failed to receive any form of support. (Participant 14)

Respondents suggest that.

"…support from government is good on paper since it is aimed to scaffold small/ medium businesses. However, it seems access to this fund is not easy which opens doors to corrupt

practices. The government has to improve on how this fund is accessed if it is to serve its purpose. (Participant 15)

"...there is basically no support that is visible on SME's from the government unless you are related or have political links or have cronies in government positions. Most SME's leave from hand to mouth and use money from their savings to start businesses. (Participant 19)

"...Not enough government must make SMEs be made aware of the opportunities that exist in the market and be made aware of the issues that are critical for their businesses to succeed. (Participant 21)   ***Source:*** *Authors Compilation Fieldwork (2022-2023)*

Quantitative Analysis and Findings on Objective Two:

Research Question 2/Hypothesis:

HO$_2$.) South African Government have no effect on the Small Business Entrepreneur's Start-Up Training in South Africa.

Descriptive Analysis of Responses Relating to the Study Research Questions Two and Normality Test

Table 23

Descriptive Analysis and Normality Test

	Mean	Standard Deviation	Excess Kurtosis	Skewness	Number of Observations Used
Access to Networks 1	3.141	1.310	-1.050	-0.194	355.000
Access to Networks 2	3.028	1.323	-1.103	-0.052	355.000
Access to Networks 3	3.135	1.398	-1.255	-0.118	355.000
Business Incubation Centers 1	2.972	1.295	-1.035	0.006	355.000
Business Incubation Centers 2	2.842	1.275	-1.033	0.077	355.000
Business Incubation Centers 3	3.242	1.359	-1.154	-0.222	355.000
Mentorship Programs 1	3.076	1.460	-1.387	-0.078	355.000
Mentorship Programs 2	2.958	1.397	-1.270	-0.024	355.000
Mentorship Programs 3	2.952	1.438	-1.376	0.084	355.000
SME Start-Up Training 1	3.510	1.421	-1.037	-0.535	355.000
SME Start-Up Training 2	3.589	1.426	-0.908	-0.660	355.000
SME Start-Up Training 3	3.569	1.429	-0.952	-0.643	355.000

Source: Authors Compilation SmartPLS Output, (2024)

Table 23 shows the mean and standard deviation of the variables/indicators used in the study; these were derived from the study's questionnaire. The study examined South African Government and small business entrepreneur's start-up training in South Africa, several key indicators were assessed, each shedding light on different aspects of the South African Government and small business entrepreneur's start-up training in South Africa. The mean scores, standard deviations, and the number of observations used for each indicator provide valuable insights and implications for researchers and practitioners alike. The relatively high mean score which are above 2.5 for the questions are suggesting that participants feel that the South African Government has got a significant correlation with small business entrepreneur's start-up training in South Africa. With low standard deviation in each case, indicating that there is low deviation of the responses from the mean. These descriptive results underscore the multifaceted nature of South

African Government on small business entrepreneur's start-up training in South Africa. These emphasize how important are small business entrepreneur's start-up training in South Africa through a successful South African Government.

The normalcy scores on the distribution revealed that the sample size is above 100 which imply that an absolute value of skewness of +1.0 or below is expected for the data to be normal. Also, for kurtosis, an absolute value of ±3.0 is expected for a normal peakedness as any figure outside the threshold may be severe signalling a concern. The normality test results shows that all the variables were between the levels of the qualified value of ±1.0 and the kurtosis test results were found to be within the qualified value of ±3.0. The implication from the normality test results shows that all the data inputted for the analysis are normally distributed and can be used for further analysis and inferences. This implies that all the variables used to measure South African government support have moderate mean with low deviation from the mean and the variables are all normally distributed indicating the usefulness of the variables in determining the causality between South African Government and small business entrepreneur's start-up training in South Africa.

Objective and Hypothesis Two Restatement

Objective Two: determine the effect of South African Government on small business entrepreneur's start-up training in South Africa

Ho2: South African Government does not significantly affect small business entrepreneur's start-up training in South Africa

Assessment of Measurement Model

To assess the effect of South African Government on small business entrepreneur's start-up training in South Africa, the variables used to measure South African Government are mentorship programs, business incubation centres, and access to networks against Small business entrepreneur's start-up training in South Africa.

Figure 3:

A path model of South African Government and small business entrepreneur's start-up training in South Africa
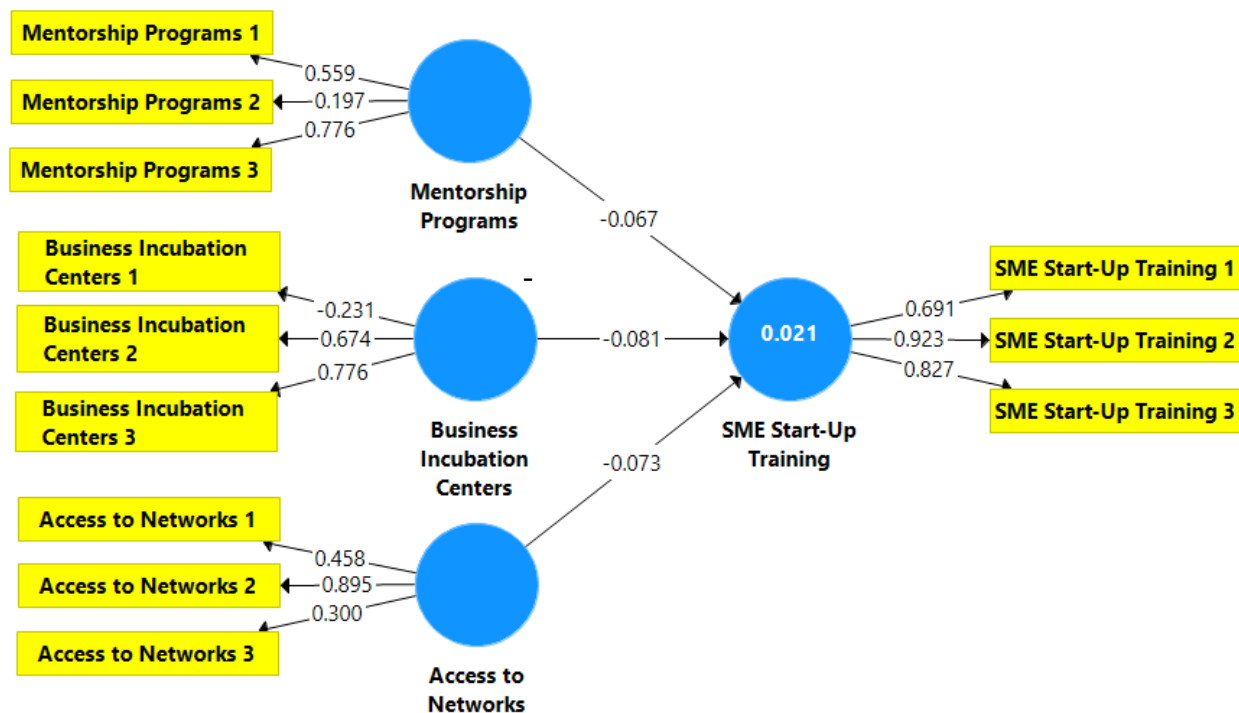
Source: Authors Compilation SmartPLS Output, 2024

Figure 3 showed the structural path model assesses the effect of South African Government on small business entrepreneur's start-up training in South Africa. The model includes three independent variables: mentorship programs, business incubation centres, and access to networks, and one dependent variable: small business entrepreneur's start-up training in South Africa. The

model results show that all three independent variables have no significant positive effect on small business entrepreneur's start-up training in South Africa. This means that South African Government is lacking for businesses (SMEs), as it produces a negative effect on small business entrepreneur's start-up training in South Africa. The specific negative effects indicate that all the individual variables have no good effect on small business entrepreneur's start-up training in South Africa. This means that businesses should focus on other dimensions to enhance small business entrepreneur's start-up training in South Africa.

Table 24

Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
business incubation centers	0.706	0.834	0.716
Mentorship programs	0.703	0.871	0.771
Access to networks	0.701	0.867	0.766
Startups' Sustainability	0.827	0.897	0.747

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

Table 24 displays important statistical measures related to the construct reliability and validity of four latent variables in this study. These measures help in checking the toughness of these variables as it measures the fundamental models they are intended to represent. Construct reliability is evaluated through two key metrics: Composite Reliability and Cronbach's Alpha. By calculating the degree to which each item in the latent variable is associated with every other item, Cronbach's Alpha evaluates the internal consistency of a latent variable. The four latent variables have internal consistency scores above 0.7, indicating good quality. These values indicate that the items within each variable are trustworthy indicators of the corresponding constructs because they

are significantly higher than the generally recognized cutoff point of 0.7. Another construct reliability metric that considers the links between the items and the latent variable as well as internal consistency is called composite reliability. With all values above 0.7, all variables in this study exhibit good composite reliability, offering a more reliable measure of reliability. These high values indicate that the latent variables are reliable indicators of the constructs they represent.

Additionally, the table presents the Average Variance Extracted (AVE), which assesses the convergent validity of each latent variable. Convergent validity indicates the degree to which items within a variable are related to each other, and to what extent they measure the same underlying concept. AVE values in the table all surpass the recommended threshold of 0.5. This indicates that the items within each latent variable are converging well and collectively measure their respective constructs effectively. The results suggest that the latent variables in this study exhibit strong construct reliability and validity. They prove high interior dependability, tough combined reliability, and acceptable convergent validity, which supports why the variables were used as dependable and effective tests for the research study.

Table 25

Discriminant Validity

	Access to Networks	Business Incubation Centers	Mentorship Programs	SME Start-Up Training
Access to Networks	**0.606**			
Business Incubation Centers	0.274	**0.608**		
Mentorship Programs	0.084	0.010	**0.564**	
SME Start-Up Training	-0.101	-0.102	-0.074	**0.819**

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

The outcomes shown on the discriminant validity analysis on the table 25 signify that there is strong evidence of discriminant validity among the latent variables: Access to networks,

Mentorship programs, small business entrepreneur's start-up training in South Africa, and business incubation centres. Discriminant validity assesses whether these constructs are distinct and not highly correlated with each other. Looking at the correlations between these variables, it's evident that the diagonal values (the correlations of each variable with itself) are all substantially higher than the off-diagonal values (the correlations between different variables). This suggests that each latent variable is more strongly related to itself than to the other constructs, supporting the idea that they are discrete and measure different characteristics of the general construct. Access to networks has a high correlation with itself, which is higher than its correlations with Mentorship programs, small business entrepreneur's start-up training in South Africa, and business incubation centres. Similarly, Small business entrepreneur's start-up training in South Africa has a strong correlation with itself compared to its correlations with the other variables. While it is the same for other variables in their respective situations.

These results provide evidence that the latent variables in this analysis are measuring distinct concepts and are not just different manifestations of the same underlying construct. This suggests that the measurement model is suitable for the purpose of this study, as it effectively differentiates between these key factors: Access to networks, Mentorship programs, and small business entrepreneur's start-up training in South Africa, and business incubation centres.

Multicollinearity

This assesses the correlation between the independent variable. It is to know if two independent variables are not correlated and producing the same result. The variance inflation factor (VIF) is used in this study to assess likely correlation between the independent variables.

Table 26

Inner VIF Values

	Access to Networks	Business Incubation Centers	Mentorship Programs	SME Start-Up Training
Access to Networks				**1.089**
Business Incubation Centers				**1.081**
Mentorship Programs				**1.007**
SME Start-Up Training				

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

Table 26, depict the VIF values for the latent variables related to small business entrepreneur's start-up training in South Africa. The VIF values for Access to networks, Mentorship programs, and business incubation centres are all well below the threshold of 10, which is a positive sign. It suggests that there is no severe multicollinearity among these latent variables. In other words, these variables are not highly correlated with each other and are therefore included in this analysis without significant concerns about multicollinearity.

Test of Hypothesis Two

Table 27
Coefficient of Determination Score

	R Square	R Square Adjusted
SME Start-Up Training	0.021	0.012

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

Table 27 shows the coefficient of determination, or R-squared, which is a measure of a model's quality of fit. The small business entrepreneur's start-up training in South Africa model's R-squared value of 0.021 shows that the independent or latent variables included in the model account for roughly 2.1% of the variability in the dependent variable (small business entrepreneur's start-up training in South Africa). This signifies that the seen differences in the purchasing familiarity are acquired and justified by the model. 0.012 is the adjusted R-squared value. This yields a more cautious evaluation of the quality of fit for the model. The fact that the adjusted R-squared value is almost the same as the standard R-squared value indicates that overfitting or unjustified complexity is unlikely to come from the independent variables' presence in the model. This suggests that the model's descriptive strength remains convincing even when contemplating possible issues that can be related to the model complexity. The R-squared and adjusted R-squared values suggest that the small business entrepreneur's start-up training in South Africa model is effective at explaining small business entrepreneur's start-up training in South Africa variability, and the model's performance doesn't appear to suffer from the inclusion of multiple latent variables.

Table 28

Assessment of the Effect Size (f²)

	Access to Networks	Business Incubation Centers	Mentorship Programs	SME Start-Up Training
Access to Networks				**0.005**
Business Incubation Centers				**0.006**
Mentorship Programs				**0.005**
SME Start-Up Training				

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

The effect size, often denoted as f-square is depicted in table 28, this rates the importance of the relationship or effect of separate variables on a related variable in statistical analysis. This study assesses the effect sizes of various latent variables on "small business entrepreneur's start-up training in South Africa." All the independent variables all have a value below 0.02 which is considered no effect size. Hence, this suggests all the variables indicate a moderate effect size, indicating that they all have a noticeable impact on small business entrepreneur's start-up training in South Africa. In other words, changes or differences in any of the variables can explain moderately the variability in small business entrepreneur's start-up training in South Africa

Table 29

Bootstrapping Results Showing Path Coefficient for Structural Model

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Access to Networks -> SME Start-Up Training	-0.073	-0.082	0.094	0.779	**0.436**
Business Incubation Centers -> SME Start-Up Training	-0.081	-0.059	0.099	0.823	**0.411**
Mentorship Programs -> SME Start-Up Training	-0.067	-0.084	0.086	0.784	**0.434**

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

The bootstrap path coefficient analysis depicted in table 29 was conducted to test the null hypothesis that South African Government does not significantly affect small business entrepreneur's start-up training in South Africa. The results indicate that there are no significant effects of access to networks, mentorship programs, and business incubation centres as factors of South African Government on small business entrepreneur's start-up training in South Africa. A look at the path from access to networks, mentorship programs, and business incubation centres to small business entrepreneur's start-up training in South Africa shows that the relationship between access to networks, mentorship programs, and business incubation centres and small business entrepreneur's start-up training in South Africa are not statistically significant. The p-values are greater than the conventional significance level of 0.05 and the T statistics are less than 1.96, suggesting strong evidence to accept the null hypothesis. Therefore, access to networks, mentorship programs, and business incubation centres which are variables of South African Government all insignificantly affects small business entrepreneur's start-up training in South Africa.

Robustness Checks

Table 30

Heterogeneity; Fit Indices for the One to Six Segments Solutions

Criterion	1	2	3	4	5	6
AIC	2602.22	2557.81	2548.71	2528.98	2519.39	2493.46
AIC3	2616.22	2586.81	2592.71	2587.98	2593.39	2582.46
AIC4	2630.22	2615.81	2636.71	2646.98	2667.39	2671.46
BIC	2654.35	2665.8	2712.54	2748.67	2794.94	2824.86
CAIC	2668.35	2694.8	2756.54	2807.67	2868.94	2913.86
HQ	2623.07	2601	2614.23	2616.84	2629.59	2625.99
MDL5	2895.89	3247.8	3656.22	4042.8	4427.5	4807.35
LnL	-1301.11	-1264.91	-1245.35	-1223.49	-1204.7	-1176.73
EN	na	0.427	0.647	0.722	0.705	0.764
NFI	na	0.488	0.626	0.682	0.648	0.695
NEC	na	190.784	118.883	93.132	97.883	78.559

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

Table 30 indicates a consistent decline in information criteria and a rise in entropy and NFI values as segments increase. No odd reversals or unexpected results appear, affirming the absence of heterogeneity. The steady trend across fit indices strengthens the robustness of the findings.

Qualitative findings on Objective Two:

Question: Is there any training that you think should be provided to SME startups?

Asked if there is any training that you think should be provided to SME startups? The themes below could be noticed.

> *"...SMEs should be equipped with Management skills and marketing skills (Participant 16)*

Theme bb1.) **Digital skills**

"...all SMEs should ensure they get business management training for them to understand how to run their operations effectively. (Participant 1)

"...Definitely Basic computing, email, excel, word document. Skills development is very important to have more training institutions. All SMEs to have Business management training. . (Participant 4)

"...Yes they should be trained in managing their skills and deliverables. Many times they are not even aware of their deliverables. (Participant 9)

Theme bb2.) **Business planning**

"...too many SMEs and new companies being registered Government to regulate SME or company registrations to see that they understand some business principles." (Participant 5)

"...Yes, there are several types of training that could benefit SME startups. Training on business management functions, financial management, marketing, and sales could be particularly valuable for SMEs. Additionally, training on soft skills such as communication, problem-solving, and time management could help SME owners to better manage their businesses. (Participant 6)

"...Provide training for the owners and give them a chance to prove they can do it, have equal opportunities for everyone. (Participant 19)

Theme bb3.) **Financial management.**

"...Government should provide more management training for the SMEs and follow up on the trainings. (Participant 7)

"...Yes business finance training and accounting and stakeholder management should be taught to SMEs. (Participant 28).

"...SMEs should be equipped with Management skills and marketing skills (Participant 16)

"...Even though there can be a training program provided for SME, it won't serve any purpose as long as these corrupt officials are still in charge. (Participant 18).

