CHALLENGES FACING SMALL, MICRO AND MEDIUM ENTERPRISES (SMME) AT THE SOL PLAATJE LOCAL MUNICIPALITY OF NORTHERN CAPE PROVINCE IN SOUTH AFRICA

By

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DECLARATION

I Dikeledi Betty Nkoe, student number 46414630, declare that CHALLENGES FACING SMALL, MICRO AND MEDIUM, ENTERPRISES (SMME) AT THE SOL PLAATJE LOCAL MUNICIPALITY OF NORTHERN CAPE PROVINCE IN SOUTH AFRICA is my own work and all the sources that I used and quoted are acknowledged on the references list. I further declare that I have not previously submitted this dissertation for UNISA examinations or any other University.

I further declare that I have submitted my dissertation for original software checking and it meets the requirements for original checking.

08 May 2023

_____   _____

Signature   **Date**

DEDICATION

This study is dedicated to my late parents Malerato and Solly Ramonafu, who never had an opportunity to enjoy the fruits of their hard work. It is also dedicated to my lovely husband and my two beautiful children.

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- To my son, Omolemo and my daughter, Kealeboha Nkoe, thank you for giving me time to study on weekends.

Abstract

The aim of the study was to investigate the challenges that the SMMEs faced in the Sol Plaatje Local Municipality (SPLM) in the Northern cape and further provide solutions that can assist in the future. SMMEs are viewed as the foundation for economic development and create jobs for the community. The objective of the study was established and evaluated. This study was qualitative in nature, and the data was collected from a sample of 15 SMMEs within the jurisdiction of SPLM, using non-probability sampling to find an in-depth understanding of the challenges facing SMMEs. Data was collected using semi-structural interviews. Thematic analysis was applied to analyse data through ATLAS.ti software. SMMEs in SPLM contribute to the economy and create jobs.

However, these SMMEs are experiencing many challenges such as technology, crime, unemployment, lack of access to the market, training, financial resources, and poor infrastructure that led to failure. There are no guidelines to assist SMMEs to manage, sustaining developing their business hence the study was conducted. With the aim to investigate and obtain an understanding of the challenges and further provides solutions that can assist in the future. Furthermore, there are no similar studies conducted that highlight the challenges of SMMEs in SPLM.

The findings from this study further reveal that these SMMEs also experience the following challenges: late payment, political interference, competition, Covid-19, economic factors, lack of mentorship and unfair practice. These findings appeared to be the stumbling block to the growth of these SMMEs.

KEY WORDS: Sol Plaatje Municipality, SMME, Challenges, Late payment, Jobs Creation, Economic growth, Poverty, Unemployment, Investigate, Government Intervention, Training.

Kgutsufatso

Maikemisetso a thuto e ne e le ho batlisisa mathata a di-SMME tse lebahaneng le tsona Masepaleng wa Selehae wa Sol Plaatje (SPLM) Kapa Bokone le ho tswella ho fana ka ditharollo tse ka ba thusang nakong e tlang. Di-SMME di nkwa e le motheo wa ntshetsopele ya moruo le ho thehela setjhaba mesebetsi. Sepheo sa thuto se ile sa thehwa le ho hlahlojwa. Phuputso ena e ne e le ya boleng ka tlhaho, mme dintlha di ile tsa bokellwa ho tswa sampoleng ya di-SMME tse 15 ka hara matla a SPLM. Sampole e seng monyetla e ile ya sebediswa ho fumana kutlwisiso e tebileng ya diphephetso tse tobaneng le di-SMME. Dintlha di ile tsa bokellwa ho sebediswa dipuisano tse hlophisitsweng hantle. Ho ile ha sebediswa hlahlobo ya sehlooho ho sekaseka data ka software ya ATLAS.ti.

Leha di-SMME ho SLPM di kenya letsoho moruong le ho theheng mesebetsi, di tobana le diqholotso tse ngata jwalo ka thekenoloji, botlokotsebe, kgaello ya phihlello ya mmaraka, kwetliso, mehlodi ya ditjhelete, le meaho e mebe e lebisang ho hloleheng. Ha ho na ditataiso tse thusang di-SMME ho laola le ho ntshetsa pele kgwebo ya bona. Sepheo sa phuputso e ne e le ho batlisisa le ho utlwisisa diqholotso tsa bona le ho tswela pele ho fana ka ditharollo tse ka ba thusang nakong e tlang. Ho feta moo, ha ho diphuputso tse tshwanang tse entsweng tse bontshang diqholotso tsa di-SMME ho SPLM.

Ditshenolo tsa phuputso ena di boetse di hlahisa diqholotso tse ding tseo di-SMME tsena di tobanang le tsona tse kang ditefo tsa moraorao, tshitiso ya dipolotiki, tlhodisano, Covid-19, maemo a moruo, kgaello ya boeletsi le tlwaelo e hlokang toka. Diqholotso tsena di ile tsa bonahala e le tshitiso kgolong ya di-SMME tsena.

MANTSOE A BOHLOKOA: Masepala wa Sol Plaatje, SMME, Diqholotso, Kgodiso ya Moruo, Bofutsana, Tlhokeho ya Mesebetsi, Boitshunyako ba Mmuso, Kwetliso.

Manweledzo

Tshipikwa tsha ngudo iyi ndi u sengulusa khaedu dzo livhanaho na dzi SMME ngei kha Masipala Wapo wa Sol Plaatje (SPLM) kha ḽa Northern Cape na u dovha u ṋekedza thasululo dzine dza nga vha thusa matshelo. Dzi SMME dzi sedzwa sa mutheo wa mveledziso ya ikonomi na u sika mishumo kha tshitshavha. Ndivho ya ngudo yo thomiwa na u elwa. Ngudo iyi ndi ya khwaḽithethivi, nahone data yo vha yo kuvhanganyiwa u bva kha tsumbonanguludzwa ya dzi SMME dza 15 kha vhupo ha SPLM. Tsumbonanguludzwa i si na khonadzeo yo shumiswa u kona u pfesesa vhukuma khaedu dzo livhanaho na dzi SMME. Data yo kuvhanganywa nga inthaviwu dzo dzudzanywaho. Musaukanyo nga thero wo shumiswa u saukanya data nga kha sofutiwee ya ATLAS.ti.

Musi dzi SMME kha SLPM dzo dzhenelela kha ikonomi na u sika mishumo, dzo livhana na khaedu nnzhi sa thekhinoḽodzhi, vhugevhenga, u shaya u swikelela maraga, vhugudisi, zwiko zwa masheleni, a themamveledziso i si takadzi ze zwa vhanga u kundelwa. Ahuna nyendedzi dza u thusa dzi SMME u langa na u bveledza mabindu avho. Tshipikwa tsha ngudo ho vha u sengulusa na u pfesesa khaedu dzavho na u dovha u ṋekedza thasululo dzine dza nga vha thusa matshelo. Zwiṅwe hafhu, ahuna ngudo dzi elanaho nadzo dzo itwaho u sumbedza khaedi dza dzi SMME kha SPLM.

Mawanwa u bva kha ngudo a dovha a bvisela khagala dziṅwe khaedu dzi re hone dzo livhanaho na SMME sa u lenga u badelwa, u dzhenelela ha politiki, muṱaṱisano, Covid-19, zwivhumbi zwa politiki, u shaya vhupfumbudzi na maitele a u dzhia sia. Khaedu idzi dzo vha zwithithisi kha nyaluwo ya dzo SMME idzi.

MAIPFI A NDEME: Masipala wa Sol Plaatje, SMME, Khaedu, Nyaluwo ya ikonomi, Vhushai, U shaya mushumo, U dzhenelela ha muvhuso, Vhugudisi.

LIST OF ABBREVIATIONS

AE	American Express
BBBEE	Broad-Based Black Economic Empowerment
CE	Civil Engineering
CIDB	Construction Industry Development Board
CIPC	Companies and Intellectual Property Commission
CSD	Central Supplier Database
DEDAT	Department of Economic Development and Tourism
DFA	Diamond Field Advertiser
DTI	Department of Trade and Industry
EU	European Union
GDP	Gross domestic Product
IDP	Integrated Development Plan
ILO	International Labour Organisation
KPI	Key Performance Indicators
LED	Local Economic Development
NEF	National Empowerment Fund
NSEA	National Small Enterprise Act
NYC	National Youth Commission
NYDA	National Youth Development Agency
P	Participant
PPPFA	Preferential Procurement Plan Framework Act
RFQ	Request For Quotation
RFQ	Request for quotation
RO	Research Objective
SCM	Supply Chain Management
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SME	Small, Medium Enterprises
SMME	Small, Medium and Micro Enterprises
SOPA	State of the Province Address
SPLM	Sol Plaatje Local Municipality

UNISA	University of South Africa
US	United States
USA	United States of America
USITC	United States International Trade Commission
UYF	Umsobomvu Youth Finance
VAT	Value Added tax

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CHAPTER 1: INTRODUCTION TO THE STUDY

1.1 INTRODUCTION

This chapter outlines the format of the study and consists of the introduction, the background, problem statement, intention of the study, primary, secondary research objectives, and research questions. The chapter further outlines the significance of the study, the limitations, limitations, and assumptions of the study. In addition, the chapter specifies definitions of important terms and abbreviations, the outline of the study, and a summary of the chapter.

1.2 INTRODUCTION TO THE STUDY

Small, Micro and Medium Enterprises (SMMEs) play a crucial role in the economy of the country by reducing poverty and creating jobs (Razak, 2012). In many countries worldwide, small companies are viewed as the solution to economic evolution and social expansion (Erdin & Ozkaya, 2020; Nieuwenhuizen, 2019; Ribeiro-Soriano, 2017). This happens when enterprises are increasing and becoming more financially viable. A wide range of government policies contribute to such growth and sustainability (Masutha & Rogerson, 2014).

SMMEs in China contribute to the gross domestic product (GDP) through job creation, the supply of goods and services to customers, and the development of SMMEs through innovation (Wangmo, 2016). China is the country with the ultimate expansion rate of SMMEs. SMMEs in China are considered to be role player in the economy (Wonglimpiyarat, 2015). SMMEs in China contribute about 75% of GDP (Wonglimpiyarat, 2015). Country such as China respective relevant government departments support policies that improve the development of SMMEs by financially subsidizing them (Li & Chen, 2006; Singh, Drakpa, Yangzom, Wangchuk, Norbu, Tashi & Yangzom, 2019).

According to Nkwe (2012), SMMEs in Botswana contribute 55% of GDP. The contribution of SMMEs to economy assists with alleviating poverty, creating jobs, and generating potential businesses (Ekker, Verhoeven, Vaartjie, Niewenhuizen, & De Leeuw, 2019). However, SMMEs face challenges that hampers their survival in the market. SMMEs in Botswana experience challenges such as poor planning and lack of expertise (Mutoko, 2014).

In South Africa, SMMEs contribute about 60% towards employment and ± 58% to GDP (Kongolo, 2020). It was discovered that, in South Africa, about 90% of listed enterprises are SMMEs (Labuschagne, 2015:1). Although SMMEs contribute to the economic development of the country and create employment, they also show stagnation (Lekhanya, 2015). They fail to survive in the industry for the long term (Kamala, 2016).

SMMEs face many challenges such as a lack of marketing skills, financial support, management skills, and the use of technology (Ramukumba, 2014). Technology change is a major challenge for SMMEs because they are still lagging in terms of using modern technology such as personal computers, custom software, online purchasing products and services, and international purchasing (Yoshino & Taghizadeh-Hesary, 2016; Tukuta & Saruchera, 2015).

SMMEs start operating a business without the required capital, and they have a difficult time raising funds from financial institutions or the capital market to start and run a successful business (Irene, 2016). In 2020, the percentage of employment decreased because of the hard lockdown and pandemic that affected most businesses.

1.3   BACKGROUND TO THE STUDY

In South Africa, there is a high rate of unemployment and poverty, which affects the economic growth of the country (Maloka, 2013). The cause of unemployment in South Africa is due to inadequate education, increase in population, and failure in the SMMEs industry, and lack of experience in the workplace (Oluwajobu, Blaauw, Greyling, & Kleynhans, 2015). The slow growth rate of SMMEs is identified as the cause of unemployment (SEDA, 2016). Supporting the SMMEs can play a huge role in reducing the high rate of unemployment.

SMMEs in Sol Plaatje Local Municipality (SPLM) also experience similar challenges of lack of knowledge and skill.

The study conducted by Venditto (2003) about the SMMEs model for economic development is an empirical case for the Northern Cape province of South Africa. The aim of the study was to support SMMEs and lead them to be sustainable and profitable. In addition, it addresses different characteristics of the incubator such as the selection of enterprises entering the incubator. It identifies the SMMEs that need both financial and non-financial support. However, the study does not address the challenge of SMMEs in SPM and the causes of failure.

The Northern Cape Provincial Treasury issued policy number 34 of 2017, about unlocking the potential of the SMMEs, the policy addresses the financial and non-financial support. The financial support refers to grant or bank loan whereas the non-financial support to developing the business plan and procedures to register a company with CIPC. According to the Department of Economic Development and Tourism (2013) reports that about ±45 SMMEs in the Northern Cape were provided with support for business planning and funding applications, in the financial year 2011 and 2012. However, there are few findings concerning SMMEs and the challenges of SMMEs in SPM. The policy further provides recommendations that the analysis should be done to assess the SMMEs sector and understand the different dynamics.

The study conducted by Van der Spuy (2019) was to investigate the best business incubators in the Northern Cape and benchmark the local incubators with the international. The research findings indicated that the four incubators within the province give support to the SMMEs. In addition, the incubator benchmarked and compared to worldwide best procedure models. Furthermore, it states that the business incubator refers to the business skills, training, and the technical skills that are required by the SMMEs. The previous study conducted in Northern Cape does not address the challenges of the SMMEs and the solution to the problem. The knowledge gap was identified and there are no similar studies conducted in SPLM to assist with the challenges they faced.

The SPLM provided services to the community and sourced goods and services from local service providers. However, the local SMMEs fail to provide the required services to the municipality, and hence the study plans to examine the challenges of SMMEs in SPLM. The manufacturing companies in SPLM are operated by the big companies and, as such, it is not easy for SMMEs to compete (Chiloane-Tsoka & Boya, 2015).

It is important for the SMMEs to understand and identify the challenges they face, to advance their strategy (Chiloane-Tsoka & Boya, 2015). The success and growth of SMMEs increase the rate of employment (Honig, 2016). There are indeed many studies on the challenges of SMMEs; however, there are few results on the challenges of SMMEs in SPLM. To address these shortcomings, this study will investigate the challenges and collect data from different sectors of SMMEs. This study focuses only on Sol Plaatje Municipality. In the practical manner it is important for the SMMEs to be giving enough information on how to conduct their business and support from government intervention. This can assist sustain the SMMEs and allows the growth of the business.

Figure 1 indicates the total population of 65% of Sol Plaatje in the Francis Baard District.
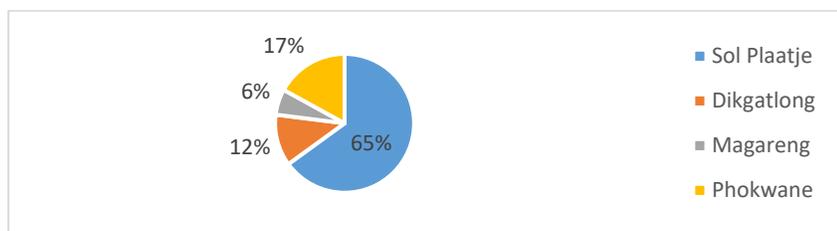
(Source: Own compilation)

Total population (Frances Baard District Municipality, 2017/18) Source: Frances Baard District Municipality Integrated Development Plan (2016:21).

1.4 PROBLEM STATEMENT

SMMEs are the biggest contributors to local economic development and are considered a solution to socio economic problems. SMMEs create jobs for the community and contribute to economic growth (Urban & Naidoo, 2012). However, small businesses seem to endure for a shorter period of time in business and there is no sustainability for the long term. SMMEs close their business after one to two years of operational life (Fatoki, 2014).

The South African government acknowledges the importance of SMMEs and focuses on empowering them to reduce unemployment (Lekhanya, 2015). The National and Provincial Treasury encourage the municipality to purchase at least 60% of goods and services from local SMMEs in the vicinity of the Sol Plaatje area (IDP, 2019/2020). The municipality submits the performance report to the Treasury quarterly to ensure compliance with 60% local procurement (KPI). However, the growth rate of SMMEs in SPM is at a lower level, and SMMEs are still facing the challenges of failure.

There are no guidelines to address the challenges that SMMEs face, which can assist to increase the growth of the business and the economy of the SPLM in the Northern Cape Province. There are many reasons why SMMEs do not grow but fails such as the non-existence and experience operating the business, poor management of finances, no capital to start the business, competition with big companies, and crime in their workspace (Lekhanya, 2015). SMMEs face many challenges in SPLM (Park & Province, 2015). The previous study conducted in SPM does not address the challenges of SMMEs. The study conducted by Venditto (2003) focuses on the SMMEs model for economic development in the Northern Cape.

SMMEs in SPLM must be listed on the Central Supplier Database for Government (CSD) also the municipality database to do business with the municipality. However, they do get a request for quotation (RFQ) from the municipality because their prices are not market related; the reason is they want to make a profit.

As for the tender value above R200 000, municipality advertised on the local newspaper and municipal website, SMMEs get an opportunity to apply for tenders but get disqualified during the bid evaluation process, due to non-compliance such tax matters and incomplete tender documents. The study aims to investigate the challenges of SMMEs that contribute to their failure in SPLM and to search for solutions for SMMEs to achieve their objective.

1.5 RESEARCH OBJECTIVES

The research objectives are allocated as follows, the primary research objective section (1.5.1) and the secondary research objective section (1.5.2).

1.5.1 Primary research objective

The primary objective of the study is to investigate the challenges facing SMMEs in the Sol Plaatje Local Municipality.

1.5.2 Secondary research objective

Based on the primary objective above, the secondary objectives are formulated as follows.

- To determine factors that hinder the growth of SMMEs in the SPLM.
- To formulate possible solutions for SMMEs' challenges of SMMEs in the SPLM.
- To determine which government intervention programs are available to SMMEs.

1.6 RESEARCH QUESTIONS

The research questions of this study are addressed as follows:
- What are the factors that hinder the growth of SMMEs in the SPLM?
- What are the possible solutions to the challenges affecting SMMEs in the SPLM?
- What are the intervention programs offered to SMMEs by the government and the municipality?

1.7 SIGNIFICANCE OF THE STUDY

The purpose of the study is to investigate the challenges facing SMMEs in the SPLM. The researcher wants to understand the factors that hamper the growth of SMMEs and ultimately lead to their failure. The intention of the study is to recommend possible solutions to the challenges and with the finding, the researcher will establish the recommendations that will assist SMMEs in the future. The results of the study will assist the SMMEs to understand their challenges. The study will assist the municipality in developing the guidelines that govern SMMEs. The finding of the study will encourage the municipality to empower SMMEs through training programs hence the SMMEs are not knowledgeable in terms of business and how the market industry operates (Rambe & Mosweunyane, 2017).

1.8 LIMITATION OF THE STUDY

The study is limited to SMMEs that are registered Sol Plaatje Municipality. This study excludes non- registered SMMEs. Non- registered SMMEs are not listed with Companies, Intellectual Property Commission (CIPC), and the SPLM database for SMMEs. The study will also exclude SMMEs that are unwilling to participate.

1.9 DELIMITATIONS OF THE STUDY

The researcher requested participants consent to partake in the researcher study, however some of the participants were unwilling to attend the interview sessions due to fear that their confidential information might be disclosed. Although it was included in the consent form that their information will be treated with confidentiality. Some of the participants showed no interest at all to participate. Researcher has to send other consent to meet the number required for participants. The study did not reach all areas within the Sol Plaatje Municipality due to time and funding constraints. To ensure sufficient time to conduct the study, the researcher, have to utilise her study leave and also took addition days on annual leave.

1.10 ASSUMPTIONS OF THE STUDY

Assumptions are statements that are taken for granted or are considered true, even though they have not been scientifically tested (Patidar, 2013). These statements are accepted as being true, based on logic or reasons, but without proof or verification.

Assumptions are sometimes things that the study would not control and once they disappear, the study becomes irrelevant (Simon, 2011). This study assumed that SMMEs would continue to contribute to economic development as many scholars (Sobrinho, 2016; Urban & Naidoo, 2012) have cited this assumption.

1.11 RESEARCH METHODOLOGY

A research methodology is an approach used by researchers to resolve the research problem, reach a conclusion, and address the aims. Research methods are used by researchers to collect data when conducting research (Van Zyl, 2014).

1.11.1 RESEARCH DESIGN AND RESEARCH PARADIGM

Research design can be defined as a strategic plan that gives the researcher guidance on how to undertake the research problem, which provide a solution to the research (Creswell 2014). Research design is the method that assist the researcher in finding the participant and collecting data, to tackle the challenges (McMillan & Schumacher, 2014). The research design consists of techniques chosen by the researcher to gather information needed to solve the research problem (Salkind, 2012). Creswell (2014) indicates the three research approaches, namely qualitative, quantitative, and mixed methods research. In this study the qualitative approach used to get in-depth information on the challenges that affect the growth of SMMEs in SPLM and to gain an understanding of the reasons for the failure.

1.11.2 POPULATION AND SAMPLING

The population can be defined as a group of participants living in the same area (Van Zyl, 2014). Population in research terminology can be explained as a broad set of human being, organizations, or objects, which have collective characteristics that have interest of a researcher (Bhandari, 2020). According to Salkind (2014), a population is defined as a set of people with common characteristics. The population of this study is the total number of SMMEs businesses listed in the SPLM database, which is approximately 4850 (Sol Plaatje Municipal Supply Chain Policy, 2020).

1.11.3 SAMPLING

A sample can be identified as a specific set from which the researcher can collect data (Van Zyl, 2014). According to Acharya, Prakash, Saxena and Nigam (2013), the sample is defined as part of the population but not the entire population. There are two types of sampling methods, probability, and non-probability. Probability includes random selection and allows the researcher to decide on the population (Etikan & Bala, 2017). Non-probability includes the non-random selection and makes it easy for the researcher to collect data (Van Zyl, 2014).

Probability sampling entails of the simple random, stratified, cluster, and systematic sampling, whereas non-probability comprises of the following, convenience, sequential, quota, judgmental, and snowball sampling (Bhandari, 2020).

In this study, the sampling technique used is a non-probability sampling method for qualitative research. Non-probability offers different techniques to take the best sample based on subjective finding. The purpose of non-probability sampling techniques is to lower the cost and workload (Salkind, 2014). Quota sampling is used for mostly in research such as market research (Bryman, 2014).

Quota sampling is non-probability sampling method in which the present population is in small different groups (Bachman & Schutt, 2013). Quota sampling permits the researcher to categorize the participants into different groups. The participants were grouped into different

sectors such electrical, construction and supply and delivery. Therefore, the quota sampling technique was suitable for this study. The study is exploratory, qualitative in nature and requires in-depth information (Salkind, 2014; Ladzani, 2014). The sample size of the study is 15 participants selected to investigate the challenges of failure of SMMEs in SPLM. Acharya et al. (2013) state in qualitative studies, the sample size can be between 12 to 30 participants.

1.11.4 DATA COLLECTION

Alshengeeti (2014) highlights that the method of collecting data through the interview gives the researcher a clear answer and the participants can express their thoughts. Data were collected through the semi–structured interview to get a well knowledge and examine the experience of the participants. The interview was conducted face to face between the researcher and the SMMEs owners, and all Covid 19 regulations were followed. The interviews were recorded using an audio recording. The interviews allow the researcher to gather information regarding the challenges and how to assist SMMEs regarding the future development and growth.