"...SMEs must be trained in Business management and or accounting. (Participant 26)

"...yes: how to spot opportunities (entrepreneurship), basic financial management, legal rules, marketing, and a technical skill (Participant 21)

Source: *Authors Compilation Fieldwork (2022-2023)*

Quantitative Analysis and Findings on Objective Three:

Research Question 3/Hypothesis:

   Objective Three: determine the effect of South African entrepreneur's knowledge and skills on business management on running of successful businesses in South Africa

Ho3: South African entrepreneur's knowledge and skills on business management does not significantly affect running of a successful businesses in South Africa

Question asked by the study: **Most entrepreneurs have the required knowledge to run SME business.**

Table 31

Table shows entrepreneurs skills required to run SMEs

Most entrepreneurs have the required knowledge to run SME business	Frequency	Percent
No	343	96.6
Yes	12	3.4
Total	355	100

Source: Authors Compilation SPSS Software Analysis output (2023)
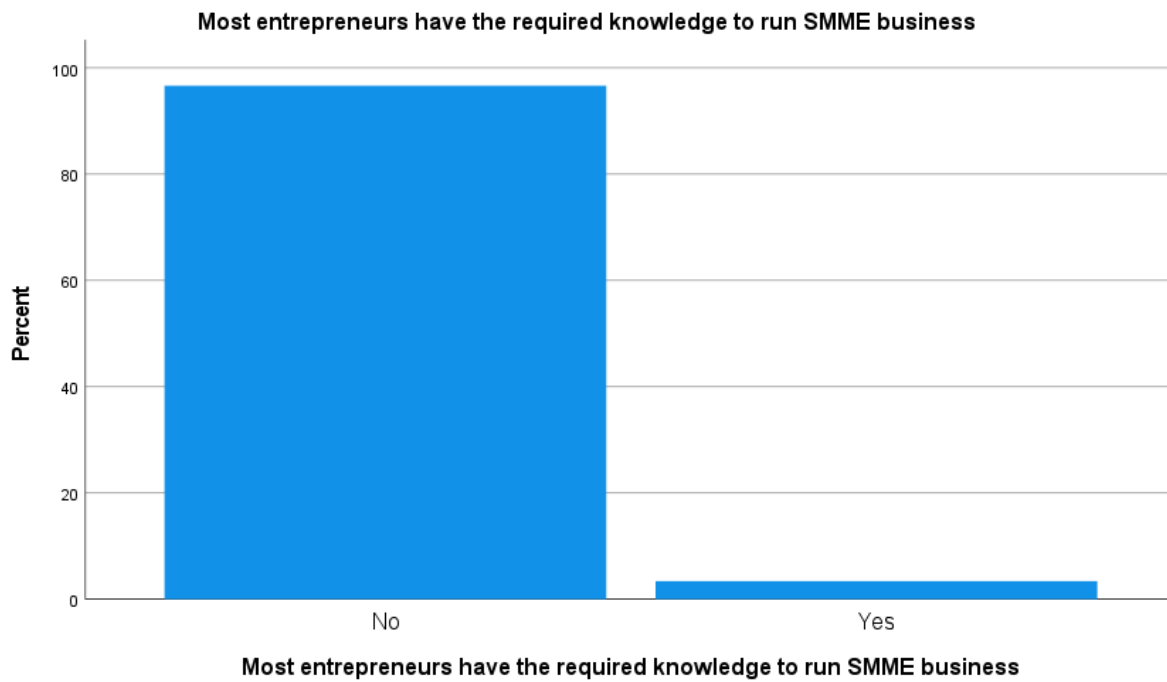
Most entrepreneurs have the required knowledge to run SMME business

Source: Authors Compilation SPSS Software Analysis output (2023)

Out of the 355 participants of the research 343 (96,6) answered No, whilst 12 (3,4%) participants answered yes to the question Most entrepreneurs have the required knowledge to run SME business.

Descriptive Statistics of the Responses Relating to Research Questions Three and Normality test

Table 32

Descriptive Analysis and Normality Test

	Mean	Standard Deviation	Excess Kurtosis	Skewness	Number of Observations Used
Marketing Expertise Knowledge 1	3.346	0.976	-0.923	0.245	355.000
Marketing Expertise Knowledge 2	3.237	0.882	-0.130	-0.432	355.000
Marketing Expertise Knowledge 3	2.876	0.994	-0.281	0.216	355.000
Operational Efficiency Skill 1	3.155	1.059	-0.598	-0.327	355.000
Operational Efficiency Skill 2	2.541	1.027	-0.883	-0.056	355.000
Operational Efficiency Skill 3	3.752	1.064	-0.003	-0.787	355.000
Strategic Planning Ability 1	3.113	0.875	-0.200	0.007	355.000
Strategic Planning Ability 2	2.944	1.065	-0.739	-0.266	355.000
Strategic Planning Ability 3	3.459	1.043	-0.216	-0.482	355.000
Successful Business Running 1	3.338	0.871	-0.787	-0.021	355.000
Successful Business Running 2	2.876	0.994	-0.281	0.216	355.000
Successful Business Running 3	2.789	1.084	-0.723	0.095	355.000

Source: Authors Compilation SmartPLS Output, 2024

Table 32 shows the mean and standard deviation of the variables/indicators used in the study; these were derived from the study's questionnaire. The study examined South African entrepreneur's knowledge and skills on business management and running of a successful business in South Africa, several key indicators were assessed, each shedding light on different aspects of the South African entrepreneur's knowledge and skills on business management and running of a successful business in South Africa. The mean scores, standard deviations, and the number of observations used for each indicator provide valuable insights and implications for researchers and practitioners alike. The relatively high mean score which are above 2.5 for the questions suggests that respondents perceive South African entrepreneur's knowledge and skills on business management as having significant association with running of a successful businesses in South Africa. With low standard deviation in each case, indicating that there is low deviation of the

responses from the mean. These descriptive results underscore the multifaceted nature of South African entrepreneur's knowledge and skills on business management on running of successful businesses in South Africa. These emphasize the importance of running of successful businesses in South Africa through entrepreneur's knowledge and skills on business management. From the resource-based theory it is acknowledged that skilled and knowledgeable workforce provide good results as they afford competitiveness and reputational advantages El Nemar et al. (2022).

The normalcy results of the distribution revealed that the sample size is above 100 which imply that an absolute value of skewness of +1.0 or below is expected for the data to be normal. Also, for kurtosis, an absolute value of ±3.0 is expected for a normal peakedness as any figure outside the threshold may be severe signalling a concern. The normalcy results shows that all the variables were inside the divide of the qualified value of ±1.0 and the kurtosis outcomes were also inside the perfect value of ±3.0. The implication from the normality test results shows that all the data inputted for the analysis are normally circulated and can be used for further analysis and inferences. This implies that all the variables used to measure South African government support have moderate mean with low deviation from the mean and the variables are all normally distributed indicating the usefulness of the variables in determining the causality between South African entrepreneur's knowledge and skills on business management and running of successful businesses in South Africa. The resource-based theory suggests that companies can reinforce their positions in the areas they operate by capitalizing on their strategic assets which does not only create value into the companies but enables the establishment and maintenance of the competitive advantages that are required in due course Chumphong et al. (2020).

Objective and Hypothesis Three Restatement

Objective Three: To assess the effect of South African entrepreneur's knowledge and skills on business management on running of successful businesses in South Africa

Ho3: South African entrepreneur's knowledge and skills does not significantly affect business management on running of successful businesses in South Africa.

Assessment of Measurement Model

To assess the effect of South African entrepreneur's knowledge and skills on business management on running of successful businesses in South Africa, the variables used to measure South African entrepreneur's knowledge and skills on business management are strategic planning ability, operational efficiency skills, and marketing expertise knowledge against running of a successful businesses in South Arica.

Figure 4:

A path model of South African entrepreneur's knowledge and skills on business management and running of successful businesses in South Africa

Source: Authors Compilation SmartPLS Output, 2024

Figure 4 showed the structural path model assesses the effect of South African entrepreneur's knowledge and skills on business ma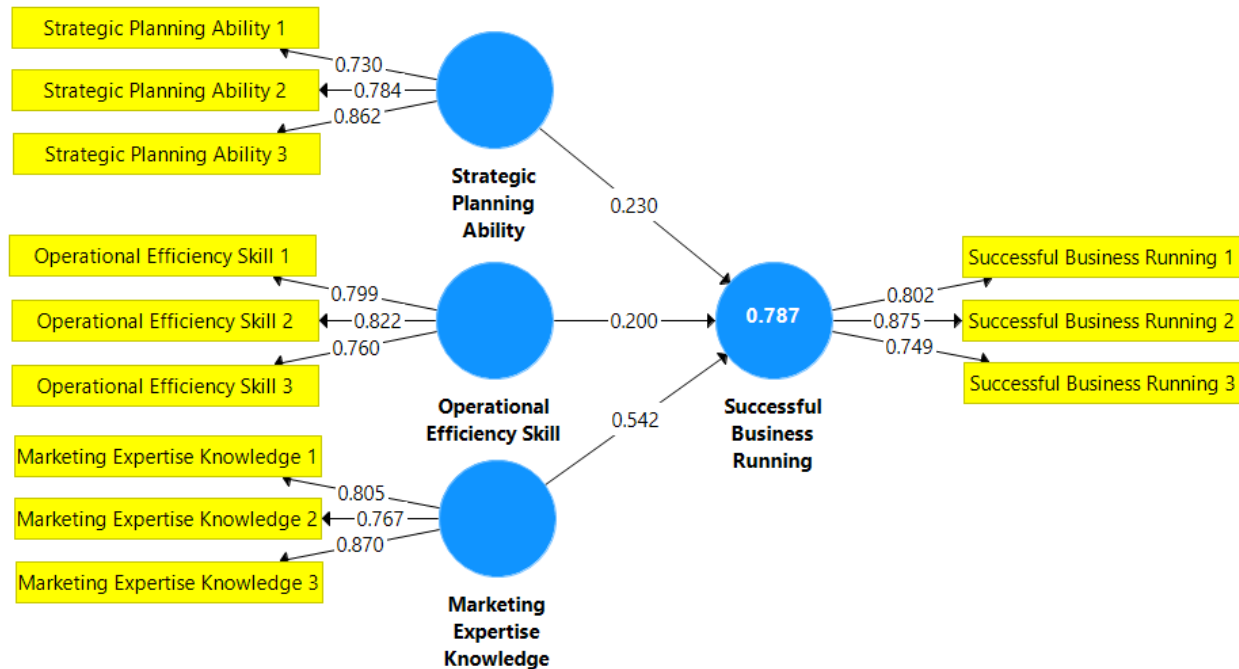nagement on running of successful businesses in South Africa. The model includes three independent variables: strategic planning ability, operational efficiency skills, and marketing expertise knowledge, and one dependent variable: running of a successful businesses in South Africa. The model results show that all three independent variables have significant positive effect on running of successful businesses in South Africa. This means that South African entrepreneur's knowledge and skills on business management is imperative for businesses, as it normally assist in increasing the running of a successful businesses in South Africa. The specific effects shows that all the independent variables have strong effect on running of successful businesses in South Africa. This means that businesses should focus on developing South African entrepreneur's knowledge and skills on business management to enhance running of successful businesses in South Africa. SMEs in South Africa

fail because they lack this required and essential attributes offered by the resource-based view theory as the findings show that SME owners and managers lack essential skills and knowledge such financial, marketing and strategic planning skills.

Table 33
Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Marketing Expertise Knowledge	0.755	0.811	0.856	0.664
Operational Efficiency Skill	0.710	0.720	0.837	0.631
Strategic Planning Ability	0.704	0.716	0.836	0.630
Successful Business Running	0.741	0.769	0.851	0.657

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

Table 33 displays important statistical measures related to the construct reliability and validity of four latent variables in this study. These measures help to test the toughness of these variables in trying to measure the fundamental concepts they are intended to represent. Construct reliability is evaluated through two key metrics: Composite Reliability and Cronbach's Alpha. By calculating the degree to which each item in the latent variable is associated with every other item, Cronbach's Alpha evaluates the internal consistency of a latent variable. The four latent variables have internal consistency scores above 0.7, indicating good quality. These values indicate that the items within each variable are trustworthy indicators of the corresponding constructs because they are significantly higher than the generally recognized cutoff point of 0.7. Another construct reliability metric that considers the links between the items and the latent variable as well as internal consistency is called composite reliability. With all values above 0.7, all variables in this study exhibit good composite reliability, offering a more reliable measure of reliability. These high values indicate that the latent variables are reliable indicators of the constructs they represent.

Additionally, the table presents the Average Variance Extracted (AVE), which assesses the convergent validity of each latent variable. Convergent validity indicates the degree to which items within a variable are related to each other, and to what extent they measure the same underlying concept. AVE values in the table all surpass the recommended threshold of 0.5. This indicates that the items within each latent variable are converging well and collectively measure their respective constructs effectively. The results suggest that the latent variables in this study exhibit strong construct reliability and validity. They express great inner regularity, strong combined reliability, and acceptable convergent legitimacy, which support the usage of these variables as trustworthy and valid instruments in the research study.

Table 34
Discriminant Validity

	Marketing Expertise Knowledge	Operational Efficiency Skill	Strategic Planning Ability	Successful Business Running
Marketing Expertise Knowledge	**0.815**			
Operational Efficiency Skill	0.701	**0.794**		
Strategic Planning Ability	0.728	0.744	**0.794**	
Successful Business Running	0.809	0.750	0.773	**0.811**

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

The results of the discriminant validity analysis in table 34 indicate that there is strong evidence of discriminant validity among the latent variables: Marketing expertise knowledge, Strategic planning ability, Running of successful businesses in South Africa, and Operational efficiency skills. Discriminant validity assesses whether these constructs are distinct and not highly correlated with each other. Looking at the correlations between these variables, it's evident that

the diagonal values (the correlations of each variable with itself) are all substantially higher than the off-diagonal values (the correlations between different variables). This suggests that each latent variable is more strongly related to itself than to the other constructs, supporting the idea that they are distinct and measure different aspects of the overall construct. Marketing expertise knowledge has a high correlation with itself, which is higher than its correlations with Strategic planning ability, Running of successful businesses in South Africa, and Operational efficiency skills. Similarly, running of successful businesses in South Africa has a strong correlation with itself compared to its correlations with the other variables. While it is the same for other variables in their respective situations.

These results provide evidence that the latent variables in this analysis are measuring distinct concepts and are not just different manifestations of the same underlying construct. This suggests that the measurement model is suitable for the purpose of this study, as it effectively differentiates between these key factors: Marketing expertise knowledge, Strategic planning ability, Running of successful businesses in South Africa, and Operational efficiency skills.

Multicollinearity

This assesses the correlation between the independent variable. It is to know if two independent variables are not correlated and producing the same result. The variance inflation factor (VIF) is used in this study to assess likely correlation between the independent variables.

Table 35
Inner VIF Values

	Marketing Expertise Knowledge	Operational Efficiency Skill	Strategic Planning Ability	Successful Business Running
Marketing Expertise Knowledge				**2.418**
Operational Efficiency Skill				**2.548**
Strategic Planning Ability				**2.760**
Successful Business Running				

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

Table 35, depict the VIF values for the latent variables related to Running of successful businesses in South Africa. The VIF values for Marketing expertise knowledge, Strategic planning ability, and Operational efficiency skills are all well below the threshold of 10, which is a positive sign. It suggests that there is no severe multicollinearity among these latent variables. In other words, these variables are not highly correlated with each other and are therefore included in this analysis without significant concerns about multicollinearity.

Test of Hypothesis Three

Table 36
Coefficient of Determination Score

	R Square	R Square Adjusted
Successful Business Running	0.787	0.785

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

The coefficient of determination is depicted in table 36, which denote R-squared, which evaluates a model's goodness of fit. The running of a successful businesses in South Africa model's R-squared score of 0.787 shows that the independent or latent factors included in the model account for around 78.7% of the variability in the dependent variable, running of a successful

businesses in South Africa. This indicates that the viewed variations in the purchasing experience are depicted and clarified by the model. 0.785 is the adjusted R-squared value. This yields a more cautious assessment of the quality of fit for the model. The fact that the adjusted R-squared value is nearly identical to the standard R-squared value suggests that overfitting or undue complexity is not likely to result from the independent variables' inclusion in the model. This suggests that the model's explanatory power stays effective even when contemplating probable issues related to model complexity. The R-squared and adjusted R-squared values suggest that the running of a successful businesses in South Africa model is effective at explaining running of a successful businesses in South Africa variability, and the model's performance doesn't appear to suffer from the inclusion of multiple latent variables.

Table 37
Assessment of the Effect Size (f^2)

	Marketing Expertise Knowledge	Operational Efficiency Skill	Strategic Planning Ability	Successful Business Running
Marketing Expertise Knowledge				**0.570**
Operational Efficiency Skill				0.074
Strategic Planning Ability				0.090
Successful Business Running				

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

The effect size, often denoted as f-square is depicted in table 37, this rates the significance of the relationship or effect of independent variables on a dependent variable in statistical analysis. This study assesses the effect sizes of various latent variables on "running of a successful business in South Africa." All the independent variables all have a value above 0.02 which is considered small effect size. Hence, this suggests all the variables indicate a moderate effect size, indicating

that they all have a noticeable impact on running of a successful business in South Africa. In other words, changes or differences in any of the variables can explain moderately the variability in running of a successful business in South Africa.

Table 38
Bootstrapping Results Showing Path Coefficient for Structural Model

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Marketing Expertise Knowledge -> Successful Business Running	0.542	0.541	0.037	14.501	**0.000**
Operational Efficiency Skill -> Successful Business Running	0.200	0.202	0.038	5.262	**0.000**
Strategic Planning Ability -> Successful Business Running	0.230	0.229	0.050	4.612	**0.000**

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

The bootstrap path coefficient analysis depicted in table 38 was conducted to test the null hypothesis that South African entrepreneur's knowledge and skills on business management does not significantly affect running of a successful businesses in South Africa. The results indicate that there are significant effects of marketing expertise knowledge, strategic planning ability, and operational efficiency skills as factors of South African entrepreneur's knowledge and skills on business management on running of a successful business in South Africa. A look at the path from marketing expertise knowledge, strategic planning ability, and operational efficiency skills to running of a successful business in South Africa shows that the relationship between marketing expertise knowledge, strategic planning ability, and operational efficiency skills and running of a successful business in South Africa is statistically significant. The p-values are less than the conventional significance level of 0.05 and the T statistics are greater than 1.96, suggesting strong

evidence to reject the null hypothesis. Therefore, marketing expertise knowledge, strategic planning ability, and operational efficiency skills which are variables of South African entrepreneur's knowledge and skills on business management all significantly affects running of a successful business in South Africa, as acknowledged by the resource-based theory that proposes that companies' competitive advantages are derived from their special core possessions and competences, and not from only the external influences.

Robustness Checks

Table 39

Heterogeneity; Fit Indices for the One to Six Segments Solutions

Criterion	1	2	3	4	5	6
AIC	2215.51	2175.72	2167.32	2147.7	2140.78	2115.21
AIC3	2229.51	2204.72	2211.32	2206.7	2214.78	2204.21
AIC4	2243.51	2233.72	2255.32	2265.7	2288.78	2293.21
BIC	2267.64	2283.71	2331.16	2367.4	2416.33	2446.61
CAIC	2281.64	2312.71	2375.16	2426.4	2490.33	2535.61
HQ	2236.36	2218.91	2232.84	2235.57	2251.98	2247.75
MDL5	2532.12	2885.48	3281.2	3662.29	4053.8	4428.52
LnL	-1102.76	-1068.86	-1050.66	-1027.85	-1009.39	-981.61
EN	na	0.378	0.602	0.688	0.671	0.737
NFI	na	0.452	0.598	0.655	0.612	0.668
NEC	na	180.92	110.756	86.382	91.113	72.584

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

Table 39 confirms no heterogeneity: the consistent behavior of all fit statistics across segment increases signals strong robustness. Decreases in AIC and BIC and increases in entropy (EN) and NFI validate the stability of model performance over additional segments.

Qualitative findings on Objective Three:

Question: Do you feel or think SME owners and entrepreneurs should have some knowledge on business management functions?

The study asked the participants what they think about knowledge of business management functions from SMEs. The following were the sentiments given by participants providing the following themes.

Theme a.) **Financial management**

"...some knowledge on business management functions is definitely needed. Most SMEs focus on cash flow rather than profitability. (Participant 9)

"...all SME owners must have some business management knowledge if they are to succeed. (Participant 1)

"...they should provide SME with capital for business startups and training and monitoring. (Participant 16)

"...yes they should have some such knowledge to enable them to compete wisely and to know when they should hire such services when they need them (Participant 21)

"...I think that before the funding is even given there must be a competence assessment model from the government to verify if the SME has enough capacity to manage the business they are running. There is a difference between passion and capacity, many SMEs are built by passion but maintained by capacity. (Participant 22)

Theme b.) **Business operations managements**

The following are the verbatim from interviews.