1.11.5 DATA ANALYSIS

Data analysis can be described as the method of decreasing number of information collected to a convenient data size (Cooper & Schindler, 2013). Data analysis depends on the purpose of the research and whether the researcher wants to introduce a new topic or an existing topic (Jamieson, 2016). Data analysis consists of the following approaches, content analysis that includes counting, and is called a deductive approach (Smith & Firth, 2015). This means that the researcher has an idea of what is needed in the data.

Thematic analysis is used to gain insight into the study (Jamieson, 2016). It is regarded as inductive meaning, the evidence should come from the data collected, and it can be used both as deductive and inductive (Smith & Firth, 2015). Grounded theory is the research method used by the researcher to gather and examine data to obtain the root cause of the challenges; however, the process is considered being difficult and time-consuming (Jamieson, 2016). In this study, the thematic analysis approach was used to analyse

qualitative data to get a clear understanding of the challenges of SMMEs. Thematic analysis was used to read all data, summarise it and identify the similarities in the data and grouping data. Keywords were captured according to the similarities in the spreadsheet.

1.11.6 TRUSTWORTHINESS

Trustworthiness will be measured with the following criteria: Validity, Confirmability, Transferability, Dependability, and credibility.

Conformability is the process to check whether the researcher is fair during the research process (Wood, 2014). For this research, to confirm conformability, researcher collected data and there will audit trail of all information required to ensure that there is no favouritism, and the researcher is not biased (Unisa, 2013).

Transferability refers to the results of qualitative research that can be transferred to other settings (Wood, 2014). To ensure transferability, the researcher will provide research findings such as time taken for collecting data, date of data collection, number of populations, and place of interviews. (Code, 2017).

Dependability refers to the reliability of the research finding (Code, 2017). In this study, the researcher will follow all research procedures and requested another person to perform an audit assessment to ensure consistency. The researcher will ensure that the research findings are not repeated.

Credibility means that research should be believable and appropriate. The researcher will have an agreement between the researcher and the participants. Credibility shows the quality of work, it also checks the accuracy of the research; in this research study, researcher will make sure that the research is accurate by gathering data from different sources such as interviews with different owners, customers, and community (Unisa, 2013). The researcher will investigate and compares with the previous study on the same topic to make sure there is accuracy between the current information obtained. The notes take during the interviews were recorded.

1.11.7 ETHICAL CONSIDERATION

Research has to be conducted in a way that the study or questions are not displayed to any discomfort to the participants and loss of privacy (Cooper & Schindler, 2011). According to the Unisa research ethics policy, the student must obtain an ethical clearance before conducting the research or before collecting data (Unisa, 2018). Ethical guidelines and procedures will be followed when collecting data from 20 SMMEs (Van Zyl, 2014). The data collected shall be used for this research purpose. Researcher will ask participants consent to participate in the research interviews and set interview appointments. Inform participants about the intention of the research and the objectives to be achieved in conducting research (Ndege, 2015). Explain how research will assist or benefit SMMEs in the future.

The researcher will explain ethical considerations and ensure the participants' confidentiality (Caroline Chidinma & Peter, 2016). The researcher will ask the participants to complete a consent form, make sure the participants sign it, and write a date. Ensure that informed consent forms are written in a language understood by participants. Ensure that consent forms are taken in the presence of the witness, verified and signed (Unisa, 2013). The researcher will ensure that the team does not mention names or disclose personal information on the research study such as identity numbers, business addresses, and contact details (UNISA, 2013).

1.12 DEFINITION OF THE KEY CONCEPTS

The below information are the definitions of the key concepts used in this study:

1.12.1 SMMEs

The abbreviations SMMEs are used several times in the study and their different definition of both words. The abbreviation SME is used mostly in other countries such as Botswana and China, whereas in South Africa they are called SMMEs (Seseni & Mbohwa, 2017). The SMMEs abbreviation stands for small, micro enterprises, normally classified as informal

businesses and is which is owed by one director, and the SMMEs stand for small, micro, and medium enterprise (Radipere, 2012). The South African National Small Business Act No. 102 of 1996 outlines SMMEs in different categories such as a commodity, type of business, number of employees, and annual turnover.

1.12.2 Survivalist Enterprise

This category of business generates minimum income and is considered not create employment. It is managed by one owner and operates as the family business. Its categorists as part of micro enterprise and the owner depends on the income in order to provide for the family. This category consists of street vendors, hawkers and carwash. In most instances the owner of the survivalist are individuals who are unemployed and who can find employment in the economic sector (Bhorat, Asmal, Lilenstein & Van der Zee, 2018). There are five classifications of SMMEs, namely survivalist, Micro, very small, small, and medium enterprises.

1.12.3 Micro Enterprise

In this category, the company annual turnover does not exceed one hundred fifty thousand (R150 000), they are not below requirements for value-added tax (VAT). Micro-enterprise is considered as a very small business and consist of one owner and less than five employees. The micro enterprise includes spaza stores, catering companies, and general trade businesses (Seda, 2017).

1.12.4 Very small and small Enterprise

Very Small Business: In this category, the enterprise is considered as formal registered business, and it operates in an office environment with access to technology. It consists of six to a maximum of 20. (National Enterprise Amendment Act, 2003 (Act No. 26 of 2003). It operates in different industry sectors such as construction and manufacturing and contributes

to job creation. According to revised *National Small Business Amendment Act 29 of (2004) very small enterprise does not exist; it is classified the micro enterprise.*

Small businesses are considered an established enterprise and are in the nature of business practice. Its owners by one or two owners in the partnership. It consists of diverse industries more than very small enterprise such as warehousing, construction, and manufacturing. It consists of more than five to a maximum of 50 employees. This sector contributes to employment and poverty alleviation (Seda, 2017).

1.12.5 Medium enterprise

Medium Business is a well-established and formal registered company. It follows under the category of VAT registered company. Medium have a business structure and it is owed by different Directors and shareholders. The number of employees ranges from 51 to 200 with different sectors such as construction, electricity, mining, and manufacturing. The medium enterprise employs individuals for different sectors in the industry for a permanent and part time basis (Seseni & Mbohwa, 2017:881).

1.13 ORGANISATION OF DISSERTATION

Chapter 1: Introduction and Background

Focuses on the introduction and background of the study, problem statement and research questions and objective.

Chapter 2: Literature review

Focuses on reviewing the variables/ factors contributing to the SMMEs business failure.

Chapter 3: Research design and methodology

Describes the research design, methodology, and research processes that will be followed and will be explained in detail.

Chapter 4: Discussions of the research results

The interpretation of the results and responses of participants will be discussed and linked on literature.

Chapter 5: Conclusions and recommendations

The research findings and conclusions reached will be reported in this chapter. The limitations of the study and the recommendations reached will form part of chapter.

1.14 CHAPTER SUMMARY

This Chapter provides details on the overview, the background, the problem statement and purpose of the study, the primary, secondary research objectives, and the research question. Furthermore, it addresses the methodology including, research design, population, sampling, and data collection. It also provides details on the significance of the study, the delimitations, limitations of the study, and assumptions of the study. It also highlights ethical considerations and key concepts. Chapter 2 will discuss the literature review and the challenges that hinder SMMEs.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

This chapter consists of literature review to give guidance on the nature of the SMMEs and the role of the SMMEs within the Sol Plaatje Local Municipality (SPLM) area. The nature of SMMEs compared to other countries is discussed in 2.2. Section 2.3 discusses how SMMEs are defined globally and in South Africa. Table number 2 explains the classifications of SMMEs. Section 2.4 further discusses the challenges of SMMEs, and the section is divided into four subsections namely: Technology, crime, unemployment, and government intervention.

2.2 BACKGROUND AND NATURE OF THE SMMEs

2.2.1 SMMEs in International Perspective

SMMEs in the United States of America (USA) are the backbone and strength of the economy. SMMEs are creating more jobs, and they are paying their workers more than other businesses in the private sector. The structure of SMMEs in the United States (US) consists of one or more directors or the owner (United States International Trade Commission, 2010). The focus of SME in US is on the growth of business as well as the financial expansion. In the business environment, they focus on empowerment and development to increase their financial position (American Express, 2017). In the US the SME sector is consider as the driver of the economy and job creation (Calcagnini & Favaretto, 2011). The abbreviation SME is used in the European Union (EU) and in international countries such as the United Nations and Africa.

In China, SMMEs are affected by the following challenges: human and managerial resources, research and development, innovation, regulatory environment, and lack of market information (Tashi & Yangzom, 2019). In India, SMMEs are distinguished according to the annual turnover, although in Egypt SMMEs are defined as according to revenue generated by the business in one period of a year (Yoshino & Taghizadeh-Hesary, 2016). SMMEs in Brazil are defined and

classified according to different sectors such as industrial and commercial, while in SA, SMMEs are classified as per number of permanent employees, annual turnover, and total assets.

It is discovered with the finding mentioned above that the SMMEs in the developed countries as South Africa are relatively performing well. It is important for the country to invest more on growth of the SMMEs to initiate jobs and economic development. It is a great achievement to discover that the SMMEs in the US pay their workers better salaries than other countries. Although SMMEs challenges differ from one country to another, it is important to support small businesses.

2.2.2 SMMEs in Africa

SMMEs in Kenya are expected to produce about 70% in the manufacturing sector, however it shows that the percentage has decreases from 5.6% in the year 2013 to 3 % in 2014 (Rok, 2015). The study conducted by Tarus and Ng'ang'a (2013) discovered that SMMEs in Kenya are experiencing many challenges of low performance in the manufacturing industry and declining trend in innovative activities. SMMEs in Kenya are expected to generate 80% of new jobs in the economy (Christian & Alexander, 2013). SMMEs performance in Kenya is measured in job creation (Ker-Lindsay, 2012). In Kenya SMMEs contribute about 18% to the GDP (Ndalira, 2013).

Kayanula and Quartey (2000), state that SMMEs in Malawi and Ghana are experiencing the lack of financial support to operate the business, as major problem. In addition, it found that the SMMEs in Malawi lack business management skills (Ramokolo & Smallwood, 2008). Furthermore, SMMEs also experience the challenges in terms of the information technology skills and the technology it becomes the barrier to the SMMEs (Adejimi, 2009). It is the researcher's observation that lack of finance to SMMEs affects business performance and creates delays in the business process. Hence it is important for SMMEs to get support from different government intervention. It is discovered that SMMEs lack in terms of the management skills, for the business to be successful it needs a strong management leadership to tackle the technical challenges (Ramukumba 2014).

In Tanzania, SMMEs are progressing slowly in terms of industrial goods matched to countries like Kenya, Uganda, Tanzania, Rwanda and Burundi (East African Community, 2010). The insufficient financial management, capital support and business skills are the challenges SMMEs in Tanzania are confronted with (Kikwasi & Escalante, 2018). In addition, the infrastructure relating to construction is the challenge that hampers the growth of SMMEs in Tanzania. It is also discovered that the construction related projects in Tanzania are awarded to foreign contractors (Oxford Business Review, 2019). However, the SMMEs in Tanzania have to enter it competition with the contractors from other foreign countries. However, it is the views of the researcher that it is unfair for the SMMEs to compete with the big contractors in the market. It is important for the government departments or the municipality to appoint and award the construction projects to the local company. To keep the money within the province or country to improve the state of the economy.

2.2.3 SMMEs in South Africa

In South Africa, small businesses are considered important and the job creator for the community (Fatoki, 2014). According to Chimucheka and Mandipaka (2015), SMMEs are important contributors for job creation and reduce poverty. SMMEs represent more than 50% of employment worldwide. SMMEs are independently owned businesses that require less capital and fewer workers. SMMEs operate on a small scale and aim to serve a local community (Muriithi, 2017). However, they continue to experience challenges that hamper their business growth (Moss, 2014). The failure of the SMMEs affects the economic growth and the sustainability of the SMMEs which is the reason why the government needs to promote SMMEs through training programs (Chimucheka & Mandipaka, 2015).

The study conducted by Hadebe (2012), about the impact of wage-setting about survival of SMME in South Africa. The purpose of the study was to explore the effect of the labour market on the creation of long-term survival of SMMEs. Moreover, the study focuses on the effects of insight the legislative frameworks on SMMEs. The study followed a qualitative case study approach and was exploratory in nature. The selection cases of the study were done on

theoretical grounds. The researcher used the case study to get an understanding of the challenges of the SMMEs relating to the legislative. In the study, the researcher used a multiple case study, reason being it does not depend on a single critical case (Creswell 1998). Data was obtained from the six different resources namely: documentation, archival records, interviews, direct observation, participant observation and physical artefacts. Analytic strategy was used to analyse data and the first approach relies on theoretical propositions of the study. The second technique was used to develop a case description.

The findings from these surveys identified as the following:

- SMMEs are experiencing non-existence of finance support.
- SMMEs non-existence skills and need training.
- Poor infrastructure and basic needs such as water and electricity.

The study conducted by Chiromo (2018) about the role of locally SMMEs in Rustenburg. The study was examining the role of SMMEs in Rustenburg with the intention to determining whether SMMEs contribute to economic development. The descriptive research design was used to assist the researcher to further investigate the role of the SMMEs in the economy of Rustenburg. The study followed a quantitative approach and data was obtain through the questionnaire. Data was analysed by the statistician using descriptive and inferential statistics. The findings discovered that SMMEs play an important role in the economic development of Rustenburg. SMMEs also play a role in the job creation and poverty alleviation in Rustenburg. Studies further discover that the SMMEs complete an important role in the development of the mining industry in Rustenburg.

The other research study conducted by Mashiyi (2018) about the financial limitations of SMMEs from Fezile Dabi District Municipality in the Free State Province. The study analyses the different existing literature to obtain a depth understanding of what? Please clarify this. The researcher used existing data to examine research questions of the study. The researcher used the SMMEs that are listed in the Fezile Dabi District Municipality.

The findings of the study were as follows:

- It found that SMMEs are still struggling with the access to the funding, and the SMMEs do not meet the criteria to be financed.
- Location of the SMMEs disadvantage the changes of SMMEs to obtain financial assistance.
- Lastly, the number of years in operation also contribute to access for finance, SMMEs with less than 5 years in business are highly risky.

The findings indicate the lack of access to the funding that means without the financial support it is difficult for small businesses to operate. SMMEs need financial support to be sustainable. With the study conducted by Mashiyi (2018), the results reveal that it is important for the funders to review the requirements criteria for funding.

The study of Mbonyane and Ladzani (2011), Factors that hinder the growth of small businesses in South African townships. The study was qualitative, exploratory, and descriptive. The data was gathered through semi-structured interviews. The findings of the study discover that there is slow progress on the growth of the SMMEs in the South African Townships. Indicating the other stumble for the growth of SMMEs are lack of knowledge and funding. In my own view it shows that the main challenges of the SMMEs in the country is the funding. Hence it is crucial for the government to support SMMEs.

2.3 DEFINITION OF SMMEs

The definitions of SMMEs differ from one country to the other, and there is no standard meaning of SMMEs (Berisha & Pula, 2015). Other states such as Nigeria, China, and Botswana, they use the abbreviation SMMEs (Seseni & Mbohwa, 2017). In SA, defined as Small, Micro, Medium, and Enterprise (SMMEs). According to Ngcobo and Sukdeo (2015), SMMEs differ from scholars and different nations around the world, and they are classified as formal or informal depending on the magnitude of the enterprise. SMMEs can also be described based on the economic status, as well as company turnover (Muriithi, 2017).

In South Africa, SMMEs are considered formally registered businesses and informal companies. SMMEs differ according to the total of staff, their annual report income, the type of company (SEDA, 2016). The study is based on registered SMMEs in Sol Plaatje Local Municipality.

The National Small Enterprises Act, 2004 (NSEA) outlines the definition of SMMEs as per below Table 2 below, the annual turnover differs in terms of the business sectors.

Table 1: SMMEs categories

No#	Size	Employees	Annual turn over
1	Micro	Less than 5 including owner	Less than 150 000
2	Small	Less than 11-50	Less than 1 million
3	Medium	Less than 100	Less than 2 million

Source: National Small Business Amendment Act 29 of 2004

The number of employees and annual turnover differs according to the industry and the sector of the economy, such as construction, mining, manufacturing, retail, transportation, catering, and electricity.

2.4 CHALLENGES OF SMMEs

SMMEs are experiencing different challenges, which hamper their long-term growth in the business. It was found that the SMMEs survived in the business for 2 to 3 years and the business closes (Arena & Sibindi, 2014). SMMEs in other countries such as Nigeria experience the challenge of competition between small companies and well-developed businesses (Marunda & Marunda, 2014). SMMEs in SA experiencing the challenges of no marketing strategy, finance, also poor market research (Phokwane, 2020). In SPLM, the main challenge is the use of technology and funding. However, for SMMEs to survive in the business industry, they need to be familiar with the new technology and adapt to its use of technology. Technology plays a focal role in a communication and information sharing (Hadiyati, 2015). This section provides a discussion on challenges faced by SMMEs.

2.4.1 Technology

SMMEs face challenges that hamper adoption of emerging technology, although they need the Internet and technology to communicate. SMMEs need technology to conduct everyday business activities (Dahnil, Marzuki, Langgat & Fabeil, 2014: 119). The lack of skills to access technology is one major problem for SMMEs. All communications from the municipality to the community take place via emails, social media, and virtual meetings due to Covid19 regulations. The challenge is that some of the SMMEs do not check their emails or the municipal website daily. Municipality advertised the tenders on their website, not on the billboards anymore, most local suppliers do not check the municipal website and they missed the opportunity to participate on the tender. However, SMMEs from other provinces such as Gauteng and the Free State are more familiar with technology and take the opportunity, which was supposed to benefit local businesses (SEDA, 2016).

2.4.2 Crime

Crime is the main problem that affects the entire country, and it is a big concern for SMMEs. Therefore, SMMEs should upgrade the security system to protect their products, which becomes the monthly expenditure that causes expenses to increase (Mbonyane & Ladzani, 2011).

The high crime rate affects the growth and location of the business. SMMEs owners in SPLM complain about a high rate of crime such as break-ins, into their business premises, whereby criminals steal the product or stock (Ntlamelle, 2015). Crime affects SMMEs in two different ways, firstly, by employees stealing a product or stock and unrecorded transactions made by the employees. Secondly, the break-ins because of a lack of security (Charman, Petersen & Piper, 2012). SMMEs in SPLM operate their business in the backrooms; although there is a SMMEs village in SPLM, some small businesses cannot afford the monthly rental. SMMEs that run their business from home are exposed to a low risk of burglary. However, they struggle to find the area of business area that is appropriate for the nature of the business.

2.4.3 Unemployment

The International Labour Organization (ILO) (2014), indicates that unemployment affects all other countries, including the well-developed countries such as France and Italy. In 2020, unemployment rate in SA was 28% and 2022 it escalated to 34% after the country was affected by the covid19 pandemic (Stats, 2022). SMMEs create approximately 60% of employment (SEDA, 2016). SMMEs are considered as a resolution to high unemployment, and they play an important role in employing youth (Amra, Hlatswayo & Mcmillan, 2013).

Mncayi (2016) defines unemployment relating it to people who are not working but looking for a job and are available to resume work. Amra et al. (2013) describe unemployment as people who have never been in an employment environment for the past seven days but are available for work and seeking a job. Most of youth in South Africa are employed by SMMEs. SMMEs close youth unemployment in the country by employing low-skilled and semi-skilled workers on a contract basis (Stats, 2016).

2.4.4 Lack of access to markets

The other challenge of the SMMEs is the access to markets. Access to the markets hampers the growth and the existence of the SMMEs. The survival of the SMMEs is dependent on markets to generate a profit (Ladzani & Netswera, 2009). However, SMMEs in SPLM are experiencing the same challenge of access to the market. The market is important for the growing and sustainability of the SMMEs. The access to the market can help SMMEs to reduce unemployment and poverty. Friedrich (2016) states that 37% of SMMEs survive in the market for a period of four year. Whereas about 9 percent of SMMEs only last for 10 years or lesser.

2.4.5 Lack of management skills and training

The lack of management skills in the business affects the functioning and operation of the business. In addition, it affects the budget and the profit of the business. Lack of management skills and skills contribute to the failure of SMMEs (Ramasimu, Ramasimu & Nenzhelele, 2023; Zeleke, 2013). It is advisable for the SMMEs owners to have managerial skills to operate the business (Bola & Richard, 2012). It is also advisable for the SMMEs to obtain training and employ individuals with business skills (Aghim, 2013). SMMEs with business skills, qualifications, and knowledge focus on the continuing of the business to set objective, while SMMEs with no managerial skills focus on the short term of the business (Southiseng & Walsh, 2010). It was found that SMMEs with business skills, their business are performing well and generating profit (Al-Dairi, McQuaid & Adams, 2012)

2.4.6 Financial resources and support

The limited financial supports hamper the continuity of the SMMEs and operate in the market (Cruz-Cunha & Varajao, 2011; Leboea, 2017). SMMEs need financial support to start the business and sustain the growth of the business (Chimucheka, 2013). The SA regime has introduced subside programmes to assist for all SMMEs around the country. However, some SMMEs in South Africa are informed of funding opportunities, but they are ignorant and do not use the opportunity to obtain funding (Walt, 2013). The government intervention is discussed briefly in Section 2.5.

2.4.7 Poor Infrastructure

Infrastructure is one of the aspects that determines the expansion and development of SMMEs. Adigwe (2012) states that the following infrastructure: power, water, roads, and transportation are considered basic needs for SMMEs to function properly. The government mandate to maintain the infrastructure facilities. The SMMEs are facing poor infrastructure that hampers the growth of their business (Osoba, 2003). The poor condition of infrastructure contributes to

the failure of SMMEs, the government is responsible for maintenance of the infrastructure facilities. The SMMEs are facing with the poor infrastructure that hampers the growth of their business (Ramasimu *et al*, 2023; Osoba, 2003). The poor condition of infrastructure contributes to the failure of SMMEs (Bitrus & Ahmed, 2014). The roads are not in good condition, and they need an urgent intervention from the government.

2.5 GOVERNMENT INTERVENTION AND SOLUTION TO ASSIST SMMEs

In Botswana, the government and other institutions assist SMMEs in obtaining funding. In Nigeria, the government and other relevant stakeholders help SMMEs by creating an enabling business environment and providing financial assistance (Nkwe, 2012).

South Africa, regime aims to capitalise in the SMMEs sector by providing funding, loans, and training (Ndege, 2015). SMMEs did not qualify to get a loan from commercial banks because they cannot pay monthly payments and the banks require security to grant a loan (Rambe & Mosweunyane, 2017). The government needs to provide financial management training for SMMEs, the reason being that they cannot handle finances (Ramadani et al., 2015). However, SMMEs owners think that government departments and municipalities do not fully support their business, in the form of business forums, government programs, and educating them regarding the tendering process (Mukwarami & Tengeh, 2017).

The National Treasury encourages all government spheres to empower SMMEs by allowing SMMEs to subcontract 30% of the tender value from big companies (National Treasury, 2017). National Treasury encourages the municipality to implement PPPFA when the municipality advertises the tender, all the tender adverts must stipulate the minimum requirements of BBBEE levels such as level 1 (one), which is a 100% black-owned company, to limit competition and allow SMMEs to compete among themselves. The following are the government support provided by the Department of Trade and industry (DTI), in South Africa.