"…Yes, of course, they need vast training in business management functions so they can know how to make wise decisions use of the money in an accountable manner and appropriately give sufficient budgets for the running of the business (Participant 19)

"…Yes, because they are in business and essential to know how to run and manage any business no matter how small or big the company is. Understanding these functions can assist SMEs in identifying potential for improvement, making educated decisions, and optimizing their resources. It can also help them interact more effectively with external stakeholders like investors, suppliers, and customers. (Participant 20)

"…SME fail because they don`t have knowledge of business management functions training is needed. (Participant 3)

"…definitely they should otherwise they can't run the business. Every SME owner should have some education or degree in line with whatever they do or Training aligned to their businesses. (Participant 4)

"…Some SMEs but a few have some business management skills but lot of SMEs don`t have business management knowledge, they don`t have any business plans etc. (Participant 5)

Theme c.) **Marketing management**

The below responses were received from the participants.

"…Yes, I strongly believe that SME owners and entrepreneurs should have knowledge of business management functions. Understanding business management functions such as accounting, marketing, human resources, and operations is essential for the success of an SME. Without this knowledge, an SME owner may struggle to make informed decisions, manage finances, and effectively market their business. (Participant 6)

"… Business management knowledge is needed, it is the key of success in business and owners and entrepreneurs must be knowledgeable about business management skills and trends.

(Participant 7) **Source**: *Authors Compilation Fieldwork (2022-2023)*

Quantitative Analysis and Findings on Objective Four:

Research Question 4/Hypothesis:

HO$_4$.) South African Government business regulations on payments for work done for government entities have no effect on the success factors for small to medium businesses in South Africa.

Descriptive Statistics of the Responses Relating to Research Questions Four and Normality test

This section discusses the mean and standard deviation of responses obtained from the respondents to assess the descriptive statistics while the preliminary analysis in form of normality test was also conducted which covers Skewness and Kurtosis.

Table 40

Descriptive Analysis and Normality Test

	Mean	Standard Deviation	Excess Kurtosis	Skewness	Number of Observations Used
Efficient Dispute Resolution 1	3.225	0.943	-0.495	-0.302	355.000
Efficient Dispute Resolution 2	3.014	1.065	-0.650	-0.351	355.000
Efficient Dispute Resolution 3	2.825	1.071	-0.825	-0.006	355.000
Prompt Payment Policy 1	2.901	0.966	-0.039	0.161	355.000
Prompt Payment Policy 2	3.262	1.008	-0.539	-0.262	355.000
Prompt Payment Policy 3	3.417	1.054	-0.686	-0.041	355.000
Regular Payment Schedule 1	2.859	1.178	-1.035	-0.067	355.000
Regular Payment Schedule 2	2.662	1.042	-0.765	0.036	355.000
Regular Payment Schedule 3	2.800	1.028	-0.617	0.018	355.000
Success Factors for SMEs 1	3.225	0.907	-0.770	0.245	355.000
Success Factors for SMEs 2	3.144	1.074	-0.860	-0.029	355.000
Success Factors for SMEs 3	3.299	1.163	-0.810	-0.330	355.000

Source: Authors Compilation SmartPLS Output, 2024

Table 40 shows the mean and standard deviation of the variables/indicators used in the study; these were derived from the study's questionnaire. The study examined South African government business regulations and success factors for small and medium businesses in South Africa, several key indicators were assessed, each shedding light on different aspects of the South African government business regulations and success factors for small and medium businesses in South Africa. The mean scores, standard deviations, and the number of observations used for each indicator provide valuable insights and implications for researchers and practitioners alike. The relatively high mean score which are above 2.5 for the questions suggests that respondents perceive South African government business regulations as having significant association with success factors for small and medium businesses in South Africa. With low standard deviation in each cases, indicating that there is low deviation of the responses from the mean. These descriptive

results underscore the multifaceted nature of South African government business regulations on success factors for small and medium businesses in South Africa. These emphasize the importance of success factors for small and medium businesses in South Africa through successful South African government business regulations as sated by the institutional theory that states that organisations are greatly affected by their conservative and informal environments which they operate in as business regulations are part of the environments that have great effects on running of organisations.

The normalcy results of the distribution revealed that the sample size is above 100 which imply that an absolute value of skewness of +1.0 or below is expected for the data to be normal. Also, for kurtosis, an absolute value of ±3.0 is expected for a normal peakedness as any figure outside the threshold may be severely signalling a concern. The normalcy results shows that all the variables were within the threshold of the absolute value of ±1.0 and the kurtosis results were also within the absolute value of ±3.0. The implication from the normality test results shows that all the data inputted for the analysis are normally distributed and can be used for further analysis and inferences.

Objective and Hypothesis Four Restatement

Objective Four: determine the effect of South African government business regulations on success factors for small and medium businesses in South Africa
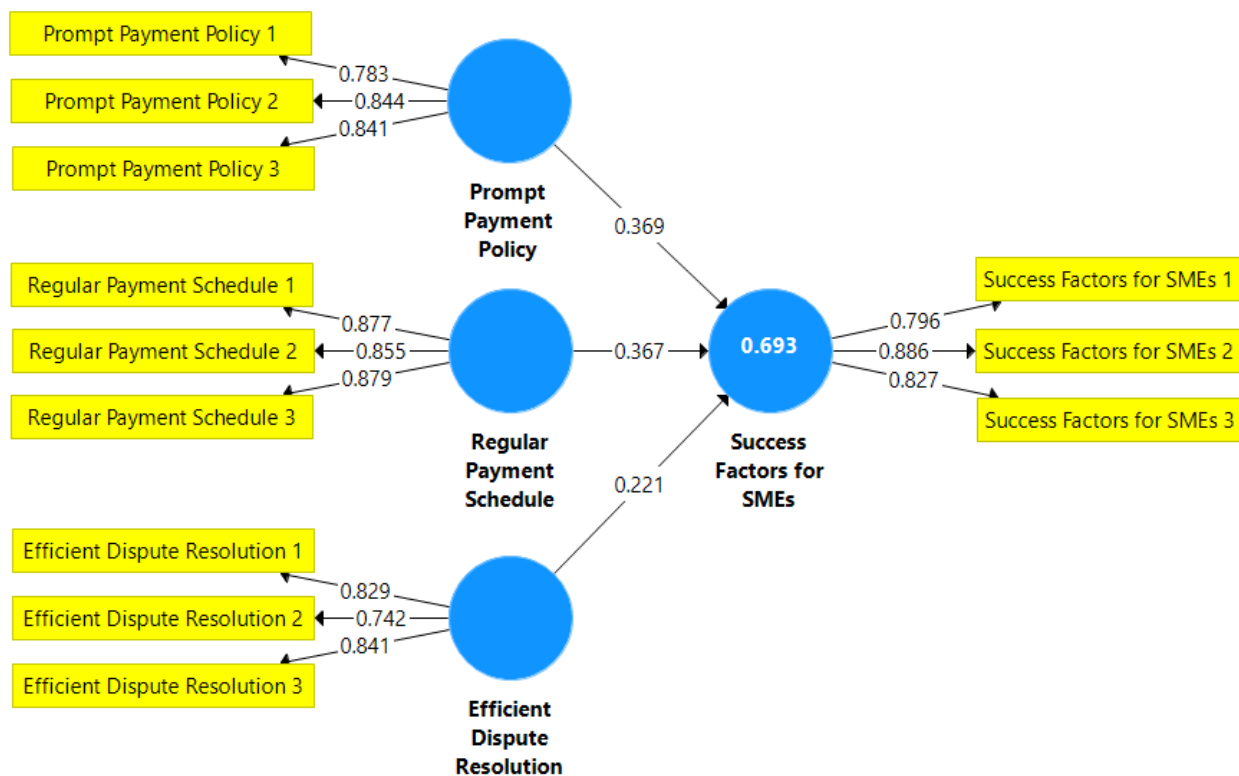
Ho4: South African government business regulations does not significantly affect success factors for small and medium businesses in South Africa

Assessment of Measurement Model

To assess the effect of South African government business regulations on success factors for small and medium businesses in South Africa, the variables used to measure South African government business regulations are prompt payment policies, Regular payment schedules, and efficient dispute resolution against Success factors for small and medium businesses in South Africa.

Figure 5

A path model of South African government business regulations and success factors for small and medium businesses in South Africa

Source: Authors Compilation SmartPLS Output, 2024

Figure 5 showed the structural path model assesses the effect of South African government business regulations on success factors for small and medium businesses in South Africa. The

model includes three independent variables: prompt payment policies, Regular payment schedules, and efficient dispute resolution, and one dependent variable: success factors for small and medium businesses in South Africa. The model results show that all three independent variables have a significant positive effect on success factors for small and medium businesses in South Africa. This means that South African government business regulations are important for businesses, as it can help to increase success factors for small and medium businesses in South Africa. The specific effects shows that all the independent variables have a strong effect on success factors for small and medium businesses in South Africa. This means that businesses should focus on developing South African government business regulations to enhance success factors for small and medium businesses in South Africa.

Table 41

Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Efficient Dispute Resolution	0.727	0.732	0.847	0.648
Prompt Payment Policy	0.762	0.763	0.863	0.678
Regular Payment Schedule	0.840	0.844	0.904	0.757
Success Factors for SMEs	0.787	0.809	0.875	0.701

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

Table 41 displays important statistical measures related to the construct reliability and validity of four latent variables in this study. These measures help assess the robustness of these variables in measuring the underlying concepts they are intended to represent. Construct reliability is evaluated through two key metrics: Composite Reliability and Cronbach's Alpha. By calculating the degree to which each item in the latent variable is associated with every other item, Cronbach's Alpha evaluates the internal consistency of a latent variable. The four latent variables have internal

consistency scores above 0.7, indicating good quality. These values indicate that the items within each variable are trustworthy indicators of the corresponding constructs because they are significantly higher than the generally recognized cutoff point of 0.7. Another construct reliability metric that considers the links between the items and the latent variable as well as internal consistency is called composite reliability. With all values above 0.7, all variables in this study exhibit good composite reliability, offering a more reliable measure of reliability. These high values indicate that the latent variables are reliable indicators of the constructs they represent.

Additionally, the table presents the Average Variance Extracted (AVE), which assesses the convergent validity of each latent variable. Convergent validity indicates the degree to which items within a variable are related to each other, and to what extent they measure the same underlying concept. AVE values in the table all surpass the recommended threshold of 0.5. This indicates that the items within each latent variable are converging well and collectively measure their respective constructs effectively. The results suggest that the latent variables in this study exhibit strong construct reliability and validity. They reveal great inner consistency, healthy composite trustworthiness, and acceptable convergent authenticity, which supports the usage of these variables as trustworthy and valid instruments in the research study.

Table 42

Discriminant Validity

	Efficient Dispute Resolution	Prompt Payment Policy	Regular Payment Schedule	Success Factors for SMEs
Efficient Dispute Resolution	**0.805**			
Prompt Payment Policy	0.692	**0.823**		
Regular Payment Schedule	0.569	0.620	**0.870**	
Success Factors for SMEs	0.686	0.750	0.721	**0.837**

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

The results of the discriminant validity analysis in table 42 indicate that there is strong evidence of discriminant validity among the latent variables: Efficient dispute resolution, Prompt payment policies, Success factors for small and medium businesses in South Africa, and Regular payment schedules. Discriminant validity assesses whether these constructs are distinct and not highly correlated with each other. Looking at the correlations between these variables, it's evident that the diagonal values (the correlations of each variable with itself) are all substantially higher than the off-diagonal values (the correlations between different variables). This suggests that each latent variable is more strongly related to itself than to the other constructs, supporting the idea that they are apparent and measure different properties of the global construct. Success factors for small and medium businesses in South Africa has a high correlation with itself, which is higher than its correlations with Prompt payment policies, efficient dispute resolution, and Regular payment schedules. Similarly, Regular payment schedules have a strong correlation with itself compared to its correlations with the other variables. While it is the same for other variables in their respective situations.

These results provide evidence that the latent variables in this analysis are measuring distinct concepts and are not just different manifestations of the same underlying construct. This suggests that the measurement model is suitable for the purpose of this study, as it effectively differentiates between these key factors: Efficient dispute resolution, Prompt payment policies, Success factors for small and medium businesses in South Africa, and Regular payment schedules. According to Scott (2005) and Sahin and Mert (2023). Institutional theory is based on the character of the greater surroundings and how they affect organizational arrangements and practices. Organizational plans are not only influenced by their stakeholders such as the owners in cases of SMEs but by the conventional and informal atmospheres from where the firms operate from. SME failures are caused by elements such delayed payments, in ability to raise capital are directly linked to institutional theory.

Multicollinearity

This assesses the correlation between the independent variable. It is to know if two independent variables are not correlated and producing the same result. The variance inflation factor (VIF) is used in this study to assess likely correlation between the independent variables.

Table 43

Inner VIF Values

	Efficient Dispute Resolution	Prompt Payment Policy	Regular Payment Schedule	Success Factors for SMEs
Efficient Dispute Resolution				2.046
Prompt Payment Policy				2.247
Regular Payment Schedule				1.730
Success Factors for SMEs				

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

Table 43, depict the VIF values for the latent variables related to Success factors for small and medium businesses in South Africa. The VIF values for Efficient dispute resolution, Prompt payment policies, and Regular payment schedules are all well below the threshold of 10, which is a positive sign. It suggests that there is no severe multicollinearity among these latent variables. In other words, these variables are not highly correlated with each other and are therefore included in this analysis without significant concerns about multicollinearity.

Test of Hypothesis Four

Table 44

Coefficient of Determination Score

	R Square	R Square Adjusted
Success Factors for Small Business	0.693	0.690

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

Table 44 shows the coefficient of determination, or R-squared, which is a measure of a model's quality of fit. The Success factors for small and medium businesses in South Africa Model's R-squared score of 0.693 suggests that the independent or latent variables included in the model account for roughly 69.3% of the variability observed in the dependent variable (success factors for small and medium businesses in South Africa). This point toward that the witnessed contrasts in the purchasing experience are depicted and clarified by the model. 0.690 is the adjusted R-squared value. This yields a more cautious assessment of the quality of fit for the model. The fact that the adjusted R-squared value is almost the same as the standard R-squared value points to the overfitting or undue complexity is not likely to result from the independent variables' usage in the model. It then suggests that the model's clarifying power continues to strong even when

contemplating potential issues that could be related to model complexity. The R-squared and adjusted R-squared values suggest that the success factors for small and medium businesses in South Africa model is effective at explaining success factors for small and medium businesses in South Africa variability, and the model's performance doesn't appear to suffer from the inclusion of multiple latent variables.

Table 45

Assessment of the Effect Size (f^2)

	Efficient Dispute Resolution	Prompt Payment Policy	Regular Payment Schedule	Success Factors for SMEs
Efficient Dispute Resolution				0.078
Prompt Payment Policy				**0.198**
Regular Payment Schedule				**0.253**
Success Factors for SMEs				

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

The effect size, often denoted as f-square is depicted in table 45, this measures the importance of the relationship or effect of unrelated variables on the related variable in statistical analysis. This study assesses the effect sizes of various latent variables on "success factors for small and medium businesses in South Africa." All the independent variables all have a value above 0.02 which is considered small effect size. Hence, this suggests all the variables indicate a moderate effect size, indicating that they all have a noticeable impact on success factors for small and medium businesses in South Africa. In other words, changes or differences in any of the variables can explain moderately the variability in success factors for small and medium businesses in South Africa.

Table 46

Bootstrapping Results Showing Path Coefficient for Structural Model

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Efficient Dispute Resolution -> Success Factors for SMEs	0.221	0.224	0.043	5.131	**0.000**
Prompt Payment Policy -> Success Factors for SMEs	0.369	0.368	0.048	7.719	**0.000**
Regular Payment Schedule -> Success Factors for SMEs	0.367	0.366	0.032	11.520	**0.000**

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

The bootstrap path coefficient analysis depicted in table 46 was conducted to test the null hypothesis that South African government business regulations does not significantly affect success factors for small and medium businesses in South Africa. The results indicate that there are significant effects of efficient dispute resolution, prompt payment policies, and Regular payment schedules as factors of South African government business regulations on success factors for small and medium businesses in South Africa. A look at the path from efficient dispute resolution, prompt payment policies, and Regular payment schedules to success factors for small and medium businesses in South Africa shows that the relationship between efficient dispute resolution, prompt payment policies, and Regular payment schedules and success factors for small and medium businesses in South Africa is statistically significant. The p-values are less than the conventional significance level of 0.05 and the T statistics are greater than 1.96, suggesting strong evidence to reject the null hypothesis. Therefore, efficient dispute resolution, prompt payment policies, and Regular payment schedules which are variables of South African government business regulations all significantly affects success factors for small and medium businesses in South Africa.

Robustness Checks

Table 47

Heterogeneity; Fit Indices for the One to Six Segments Solutions

Criterion	1	2	3	4	5	6
AIC	2734.88	2691.61	2681.92	2661.14	2651.62	2626.22
AIC3	2748.88	2720.61	2725.92	2720.14	2725.62	2715.22
AIC4	2762.88	2749.61	2770.92	2779.14	2799.62	2804.22
BIC	2787.01	2799.6	2846.76	2880.83	2927.16	2957.62
CAIC	2801.01	2828.6	2890.76	2939.83	3001.16	3046.62
HQ	2755.73	2734.8	2748.45	2749	2761.82	2758.76
MDL5	3087.4	3444.32	3843.11	4224.27	4615.49	4989.4
LnL	-1367.44	-1332.81	-1312.96	-1290.57	-1271.81	-1243.11
EN	na	0.441	0.659	0.735	0.718	0.775
NFI	na	0.499	0.636	0.691	0.659	0.704
NEC	na	185.693	115.087	89.976	94.678	74.281

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

The values in Table 47 continue to exhibit the expected trends without any aberrations, indicating strong non-heterogeneity. Improvements in key fit indices reinforce the robustness of segmentation, making the interpretation and comparison reliable across model complexities.

Qualitative findings on Objective Four:

The study also asked participants if there is anything they think or feel can be done to prevent SME businesses from failure. The following themes emerged from the findings.

Theme aa1.) **Business planning.**

"...lack of research in the existing market of trade one wants to participate in, it makes it easier for one to fail because they don't have enough knowledge on the current and future trends in the industry that they want to partake in. (Participant 1)

"...SMEs must embrace change and always understand changes in the environment. Everything is changing including legislation and Innovation is the thing, technology SMEs to embrace changes and technology. (Participant 3)

"...Proper planning, adequate government support and back up, community education to support SMEs. (Participant 20)

Theme aa2.) **Funding and training**

"...Support funding from Government as capital apart from what they provided with certain program that is funded to equip with necessary skills. (Participant 4)

"...Constant support training and funding, professional development. Make sure strategies change adapt to the ever-changed environments technology etc SME workshops for Tax, compliances are important. (Participant 4)

"...A lot of money is spent by government and is used in ways that do not benefit the SMEs. On registering organisations SMEs they should be given information on what is happening in their sector where they can get work and support or finance." (Participant 5)

"...Government to introduce Good programs that include skills transfer between SMEs to empower and assist SME start-ups, remove corruption, and do anything that hinders development (Participant 16)

Theme aa3.) **Produce small tenders**

"...I think the whole conception of tenders as a get rich quick scheme should be reeducated. Tenders should be broken down into small manageable tasks and used as a basis to train and grow businesses. (Participant 9)

"...Banks should not charge higher percentage interests to SMEs in order to give capital for one to start a business. Government must seriously consider empowering SMEs with businesses without demanding ridiculous years of experience and references from international companies." (Participant 7)

"...extra support in terms of marketing and how things should be run. Time management lessons, prioritizing things in the business and executive strategy making training should be done." (Participant 10).