2.5.1 Small Enterprise Development Agency (SEDA)

The SA government through the DTI introduced different institution such as the Small Enterprise and Development Agency (SEDA), the National Empowerment Fund (NEF) to support SMMEs. The aim of SEDA is to develop small businesses by providing resources to sustain SMMEs (Agupusi, 2007). SEDA provides nonfinancial services to all SMMEs nationwide, such as business advisory, business planning, coaching, and technology support (DTI, 2010). SEDA also have branches in all nine provinces. The agency assists all SMMEs sectors including medium enterprises, but its main target is the micro and small enterprises (SEDA, 2017). Although the government is providing support to SMMEs, SMMEs do not show the interest in the programs. They do not attend the training session organized by SEDA.

2.5.2 The National Empowerment Fund (NEF)

The purpose of NEF is to encourage and fund black-owned businesses. NEF provides financial and non-financial services to all SMMEs. In addition, NEF provides training support to the SMMEs. The aim of NEF is to offer an excellent solution to the SMMEs in South Africa (SEDA, 2017). Although the NEF provides funding to the SMMEs, only few SMMEs get an opportunity to receive financial support.

2.5.3 National Youth Development Agency (NYDA)

The aim of NYDA is to offer SMMEs with both financial and non- financial support. The program focuses on mainly on developing young entrepreneurs who are willing to be successful companies. NYDA is working with Umsobomvu Youth Finance (UYF) and the National Youth Commission (NYC) to assist SMMEs with funding (NYDA, 2017). NYDA provides different grants to the different individuals, community development projects, and the cooperatives.

2.5.4 Small Enterprise Finance Agency (SEFA)

SEFA offers financial lending to SMMEs in the form of loans, it also provides access to finance by providing credit guarantees to SMMEs. The SEFA assist small businesses that need funding up to the value of R3 million (SEDA, 2016). It also offers finance, short- and long-term

loans, asset finance and funds working capital needs (SEDA, 2016). SEFA also provides SMMEs with the mentorship programs to manage the funds and the business. Mukwarami and Tengeh (2017) argued that the government programmees are established to support the SMMEs, however the SMMEs business performance remains same. It is recommended that SMMEs do business planning as it helps in determining the management actions to design new ways of business operation and product expansion processes (Beckett 2012).

2. 6 CHAPTER SUMMARY

Chapter 2 deliberates on the nature of the SMMEs and the explanation of SMMEs as described in different countries, including the definition of SMMEs in SA. The study focuses mainly on the definition of SMMEs in South Africa. The categories of SMMEs were explained using a table the challenges of SMMEs were discussed in detail, and lastly, the government intervention programmes were discussed. The next chapter 3   deliberate on the research methodology in details.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 INTRODUCTION

Chapter 3 presents the research methodology used in this study of the challenges of SMMEs in Sol Plaatje Local Municipality. The research design and methods were discussed in detail. The primary data and sampling techniques related to the qualitative study were outlined. Furthermore, the methods used to analyse and present data were also discussed. Ethical considerations were followed during the research study.

3.1.1 BACKGROUND OF THE RESEARCH AREA

SPLM is one of the largest municipalities in the Northern Cape Province, which located in Kimberley under Francis Baard District. SPLM is a diamond city that has diamond mines. It is also well known as the big hole and with a population of 191 194 in 2021 to date (Statistic South Africa, 2021). Most people in SPLM work at the mines. Most of the residents are dependent on government grants and others are operating small businesses such as construction services, supply and delivery of various goods and services, and supply of stationery to the different government departments and municipality (DFA, 2012).

SPLM contributes 24% of GDP to the provincial economy of the Northern Cape. The portion of SPLM is projected to R16.5 billion, and it contribute approximately 76% of the Frances Baard district to the national economy (Sol Plaatje Municipality: Integrated Development Plan – IDP, 2017 - 2020). The total population of unemployed society in Frances Baard is approximately ±36%, which includes the total number of unemployed people in Northern Cape Province (Francis Baard Profile, 2020). Francis Baard consists of four local municipalities which are Magareng with 53, 9% unemployment, followed by Phokwane with 47, 8%, Dikgatlong 44%, and Sol Plaatje with 36,2%, which is the lowest rate of unemployment (Francis Baard Profile, 2020). SPLM is the municipality of the B1 class (medium) category in the Northern Cape Province and there is a huge number of SMMEs failure in SPLM.

3.2 RESEARCH METHODOLOGY

A research methodology is a method used by researchers to resolve the research problem, reach a conclusion, and address the objectives (Neuman, 2014). Welman, Kruger, and Mitchel (2013) describe the research methodology as the procedure used to execute the research design. Moreover, Van Zyl (2014) indicates that researchers use the research method to collect data when conducting researcher.

The following are the three kinds of research methodology namely, qualitative, quantitative, and mixed methods research. Qualitative research is a method of collecting and analysing findings to know the opinion and experiences of other people (Van Zyl, 2014). Qualitative data consist of the information collected from participants through interviews and focus groups.

Quantitative research can be described as method of gathering and examining numeric data (Neuman, 2014). Quantitative data consists of data collected from surveys, online polls, and questionnaires (KamolsonSu, 2007). The mixed method can be utilised in case where the researcher decides to use both qualitative and quantitative research in a one particular study, to understand a research problem (Neuman, 2014). In this study, qualitative approaches were used to obtain detailed information about challenges that hampers the growth of the SMMEs in SPLM, furthermore, to acquire some knowledge for the failure. The study adopted inductive Thematic approach, as it allows the researcher to determine the theme from the data. It involves identifying and coding emergent themes within the data.

3.3 RESEARCH AIMS

The intention of the study is to explore and examine the reasons for failure of SMMEs in SPLM. The study intends to obtain a deeper understanding about the challenges further provides solutions that can assist in the future. Exploratory research was used to have a clear knowledge for the current challenges. The outcomes of the study will be used to help existing and new coming SMMEs in how to conduct their business for sustainability.

3.4 RESEARCH PARADIGM

A research paradigm can be defined as the set of ideas that are shared on how the problem should be addressed (Denzin & Lincoln, 2017). A research paradigm is a method that gives a researcher guidance on how to conduct the study (Bhattacherjee, 2012). The research paradigms are divided as follows: ontological, epistemological, and methodological beliefs (Babbie, 2013). The research study will follow epistemology, reason been it assist in giving the understanding for purpose of the qualitative study. It influences on how researchers structure the research to obtain the knowledge of the study. It explores the understanding, and the researcher can gain knowledge through the experience.

Ontology refers to how an individual explains the nature of reality and responds to the questions in truth (Maree, 2016). Ontology imposes the question of the reality of nature. Ontology is regarded as subjectivism and objectivism. Epistemological refers to what can be considered accurate truth and facts (Salkind, 2012). The methodology consists of the describing the findings of ontological and epistemological assumptions (Maree, 2016).

3.4.1 THE POSITIVIST RESEARCH PARADIGM

Positivist means that a person can obtain behavioural knowledge from observation. Knowledge of the researcher is measured through output (Bhattacherjee, 2012). The positivist is real when measured during the observation, and positivist theory should be based on the concept of the study (Taylor & Medina 2013). The Positivist paradigm focuses on data gathered and the researcher should be objective when interpreting data. The Positivist relates to quantitative study (Neuman, 2011).

3.4.2 THE INTERPRETIVIST RESEARCH PARADIGM

The interpretive paradigm explains that reality is complex and can have a different interpretation. Interpretivism relates to epistemologies about getting knowledge of the world (Aliyu, Bello, Kasim & Martin 2014). It is subjective and focuses on human feelings and actions.

It is based on an assumption, is not objective and is formed by human experiences (Babbie, 2013). Interpretivism relates to qualitative study when applying unstructured interviews to get an understanding of the phenomena under study. The interpretive researcher aims to provide an interpretation of how many people gain knowledge of social reality. The interpretive approach will be used, and the participants were interviewed to get different opinions about the challenges of SMMEs.

3.4.3 THE CRITICAL REALISM RESEARCH PARADIGM

Critical realism differentiates the concept of actual and observation. It consists of a scientific approach to understanding. Provides the results based on the independence of the participants. Critical is similar to interpretivism, it is subjective, and it can be used for positivist and interpretivism (Aliyu *et al*., 2014).

3.5 RESEARCH APPROACH

The research approach is divided into quantitative and qualitative as outlined below.

3.5.1 QUANTITATIVE RESEARCH APPROACH

Quantitative research is a process of gathering and examining numeric data (Neuman, 2014). Quantitative data consist of the data collected from surveys, online surveys, and questionnaires (Salkind, 2012). In quantitative research, the researcher investigates theory collected from data (Laura & James, 2014). Quantitative research like qualitative research pursues to detect new insight by focusing on surveys and questionnaires from the participants (Bryman, 2012).

Quantitative research investigates the connection between variables such as age, gender, and race (Saunders, Lewis, & Thornhill, 2012). Quantitative method is objective and easy to

interpret the results from the participants, while the qualitative method is subjective (Boswell & Cannon, 2017).

3.5.1.1 Advantages of Quantitative Techniques

- o In the quantitative approach, the process of collecting data through a survey is cost-effective.
- o Conducting a quantitative approach is not time consuming, is effective.
- o The quantitative approach is suitable for a broader study.
- o It can be used for non-experimental purposes to obtain the reality of the study.
- o Quantitative use numerical and systems can be used (Queirós, Faria & Almeida, 2017).

3.5.1.2 Disadvantages

- o The process of quantitative requires time, and it is costly.
- o Data are collected from large sampling of participants using qualitative.
- o The researcher relies on the information and answers collected from survey or questioners, unlike the qualitative, which conduct face-to-face interviews.
- o The approach may have weaknesses regarding the validity of the data (Bryman, 2012).

3.5.2 QUALITATIVE RESEARCH APPROACH

Qualitative research is the method of collecting and analysing findings to know the opinion and experiences of other people (Van Zyl, 2014). Qualitative data consists of the information collected from participants during interviews and focus groups. Qualitative research aims to discover the new empirical study and consists of words, feelings, and expressions of the participants. Qualitative research is used to study social and cultural behaviour in society, and it is based on the thoughts and perceptions of the participants (Salkind, 2012). In qualitative research allows the researcher to gather information from the limited number of individuals, while related to quantitative research, data is collected from a larger group of

participants (Saldana, 2016). The qualitative method is appropriate for this study for the reason that the approach helps the researcher obtain detailed understanding of the challenges that affect the growth of SMMEs in SPLM and gain reasons for the failure. The researcher obtained this understanding through the experiences and perceptions of the participants (Clur, 2015). A qualitative approach permits the SMMEs to express their understandings of the course of failure and the challenge. Therefore, interviews were used, as methods of the research collecting data (Saldana, 2016).

3.5.2.1 Advantages of Qualitative Analysis

o   The qualitative aims to conduct an in-depth thoughtful of the challenges.
o   Qualitative research is effective, suitable, and interviews questions are subject to changes.
o   The research conducts the interviews to collected data from the participants rather than rely on the written answers from the surveys or questionnaires.
o   In qualitative data is collected limited number of individuals
o   Data collected from the interviews depend on the experiences and opinions (Salkind, 2012; Bryman, 2012).

3.5.2.2 Disadvantages of qualitative analysis

o   The researcher may be subjective when analysing data.
o   It is not easy to establish trustworthiness.
o   The researcher in the interviews can influence the responses from the participants.
o   The sample is very small, and participants might decline to participate during the interviews.
o   The interview process is time consuming (Salkind, 2012).

3.5.3 MIXED-METHODS RESEARCH APPROACH

Mixed method research is when the researcher decides to use both qualitative and quantitative research in a single study, to understand a research problem (Neuman 2014).

Multiple methods research projects consist of both two combinations of data collection and analysis. Saunders et al., (2012) describe the two types of mixed methods as follows:

o Mixed Method Research is when the researcher collects data for both approaches, but the data is analysed differently in qualitative and quantitative ways.
o The Mixed-Model is when the researcher combines data collected from qualitative and qualitative and analyse it together.

3.6 CASE STUDY

Case study is the research method that can be used to collect data (Yin, 2009). Case study research methods allows to explore deeply and ask penetrating questions relating to study (Bryman & Bell, 2015).