Theme aa4.) **Use of mentorship for SMEs**

Ways of providing mentorship to SMEs should be found so that SME failures can be reduced as SMEs will get good guidance from their mentors (Participant 15).

"...To prevent SME businesses from failure, it is essential to have a supportive ecosystem that includes access to funding, mentorship, and training programs. It is also important to have a favorable regulatory environment, which includes a simplified process for registering and running a business, as well as easy access to resources and infrastructure. Additionally, it is important to foster a culture of entrepreneurship and innovation to encourage the growth of SMEs. (Participant 6)

"...training and follow up after training, easy access to funding and open opportunities for SME's to provide services without favor. (Participant 19)

Theme aa5.) **Enabling environment for SMEs**

"...Governments and other institutions can assist SMEs by providing funding, tax incentives, mentorship, and training programs. Additionally, governments can simplify regulations, reduce bureaucracy, and promote entrepreneurship to encourage the growth of SMEs." (Participant 13)

"...It is also important for governments to create an enabling environment for SMEs to thrive, by providing access to infrastructure and resources such as electricity, water, and the internet. (Participant 6)

"...provide an enabling environment – allow SMEs to operate and compete without bottlenecks...opportunities for procurement in the public sector in a fair and transparent manner (Participant 21)

"...improve funding methods and increase small jobs so as to avoid SMES borrowing large amounts to fund a job. if a tender is broken into very small amounts and many players involved they will make profit and grow at a steady pace as long as a system is put in place to steadily grow their commitment. (Participant 9)

"...Ensure that SMEs are assisted in getting funding and continuous work that is profitable and not exploitative to SMEs." (Participant 1)

They should provide SME with capital for business startups and training and monitoring. (Participant 16)

Theme aa6.) **Business development support:**

"...encourage training for SMEs and provide the training. (Participant 3)

"...Government to accredit more training institutions and offer relevant business training. Financial education Management education to be provided to SMEs." (Participant 4)

"...Continuous workshops after training to teach SMEs things like Tax and probably see how they are performing. SME that have been funded should be followed up to check and if they need more help or any assistance and be accountable to ensure the money is used for business, that the plan that was presented is well implemented." (Participant 4)

"…they should provide SME with capital for business startups and training and monitoring. (Participant 16)

Theme aa7.) **Attractive policies**

"…The government must stop treating SMEs as third party but work with them and support them directly in terms of giving tenders and contracts. Plan more refresher courses on business management and business opportunities. (Participant 7)

"…Support SME in every aspect such as, finances, create policies which help them to work better, offer training on different business subjects (Participant 20)

Theme aa8.) **Tax incentives**

"…Government/Big contractors to provide work that is continuous to ensure staff retention and return on investments not a weeks' work like Big Companies ensuring that a certain percentage of work in their contracts is allocated to SMEs as a way of promoting SMEs to grow and have work. (Participant 5)

'…they should provide mentors so they can warn and give direction the SMEs of the failures they are likely to face." (Participants 10)

Theme aa9.) **Reduce corruption tendencies**

"…uproot corruption and educate SMEs on matters pertaining to the running of businesses and how to be independent. They can't depend on the government forever, they have to understand that they exist on profit making basis. Sometimes getting funding cultivates laziness/dependency syndrome (Participant 15)

"…There isn't much the government can do or will because they are contributing to this problem. Not happy with how government and other agencies are handling SMEs (Participant 18)

Theme aa10.) **Late payments for SMEs**

"...payment and finance are the core of businesses, SMEs must have access to finance and be paid timeously after completing work and not hold on to payments as it affects cash flows for the SMEs. Late payments seem to be the order of the day for SMEs that are subcontracted by larger corporates and paid very low rates which result in SMEs failing over time." (Participant 1)

Government to have policy for regulating payments to sub-contractors because subcontractors are not paid correctly and in time. (Participant 3)

"...SMEs need finance to start work and need to have choices of how re financing cash flow. SMEs should be paid 50% payment up front strategic planning required. (Participant 4)

"...SMEs should be paid frequently and not wait for month end. Late payments reduce growth. (Participant 5)

"...Payments and other financial issues can have a significant impact on SME businesses. Late payments, cash flow issues, and financial mismanagement can lead to significant challenges for SMEs. It is essential for SMEs to have strong financial management systems in place to avoid these issues and ensure their long-term viability. . (Participant 6)

"...SME s are mostly affected by late payments because they are not directly contracted and directly paid but big companies that get tenders and sub contract SMEs and payment is not done in expected time yet the SMEs one has incurred expenses in trying to get the job done. Delay of payment put SMEs out of business. (Participant 7)

"... late payments and no payment kills the SME to an extent of causing fights on the ground It seems its something respondent experiences more often. (Participant 8)

Respondents suggest that Most SMEs are hand to mouth and 90day payments stunt their growth as they are unable to fund operations (Participant 9)

Late payments of invoice affect SME greatly and may result in failure and access to capital is limited because of Stringent requirements to access capital (Participant 16)

"...late payments affect SMEs badly, as their main challenge is lack of finances and limited payments method. (Participant 20)

"...delays in payments strap SMEs and they cannot expand and in fact run the risk of failing because the owners usually do not have deep pockets to fund their own businesses. (Participant 21)

"...payments from big or small companies are a major contribution to failures in the making of business for SMEs. Non-payments by companies will create a void in the circulation of money (cash flows). You have to get short loans to service other clients while the other clients are sitting on your vast amounts of money. (Participant 19)

SMEs may not afford running with minimum cash flow and if payments of commodities are done in terms, it could be a problem. Any organization needs liquid cash to run day to day activities and this can cause capacity issues. (Participant 22

"...late payments of invoice affect SME greatly and may result in failure and access to capital is limited because of Stringent requirements to access capital. (Participant 16)

Source: *Authors Compilation Fieldwork (2022-2023)*

Quantitative Analysis and Findings on Objective Five:

Research Question 5/Hypothesis:

Q5.) What effects do business practices such corruption have on the small business' failure in South Africa?

HO₅.) Business practises such as corruption have no effect on the small businesses' failure in South Africa.

The study asked the question: **Corruption can result in SME business failures.**

Table 48

Corruption test

Corruption can result in SME business failures	Frequency	Percent
No	4	1.1
Yes	351	98.9
Total	355	100

Source: Authors Compilation SPSS Software Analysis output (2023)

Source: Authors Compilation SPSS Software Analysis output (2023)

Out of the 355 participants that participated in the research 351 (98,9%) agreed that corruption can result in SME failures answering Yes whilst 4 (1.1%) answered No.

The study asked the question: **There are many business practices that lead to SME business failures such as corruption.**

Table 49

Business practices that lead to SME Failure

There are many business practices that lead to SME business failures such as corruption	Frequency	Percent
Totally Disagree	3	0.8
Disagree	1	0.3
Neutral	5	1.4
Agree	10	2.8
Totally Agree	336	94.6
Total	355	100

Source: Authors Compilation SPSS Software Analysis output (2023)

Source: Authors Compilation SPSS Software Analysis output (2023)

There were 355 responses from participants and 336 (94,6%) participants totally agreed whilst 10 (2,8%) mostly agreed and 5 (1,4%) just agreed and 1 (0.3%) mostly disagreed and 3 (.08%) totally disagreed with the statement that there are many business practices that lead to SME business failures such as corruption.
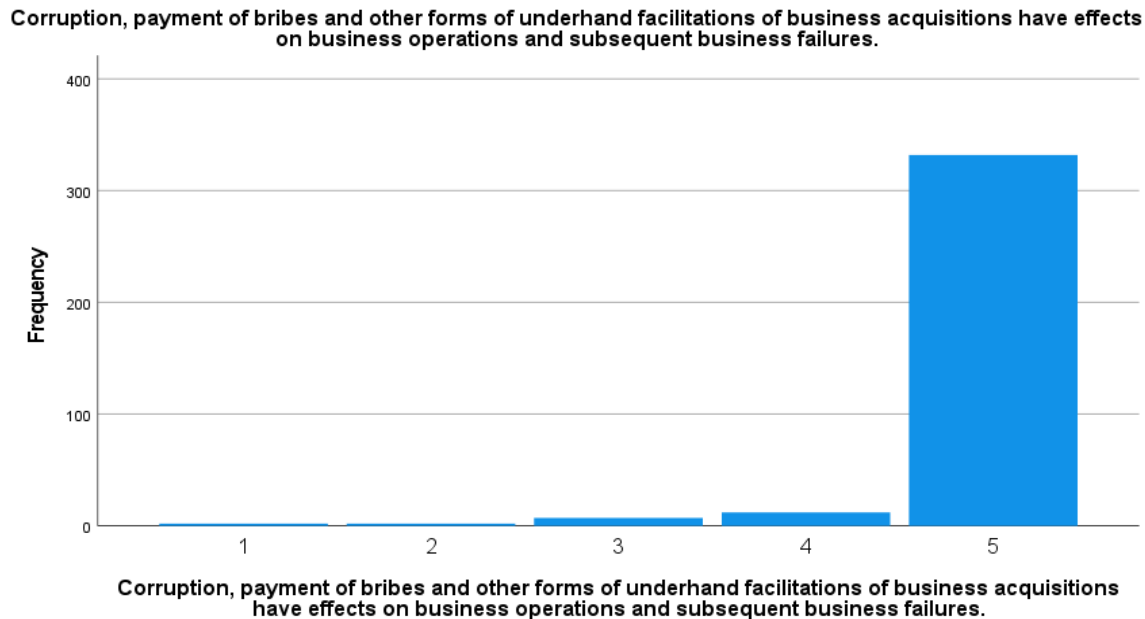
The study asked the question: **Corruption, payment of bribes and other forms of underhand facilitations of business acquisitions have effects on business operations and subsequent business failures.**

Table 50

Effects of corruption

Corruption, payment of bribes and other forms of underhand facilitations of business acquisitions have effects on business operations and subsequent business failures.	Frequency	Percent
Totally Disagree	2	0.6
Disagree	2	0.6
Neutral	7	2.0
Agree	12	3.4
Totally Agree	332	93.5
Total	355	100

Source: Authors Compilation SPSS Software Analysis output (2023)

Source: Authors Compilation SPSS Software Analysis output (2023)

Out of the 355 respondents to the research 332 (93,5%) totally agreed, whilst 12 (3,4%) mostly agreed, whilst 7 (2,0%) just agreed and 2 (0.6%) mostly disagreed and 2 (0,6%) totally

disagreed with the statement that Corruption, payment of bribes and other forms of underhand facilitations of business acquisitions have effects on business operations and subsequent business failures.

Descriptive Analysis of Responses Relating to the Study Research Questions Five and Normality Test

Table 51

Descriptive Analysis and Normality Test

	Mean	Standard Deviation	Excess Kurtosis	Skewness	Number of Observations Used
Corruption 1	2.856	1.189	-0.980	-0.003	355.000
Corruption 2	2.459	1.010	-0.816	0.087	355.000
Corruption 3	2.789	1.084	-0.723	0.095	355.000
Nepotistic Hiring Practices 1	2.876	0.994	-0.281	0.216	355.000
Nepotistic Hiring Practices 2	3.338	0.871	-0.787	-0.021	355.000
Nepotistic Hiring Practices 3	3.346	0.976	-0.923	0.245	355.000
Small Business Failure 1	3.231	0.921	-0.865	0.199	355.000
Small Business Failure 2	3.059	1.056	-0.794	-0.061	355.000
Small Business Failure 3	3.223	1.110	-0.645	-0.263	355.000
Unfair Competition Practice 1	3.237	0.882	-0.130	-0.432	355.000
Unfair Competition Practice 2	2.977	1.118	-0.945	-0.283	355.000
Unfair Competition Practice 3	2.856	1.020	-0.657	-0.204	355.000

Source: Authors Compilation SmartPLS Output, 2024

Table 51 shows the mean and standard deviation of the variables/indicators used in the study; these were derived from the study's questionnaire. The study examined business practices and small business's failure in South Africa, several key indicators were assessed, each shedding light on different aspects of the business practices and small business's failure in South Africa. The mean scores, standard deviations, and the number of observations used for each indicator provide valuable insights and implications for researchers and practitioners alike. The relatively high mean score which are above 3 for the questions indicates that participants realize business

practices as having substantial association with small business's failure in South Africa. With low standard deviation in each case, indicating that there is low deviation of the responses from the mean. These descriptive results underscore the multifaceted nature of business practices on small business's failure in South Africa. These emphasize the importance of small business's failure in South Africa through a successful business practice. This is indicative of the institutional theory that suggest that the environment that organisations operate in have great effects on how successful they can be the corruptness of the business atmosphere in South Africa business put SMEs in an environment that does not support success.

The normalcy results of the distribution revealed that the sample size is above 100 which imply that an absolute value of skewness of +1.0 or below is expected for the data to be normal. Also, for kurtosis, an absolute value of ±3.0 is expected for a normal peaked ness as any figure outside the threshold may be severe signalling a concern. The normalcy results shows that all the variables were within the threshold of the absolute value of ±1.0 and the kurtosis results were also within the absolute value of ±3.0. The implication from the normality test results shows that all the data inputted for the analysis are normally distributed and can be used for further analysis and inferences.

Objective and Hypothesis Five Restatement

Objective Five: determine the effect of business practices on small business's failure in South Africa
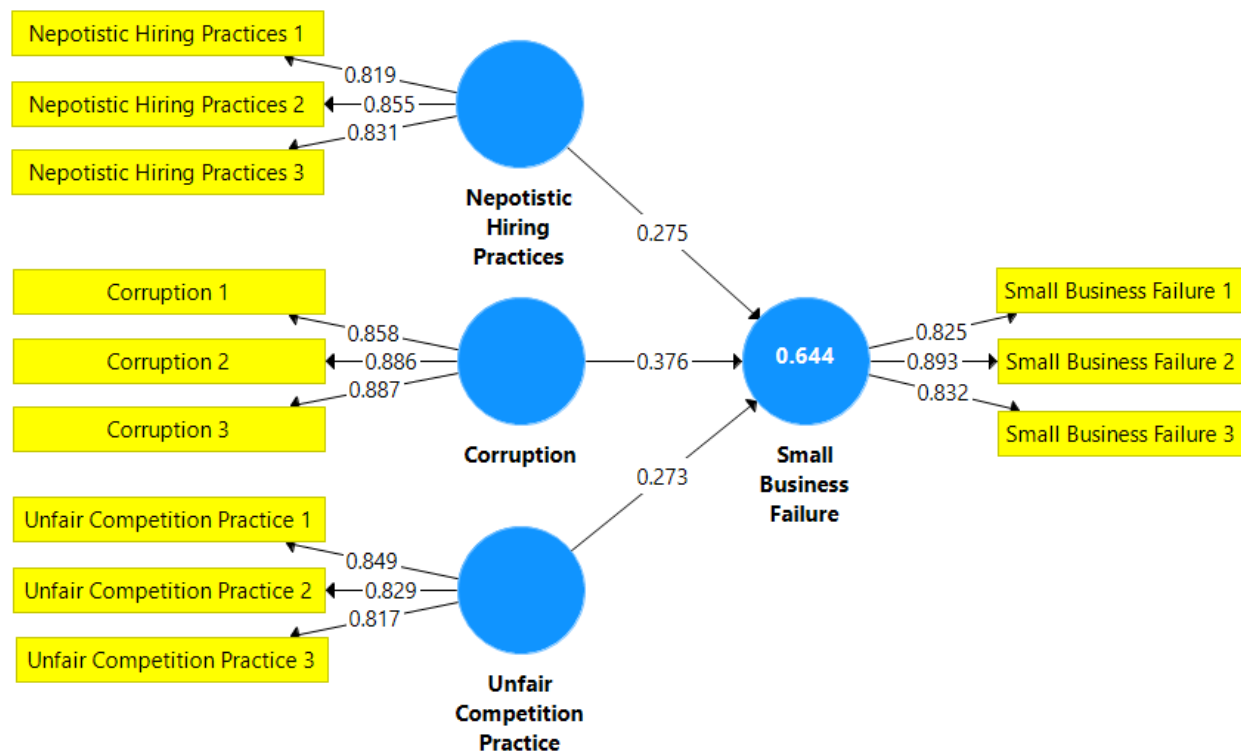
Ho5: Business practices do not significantly affect small business's failure in South Africa

Assessment of Measurement Model

To assess the effect of business practices on small business's failure in South Africa, the variables used to measure business practices are nepotistic hiring practices, corruption, and unfair competition tactics against small business's failure in South Africa.

Figure 6:

A path model of business practices and small business's failure in South Africa

Source: Authors Compilation SmartPLS Output, 2024

Figure 6 showed the structural path model assesses the effect of business practices on small business's failure in South Africa. The model includes three independent variables: nepotistic hiring practices, corruption, and unfair competition tactics, and one dependent variable: small business's failure in South Africa. The model results show that all three independent variables have a significant positive effect on small business's failure in South Africa. This means that business practices are important for businesses, as it can help to reduce small business's failure in

South Africa. The specific effects shows that all the independent variables have a strong effect on small business's failure in South Africa. This means that businesses should focus on business practices to reduce small business's failure in South Africa.

Table 52
Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Corruption	0.850	0.852	0.909	0.769
Nepotistic Hiring Practices	0.783	0.786	0.873	0.697
Small Business Failure	0.810	0.833	0.887	0.723
Unfair Competition Practice	0.780	0.790	0.871	0.692

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

Table 52 displays important statistical measures related to the construct reliability and validity of four latent variables in this study. These measures enable to test the toughness of these variables in evaluating the principal concepts they are intended to represent. Construct reliability is evaluated through two key metrics: Composite Reliability and Cronbach's Alpha. By calculating the degree to which each item in the latent variable is associated with every other item, Cronbach's Alpha evaluates the internal consistency of a latent variable. The four latent variables have internal consistency scores above 0.7, indicating good quality. These values indicate that the items within each variable are trustworthy indicators of the corresponding constructs because they are significantly higher than the generally recognized cutoff point of 0.7. Another construct reliability metric that considers the links between the items and the latent variable as well as internal consistency is called composite reliability. With all values above 0.7, all variables in this study exhibit good composite reliability, offering a more reliable measure of reliability. These high values indicate that the latent variables are reliable indicators of the constructs they represent.

Additionally, the table presents the Average Variance Extracted (AVE), which assesses the convergent validity of each latent variable. Convergent validity indicates the degree to which items within a variable are related to each other, and to what extent they measure the same underlying concept. AVE values in the table all surpass the recommended threshold of 0.5. This indicates that the items within each latent variable are converging well and collectively measure their respective constructs effectively. The results suggest that the latent variables in this study exhibit strong construct reliability and validity. They express great internal stability, robust composite reliability, and satisfactory convergent validity, which then supports the use of these variables as reliable and valid measures in the research study.

Table 53
Discriminant Validity

	Corruption	Nepotistic Hiring Practices	Small Business Failure	Unfair Competition Practice
Corruption	0.877			
Nepotistic Hiring Practices	0.627	0.835		
Small Business Failure	0.702	0.706	0.851	
Unfair Competition Practice	0.566	0.718	0.683	0.832

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

The results of the discriminant validity analysis in table 53 indicate that there is strong evidence of discriminant validity among the latent variables: Unfair competition tactics, Nepotistic hiring practices, small business's failure in South Africa, and Corruption. Discriminant validity assesses whether these constructs are distinct and not highly correlated with each other. Looking at the correlations between these variables, it's evident that the diagonal values (the correlations of each variable with itself) are all substantially higher than the off-diagonal values (the correlations between different variables). This suggests that each latent variable is more strongly related to itself than to the other constructs, supporting the idea that they are distinct and measure different

aspects of the overall construct. Unfair competition tactics has a high correlation with itself, which is higher than its correlations with Nepotistic hiring practices, small business's failure in South Africa, and corruption. Similarly, Small business's failure in South Africa has a strong correlation with itself compared to its correlations with the other variables. While it is the same for other variables in their respective situations.

These results provide evidence that the latent variables in this analysis are measuring distinct concepts and are not just different manifestations of the same underlying construct. This suggests that the measurement model is suitable for the purpose of this study, as it effectively differentiates between these key factors: Unfair competition tactics, Nepotistic hiring practices, small business's failure in South Africa, and Corruption. These practices are thrive and active activities in the South African business environment which have direct effects on SME survival in South Africa acknowledging that institutional theory which is based on the greater external surrounding influences the character of organisations as the operating environment characteristics are inherited such the rive corruption and nepotism in the South African business society and has direct coloration with the high failure rates of the SMEs in South Africa.

Multicollinearity

This assesses the correlation between the independent variable. It is to know if two independent variables are not correlated and producing the same result. The variance inflation factor (VIF) is used in this study to assess likely correlation between the independent variables.

Table 54

Inner VIF Values

	Corruption	Nepotistic Hiring Practices	Small Business Failure	Unfair Competition Practice
Corruption			1.726	
Nepotistic Hiring Practices			2.421	
Small Business Failure				
Unfair Competition Practice			2.163	

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

Table 54, depict the VIF values for the latent variables related to small business's failure in South Africa. The VIF values for Unfair competition tactics, Nepotistic hiring practices, and Corruption are all well below the threshold of 10, which is a positive sign. It suggests that there is no severe multicollinearity among these latent variables. In other words, these variables are not highly correlated with each other and are therefore included in this analysis without significant concerns about multicollinearity.

Test of Hypothesis Five

Table 55

Coefficient of Determination Score

	R Square	R Square Adjusted
Small Business Failure	0.644	0.641

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

Table 55 shows the coefficient of determination, or R-squared, which is a measure of a model's quality of fit. The small business's failure in South Africa model's R-squared value of 0.656 shows that the independent or latent variables included in the model account for

approximately 65.6% of the inconsistency in the dependent variable (small business's failure in South Africa). This then signifies that the viewed differences in the acquiring experience are captured and explained by the model. 0.652 is the adjusted R-squared value. This yields a more cautious assessment of the quality of fit for the model. The fact that the adjusted R-squared value is nearly identical to the standard R-squared value suggests that overfitting or undue complexity is not likely to result from the independent variables' inclusion in the model. This suggests that the model's explanatory power is still strong even when seeing potential issues that might be related to model complexity. The R-squared and adjusted R-squared values suggest that the small business's failure in South Africa model is effective at explaining small business's failure in South Africa variability, and the model's performance doesn't appear to suffer from the inclusion of multiple latent variables.

Table 56
Assessment of the Effect Size (f^2)

	Corruption	Nepotistic Hiring Practices	Small Business Failure	Unfair Competition Practice
Corruption			**0.230**	
Nepotistic Hiring Practices			0.088	
Small Business Failure				
Unfair Competition Practice			0.097	

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

The effect size, often denoted as f-square is depicted in table 56, this measures the magnitude of the relationship or impact of independent variables on a dependent variable in statistical analysis. This study assesses the effect sizes of various latent variables on "small business's failure in South Africa." All the independent variables all have a value above 0.02 which is considered small effect size. Hence, this suggests all the variables indicate a moderate effect size, indicating that they all have a noticeable impact on small business's failure in South Africa.

In other words, changes or differences in any of the variables can explain moderately the variability in small business's failure in South Africa.

Table 57

Bootstrapping Results Showing Path Coefficient for Structural Model

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Corruption -> Small Business Failure	0.376	0.378	0.037	10.285	**0.000**
Nepotistic Hiring Practices -> Small Business Failure	0.275	0.276	0.052	5.267	**0.000**
Unfair Competition Practice -> Small Business Failure	0.273	0.270	0.054	5.065	**0.000**

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

The bootstrap path coefficient analysis depicted in table 57 was conducted to test the null hypothesis that business practices does not significantly affect small business's failure in South Africa. The results indicate that there are significant effects of unfair competition tactics, nepotistic hiring practices, and corruption as factors of business practices on small business's failure in South Africa. A look at the path from unfair competition tactics, nepotistic hiring practices, and corruption to small business's failure in South Africa shows that the relationship between unfair competition tactics, nepotistic hiring practices, and corruption and small business's failure in South Africa is statistically significant. The p-values are less than the conventional significance level of 0.05 and the T statistics are greater than 1.96, suggesting strong evidence to reject the null hypothesis. Therefore, unfair competition tactics, nepotistic hiring practices, and corruption which are variables of business practices all significantly affects small business's failure in South Africa.

Robustness Checks

Table 58

Heterogeneity; Fit Indices for the One to Six Segments Solutions

Criterion	1	2	3	4	5	6
AIC	2483.22	2436.81	2427.14	2407.37	2399.74	2373.31
AIC3	2497.22	2465.81	2471.14	2466.37	2473.74	2462.31
AIC4	2511.22	2494.81	2515.14	2525.37	2547.74	2551.31
BIC	2535.35	2544.8	2590.98	2627.06	2675.29	2704.7
CAIC	2549.35	2573.8	2634.98	2686.06	2749.29	2793.7
HQ	2504.07	2481	2492.67	2495.23	2510.94	2505.84
MDL5	2820.09	3175.73	3576.42	3957.58	4348.8	4722.71
LnL	-1234.61	-1198.41	-1178.57	-1156.18	-1137.42	-1109.65
EN	na	0.399	0.621	0.701	0.685	0.751
NFI	na	0.466	0.615	0.67	0.638	0.685
NEC	na	182.493	117.303	91.744	96.474	76.977

Source: Authors Compilation (SmartPLS 3.3.3 Output) 2024

Table 57 demonstrates that the segmentation models are consistently performing better with additional segments, with no signs of heterogeneity in the behavior of the fit indices. This confirms the robustness of the analysis and suggests that the segmentation solution is stable across different model complexities.

Qualitative findings on Objective Five:

Question: How do corruption and other underhand activities affect SME businesses?

The study asked the participants how corruption and other underhand activities affect SME businesses. The following themes emerged from interviews with study participants.

Theme (i) **Corruption affect flow of businesses**

Participants suggested corruption affects SME negatively because projects get delayed as well as payments (Participant 8)

"...corruption affects all sectors of the economy and SMEs are not spared, most SMEs that fall into the hands of corrupt officials end up failing because they spend too much money on corrupt practices that don`t bring value to businesses erodes capital result in expensive activities (Participant 1)

"...corruption is everywhere and really affects businesses. Tenders are awarded to those that that pay bribes and they do substandard jobs because they know they are protected internally because of bribes paid. (Participant 3)

"...Corruption kills SME business as it blocks growth of the business (Participant 20)

"...corruption definitely is a cost unaccounted and unproductive money or activities paid to anyone that would impact decisions. I am very certain that corruption works against progress and growth. Cutting corners may compromise quality of services and activities. (Participant 22)

Theme (ii) **Limited market access**

"...Corruption is affecting everyone and results in business failures. SME struggling because funding does not go where it supposed to be going. (Participant 4)

"...corruption affect the growth of SMES as things will not be done fairly so not everyone benefits from the resources. (Participant 10)

"...corruption affects SMEs as it raises the cost of doing business and normally leads to poor service delivery. (Participant 11)

"...corruption affects business, especially SME. There will be no development or business knowledge skills, and favoritism and non-quality implementations will be the order of the day resulting in poor implementations and bad service delivery. (Participant 16)

Theme (iii) **Unfair competition:**

"... Corruption cause a business pay bribe to officials to get contracts or licenses, which can put other SMEs at a disadvantage. (Participant 13).

"...SMEs do not have the financial muscle to bribe officials so they lose to big players therefore, corruption affects SMEs negatively. (Participant 9)

"...Corruption affects SMEs as funding do not get the funding as the funds are distributed corruptly to friends and families and not reaching the SMEs. (Participant 4)

"...Corruption is a disease and affects everyone including service delivery and quality of work." (Participant 5)

"...tenders may be awarded to SMEs which do not have the skills nor expertise to execute a job. The winner of the tender or contract then wholly sub-contracts the project to a third party. The third party is demotivated because it is now reporting to an entity which has no idea about the job. (Participant 21)

"...genuine business interests or whose ethics are upright, suffer because they won't get the money or funding. Those who get the funds will not, be able to carry out their businesses meaningfully because part of the funds would have been diverted via the corrupt and under handed deals. (Participant 15)

Theme (iv) **Cost of doing business.**

"...corruption and other underhand activities can have a devastating effect on SMEs. Corruption can increase the cost of doing business, reduce the quality of goods and services, and

erode public trust in the business sector. It is essential for governments to take action to combat corruption and promote transparency in business practices. (Participant 6)

"...Corruption has negative impact on SME because a good company with skills and capacity to be awarded tenders will often be overlooked if there is no connection with anyone in the higher offices. (Participant 7)

"... most SMEs fail because they don`t get financial support as the support is given to connected individuals corruptly and SMEs in real need of finance never receive anything and it demoralizes them. Thinks corruption is high within government and deserving SMEs never receive government support and killing SMEs. (Participant 14)

"...corruption increases both the costs and difficulty of doing business and unethical behavior can lead to a lack of trust between businesses and their customers, which can ultimately lead to a loss of business. (Participant 17)

Theme (v) **Corruption tarnish SMEs reputation**

It is also worth noting that corruption and bribery tarnish the image of SMEs and unfortunately further escalates the high risk already associated with the sector. (Participant 16)

"...corruption pushes away investors and makes access to finance much more difficult. It also impairs our ability to attract our best innovative minds to the sector. (Participant 17).

"...it affects big time. You will not be given a chance to prove yourself as the big fish takes everything and nothing is left for the small fish. Corruption is killing the SMEs. (Participant 19)

Source: Authors Compilation Fieldwork (2022-2023)

Discussion of Quantitative Findings

Objective One: Effect of South African Government Support on the Survival of SMEs

The objective was to determine the effect of South African government support on the survival of small and medium enterprises (SMEs), hypothesizing that government support does not significantly affect SME survival. The study revealed that tax incentives, funding grants, and regulatory simplifications have no statistically significant effects on SME survival. Consequently, the null hypothesis is accepted.

These findings align with Adewale and Nkosi (2023), who argue that government interventions improve access to financial and legal resources critical for SME growth. From the Resource-Based View (RBV) perspective, government support acts as an external enabler enhancing firms' strategic resources, such as financial capital and legal protection, thereby increasing competitive advantage. Institutional Theory also supports this, suggesting that formal structures like government policies reduce environmental uncertainty for businesses, creating legitimacy and improving survival rates (North, 1990).

However, an alternative explanation could be that government support selectively benefits firms already positioned advantageously within the economy (e.g., politically connected businesses), thereby questioning the universality of the support's effectiveness. Recent studies, like that of Mokoena and Tshabalala (2024), caution that without equitable access, support mechanisms may reinforce existing inequalities rather than foster broad-based SME growth.

Objective Two: Effect of Government on Entrepreneurs' Start-up Training

The objective was to determine the impact of South African government initiatives on small business entrepreneurs' start-up training, with a null hypothesis of no significant effect. Results indicated that access to networks, mentorship programs, and business incubation centers do not significantly affect entrepreneurial training outcomes. Thus, the null hypothesis is accepted.

Supporting Garba and Ibrahim (2022), these results confirm that structured training and mentorship directly enhance entrepreneurial competence. Within the RBV, the acquisition of human capital — entrepreneurial knowledge and networking skills — constitutes a strategic resource leading to superior firm performance. Institutional Theory further contextualizes this by highlighting how normative pressures (expectations for entrepreneurial professionalism) are formalized through government programs.

An alternative interpretation could suggest that while government programs provide training opportunities, the quality and relevance of training might be significantly questionable, impacting outcomes. Recent evidence by Dlamini (2023) notes that poorly designed training initiatives may not translate into effective entrepreneurial action, emphasizing the need for quality assurance in public programs.

Objective Three: Effect of Entrepreneurial Knowledge and Skills on Business Success

The third objective assessed the effect of South African entrepreneurs' business management knowledge and skills on successful business operations, hypothesizing no significant

effect. Results demonstrated that marketing expertise, strategic planning, and operational efficiency significantly influence business success, leading to rejection of the null hypothesis.

This finding resonates with Zhu and Qiang (2023) and El Nemar et al. (2022), who argue that skilled human capital is pivotal for SME success. According to RBV, such skills are firm-specific resources that are valuable, rare, inimitable, and non-substitutable (VRIN characteristics), leading to sustainable competitive advantages. Institutional Theory also posits that skill enhancement legitimizes businesses within the formal economy, improving their survival prospects.

Nonetheless, alternative explanations could involve external factors such as macroeconomic instability or market saturation that can override internal competencies. Ndlovu (2024) emphasizes that even highly skilled entrepreneurs may face failure in volatile economies, suggesting that skill development must be complemented by robust market strategies and risk mitigation.

Objective Four: Effect of Government Business Regulations on SME Success Factors

The fourth objective focused on assessing how South African government regulations affect SME success, hypothesizing no significant effect. Findings showed that prompt payment policies, regular payment schedules, and efficient dispute resolution significantly influence SME success, rejecting the null hypothesis.

Echoing Oliveira and Martins (2023), this underscores that a transparent and efficient regulatory environment reduces operational risks for SMEs. Institutional Theory explains this through regulatory isomorphism, where businesses conform to structured legal expectations, thus

gaining legitimacy and stability. Simultaneously, from the RBV viewpoint, regulatory clarity serves as an intangible resource that enhances operational predictability and strategic focus.

An alternative interpretation could propose that over-regulation, even if efficient, might inadvertently stifle innovation by creating administrative burdens. Motshweni (2023) found that while streamlined regulations are beneficial, excessive compliance costs can deter SME agility, suggesting a need for balanced regulatory frameworks.

Objective Five: Effect of Business Practices on Small Business Failure

The final objective examined whether business practices influence small business failure, hypothesizing no significant effect. Results indicated that nepotistic hiring, corruption, and unfair competition practices significantly drive SME failure, leading to rejection of the null hypothesis.

In support, Tanaka and Lee (2023) demonstrated that unethical practices erode trust and sustainability. The Resource-Based View asserts that ethical business practices are intangible resources that build reputation, customer loyalty, and investor confidence. According to Institutional Theory, unethical practices deviate from established norms, reducing legitimacy and increasing vulnerability to failure.

An alternative explanation could be that even ethical firms might fail due to external shocks such as economic downturns or policy changes, regardless of internal practices. Sithole (2023) stresses that the business ecosystem's unpredictability must also be accounted for, urging policymakers to create broader economic resilience alongside promoting ethical behavior.

Discussion of Qualitative Findings

The responses from participants did not fully agree with this hypothesis as no participants provided responses that directly linked to the hypothesis but gave a lot of sights into other areas affecting SMEs resulting in high SME failures.

Participants suggested the government should provide the necessary tools like funding and training as essential to keep SMEs profitable and avoid failures.

Ways of providing mentorship to SMEs should be found so that SME failures can be produced as SMEs will get good guidance from their mentors.

Preventing SME businesses from failure requires a combination of factors, including conducting market research, developing a solid business plan, building a strong team, managing cash flow effectively, leveraging technology, and building a strong brand. By focusing on these areas, SMEs can increase their chances of success in the market. Incubation programs are very vital for a good foundation for any start-up business.

The researcher also asked participants what can be done by government and other institutions to assist SME companies from failing. Themes that emerged from interviews included that, several participants indicated that the governments could provide funding and other financial support to SMEs. This can include grants, loans, and guarantees to help them access capital and manage cash flow.

Another theme that emerged was that governments and other institutions can provide training and mentorship to SMEs. This can include business planning, marketing, sales, operations, financial management, and other key areas of business development.

The participants also suggested that the government could help SMEs from failing through setting up attractive policies.

From the verbatims above it implies that other factors inhibiting SMEs' access to credit include the lack of business managerial experience and skills, insufficient information on available products, relatively low levels of financial literacy, poor business plans and other external factors It was also suggested that government provide tax incentives to SMEs to encourage their growth and development. This can include reduced tax rates, exemptions, and deductions.

Participants believed that the government may reduce SMEs failing through reducing corruption if officials can be made to work under high work ethics free of corruption.

From the themes which emerged from the interviews with study participants, it implies that there are several actions that governments and other institutions can take to prevent SME companies from failing. By providing access to finance, business development support, regulatory support, infrastructure development, access to markets, and tax incentives, governments and other institutions can help SMEs to overcome common challenges and succeed in their markets.

Small, Medium and Micro Enterprises (SMEs) are particularly vulnerable to financial issues such as payment delays. Payment delays can be devastating for smaller businesses. Respondents suggest that late payments affect SMEs business operations. Participants in the study were asked if there

is any training that they think should be provided to SME startups? The themes below could be noticed.

Is there any training that you think should be provided to SME startups?

Participants suggested that in today's digital age, SMEs need to have a strong online presence to reach customers and compete in the market. Training in digital skills, including website design, social media marketing, and e-commerce, can help SMEs to leverage digital technologies for business success.

Participants suggested training is necessary in cyber security and basic business management. Many SME startups fail because they do not have a solid business plan. Training in business planning can help SMEs to create a comprehensive plan that covers all key areas of their business, including marketing, sales, operations, and finance. These include providing a platform where SMEs can have easy access to information that is industry specific such as licensing, municipal regulations relevant to a particular business. Participants also mentioned that SME startups often struggle with financial management, including cash flow management, budgeting, and forecasting. Training in financial management can help SMEs to better manage their finances and avoid common pitfalls. Training in business management and finance and accounting should be provided for SMEs to ensure good management practices are followed and could result in less SMEs failing.

Many scholars such as Olarewaju and Msomi (2021) and Bushe (2019) suggest that SME failures are caused by lack of finance, whilst Madzimure and Tau (2021) suggest that failures are caused by lack of management skills, failure of SMEs to get finance, Saah and Musvoto (2020)

attributes failure of SMEs to bad management practices which result from lack of management skills and Iwara at al. (2021) points to finance issues and lack of markets as reasons for failure. The research study findings or results agree with most of the scholars and provides evidence that these factors cause and contribute to the high rate of failure for SMEs in South Africa.