The researcher uses this method to obtain a deep knowledge regarding the problem. It gives the researcher knowledge and understanding about context of the study (Bryman & Bell, 2015). It also assists to avoid being biased and helps to analyse and identifying the problem Yin (2014). In this study, the researcher is seeking to obtain the challenges that hamper the growth of SMMEs in SPLM. According to Flick (2010), this method is compatible with utilisation in qualitative research, the researcher to get a good insight into the matter and capture the feelings and experiences of participants in the study (Yin, 2014). Case study research gathers data from the interview between the researcher and the participants. The importance part about the case, it gives the opportunity to ask deep questions to understand the matter (Flick, 2010). Case studies explain the connection between the outcomes and the questions and discover the new concept and existing theory (Clur, 2015). Case study, the why and how questions can be asked.

3.7 POPULATION AND SAMPLING

The population can be described as the group of people that take part in the research to gather data for the study (Salkind, 2012). Population refers to a crowd of individuals that were select

as sample to obtain outcomes of the research, and they meet requirements for population parameters (McMillan & Schumacher, 2010). Welman *et al.,* (2013) describe the population as the set of samples that relates to the descriptions of the researcher's project. The target number of participants were SME that are listed with SPLM.

There are 4850 SMMEs registered with the SPLM (IDP, 2019/2020); however, 15 SMMEs were sampled for the interviews. Fifteen SMMEs were appropriate to reach a target as recommended by (Clarke & Braun, 2013; Fugard & Potts, 2014; Guest, Bunce & Johnson, 2006), for a qualitative study, as it requires a minimum of 12 to 30 samples.

3.7.1 Sampling

A sample is a selected number of participants from the total population. Sample it differs according to the type of study (Etikan & Bala, 2017). The two types of sampling are probability and non-probability sampling. Probability involves random range and allows the researcher to decide about population (Etikan & Bala, 2017). Probability sampling relates to quantitative study, while the non-probability is connected to qualitative and is considered subjective in decision-making (Flick, 2014). Non-probability includes convenience, snowball, purposive, and quota. Non-probability makes it easy for the researcher to collect data (Van Zyl, 2014:95-96). Non-probability sampling is subjective and random. The sampling technique used for study was a non-probability sampling method based on qualitative research approach. Non-probability sampling is accessible, faster, and cost effective (Van Zyl, 2014).

3.7.1.1 Probability sampling

The resulting are four types of probability sampling that are simply random, systematic, stratified, and cluster sampling (Van Zyl, 2014:95-96). Simple random sampling is given each member a uniform opportunity to be part and everyone gets a chance to participate. The stratified random sample is a method of sampling that consists of dividing a population into smaller subgroups known as strata and the division into groups consists of a single variable such as female, male, and age (Salkind, 2014:186). Systematic is method that select members from a

larger population, and members are selected randomly (Salkind, 2014:190). Cluster sampling is a probability technique separates the population into distinct groups (Van Zyl, 2014).

3.7.1.2 non-probability sampling

Non-probability sampling consists of non-random that is used to select a group of individuals to participate in the research study (Bhattacherjee, 2012). Non- probability was used to attain understanding of the challenges of SMMEs in SPLM. A quota sampling technique is a kind of non-probability sampling, and it may be characterised as a sampling method that is used to collect data from a group that is representative of that group (Van Zyl, 2014). The use of quota sampling assurances the accuracy of the population that the researcher has selected to examine. The researcher was able to build a sample consisting of people that are representative of a population by using the approach (Salkind, 2014; Ladzani, 2014). A total number of 15 SMMEs were selected according to different business types. The business sectors were distributed into 3 categories according to their database registration (construction, electrical services, supply, and delivery of goods and services). Five participants from each sector. The participants were purposively selected from list of SMMEs registered in the SPLM database (Sol Plaatje Municipality Supply Chain Policy, 2020). The study excludes non-registered SMMEs such as spaza shops and carwash. All participants were notified about the interview and the purpose of the investigation. An email was sent to confirm the time, date, and confidentiality of the information provided (Molefe, Meyer & Jongh, 2018).

3.8 DATA COLLECTION

Data collection can be described as a method of collecting facts from different participants to reach the objective of the study (Burns & Grove, 2013). Moreover, Cheng and Hagerman (2015) defined data collection as the process to gather information from certain individual are considered to meet the requirements of the study. Data were collected through semi-structured interviews to get a better understanding of the challenges of SMMEs in the SPLM. Semi-structured interviews are commonly used for qualitative study. Data were collected through face-to-face interviews with the participants and all regulations related to Covid 19 were observed.

The interviews were conducted in English, majority SMMEs in the SPLM speak English. Each interview lasted for at least 45 minutes. A voice recorder was used to record the interviews. SMMEs owners were interviewed according to their different business sectors. Participants, with their responses, helps the interviewer understand the response. The interview questions were open-ended questions to obtain more information.

3.8.1 INTERVIEWS

An interview is a conversation between the researcher and the participants to gather information for the study. The interview consists of certain or prepared questions asked by interviewer to the participants to meet the research objective (Braun, Clarke & Weate, 2016). During the interview, the researcher tests the knowledge and the experience of the participants.

Interviews consist of different types such as structured, semi-structured, and unstructured interviews however, this study uses semi-structured interviews (Creswell, 2015). It is appropriate for the study and uncovers the deep information from the SMMEs in SPLM. It is conducted face-to-face, and it allows the interviewer to ask open-ended questions and examine the reactions, motions and analyse the feeling of the participants. The researcher organized a comfortable space for the interviews to take place. The interviews were supervised in the language understood by the SMMEs, which is English, and jargon words were avoided.

The Covid 19 regulation were observed throughout the SMMEs owners were interviewed in order to collect data. The interview questions were designed and asked in a manner to accommodate and make the interviewee comfortable to answer and express themselves. The participants were communicated through email and telephonic, furthermore the purpose of the research was outlines on the letter. The ethical considerations were explained in the consent letter to the participant on the during the interview session.

3.9 DATA ANALYSIS

3.9.1 Qualitative Data (Thematic) Analysis: In-depth Interviews

Qualitative data analysis is flexible and helps, it is easy to identify the patterns and themes of data, it gives an understand of the content of the data (Flick, 2014). Qualitative data analysis is defined as a method of scrutinising data collection and selecting the correct facts to accomplish the objectives of the study (Creswell, 2015). The purpose of data analysis is to obtain the relevant information for the study from the data collected (Babbie, 2013).

Qualitative data was collected through interviews to explore the thoughts, opinions, definitions, and understandings of the challenges facing SMMEs in the SPLM. To achieve the study's objectives, interviews were conducted with 15 business owners who are participants in the municipality. The process of thematic analysis was applied to scrutinise data collected through Atlas's software.

Scholars have argued that the task of data collection is continuously linked with the data analysis (Denscombe, 2014; Denzin and Lincoln, 2003; Strauss and Corbin, 1998), meaning that the process of thematic analysis kicked off from the very first interview. The imperativeness of this process is to enable the researcher early identification of emerging patterns as early as possible. It also provides a foundation for reasoned decisions about later data creation and analysis (Strauss and Corbin, 1998; Stake, 1995).

Importantly, the primary objective of data analysis is not just to understand how participants make sense of their experiences regarding the challenges of SMMEs in Sol Plaatje local municipality. It is also about identifying the emerging patterns during the process of making meaning. Data analysis is a process by which the researcher condenses portions of data, followed by the organisation of this data into key findings (Britten et al., 2002). To this end, a thematic analysis which include identification, analysis and reporting data in common patterns (Braun at al., 2014; Vaismoradi et al., 2013; Braun and Clarke, 2006) was chosen.

Atlas.ti (22) software package was used to separate, evaluate, discover group data and further delineate the relationships among derived themes and emerging sub-themes. According to Hyldegård (2006: 215), Atlas.ti is an effective systematic approach to sorting chunk or unstructured data that are not be importantly.

3.9.2 Summary of data collection experience

During the data collection, the researcher scheduled time with the participants by telephone, and it was agreed on the date and time. However, on the date of the appointment, the researcher could not find the participants at their office. The participants were attending to other matters of the business. The researcher had to make another appointment. In other instances, the participants forgot about the appointments, and he never diarise the date and time of the appointment. It was found that the SMMEs that are doing the supply and delivery, are operating their business from a residential home, and they don't have a formal office space to accommodate the guests. In this instance, the research arranges the boardroom at the municipality, and the venue was convenient for the SMMEs. However, the participants did not honour their appointments, the researcher had to phone and follow up on the appointment. Other participants honoured their appointments and arrived at the interview five minutes before the agreed time and dressed in formal attire. In my opinion, they were presentable, and was a good way of presenting the business environment.

The second challenge that the researcher encountered was recording the interview. In the beginning, the researcher introduce herself and the reason for the interviews as indicated in the consent forms. The participants were not comfortable with the facial expression when the researcher indicated, the interview session was recorded. However, the interviewer explains the purpose of the recording and they won't be mentioning the name of the company or the owner throughout the interviews. All the interviews session were recorded with the verbal consent each participant.

During the interview, the participants were comfortable and looking forward to partaking. In terms of facial expression and body language, participants 4,5,9,10,11,14, and 15 were polite and indicated that their business is growing. Although they have challenges, they are looking forward to building up their business for the future. They also do business with the government department and are not relying on the municipality. Participant number 5 indicated that his business is stagnant, and he does not have any source of income. Further stated the family are relying on the money from the business and further, indicate that he employed the family member. Indicated the growth of the business depending on the project from the municipality.

It is found that SMMEs are concerned with the tender process within the municipality, feeling that the tender process is not fair. Certain participants are not interested in doing business with SPLM, whereas few SMMEs are hoping for the change in the future.

Most SMMEs are aware of government intervention. The well-known government intervention is the Seda. Fourteen participants mentioned Seda and secondly, it was NYDA. One participant has no knowledge of the government intervention, and he is not interested in applying for funding. SMMEs know about government intervention therefore this shows ignorance. The objective of government intervention program support and funding small business (Ndabeni, 2014).

However, some of the SMMEs applied for funding and never get any funding, hence the other participants indicated that does not meet the requirements, they were required to submit the audit financial statements. A certain participant mentioned that they are not interested in applying, once apply but they never get a response. One participant was granted funding by Seda, as a tool of the trade. Respondents mentioned that never benefitted from funding, from government intervention programmes. Is advisable for the government intervention to approach SMMEs from other sectors and assess the needs of the individuals, to support their growth (Ngek & Smit, 2013).

3.9.3 Qualitative data analysis technique

The following section presents the qualitative data technique used in this study.

3.9.3.1 Analytical induction

Analytic induction defines research question, develops hypotheses on research questions, collect data per case and examine the data, and if no discrepancy found the process of analytic induction is completed. In analytic induction, the researcher verifies any discrepancy from the data collected and verifies it until no inconsistency with the hypothesis. It starts with defining the research question, proceed to the explanation of the hypothetical, and finally examine the data collected per cases. The researcher can accommodate the existing theories and if any inconsistency found with a hypothesis, the searcher has to collect data again or hypothesis need to be formulated (Bryman, 2014).

3.9.3.2 Thematic analysis

Another type of data analysis is thematic analysis, which used in a qualitative study. It identifies and interprets data in a qualitative study (Maree, 2016). Thematic analysis in qualitative studies can follow an inductive or deductive approach (Creswell, 2015). The inductive approach involves information and results received from observations and recordings, while, in the deductive tests the existing theory and compares it to the new data (Bryman & Bell, 2015). The thematic approach was used to analyse qualitative data, it is flexible to use, and it accommodates large data (Saldana, 2016). A thematic approach is qualitatively appropriate, and it is suitable for this study. When using thematic for this study, it gives me better explanation of themes to emerge from data and makes it easy for me to compile the themes. Thematic is flexible, is not linked to any philosophical and is suitable for investigation.

Data were classified according to different business sectors. Data were analysed based on the challenges the SME is faced with and remedy to overcome challenges so that they can grow their business and details were presented in a table format. Five questions were prepared for each SMMEs owner. Throughout the interview session the researcher the recording audio was utilised, and notes were taken.