Summary

Chapter 5 presented the findings of the research, data was analyzed and presented in different forms and formats such as graphs, charts and in text format. The quantitative data was analyzed statistically with the use of SmartPLS Software together with SPSS Software and the qualitative data was analyzed using thematic expressions with the use of Nvivo software. From the analysis of the data triangulation and convergence of findings was achieved, convergence is achieved when the two different methods provide findings that corroborate and congregate supporting each other in different forms. The results show that saturation was achieved on the qualitative findings and convergence between the qualitative and quantitative findings was obtained. It is important and good to provide findings that converge as it strengthens validity and reliability of research study. Onwuegbuzie and Leech (2005) and Johnson and Onwuegbuzie (2004) suggest that using mixed methods enables the compensation of weaknesses from one method to the other providing findings that can be trusted and are valid, thereby providing validity and reliability especially if convergence of results is achieved at the end. Koyuncu (2019) Bans-Akutey and Tiimub (2021) suggest that triangulation is a complex process that when two different methods are used the findings correspond bringing convergence from two different angles and

when triangulation or convergence is achieved the findings and results that are formed are high in credibility and validity.

The detailed descriptions and recommendations of the findings will follow in chapter 5. The findings will be discussed in the summary below. The research used the five- point Likert scale for measuring scale mean and scale mean was found to be 3.77 and reliability test was done with use of Cronbach`s Alpha coefficient, which was found to be 0.651, representing a satisfactory reliability factor as stated by Hulin at al. (2001) that Cronbach's Alpha coefficient alpha values ranging from 0.60 and 0.70 can be considered to be adequate.

The findings from the research from both the qualitative study and the quantitative study indicate a lot of corroboration and triangulation which is also supported by the literature in the literature review section. Soleimani (2020) and Koyuncu (2019) suggest that convergence in research study provides great validation of experiences from the study and good validity of the study. Greene at al. (1989) states that triangulation removes bias from the research findings whilst Olsen (2004) concur stating that triangulation will not just validate the findings but enables super understanding of the phenomena that is being studied. The triangulation of the results is a good indicator to that the findings have high validity and are credible providing a research study with high credibility that can be generalized to the greater population of the SME industries in South Africa and provides greater insights and high light areas that would need future research in understanding the reasons for failure for SMEs in South Africa.

CHAPTER 6: IMPLICATIONS, RECOMMENDATIONS, AND CONLUSIONS

Introduction to the Implications of the Research

The findings from the research from both the qualitative study and the quantitative study indicate a lot of corroboration As will be described in detail in the research findings and conclusions the implications of the research are high as it is can be deduced that more needs to be done from the side of the South African government side to provide an environment that can enable the sustainability of small to medium businesses as the data reveals that SME failure rates are still very high in South Africa, which might result in the National Development plan failing to achieve the desired effects as it presumes that small to medium businesses will take the center stage in assisting in job creation and poverty and in equalities alleviation in South Africa, but the sector of the SMEs is failing at high rates as the study suggests that there are many obstacles that stand-in the way of SMEs to be able to succeed in South Africa. SME organization will continue to fail in South Africa at these high rates, the findings and recommendations of the research study might assist in reducing the failure rates if implemented or are taken care of.

The problem statement for the research study highlighted that there is high failure rate for small to medium businesses in South Africa. Literature review acknowledges the problem with quite a number of different authors such as Iwara at al. (2021) stating that 75% of SMEs fail within the first 3 years of going into business due to many different reasons such financial issues and

failure to access markets just to mention the least and Saah and Musvoto (2020) acknowledge the same regarding to the problem statement having high failure rates for SMEs in South Africa, and suggests that the high failure rate of SMEs in South Africa is one of the highest in the world. Other authors such as Bushe (2019) and Worku (2017) together with Moos and Sambo (2018) average the failure rate of SMEs in South Africa to be between 40% to 80% from the second year of SME operation to about 10 years of doing business but only a very small percentage operate up to a decade. The study intended to investigate, analyze, and understand the reasons or causes for this high failure for SME businesses in South Africa and provide recommendations on what can be possibly done to reduce these high failure rates of SMEs in South Africa, as the SME sector is regarded as the highest contributor to solving the problems that affect South Africa such as unemployment, growing inequality and poverty alleviation. Mixed method research was used in the study, as mixed method research affords rationalization, increase accuracy of results, and reduces biasness, corroboration of different methods was employed to enable comparison of the findings using different approaches in a single research study enabling triangulation to be achieved. Mixed method research was employed because it enables understanding of issues under investigations as the two opposing methods (qualitative and quantitative methods) compensate for the weaknesses of each other, enabling the removal of bias in a research study. Mixed method research introduces triangulation which increases validity and trustworthiness of any research study. Olsen (2004) and Onwuegbuzie and Turner (2007) and MacMillan and Schumacher (2014) and Creswell and Creswell (2018) all describe mixed method as triangulation, as it combines different methods to investigate occurrences of comparable phenomenon such that different viewpoints or perspectives can cast light and great understanding on the issue under investigations. Onwuegbuzie and Leech (2005) and Johnson and Onwuegbuzie (2004) suggest that using mixed

methods enables the compensation of weaknesses from one method to the other providing findings that can be trusted and are valid, thereby providing validity and reliability especially if convergence of results is achieved at the end. Grounded theory was employed for the research as it enables simultaneous and continuous collection of data and the analysis of data which provides for greater understanding of issues under the study and allows for theory formation. Grounded theory approach enables the creation of theory, that is strongly based on data that will be systematically put together and analyzed. It enables the discovery of issues of societal activities. Grounded theory enables theory formation as questions can be adjusted as theory is generated as the research study progresses. Makri and Neely (2021) and Chu and Birks and Francis (2019) suggest that grounded theory enables creation of theory from the bases of the actual data that was collected and analysed. Asenahabi (2019) states that grounded theory is a sociological design which a researcher finds conceptual theory of a process or actions from interactions grounded in the views derived from the participants (evidence based). The research intended to carefully generate information and theory based on actual experiences from participants and not only rely on literature therefore found grounded theory to be very appropriate for adoption for the research study.

Cluster and purposive sampling were used for the study as it proved to be very suitable for the study as sampling methods should have clear criteria for inclusion and exclusion of participants. Cluster sampling enabled the breakdown of South Africa into smaller portions as it is very fast and wide, while purposive sampling enabled the selection of information reach participants that would provide great insights and understanding of the issues under study. Mweshi and Sakyi (2020) and Staller (2021) suggest that sampling is a process where the researcher

carefully selects participants using probability and non-probability methods with specific exclusion and inclusion criteria to have participants that are representative of the population under study. MacMillan and Schumacher (2014) suggest that cluster sampling is cost effective and suitable when the population under study is large. Cluster sampling was used as South Africa is huge and vast with different provinces and towns which were used as the clusters for sampling whilst purposive sampling was employed to choose the right people with knowledge and understanding of the issues under the study. Tansey (2007) and Etikan at al. (2016) state that purposive sampling is a process of choosing participants by virtue of their knowledge, experience, and probable interest in the matter under investigations. Purposive sampling provided information rich participants for this study as participants had practical experience and knowledge on SME operations. The exclusion and in inclusion criteria used in the study was that all participants should be either previous or current SME business owners or managers male or female and none of the participants should have no experience in operations of SME businesses (no participants will be accepted or could be chosen if they don`t have experience in running SME businesses).

The study results and findings indicate that the problem for high SME failure rates remains as a big concern in South Africa. Especially for SME business communities and the government of South Africa, that intends to reduce the problem of high unemployment rate and inequality, with unemployment which currently standing at 32,6% as was announced by statistics South Africa in August 2023, through job creation which emulates from the SMEs as stated in the National Development Plan (NDP) that the country should create two million jobs by the year 2030. On the same perspective Madzimure and Tau (2021) and Cant and Wiid (2020) and Bailey (2019) state that the South African Government intends to grow the Gross Domestic Product

(GDP) by about three times and employment created by the SME sector which accounts for about 91% of formal businesses and should enable the creation of the required two million jobs by 2030. According to Statssa (2022b) (Statistics South Africa) the GDP was estimated at R1,69 trillion for the third quoter of 2022.

The study was conducted using mixed methods by applying qualitative and quantitative research methods which enabled data to be explained, analysed, and described fully in word and transferred into numerical presentations using diagrams, tables and charts. Data was collected from 355 participants over a period of approximately 5 months. Over two thousand requests for participations we sent out via different forms like emails, WhatsApp communication, social media and direct calling to the directed audience or sample which was SME business owners and managers current or past. A total of 28 interviews were conducted included in the 28 interviews are 3 focus groups and 355 survey questions were completed by the participants. It was difficult and challenging to schedule for interviews as participants did not have too much free time on their part and the researcher being fulltime employed, the two factors contributed to the limitations of failing to have as many interviews as the researcher would have liked to have. Besides the limitation mentioned above, data saturation was achieved as themes started repeating in the collection of data such that no new themes or very few themes could be formed even if data collection continued, and the findings provided answers to the research questions for the study. Staller (2021) suggests that saturation of theoretical evidence using grounded theory is when no additional hypothetical evidence can be gathered through interviewing more participants in that research. Staller (2021) states that using saturation as measure of adequacy in terms of sample purposes in research is now a generally accepted concept. Ethical issues were carefully considered

and achieved as approval was requested and provided from the Ethics committee and participants were requested to sign informed consent forms, after explaining their rights to withdraw at any point without providing any reasons for their withdrawal and giving them assurances that their data will be kept as confidential, and no responses or findings should possibly be linked to any respondent now and in future. All the data was kept safely with consent forms kept on separate drive from the notes and responses. Another limitations for the research were that the was no funding to do a research of this nature that needed enough time and coverage for whole of South Africa but the use of technology surpassed the limitations as questioners and surveys were done online as well as interviews that were done on the phone and other online technologies like Teams and Zoom and most participants were not willing to be recorded and the researcher had to script notes as accurately as possible.

In this chapter the implications, recommendations and conclusions of the study will be discussed in line with research questions and hypothesis.

Implications of the Research

The general objective of the study was to examine the analysis of the causes for the failure of small and medium businesses in South Africa. Other specific objectives are to.

Identify the effect of South African government support on the survival of small and medium businesses,

Examine the effect of South African government on the small business entrepreneur's start-up training,

Determine the effect of South African entrepreneur's knowledge and skills success on businesses,

Identify the effects of business regulations on the success factors for small to medium businesses in South Africa,

Identify business practices effect on the small business' failure in South Africa.

The below research questions were adopted as the basis to form the tools for the investigations of the study and will be listed below so that they can be linked to the study and provide what will be the implications of the research study.

Research Question 1/Hypothesis:

The below was the first research question and hypothesis for the research.

Q1.) Does the South African government support have effect on the survival of small and medium businesses in South Africa?

HO$_1$ South African Government support on startup SMEs does not have effects on the survival of small and medium businesses in South Africa.

The study examined the impact of South African government support on survival of small and medium businesses in South Africa. A look at the path from tax incentives offered to survival of small and medium businesses in South Africa shows that the beta coefficients are negative, and it has a T statistic less 1.96 with high p-values. This indicates that the relationship between "Tax incentives offered" and "Survival of small and medium businesses in South Africa" is not statistically significant. The p-value is greater than conventional significance level (e.g., 0.05), suggesting strong evidence to reject that tax incentives offered significantly affects survival of small and medium businesses in South Africa. Examining the path from funding grants to survival

of small and medium businesses in South Africa, the beta coefficients are negative, and it has a T statistic less 1.96 with high p-values. Nonetheless, it suggests that there is no statistical evidence to reject the null hypothesis in this case as well. Thus, funding grants has no significant impact on survival of small and medium businesses in South Africa. Also, analysing the path from regulatory simplification to survival of small and medium businesses in South Africa, the beta coefficients are negative, and it has a T statistic less 1.96 with high p-values. The p-value is very high, indicating strong evidence towards the null hypothesis. Therefore, regulatory simplification significantly do not affect survival of small and medium businesses in South Africa. Overall, tax incentives offered, funding grants and regulatory simplification as factors of South African government support all insignificantly affect survival of small and medium businesses in South Africa, thus, South African government support has no significant influence on survival of small and medium businesses in South Africa.

When asked in the qualitative research section of the study participants suggest that there is not enough support from Government in terms of funding, and basic training in management functions. There is corroboration or convergence of the results findings, from the qualitative and quantitative approaches, triangulation was achieved as shown from the findings. Authors such Seeletse (2012) and Lekhanya at al. (2014) and Fatoki (2014) and Bushe (2019) and Iwara at al. (2021) suggest that the high failure of SME businesses is a result of lack of business management skills and financial management and lack of funding on part the of the SME entrepreneurs. Amongst other reasons Bushe (2019) and Jayasekara at al. (2020) also suggest there is lack of support of SMEs from government. The qualitative and quantitative findings both converge showing lack of government support and lack of finance and financial management knowledge

and the need for business management training as entrepreneurs lack the knowledge for business management functions which are critical for the success of SME organisations to reduce these high failure rates.

These findings are very significant and of great importance as the government spends a lot of money and resources aiding the SMEs, yet the greater part of the SME community have great assertions that government is not providing for their needs to avert failure. Government should therefore undertake to understand the needs of the SMEs and channel the allocated funds in the correct manner to achieve the intended benefits as current data has shown that SMEs are not realizing the benefit. This therefore is adding to the body of knowledge and understanding of issues that affect SMEs and contribute to the high failure rate of them.

Research Question 2/Hypothesis:

The below was the second research question and hypothesis for the research.

Q2.) Does the South African government have any influence on the small business entrepreneur's start-up training?

HO_2.) South African Government has no influence on the small business entrepreneur's start-up training in South Africa.

The study also examined the impact of South African Government on small business entrepreneur's start-up training in South Africa. A look at the path from access to networks to small business entrepreneur's start-up training in South Africa shows that the beta coefficients are negative, and it has a T statistic less 1.96 with high p-values. This indicates that the relationship

between "Access to networks" and "Small business entrepreneur's start-up training in South Africa" is not statistically significant. The p-value is less than any conventional significance level (e.g., 0.05), suggesting strong evidence to reject that access to networks significantly affects small business entrepreneur's start-up training in South Africa. Examining the path from mentorship programs to small business entrepreneur's start-up training in South Africa, the beta coefficients are negative, and it has a T statistic less 1.96 with high p-values. Nonetheless, it suggests that there is no statistical evidence to reject the null hypothesis in this case as well. Thus, Mentorship programs have no significant impact on small business entrepreneur's start-up training in South Africa. Also, analysing the path from business incubation centres to small business entrepreneur's start-up training in South Africa, the beta coefficients are negative, and it has a T statistic less 1.96 with high p-values. This indicates strong evidence towards the null hypothesis. Therefore, South Africa Government insignificantly affect small business entrepreneur's start-up training in South Africa. Overall, access to networks, mentorship programs and business incubation centres as factors of South African Government all insignificantly affect small business entrepreneur's start-up training in South Africa, thus, South African Government has no significant influence on small business entrepreneur's start-up training in South Africa.

The qualitative part of the study to this research question posed a question to the respondents "Does the South African government have any influence on the small business entrepreneur's start-up training in South Africa?" The same themes were shown in the quantitative research arose from the thematic analysis of the responses were identified and respondents acknowledged the need for them and indicated that there was a lot required to cover the gap and some respondents suggested that when funding is provided it can be necessary to check if the entrepreneurs need training to manage the business. Once again, this shows that triangulation was achieved for the

second hypothesis and research question as the findings corroborate and converge for both methods (qualitative and quantitative approaches).

These findings are very significant in that they highlight the real issues that if addressed could reduce the high rate of failure of SMEs and add to the body of knowledge which should give policy makers and government informed points of views to frame policies and strategies that can be practically employed to salvage the problem.

Research Question 3/Hypothesis:

The below was the second research question and hypothesis for the research.

Q3.) Do South African entrepreneurs' knowledge and skills have any effect to run a successful business in South Africa?

HO$_3$.) South African entrepreneurs' knowledge and skills on business management have no effect on the running of a successful businesses in South Africa.

Furthermore, the study examined the impact of South African entrepreneur's knowledge and skills on business management on running of a successful business in South Africa. A look at the path from marketing expertise knowledge to running of a successful business in South Africa shows that the beta coefficient is positive, and it has a T statistic above 1.96 with a considerably low p-value. This indicates that the relationship between "Marketing expertise knowledge" and "Running of a successful business in South Africa" is statistically significant. The p-value is less than any conventional significance level (e.g., 0.05), suggesting strong evidence to accept that marketing expertise knowledge significantly affects running of a successful business in South

Africa. Examining the path from strategic planning ability to running of successful businesses in South Africa, the beta coefficient is positive, and it has a T statistic above 1.96 with a considerably low p-value. While this p-value is less than 0.05, it is not as large as the first case. Nonetheless, it suggests that there is statistical evidence to reject the null hypothesis in this case as well. Thus, Strategic planning ability has a significant impact on running of successful businesses in South Africa. Also, analysing the path from operational efficiency skills to running of successful businesses in South Africa, the beta coefficient is positive, and it has a T statistic above 1.96 with a considerably low p-value. The p-value is very small, indicating strong evidence against the null hypothesis. Therefore, operational efficiency skills significantly affect running of a successful businesses in South Africa. Overall, marketing expertise knowledge, strategic planning ability and operational efficiency skills as factors of South African entrepreneur's knowledge and skills on business management all significantly affect running of a successful businesses in South Africa, thus, South African entrepreneur's knowledge and skills on business management have significant influence on running of successful businesses in South Africa.

The qualitative part of the study to this research question posed a question to the respondents "Do you feel or think SME owners and entrepreneurs should have some knowledge on business management functions?" The same themes as was shown in the quantitative research arose from the thematic analysis of the responses being marketing management, financial management and operations management were identified and respondents acknowledged the need for them and indicated that there was a lot required to cover the gap and lack of these skills with some respondents suggesting that when funding is provided it can be necessary to check if the entrepreneurs have the right financial management skills to manage the finances if funding is

provided. Once again, this shows that triangulation was achieved for the third hypothesis and research question as the findings corroborate and converge for both methods (qualitative and quantitative approaches).

Literature review also acknowledged the lack of business management skills as was previously stated in chapter 2 by Mmbengeni at al. (2021) and Worku (2017) and Bushe (2019) and many other scholars who state that between 40% and 75% of SMEs fail in their early years of operations due to the deficiency of critical management skills although most entrepreneurs start up with very good business ideas.

These findings are very significant in that they highlight the real issues that if addressed could reduce the high rate of failure of SMEs and add to the body of knowledge which should give policy makers and government informed points of views to frame policies and strategies that can be practically employed to salvage the problem.

Research Question 4/Hypothesis:

Q4.) Do the South African business regulations on payments have effects on the success factors for small to medium businesses in South Africa?

HO4.) South African business regulation on payment periods for work done for the entities have no effects on the success factors for small to medium businesses in South Africa.

The study examined the impact of South African government business regulations on success factors for small and medium businesses in South Africa. A look at the path from efficient

dispute resolution to success factors for small and medium businesses in South Africa shows that the beta coefficient is 0.226, and it has a T statistic of 3.407 with a p-value of 0.001. This indicates that the relationship between "Efficient dispute resolution" and "Success factors for small and medium businesses in South Africa" is statistically significant. The p-value is less than the conventional significance level (e.g., 0.05), suggesting strong evidence to accept that efficient dispute resolution significantly affects success factors for small and medium businesses in South Africa. Examining the path from prompt payment policies to success factors for small and medium businesses in South Africa, the beta coefficient is 0.389. The T statistic is 5.319, and the associated p-value is 0.000. While this p-value is less than 0.05, it is not as large as the first case. Nonetheless, it suggests that there is statistical evidence to reject the null hypothesis in this case as well. Thus, Prompt payment policies have a significant impact on success factors for small and medium businesses in South Africa. Also, analysing the path from regular payment schedules to success factors for small and medium businesses in South Africa, the beta coefficient is 0.304, with a T statistic of 5.273 and a p-value of 0.000. The p-value is very small, indicating strong evidence against the null hypothesis. Therefore, regular payment schedules significantly affect success factors for small and medium businesses in South Africa. Overall, efficient dispute resolution, prompt payment policies and regular payment schedules as factors of South African government business regulations all significantly affect success factors for small and medium businesses in South Africa, thus, South African government business regulations have significant influence on success factors for small and medium businesses in South Africa.

Qualitative findings show issues of delayed payments for services provided were also raised and is of great concern for the SME sector as they already have limited finances. SMEs basically survive from hand to mouth, and any delayed payments have far reaching effects on SME

operations and business at large. SMEs must be given easy access to information, information such as where they can go to get training, to get finance that is made available for the special and different sectors. In the different sectors information must be provided on what opportunities are available for SMEs and how they can assess them. Online presents and digital marketing were also raised by participants and the need to have information or access to cyber security. Cyber security posse as a great risk to all forms of business in the contemporary environment.

In the literature review section, it is noted that all these issues are highlighted by different scholars who listed these as some of the reasons for the high failure rate for SMEs. Madzimure and Tau (2021) and Bushe (2019) and Olarewaju and Msomi (2021) and Iwara at al. (2021) and Saah and Musvoto (2020) all come up with finance or financial matters as being the great causes for the high failure rate for SMEs.

The study contributes to the body of knowledge for business administration in understanding the underlying problems faced by the SME business sector as expressed by the entrepreneurs and recommendations can be built from the findings and information that was gathered in the study. From the recommendations government and other bodies can find ways of providing assistance, that will be of great help in preventing the high rate of failure for the SMEs in South Africa and assist the South African government in achieving the National Development Plan that will result in better lives for all South Africans, if sustainable jobs are created through the SME sector as anticipated by the National Development Plan by 2030. Schachtebeck at al. (2017) suggest that for the NDP to achieve the goal of creating eleven million jobs via the SME sector, extraordinary growth of SMEs can be achieved by SMEs, by targeted support structures

and interventions through the private sector and government. This research study provides information that can be used to provide good support structures for the SME sector in South Africa.

Research Question 5/Hypothesis:

The below was the fifth research question and hypothesis for the research.

Q5.) What effects do business practices such corruption have on the small business' failure in South Africa?

HO$_5$.) Business practices such as corruption have no effects on the small businesses' failure in South Africa.

The study also examined the effect of business practices on small business failure in South Africa. A look at the path from corruption to small business failure in South Africa shows that the beta coefficient is 0.231, and it has a T statistic of 2.910 with a p-value of 0.004. This indicates that the relationship between "Corruption" and "Small business failure in South Africa" is statistically significant. The p-value is less than the conventional significance level (e.g., 0.05), suggesting strong evidence to accept that corruption significantly affects small business failure in South Africa. Examining the path from nepotistic hiring practices to small business failure in South Africa, the beta coefficient is 0.235. The T statistic is 3.783, and the associated p-value is 0.000. While this p-value is less than 0.05, it is not as large as the first case. Nonetheless, it suggests that there is statistical evidence to reject the null hypothesis in this case as well. Thus, Nepotistic hiring practices has a significant impact on small business failure in South Africa. Also, analysing the path from unfair competition tactics to small business failure in South Africa, the beta coefficient is 0.424, with a T statistic of 5.534 and a p-value of 0.000. The p-value is very small, indicating

strong evidence against the null hypothesis. Therefore, unfair competition tactics significantly affects small business failure in South Africa. Overall, corruption, nepotistic hiring practices and unfair competition tactics as factors of business practices all significantly affect small business failure in South Africa, thus, business practices have significant influence on small business failure in South Africa.

The quantitative research results show that the participants overwhelmingly agree to the statement that "corruption can result in SME business failures" 98,9% of the participants responded with "Yes" to the question "corruption can result in SME business failures". The research asked a few more leading questions to get clearer understanding of this research question, and the results show an overwhelming agreement that corruption can lead to SME business failures. The researcher asked the question "there are many business practices that lead to SME business failures such as corruption", 94,6% of the respondents totally agreed with statement and 2,8% agreed with same statement giving 97,4% of the respondents acknowledging that effects of corruption lead to SME failures. A third leading question was asked again for the study "corruption, payment of bribes and other forms of underhand facilitations of business acquisitions have effects on business operations and subsequent business failures", which respondents showed very strong consensus again with a total of 96,9% of the respondents agreeing with statement "corruption, payment of bribes and other forms of underhand facilitations of business acquisitions have effects on business operations and subsequent business failures".

The qualitative part of the research also asked the question "how does corruption and other under hand activities affect SME businesses?", participants responses corroborated with

quantitative findings as participants suggested that corruption results in limits to access of markets, as payment of bribes makes it difficult to compete and that access to funding becomes an issue when corruption becomes the order of the day and participants also suggest that it is important for SMEs to be ethical and avoid all forms of corruption to avoid failures.

It can be concluded that all forms of corruption must be avoided to have a good foundation for SMEs to avoid failure as there were convergence and triangulation again from the different methods as well as from literature as was prior stated by Mmbengeni at al. (2021) and Bushe (2019) and Khan at al. (2022) that corruption, economic events (fast changes in economic activities) and crime are main causes of SME failures and SMEs are faced with great temptations.

It is important to note that SME entrepreneurs understand and acknowledge the effects of corruption on SME business operations and add to the body of knowledge. It is usually assumed that most people and SMEs, including, don't understand or acknowledge the effects of corruption on society in general and the SME business sector.

Recommendations

In this section the study provides recommendations or actions that could be taken to assist in reducing the high-rate failure for SMEs in South Africa and these recommendations are based on findings from the data that was collected during the research. Grounded theory approach was be adopted so that the views of the participants form the basis of findings and theory is continuously developed and refined using participants experiences and explanations Warku (2017)

and Asenahabi (2019). Chu and Birks and Francis (2019) and Makri and Neely (2021) asset stating that, grounded theory develops theory from the data collected from participants. From the sentiments of the participants and the study findings, it was noted that government can help SMEs in a variety of ways, including financial aid, training and mentoring programs, simplification of regulations and procedures, and the creation of a business-friendly environment. Financial aid can come in the form of grants, loans, or tax breaks, and it can help SMEs get the cash flow they need to establish or grow their businesses and avoid closure. Training and mentoring programs can help with issues like business planning, marketing, and financial management. Simplification of the regulations and procedures can lessen the administrative load on SMEs and make them more efficient. The study findings confirmed that government assistance to SMEs can benefit both the businesses and the economy of South Africa. However, the efficiency of such assistance is dependent on the programs' accessibility to SMEs and the level of coordination between the government, private sector, and other stakeholders. Manuel (2011) in the National Development Plan (NDP) document states that, the vision for NDP was to pursue the elimination of poverty and have reduction of the in equalities, that continue to be seen even after 30 years of democracy and independence and provide life changing chances or opportunities for many millions of South African people particularly the youth and creating meaning full employment and around 11 million jobs by 2030. This can only be achieved by a vibrant and not a highly failing SME sector, the recommendation below will be a great enabler to the vision for the NDP to be achievable if priority is given to the growth and stabilization of the SME sector. The SME sector is seen as the highest employment creating sector in the South African economy, employing about 60 to 70% of the formal workforce and contributes up to as much as 50 to 60% of the GDP as stated by Musabayana and Mutambara (2022) and Madzimure and Tau (2021) and Cant and Wiid (2020).

The study provided detailed recommendations in four main areas below, (i) recommendations on support and access to information on services provided by government, (ii) recommendations on finance and financial issues affecting SMEs, (iii) recommendations on corruption (iv) recommendations on training and development (v) Social and environmental factors on SMEs in South Africa

Recommendation on Support and Access to Information on Services provided by the Government.

From the research findings it was noted that support from government does not adequately to cover the needs as expected by the SME owners and managers as the SME owners and managers stated that support from government does not contribute to their actual needs and the results also indicate that that entrepreneurs do not have enough information on the kind and forms of support provided by government. It is recommended that the Government establishes interactive communication with SME and all start-ups through the easy use of technology. If used effectively, technology is a tool that enables the dissemination of information which could make information to be readily available and accessible to SME businesses and the business community at large. Government through the (CIPC) Companies and Intellectual Property Commission, which is the agency responsible for registering and administering all companies in South Africa do the following.

(i) On registration of any form of company through the CIPC, all new start-ups should be given documents or an abstract, with a summary of all government

agencies or subsidiaries of government departments including private partnership initiatives which work with government. The information provided should contain details on what form or kind of assistance that can be sort from all the agencies or private partnerships that aim to promote SMEs. These are agencies such as Small Enterprises Development Agency (SEDA) and many others. The document should become a welcome package from the CIPC empowering all startups with information of where to go to find the information or assistance they need as they start, not for them to look for information at a later stage when they are experiencing difficulties.

(ii)   On the CIPC website https://www.cipc.co.za/ there should be special link to a Wiki or knowledge base where business people such SMEs can visit and should be able to access all kinds of information of what to do, where to go for the services and information they need. This space should have similar information as the first recommendation above and should be searchable, for information directly and get the information immediately such that businesspeople and SMEs don`t get frustrated by not knowing where to start or end looking for services and information. It must be noted that that this website provides a lot of helpful information already, on important issues on how to do certain administrative tasks like company annual returns, change of names, how to register a company and few other important tasks.

Recommendations on Finance and Financial Issues Affecting SMEs.

The research findings highlight many issues relating to how financing SMEs is a difficult task, especially on how the SMEs cannot access the finance they require and that SMEs face difficulties in managing and handling their cash flows. Bushe (2019) and Olarewaju and Msomi (2021) and Iwara at al. (2021) acknowledge ascribing the high failure rates of SMEs in South Africa to bad financing and unsustainable financial related issues. SMEs collapse because they cannot access funding as they don't have collateral and financial statements to access funding, in many cases SMEs are found to be using their personal fundings and savings to finance their business activities. These finances are very limited, and the cash flows become very difficult to manage. It was noted in the data and research findings that late payments greatly affect SME cash flows and operations thereby contributing to the high closure of SMEs. Below are the recommendations on financial issues.

(i)   South African Government should make it a legal requirement that all payments that are more than 30 days, where work was completed, signed off and invoiced, interest must accrue at the maximum lending rates allowed by the credit regulator of South Africa (NCR) National Credit Regulator on the amount outstanding or not paid.

The maximum prevailing lending rates at the time must be used so that creditors do not hold on to payments due to SMEs for longer periods than necessary. SMEs suffer because their payments are delayed and paid without any interest when the larger cooperates that sub-contract them eventually decide to pay.

During interviews and general discussions SMEs expressed that they at times go for 90 days or over without receiving their payments in some instances, yet interest will be accruing where they managed to source finance for use in the projects. Government already expressed and implemented that all work should be paid within 30 days as was stated by the President Cyril Ramaphosa on the state of the nation address on 10 February 2022. The president introduced the red tape team, which was tasked with identification of significant reforms for the coming year, which included instruments to make sure government departments pay suppliers within the required (30) thirty days. Presidency (2022). SMEs expressed that they are paid late on many occasions and find it very difficult to cover their costs, as in many cases they will have borrowed money to finance the projects and already started accruing interests yet no interest accrues on their outstanding payments for services or work done that will be paid for late, with no interest accruing on the unpaid invoices that are not paid in time within (30) thirty days. In this manner the SMEs will be protected by government with this legislative instrument if introduced into law and large industry players will not take advantage of SMEs and strangle their cash flows and financial abilities with late payments.

Access to finance for SMEs should be enhanced by expanding the availability of microloans, facilitating access to bank loans, and offering tax breaks to people who engage in small and medium-sized firms. Tax breaks and other Tax incentives will allow SMEs to grow in their initial years and become stable entities that could be more resilient to failure. In the state of

the nation address the president also stated that government should provide a bounce back scheme for SMEs that encompasses lessons learnt from previous loans that were guaranteed by government and ensure SMEs have access to providers of finance and loans with reduced assessment criteria so that many SMEs can have greater access to finance. Presidency (2022). The government must ensure that these promises are met as they will provide great relief to SMEs in terms of access to finance and this will have great effects on reducing the high rate of failures for SMEs.

(ii)   SMEs to be granted Tax break in the early years of operations.

(iii)   SMEs that file their annual statements yearly would qualify for the Tax breaks as will be gazetted by the government and will have access to loans that have government guarantees that do not have difficult conditions are attached to the loans.

Recommendations on Corruption

Corruption is one of the factors that have negative impact on SME operations as was stated by the Presidency (2022) that efforts by government to revive the economy will not succeed if the scourge of corruption is not addressed in its totality. It was noted from the data collected that corruption is a major cause of SME letdowns and such hash laws and sentences should be applied to any government employees or officials who are found to be corrupt together with all the individuals who will be involved including the SMEs themselves. When hard penalties are being imposed individuals will be deterred from acting in any corrupt manner and accepting to be

involved in any corrupt practices. Besides getting hash prison sentences, offenders' assets that will have been gained through corrupt practices or tendencies must be forfeited to the state. This will go a long way in having many SMEs having access to opportunities as the playing ground will be fair when corrupt tendencies and practices are eliminated as it was noted from the study findings that corruption limits access to business opportunities to those few who are connected and involved in the corrupt practices. The ultimate result in a non-corrupt business environment will be more SMEs having regular and constant work that is evenly distributed on merit and will result in the decline of the high rate of failures for SMEs in South Africa. The following actions must be taken to eliminate corruption,

     (i)   Very harsh sentences to be passed on all convicted corruption cases being the maximum penalties allowed in law for any such case.

     (ii)   Anyone who has been charged and convicted of any corruption crime must be listed and be barred from becoming a director of any SME in South Africa.

     (iii)   All assets that were accumulated through corrupt practices to be confiscated by the state after conviction of any SME owners or partners.

Recommendations on Training and development

From the study it was noted that SMEs do not have the required management skills that are required to operate successful enterprises. Saah and Musvoto (2020) and Madzimure and Tau (2021) and Worku (2017) and Eze and Lose (2023) propose that the high rate of failure for SMEs is due to lack of different management skills. Management skills are essential as they are the soft skills that enable the organization's engine to perform efficiently. Different functions of any business need different management skill sets; hence it is imperative to develop these skills for

entrepreneurs to be successful and reduce the high rate of failure for SMEs in South Africa. Management skills range from marketing management, financial management, human resources management, operations management and strategic management, any business needs to have some form of these skills to be successful and avoid failure. To address the lack of knowledge and training the following measures can be employed,

(i) offering training and mentoring programs, incubators, and company development services that can assist them strengthen the SMEs management abilities,

(ii) strategic planning, marketing, and financial management and cash flow training and workshops to be offered to all newly registered SME organizations.

(iii) It is recommended that all the SMEs that go through these programs should be followed up on, at least every second year to establish how they are employing the knowledge gained and how they have benefited and how they can empower other SMEs in their local economies.

The business world is evolving fast, and the use of technology and innovation should be encouraged and SMEs that come up with innovative ideas should be supported by government to see through such innovations into applications as most innovations end in their trail stages due to lack of support. Cant and Wiid (2020) suggest that SMEs crash because they cannot adapt to the fast-changing business environment. Olarewaju and Msomi (2021) suggest that SMEs contribute highly to innovation which is required by the South African economy, such that SMEs need to be supported to be more innovative and provide solutions that solve problems found in communities they operate from. Underdeveloped and the previously disadvantaged communities must be

prioritized for training and development, and the training should be tailored to suit different forms of back grounds in terms of educational and learning capabilities as some communities have entrepreneurs who have low levels of literacy.

The study could have provided more recommendations, but it will be practically impossible for many recommendations to be implemented and followed, and the recommendations were limited to what the researcher believes can be practically implemented with results that can be seen in the long term if implemented by the relevant authorities and government institutions.

Recommendations for future research

In this section we are going to discuss recommendations for future research as suggested from the research study (from the literature review, data collected, findings and recommendations of the study). The study seeks to understand why SMEs fail at very high rates in South Africa, what are the causes of the high-rate failures, what could be done to avoid these disappointments. The high failure rates of SMEs in South Africa can be attributed to many features, according to literature review and also the findings of the research study. Seeletse (2012) and Lekhanya at al. (2014) suggest that the high failure rates are due to the deficiency of management competences and insufficient financial management expertise and the absence of infrastructure in the remote and rural areas of the country. The list is endless on why SMEs collapse at very high rates in South Africa as was stated by Bushe (2019) as he acknowledged that there is still needed to determine what are the real causes for SMEs to fail at these very high rates. Saah and Musvoto (2020) and

Madzimure and Tau (2021) and Iwara at al. (2021) and Cant and Wiid (2020) and Jayasekara at al. (2020) put forward different factors that are linked to the high rate of SMEs failures that include inadequate financing, poor financial management practices, deficiency of management skills, lack training and mentorship, poor planning and many others, suggesting that these high SME demise rates cannot be attributed to any single factor, which makes the phenomena a very difficult one to clearly understand and eliminate. This study also failed to pin the high failure rates to a single point and highlighted several points and that leaves room for further studies that can be done to bring about better regulations and ways of doing business that can assist in reducing the high failure rates of small to medium enterprises in the country.

The following points (i) Cross-sectional data research studies vs longitudinal research studies (ii) Comparative Research Studies (iii) Industry Specific Research (iv) Government Regulations and Incentives will be discussed and are suggested as possible future research studies in this field of study.

Cross-sectional data research studies vs longitudinal research studies.

Longitudinal studies are studies that are usually done over long periods with identified participants, where monitoring and evaluation of risk factors is a continuous process with the aim of examining the effects and risk factors identified. According to Caruana at al. (2015) longitudinal studies utilize repetitive or continuous measures of identified participants over long periods and is observational in nature and is beneficial for evaluating risk considerations with development or degeneration of the problem and is normally used in healthy studies, although this study suggests

employing this type of study in a business studies environment. Such that over time working with distinctly identified SME business owners the causes can be associated to the actual failures of the SMEs to provide clear answers than general assumptions of what could have caused the SME failures.

Cross-sectional studies are studies that usually involve collection of data from different partakers or subjects (cross sectional data) from the participants at a given point and not being able to do follow-ups or any further data collection to monitor and understand the issues involved deeply. Wang and Cheng (2020) describe cross-sectional studies as studies that are observational in nature and examines data that is collected from participants at a single or given point and useful in providing initial evidence or findings that can be used for future studies.

It must be noted that most of the studies on the causes of failure of small to medium enterprises have been done employing the cross-sectional studies method which limits the ability or possibilities of capturing the very complex and dynamic factors and elements that cause the demise of small to medium enterprises. To gain and obtain an even greater understanding of the complex nature of the high-rate of letdowns of the small to medium enterprises in South Africa, it is suggested that future research studies on small to medium enterprises closure should be longitudinal in nature to have greater understanding of the actual reasons for the collapses in the small to medium enterprises sector as monitoring of performance of the SMEs over time with longitudinal studies will enable the identification of the actual reasons that made the SME enterprises to collapse.

Comparative Research Studies.