3.9.3.3.1 The process of thematic analysis

During data analysis, the researcher analyses the data, and the steps are discussed below:

- The first step to transcribe and summarised larger audio-recorded data, collected from interviews, and document in Excel spreadsheet and transfer it to Atlas. In this step, the researcher familiarized herself with data by reading data and notes the importance aspects. The researcher reads the whole data from the beginning until the end to get an outstanding of data (Creswell, 2015).
- Code data according to different features and mark data in different codes. Data coding is a process of organising large data into a small segment (Augustine, 2014). During the coding, the researcher divides the data into systematic units and the data identified by unique groups.
- Check all the themes and code all similar themes and review themes to verify if themes are coded correctly. Opening coding was used to read the data and create codes.
- Identify any similarities of data by occurrence, grouped all similarities according to keywords and marked with unique name.
- The researcher captured all similarities with the keywords into an Atlas.
- The researcher further grouped the data according to business sectors such as gender, language, and population etc (Braun & Clarke, 2006).
- Double-check the grouping of categories according to coding name and finalising a report (Bryman, 2014).

Figure 2: six-phase process of thematic analysis Six-phases process of thematic analysis

1. Transcribe and summarised data.	4. Marked themes with unique names
figure 2 Thematic Analysis 1	
2. Generate codes with different features	5. Verify the themes
3. Identify the themes	6. Final verification and produce a report
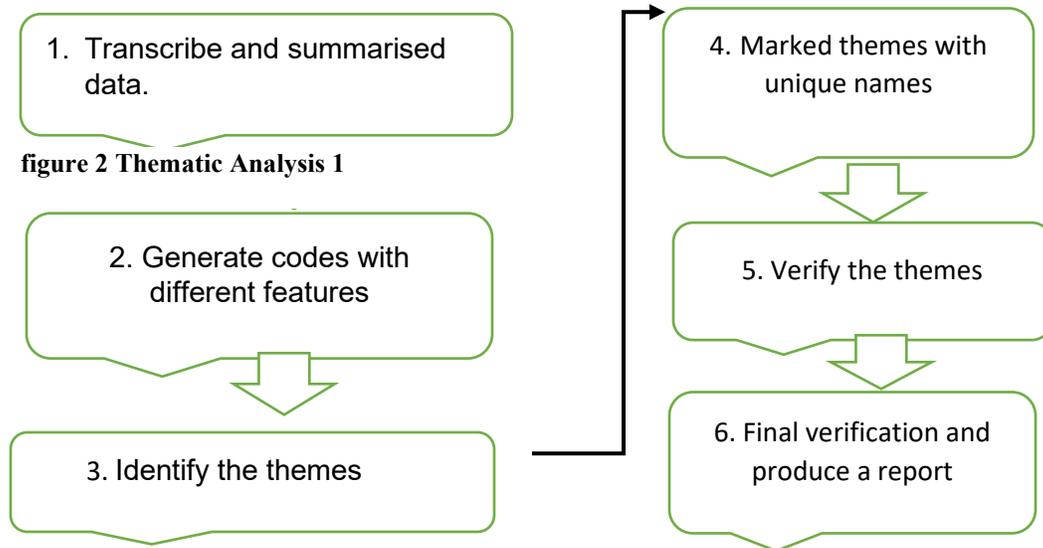
Braun and Clarke (2006) and adapted by (Bhattacherjee, 2012); (Bryman, 2014)

3.10 MEASUREMENT OF TRUSTWORTHINESS

The following trustworthiness criteria will be measured as the following:

3.10.1 Validity

Validity can be measure what is intended to be measured (Leedy and Ormrod, 2014). Validity can be used to measure the collected data and use to verify the research finding (Salkind, 2014). To ensure validity for the study, the objective was reviewed as outlined in the literature review, to determine the challenges of the SMMEs (Gray, 2013). In addition to ensure validity, all data collected were double checked by the researcher and compared to the notes and recordings.

3.10.2 Reliability

Reliability can be defined as the measure of consistency of measure, whether the data collected is measurable and reliable. Data collected were repeated to ensure reliability. Reliability refers to consistency in measuring methods (Gray, 2013:375). To ensure that the result and measuring are consistent, the researcher tested the result twice to obtain the same result, and if the result are the same, the measurement is reliable. During reliability testing, the result should be constant and similar (Rubin and Babbie 2017). The pilot study was also conducted with a small number of participants from sample that was drawn, and research instrument was pilot tested.

3.10.3 Conformability

Conformability refers to fairness in the research process. During the research process the researcher must remain objective. To ensure conformability, the researcher kept a diary, and an audit trail to avoid biased (Anney, 2014).

3.10.4 Transferability

Transferability refers to the results of qualitative research that can be transferred to other settings (Wood, 2014). To ensure transferability, the research findings, such as time taken for collecting data, date of data collection, and number of population and place of interviews were provided by the researcher, therefore the mentioned information it ensures the that the research study is applicable (Code, 2017).

3.11 ETHICAL CONSIDERATIONS

According to the Unisa research ethics policy the student must get an ethical clearance before conducting the research or before collecting data (Unisa, 2018). Ethical guidelines and procedures must be followed when collecting data (Van Zyl, 2014). Minimum of Fifteen (15) participants are appropriate as recommended by (Clarke & Braun, 2013; Fugard & Potts, 2014; Guest, Bunce, & Johnson, 2006), for qualitative study. The researcher requests participant consent to partake in the research interviews. Researchers informed the participant about the purpose of research and objectives that should be achieved in conducting research.

The researcher explained ethical considerations and ensured the participants confidentiality (Caroline Chidinma & Peter, 2016). The researcher asked participants to complete consent form, make sure that participants sign it and write a date. Ensure that informed Consent forms are written in language understood by participants. Ensure that the consent forms are taken in the presence of the witness, verified, and signed (Unisa, 2013). Researcher ensured that the team does not mention names or disclose any personal information on the research study such as identity number, business addresses and contact details (Unisa, 2013). The researcher informed the participants that it is voluntary to participate and that they are allowed to cancel the participating in the interview.

3.11.1 Respect and be honest.

During data collection the researcher consider and respect all different cultures of the participants without being biased. Researchers ensure that the research does not harm participant by respecting their opinion of the participants and there was no personal question asked. The researcher respected the privacy of the participants and maintain confidentiality as stated in the consent form (Code, 2017). The researcher maintain honesty by not discussing or transferring the information received from the participants.

3.11.2 Justice and Fairness

The research was conducted fairly to all participants and ensure that their needs come first before the objectives of the study. All partakers were given a brief introduction regarding the objective and process of the interview to allow participants to feel free to express themselves during the interviews and furthermore there is no discrimination (Code, 2017).

3.11.3 Care and process

The research was conducted with care to the community within the SPLM. The main focus of research was based on the SME in the township and then in town. This ensure that researchers care more about people in townships, as they are the ones who have more challenges (Code, 2017). The study accommodates all people with their different cultures and social behaviour. The research process involves identifying, locating, and analysing data; however, researcher followed this process (Code, 2017).

3.12 CHAPTER SUMMARY

Chapter 3 the content of the research methodology is examined. Research approach, the approach, design, population and sampling, data collection methods, and analysis method, trustworthy and ethical considerations. Chapter 4 focuses on data analysis, presentation, and discussion of findings.

The chapter 4: Discuss the research results- Interpretation of the results and responses of the participants will be discussed and be linked with the current literature.

CHAPTER FOUR: DATA ANALYSIS AND RESEARCH FINDINGS

4.1 INTRODUCTION

Last chapter examined various aspects of research methodology. The chapter provides the results that were resulting from the data analysis based on the data collected through interviews with 15 respondents. The study aims to explore the challenges facing SMMEs in the Sol Plaatje local municipality in the Northern Cape. While the demographic data are presented using descriptive statistics with frequencies incorporated into charts and graphs, the textual data results are classified into themes and sub-themes. Thus, chapter 4 examines the primary findings, efficacy of the technique used, and the supporting literature that surrounds the study's questions and objectives. Consequently, in the debate of conclusions focuses on the research questions in connection with the data collection.

Data was gathered through the interview to understand the failure of SMMEs. The researcher arranged the interview sessions with the participants. The interviews were done in different premises of the participants and a boardroom was arranged by the researcher. The interview sessions were recorded with agreement taken from the participant. The duration of the interview session was among 10 to 15 minutes. The reason behind the study was to suggest guidelines that could assist SMMEs in SPLM with their business challenges. Aim of the interview check the reason why SME are not progressing in SPLM, in addition, to obtain an extensive understanding of the factor that hamper growth of the SMMEs and ultimately lead to their failure.

4.2 Analysis of data and research results

Research outcomes are rendered in this section. An interview guide was employed in the study. Interview with the guide comprised of 14 questions that were posed to the respondents. Three questions on the background information were asked, and eleven questions in connection to the dynamics of SMMEs in the municipality, with a special focus on the obstacles of SMMEs within the municipality, various government programmes of intervention available to the SMMEs in the municipality, as well as the possible remedies for combating the various

challenges faced by SMMEs in the municipality. Below is the presentation of the results emanating from the data. The results are broadly grouped into two segments, namely, the demographic characteristics from the respondents and thematic outcomes generated from the textual data.

4.2.1 Demographic characteristics of respondents

The section presents the biographical characteristics of the respondents regarding gender, language, population group, age category, business duration, products and/or services, and the number of employees in the business.

4.2.1.1 Gender

As shown in Table 4.1 below regarding the composition of the participants as it relates to gender, 93.3% of the respondents were male, while 6.7% of the respondents were female.

Table 4-1: Gender distribution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**Male**	14	93.3	93.3	93.3
	Female	1	6.7	6.7	100.0
	Total	15	100.0	100.0	

The fifteen participants were interviewed; fourteen were male and only one was female. All the participants were willing to contribute to the study. However, it shows that the businesses in SPLM are dominated by male owners more that the female.

The study conducted by Wang (2018) about gender effect on entrepreneurs, shows that in the US, females are not keen to be in the same business where men dominated. However, the other study (Ogunrinola, 2011; Godwin, Stevens & Brenner, 2006) indicated that females who are operating their businesses in a male-dominated environment should consider the

partnership with men business owners. Women tend not considered to be competent in the market like the male, reason of being limited access to business associates and decisions of the business sectors (Lindvert, 2018). Females are expected to conduct a business in the small business sectors, with limited opportunities more likely excluded in the construction industry (Lindvert, 2018).

According to Nguyen (2018), entrepreneur competence is mostly classified as democratic elements like gender, age, and education level. However, women are considered to lack business and entrepreneurial skills (Brixiová & Kangoye, 2019; Behling & Lenzi, 2019).

4.2.1.2 Language

With regards to the language spoken by the participants, the majority (60%) of the participants speak English and 40% speak Setswana.

Table 4-2: Language distribution of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Setswana	6	40.0	40.0	40.0
	English	9	60.0	60.0	100.0
	Total	15	100.0	100.0	

The common language used in SPLM is English, which is the reason the interviews were conducted in English and perceived by all the participants including the Setswana speaking. Nine participants indicated that English is their home language, and six participants speak both English and Setswana. Therefore, in collecting data, language was not a barrier.

The study by Buarqoub (2019) indicates that the language barrier became the cause of business failure. Furthermore, a language barrier involves miscommunication and misunderstanding, the SMMEs may be unable to deliver the correct product or services to the customer or client (Ramugondo, 2021). Smith and McGannon (2018) indicated that language

is a part of the culture as well as values depending on the area, furthermore, the language differs according to the area.

The study by Duma (2018), indicated that English is the common language in South Africa, and it is understandable to the majority of people. However, in Kimberley, the procurement documents to all service providers including the SMMEs are written in English which is the common language that is understood by SPLM residents.

4.2.1.3 Population Group

The table below shows the population group of the participants. The ten participants or SMMEs were coloureds and five were black owners.