It is noted that there are significant literature and research that has been done about the reasons for high failure rates for SMEs in South Africa, the study recommends that comparative studies of why SME collapse in South Africa, falling at very high rates in comparison to other countries to be done. The future studies should look at the experiences of other small to medium businesses in other countries and regions and compare them with the South African context of the high-rate failure of small to medium enterprises. This might provide clarity or ideas on how specific difficulties faced by small to medium businesses in South Africa can be over-come, looking at the difficulties and using the experiences observed in other countries and parts of the world. Comparative research is not an easy phenomenon to understand or even define but can be very useful in enlightening some difficulties and how they can be overcome by employing experiences from similar activities in different environments. Clasen (2004) described comparative studies as comparative analysis that can be seen as a method that can be employed to enable the enlightenment of explicit research questions and research hypothesis. It should be used as a strategy to compare and contrast experimental phenomena at specific given reference points whether assumed implicitly or explicitly allowing for similarities and differences to be interpreted, analyzed and evaluated. Afdal (2019) suggests that comparison research methods can gratify the practical and theoretical inquisitiveness as seen from different countries and systems to provide better understanding and learning opportunities comparing how things are done differently in other places in the region or around the world. It is therefore proposed that comparative research be suggested for future research as it might bring about more information and ideas on how to turn

around the small to medium enterprises sector in South Africa to become more stable and efficient there by preventing the high failure rates that are prevalent currently.

Industry Specific Research.

The study did not choose any specific industry or try to use industry as variable because it could have complicated the study as the are many different categories of industries in the country. South Africa is fast and wide with different industry categories and differing categories of small to medium enterprises. Different industry categories have different operating environments and experience unique difficulties and opportunities within these different industry categories and regions within South Africa, depending on where they are located. Further research in different industry categories is recommended like specific research on why small to medium enterprises fail in the agricultural, manufacturing, wholesale, retail, tourism, fisheries, and many other categories that might have not been listed. Performing studies in specific industry categories will highlight difficulties that are faced in the category there by giving insights and information on how those challenges in the specific category can be addressed as they might be specific to that industry and category. This does not take away the fact that some challenges are cross sectional but will enable the elimination of industry specific challenges. The National Development Plan – 2030 acknowledges the different industry categories and tries to provide specific support directed to the different industries specifically, hence this will provide insights on how the National Development Plan – 2030 can be adjusted or improved with guidance from the different research that will be done in the specific industries or categories.

Government Regulations and Incentives

Regulations are there to control behaviours and how businesses should conduct themselves, it is important to have regulations that foster businesses growth supported by incentives that come in different forms and these incentives also act as catalysts to encourage the required behaviour of organisations, as organisations or companies that do not follow regulations will then not be allowed to qualify for certain incentives provided by governments to enable small to medium businesses to find ways of being sustainable and those that fail to follow regulations can find themselves under sanctions. Regulations can be at National level or local level such as municipalities. Lewis and Garmon (1997) defined regulations and incentives as incentive regulation is used to persuade the usefulness of trying to achieve the required goals, where institutions are given some discretion on how to achieve their goals using penalties and rewards. Therefore, regulations should not be seen only as rules but guidelines for doing good. Lewis and Garmon (1997) definition suggest that penalties and rewards within regulations provides encouragement that motivates organizations to perform there by removing the use of regulation as a command instrument, but that regulations and incentives are goal setting for institutions and that regulations do not provide specific instructions but allow organizations to use them as internal processes to achieve the incentives and get improved performance and better results.

Regulations and legislation at both local and national government levels can have significant effects on how small to medium businesses operate as well as affecting their success

or failure. It is therefore recommended that future research on how government regulations and incentives from both national government and local government affect the rate of failure for small to medium enterprises be done. Research focused on regulations and legislative frameworks will be very useful for the South African government to understand and provide legislative framework that promotes the growth and success of small to medium businesses which might result in the reduction of the high rate of failure for SMEs in South Africa. Cant and Wiid (2013) suggests that government regulations or legislation play an important role on SME operations as 81,1% of the respondents in their research acknowledged the importance of government legislation on SMEs. The research was not for South Africa but shows how important legislation is and could greatly improve SME failure rates if well framed to promote SME growth in South Africa where the closure rate of small to medium businesses is very elevated. Ouma-Mugabe at al. (2021) in their research on instruments that promote innovation in the manufacturing sector for small to medium organizations in South Africa suggest that government regulations or policies are weak and inconsistent and are not effective in promoting innovation for SMEs. Statssa (2019) states that the government is trying to support the SMEs sector by introducing new bills that aim to support SMEs for growth and failure reduction. Are these bills working together with all the other legislation that is available, research is therefore required to understand if these bills are working as intended and or if they still need to be improved. Madzimure and Tau (2021) suggest that the government of South Africa spends a lot of money that runs into millions trying to support SMEs, yet the high failure rates of about 63% are recorded within the first 18 months of SMEs life span. Lastly Kanayo at al. (2021) findings from their research also conclude that government support and regulations have high impact on the success and failure of SMEs as was indicated by responses from participants of their

research. The government cannot just spend so much when there are no instruments to check and test if these efforts are working and are supported by legislative framework. It is therefore essential to have future research on the effects of government regulations and incentives on SMEs in South Africa.

Social and environmental factors on SMEs in South Africa

Environmental, corporate governance and social issues are used to evaluate on how companies' additional financial analysis is done, it is a measure used to check if companies report on the key performance indicators (KPI) and gives the context of evaluating companies' exposure to sustainability and risk factors on social and environmental concepts in a financial manner. Social and environmental issues also have great bearings on how small to medium businesses function or operate and can have great influence on the high failure rate of SMEs in South Africa. Research on why SME fail in South Africa has been centred mostly on economic and business-related issues that affect SMEs business failures, more research will be required to study how social and environmental factors play a role in the high rate of failure for SMEs in South Africa. Kanayo at al. (2021) suggests that social and environmental factors have great influence on profitability of businesses in Europe. Business profitability and business failure are conflicting in nature but highly related hence it`s important for these factors for social and environmental issues need to be researched in the South African context. Kanayo at al. (2021) also states that SMEs in South Africa struggle with issues on how SMEs can avoid failures looking at financial issues and ignoring the social and environmental factors. Chakabva at al. (2020) also conclude in their findings of their research that SMEs in the fast-moving customer foods industry (FMCG) should

start working outside the normal risk types of business and include social and environmental risks assessments in their practice. It must be noted that environmental factors such as economic and technological factors have great effects on the success or failure of businesses in general as well. Economic factors are factors that include inflation and interest rates. In the South African context currently inflation and interest rates have been very high which surely should be having great effects on the SME failure rates. According to the Monetary Policy committee (SARB) of the South African Reserve Bank review and announcement in August 2023 the repo rate was left at 8,25% which is very high and prohibiting for small to medium businesses and is not likely to go down any soon. The SARB focuses that inflation will be between 5,0% to 6,0% between 2023 and 2024. These high inflation numbers and high interest rates should have great effects on SME performance and affords the need for future research on the effects of these economic factors on SME businesses as well. Technology it`s use and advancement have great effects on how SMEs operate in South Africa and provide another angle for future research so that it can be understood how SMEs are benefitting or being affected by these fast technological environmental changes associated with the things like bid data and artificial intelligence. In this study we there for propose that future research should investigate the effects of social and environmental issues including areas of environmental factors such as economic and technological factors on the success or failure of small to medium enterprises in South Africa and should include social capital, sustainable practices, and corporate social responsibility with reference to small to medium businesses.

The above suggested future research themes will add to get to a greater understanding of issues of why small to medium businesses fail at high rates in South Africa as the phenomena is complex yet affects the South African economy greatly. Any solutions provided to reduce the high

rate of failure for SMEs will enable the South African government to achieve the national development plan (NDP) as required by the year 2030. These recommendations for future studies are a great instrument if researched and recommendations are implemented in reducing of the in equalities that continue to grow in South Africa as well as reduce poverty as most SMEs operate from and in poor communities and will reduce the unemployment rates which are becoming threat to the South African economy. The official unemployment rate was 32,9% for the first quarter of 2023 as was stated by Statssa (2023). It is noted that youths are the ones who are greatly affected by the high unemployment rate as stated in the same document, that indicates that in the first quarter of 2023 youth unemployment rate rose by 1,1% to 46,5% Statssa (2023). This can easily be interpreted as that one in every two South African youths are unemployed, which a ticking bomb for the South African economy.

The study could high light more areas that could need future research as the phenomena of high failure rates for small to medium enterprises in South Africa is complex and difficult to underpin the root cause to a single feature that can be eliminated to resolve the problem. The suggested areas of study discussed above represent a great area of knowledge gap which when researched could add to the body of knowledge in business management studies and assist the South African government in eliminating the high failure rates of small to medium enterprise in the country and that will have ripple effects in resolving very imperative issues in the South African economy, which are high unemployment rates, reduction of poverty and in equalities. According to the World Bank (2022) South Africa is ranked as the utmost unequal country in the world as it was ranked amongst one hundred and sixty-four countries in the World Bank's global database for poverty. As stated by the IMF Country Focus (2020), South Africa endures some of

the highest levels of inequality in the world, using a measure called the Gini Index which is normally used for measuring the inequality levels in countries in the world. IMF Country Focus (2020) states that promotion of entrepreneurship and creation of jobs is one of the tools that the South African government is using to try and fight these high levels of inequalities, this resonates very well with subject matter of our research study analysis of the causes for the failure for small to medium businesses in South Africa because if this issue is put under control the results and effects over flow into promotion of entrepreneurship and job creation and reduction of poverty and in equality.

Conclusions

The purpose of the study was for the analysis of the causes for the failure for small to medium businesses in South Africa. Literature review suggests that the failure rate for SMEs in South Africa is very high standing at between 60% to 80% in the early years of small to medium enterprises life cycle. Bushe (2019) suggests that 70% of the SME organizations fail within five to seven years of operations, Saah and Musvoto (2020) states that South African failure rate is one of the highest in the world with a failure rate of 75% in the first five years, whilst Iwara at al. (2021) suggest that 75% SME organizations and operations fail within the first 3 years of operations and links South Africa`s high unemployment rate to the high rate of SME failures. Literature review attributes these high failure rates to several issues such as lack of planning, poor management skills and lack of financial discipline and poor financial management practices including lack of finance, lack of training and mentorship, lack of institutional support as well as

other exogenous factors that can be external or internal. Cant and Wiid (2020) suggests that SME failures are caused by the failure by management to adapt to changes in the ever-changing business environment and Saah and Musvoto (2020) suggest the high failure rates are due to poor and lack of management skills. Rambaruth at al. (2021) suggest that the high rate of failure for SMEs is caused by poor strategic planning and poor implementation of strategies. Bushe (2019) points to three factors as elements that cause SME failures stating them as lack of skills from entrepreneurs, environmental issues and in effectiveness on the part of entrepreneurs. Olarewaju and Msomi (2021) attribute the high rate of SME failures to lack of finances whilst Madzimure and Tau (2021) attribute the high rate of SME failures to in-adequate marketing, in adequate management skills and no proper accounting systems for the SME businesses. Literature view reveals the complex nature of the high failure rate of the SMEs in South Africa. This study intended to contribute to the body of knowledge in understanding this phenomenon and used explorative methods in trying to understand the issues and to provide information that will be based on findings that are data related, representing the views and experiences of the participants and chose to use mixed method research for the study.

The mixed methods research approach was therefore adopted and used for the study. Mixed method research was chosen for the study because it offers greater understanding of issues using opposing methods that then compensate for the weakness of each other providing convergence of findings, which affords high validity that increases credibility and trustworthiness of the findings. Asenahabi (2019) agrees stating that mixed method research combines the two methods being qualitative research methods and quantitative research methods for the grit of greater understating of issues providing high breadth and depth of understanding of issues and allowing for

corroboration of findings, whilst the two methods counteract the weaknesses of one another. Greene at al. (1989) concur stating that mixed methods research which can be referred to as triangulation and takes away bias from research studies of analogous phenomenon as the two methods in use contradict each other. The study utilized the grounded approach and was deductive in nature as stated by Makri and Neely (2021) that grounded theory allows the researcher to gather data employing both mixed methods giving the researcher the opportunity to see and understand the research problem as viewed and stated by the participants and not use gap spotting relying on literature review which then provides findings that are practical and are based on data and that deductive research employs available theory to formulate research questions and hypotheses which then provides a guide on what kind of data can be collected. Research questions and hypothesis were formulated which became the guidelines of going around the research up to the analysis and the findings stage. Johnsen and Jehn (2009) suggest that the use of grounded theory and thematic approach in studies using mixed method research removes bias and provides validated findings. Purposive sampling was used for the study as purposive sampling provides information rich participants who have experience and good understanding of the phenomena under investigations. Etikan at al. (2016) and Tansey (2007) suggest that purposive sampling requires the choice of participants with special interest and understanding and expertise of the issues under research. Cluster sampling was also utilized for research, as cluster sampling enables the breakdown of complex large populations into smaller clusters and is cost effective. MacMillan and Schumacher (2014) state that sampling is cost effective if the research involves a very large population as it breaks down the large population into clusters. South Africa is wide and vast, and the provinces represented the different clusters to break down the population into clusters per province. A total of three hundred and fifty- five (355) participants responded to the study and provided their

responses for the quantitative study whilst a total of twenty- two (28) different interviews were conducted for the qualitative study, saturation was achieved from the interviews and understanding of issues was obtained with the results corroborating with quantitative results or findings. When results from two different methods corroborate or when convergence is achieved in a study the findings can be trusted and have high validity as stated by Abowitz and Toole (2010) Mixed method research advances the validity and reliability of findings from the data if convergency is achieved in testing the hypothesis.

The study findings supported the literature review conceptual framework and the results from both mixed methods had findings that were converging and contribute to the body of knowledge in business studies on trying to understand why and how small to medium businesses fail at high rates in South Africa and to the general business body of knowledge.

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APPENDICES

Appendix A: Gate Keeper Letter

UU_GL - Version 2.0

Gatekeeper letter

Address: andre.hoffmann@mytechiesa.co.za

Date: 02-Nov-2022

Subject: Request for participants participation

Dear Andre Hoffmann
Address = 29 Fairview, 43 Memorial Lane Maroeladal Randburg 2191 South Africa

I am a doctoral student at Unicaf University of Zambia.

As part of my degree I am carrying out a study on Analysis of the causes for failure of small and medium business in South Africa.

I am writing to inquire whether you would be interested and in/willing to participate in this research.

Below is a summary of the reasons why I chose to research on this topic.

(SMME) Small, Medium and Micro Enterprises have a high failure rate despite the fact that they form the greater part of the country`s (South Africa) Gross Domestic Product (GDP) and contribute in tackling inequality, employment creation and poverty reduction and form a special source of employment for low skilled youths and young adults and women. It is estimated that over 70% of SMME fail within their first five years, in this regard it necessary to investigate and analyze the causes or reasons for the failure of SMME in South Africa. I will be supervised by Dr. Abdulrasaq Salman for this research.

I am requesting for your permission to participate in the research, which we can can do face to face or using online platforms such as Teams or Skype and any other electronic communication like emails and other survey tools for questioners.

Thank you in advance for your time and for your consideration of this research project. Kindly please let me know if you require any further information or need any further clarifications.

Yours Sincerely,

Kudakwashe Duncan Chingono

Student's Name: Kudakwashe Duncan Chingono
Student's E-mail: strodgerkd@yahoo.com
Student's Address and Telephone: +27769904167
Supervisor's Title and Name: Dr. Abdulrasaq Salman
Supervisor's Position: Supervisor
Supervisor's E-mail: a.salman@unicaf.org

Appendix B: Ethics Committee Approval

UNICAF UNIVERSITY

UREC Desision, Version 2.0

Unicaf University Research Ethics Committee Decision	
Student's Name:	Kudakwashe Duncan Chingono
Student's ID #:	R1911D9745240
Supervisor's Name:	Dr. Abdulrasaq Salman
Program of Study:	UUZ: DBA Doctoral of Business Administration
Offer ID /Group ID:	O39249G44978
Dissertation Stage:	3
Research Project Title:	Analysis of the causes for failure of small and medium business in South Africa
Comments:	No comments
Decision*:	A. Approved without revision or comments
Date:	19-Oct-2022

*Provisional approval provided at the Dissertation Stage 1, whereas the final approval is provided at the Dissertation stage 3. The student is allowed to proceed to data collection following the final approval.

Appendix C: Informed Consent Form

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UU_IC - Version 2.1

Informed Consent Form
Part 1: Debriefing of Participants

Student's Name: Kudakwashe Duncan Chingono

Student's E-mail Address: strodgerkd@yahoo.com

Student ID #: R1911D9745240

Supervisor's Name: Dr. Abdulrasaq Salman

University Campus: Unicaf University Zambia (UUZ)

Program of Study: UUZ: DBA Doctoral of Business Administration

Research Project Title: Analysis of the causes for failure of small to medium businesses in South Africa

Date: 17-Jul-2022

Provide a short description (purpose, aim and significance) of the research project, and explain why and how you have chosen this person to participate in this research (maximum 150 words).

(SMME) Small, Medium and Micro Enterprises have a high failure rate despite the fact that they form the greater part of the country`s (South Africa) Gross Domestic Product (GDP) and contribute in tackling inequality, employment creation and poverty reduction and form a special source of employment for low skilled youths and young adults and women. It is estimated that over 70% of SMME fail within their first five years, in this regard it necessary to investigate and analyze the causes or reasons for the failure of SMME in South Africa.

The research findings will assist in adding to the body of knowledge in business management and can be used by SMMEs to effectively manage their businesses and other authorities like government in formulating policies for SMME businesses.

I have chosen you to participate as I am aware that you are an SMME business owner and will have some useful insights that would greatly contribute to my research success.

The above named Student is committed in ensuring participant's voluntarily participation in the research project and guaranteeing there are no potential risks and/or harms to the participants.

Participants have the right to withdraw at any stage (prior or post the completion) of the research without any consequences and without providing any explanation. In these cases, data collected will be deleted.

All data and information collected will be coded and will not be accessible to anyone outside this research. Data described and included in dissemination activities will only refer to coded information ensuring beyond the bounds of possibility participant identification.

I, Kudakwashe Duncan Chingono , ensure that all information stated above is true and that all conditions have been met.

Student's Signature: K D C

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Informed Consent Form

Part 2: Certificate of Consent

This section is mandatory and should to be signed by the participant(s)

Student's Name:	Kudakwashe Duncan Chingono
Student's E-mail Address:	strodgerkd@yahoo.com
Student ID #:	R1911D9745240
Supervisor's Name:	Dr. Abdulrasaq Salman
University Campus:	Unicaf University Zambia (UUZ)
Program of Study:	UUZ: DBA Doctoral of Business Administration
Research Project Title:	Analysis of the causes for failure of small to medium businesses in South Africa

I have read the foregoing information about this study, or it has been read to me. I have had the opportunity to ask questions and discuss about it. I have received satisfactory answers to all my questions and I have received enough information about this study. I understand that I am free to withdraw from this study at any time without giving a reason for withdrawing and without negative consequences. I consent to the use of multimedia (e.g. audio recordings, video recordings) for the purposes of my participation to this study. I understand that my data will remain anonymous and confidential, unless stated otherwise. I consent voluntarily to be a participant in this study.

Participant's Print name:

Participant's Signature:

Date:

If the Participant is illiterate:

I have witnessed the accurate reading of the consent form to the potential participant, and the individual has had an opportunity to ask questions. I confirm that the aforementioned individual has given consent freely.

Witness's Print name:

Witness's Signature:

Date:

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