Table 4-3: Population group distribution of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Black	5	33.3	33.3	33.3
	Coloured	10	66.7	66.7	100.0
	Total	15	100.0	100.0	

Population distribution of participants are shown in Table 4.3 above. According to the table, the coloured race accounts for 66.7% of the participants, while the black race accounts for 33.3%. The population group of Kimberley consists of the following race: Coloureds, Asians, black people, and whites, and therefore the majority are black and followed by coloured race. The population of Kimberley is 191 194, Black African is 142 105, white 17 928, Asian 2 794 and coloureds is 60 347 (Statistics, 2022)

4.2.1.3 Business duration

Business duration varies according to the year business was registered or the number the actual operation of the business. The business also differs according to the size and number of employees.

Table 4-4: Business duration distribution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-4	3	20.0	20.0	20.0
	5-10	7	46.7	46.7	66.7
	11-15	4	26.7	26.7	93.3
	above 15	1	6.7	6.7	100.0
	Total	15	100.0	100.0	

Table 4.4 above depicts how often the distribution of the duration of enterprise for the participants. The majority (46.7%) of the participants are from organizations that have been established for 5–10 years. While 26.7% of participants are from organisations with a business duration of 11 to 15 years, 20% are from organisations with a business duration of 0 to 4 years. Lastly, 6.7% of the participants are from organisations with a business duration of over 15 years.

SMMEs which have been in business sector for over 15 years, means they have gained knowledge and experience in the business industry. Therefore, they are knowledgeable and in possession of a sound knowledge of the operations of the business and skills (Ryan, 2018). In addition, for a business to be sustainable and profitable it requires an owner with management skills, financial skills, and knowledge (Fernandes, 2019).

4.2.1.3 Age category

The below presents the age category of the participants, five participants were classified as youth, the participant did not mention their age but indicated whether they are youth are not. The researcher also validates the information through the profiles of the SMMEs.

Table 4.5: Age category distribution of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	5	33.3	33.3	33.3
	No	10	66.7	66.7	100.0
	Total	15	100.0	100.0	

Table 4.5 points up the frequency distribution by age category of the participants. When the participants were asked to indicate their age category as "youth less than 35 years," the majority (66.7%) of the participants specified they have been over 35 years old, while 33.3% said they are under 35 years old. This means that 33.3% of the participants were young.

4.2.1.4 Products and/or services of the organisation

Table 4-6 Below shows the organization's products and/or service distribution.

Table 4-6: Products/services of organisation distribution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Construction	6	40.0	40.0	40.0
	Electrical services	4	26.7	26.7	66.7
	Supply and delivery	5	33.3	33.3	100.0
	Total	15	100.0	100.0	

The sample consists of different business sectors which are the construction industry, electrical, and supply and delivery of various goods & services. The majority (40%) of the participants in the interviews are from organisations that render construction-related services. 33.3% of the organisations render supply and delivery services, and 26.7% of the participants render electrical services. However, there was only one woman who participated, and her business is in the supply and delivery sector and indicated that she is in the process to venture into the construction industry sector.

4.2.1.4 Number of employees

The below table presents the number of employees employed by the participants in the different business sectors.

Table 4-7: Number of employees distribution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-4	12	80.0	80.0	80.0
	5 and above	3	20.0	20.0	100.0
	Total	15	100.0	100.0	

Table 4.7 depicts the percentage distribution of the estimated number of staff working for organization. While most of the organisation employed fewer than five people, 20% of the organisation employed more than five people. Furthermore, the participants indicated that they only employed their employees on the contract or temporarily as and when required or when they are awarded the project.

4.2.2 Thematic results

The thematic is a flexible practice for data analysis and aim of thematic analysis is to identify and analyse the pattern and theme (Braun & Clarke, 2019). This approach is good for

scrutinising and understanding qualitative data (Braun et al. 2018). It allows researcher to create a newfound concept of data. The researcher was using a thematic coding system to analyse the data and understand data. The researcher read all data and summarise using themes. The categories were identified per amount of frequency. The similar meaning of the word and interpretation were grouped together to form the categories.

After the researcher listens to the interview audio recording and write notes per participant. The notes and recordings will be safeguarded by the researcher to ensure their trustworthiness. The researcher listens to the recording twice to guarantee the validity of the data. The researcher also re-read her own notes taken while listening to the audio.

Table 4-8: Emerging themes and sub-themes

The below tables present the different themes: Nature of business, SMMEs challenges, remedies to SMMEs challenges, and Government SMMEs intervention programmes.

THEMES	SUB-THEMES	RESEARCH OBJECTIVES (RO)
NATURE OF BUSINESS	SMMEs performance SMMEs access to business	RO1
SMMEs CHALLENGES	o Competition from big businesses o The devastating impact of COVID-19 o Economic factors o Lack of mentorship/capacity building o Lack of resources o Late payment o Political interference o Technological factor o Unfairness in tender awards	RO1
REMEDIES TO SMMEs CHALLENGES	o Entrepreneurship program o Avoidance of late payment o Capacity building	RO2

			Percent	Valid Percent	Cumulative Percent
	o Fairness in awarding the contract o Tender awards to SMMEs o Provide funding/resources support				
GOVERNMENT SMMEs INTERVENTION PROGRAMMES	o Types of government SMMEs intervention programmes o Efficacy of intervention programmes o Expectations of SMMEs	RO3			

As shown in Table 4.8 above, the results emanating from the data were categorised and grouped to inductively emerge themes (sub-themes). Questions have been deductively adapted to generate the main themes. Therefore, 4 themes and 21 sub-themes were developed. The themes are the nature of business, SMMEs challenges, remedies to SMMEs challenges, and government SMMEs intervention programmes.

4.2.2.1 Theme 1: Nature of business

The below table discusses the nature of the business as articulated during the interviews.

Table 4-9: Frequency distribution of responses on the nature of business

		Frequency	Percent	Valid Percent	Cumulative Percent
	SMMEs performance	11	68.8	68.8	68.8
	SMMEs access to business	5	31.2	31.2	100.0
	Total	16	100.0	100.0	

The result emanating from the study as it relates to the nature of business of SMMEs in the municipality is categorised into 2 sub-themes: SMMEs performance and SMMEs access to business. Each of these sub-themes is further discussed below.

4.2.2.1.1 SMMEs performance

Regarding the question concerning the nature of SMMEs' businesses in the municipality, specifically the question as to how SMMEs are faring in the Sol Plaatje Local municipality, the two prominent sub-themes that arose in this context was about the SMMEs' business performance in the municipality. As shown in table 4.10 above, most (68.8%) of the participants have indicated that their businesses are growing amidst challenges as indicated in the following quotes:

"Yes, it is growing, although there are some challenges, I am not currently getting enough business from the municipality". [P6]

"Yes, is growing slowly, I don't get support from the municipality, most of the businesses are from the government department." [P12]

"Is growing, the problem is the competition with big companies." [P10]

"We need a bigger space to run the mechanical workshop, currently we are occupying a small space from the backyard" [P2]

We are not getting business from the municipality [P3]

The following participants indicated that they are happy doing business with the municipality.

Yes, there is lot of progress, my company was on CIDB 1 CE, but it moved to the higher grading which is grade 4 [P9]

It recently awarded a contract from the municipality [P14]

Business is doing well at moment, getting tenders from the municipality [P11]

However, there are some of the participants complained that their businesses are not growing as a result of not receiving adequate support from the municipality and having to compete with big companies. These claims can be attested by the following comments from the participants:

**"*Yes, slowly, my business is not getting business from the municipality only but also from the government department, that is the reason, why it is not growing." [P8]*

Business is growing rapidly and slow.

Some of the participants complained that their businesses were not well performing as a result of several factors such as not receiving adequate support from the municipality and also the problem of having to face competition with big companies. These claims can be attested by the following comments from the participants:

"Yes, is growing slowly, I don't get support from the municipality, most of the businesses are from other government departments." [P12]

"Is growing, the problem is the competition with big companies." [P15]

"Yes, slowly, my business is not getting business from the municipality only but also the government department, that is the reason, why it is not growing." [P8]

This finding seems to corroborate the findings that emanated from the study that was carried out by Mukwarami and Tengeh (2017) on LED and small business malfunction in South Africa. Study found competition for being major obstacle facing SMMEs and this exerts a massive implication on their chances of winning tender bids. According to Urban and Naidoo (2012), main challenges confronting the sustainability of SMMEs is competition, with small businesses finding it difficult to withstand the pressure posed by large corporations. These companies frequently become dominant players that dictate the speed of improvement in a specific sector, which they use to obtain government contracts in disproportionate amounts compared to SMMEs.

4.2.2.1.2 SMMEs' Access to business

As shown in table 4.10 above, 32.2% of the participants commented on the issue regarding SMMEs' access to business. The majority of the participants lamented their companies' inability to access business from the municipality and government departments, which is impacting their business growth. Some of the participants mentioned the devastating effect of COVID-19, resulting in their inability to pay the salaries of their employees. The assertions can be validated by the following quotes:

"Yes, slowly, my business is not getting business from the municipality only but also the government department, that is the reason, why it is not growing." [P8]

"Yes, my company was affected by COVID-19, and it was difficult to pay the salaries of the employees." [P3]

"Yes, the municipality recently awarded a contract to my company." [P5]

SMMEs are experiencing slow growth, some of the businesses are not growing at all, and they are stagnant as indicated by one of the participants. Hence, other SMMEs are getting business from the other municipality or government departments. Therefore, with the information provided proves that status progression of SMMEs in SPLM is relatively low.

In this context, there are mixed reactions regarding the concern about SME access to business in the Sol Plaatje Local Municipality. One of the reasons could be the fierce competition for contracts/bids issued by the Municipality or government entities and the devastating legacy of COVID-19. This view seems to validate the finding of Alessa et al. (2021), mention that due to of COVID-19, SMMEs are operating on low rate as compare before covid 19.

4.2.2.2 Theme 2: SMMEs challenges

The table below gives the details responses regarding the study question subsection (2) of the challenges. The researcher asked the participants to indicate and mentioned the challenges they experience in the area of their operation.

Table 4-10: Frequency distribution of responses on SMMEs challenges

	Frequency	Percent	Valid Percent	Cumulative Percent
Competition from big businesses	5	17.2	17.2	17.2
The devastating impact of COVID-19	3	10.3	10.3	27.5
Economic factors	1	3.5	3.5	31.0
Lack of mentorship/capacity building	3	10.3	10.3	41.3
Lack of resources	5	17.2	17.2	58.5
Late payment	6	20.7	20.7	79.2
Political interference	3	10.3	10.3	89.5
Technological factor	1	3.5	3.5	73.0
Unfairness in tender awards	2	6,9	6,9	100
Total	29	100.0	100.0	

The findings originate from revealing that SMMEs in the municipality are being faced with diverse kinds of challenges. These challenges are grouped into the following sub-themes**:** competition from big businesses; the devastating impact of COVID-19. Economic factors, lack of mentorship or capacity building, lack of resources, late payment, political meddling, technological factors, and unfair tender awarding. Each of these sub-themes are presented:

4.2.2.2.1 Competition from big businesses.

Regarding the issues of challenges being faced by SMMEs in the SPLM one participants mentioned that their businesses are facing the challenge of stiff competition from companies in which tenders are being awarded not only to well-established businesses industry but also from companies outside the province. The quotes below reflected these claims:

"The tenders are awarded to the companies outside the province, which become the challenge." [P2]

"The challenge is the competition with a well-established business in the industry." [P8 and P15]

Several scholars have viewed competition as one of the major challenges facing SMMEs which tends to affect their performance (Gunasekaran, Rai & Griffin, 2011; Singh, Garg & Deshmukh, 2010; Mukwarami & Tengeh, 2017). According to Urban and Naidoo (2012), the major challenges confronting the sustainability of SMMEs is competition, with small businesses finding it difficult to withstand the pressure posed by large corporations.

4.2.2.2.2 Devastating impact of COVID-19

The devastating impact of the COVID-19 pandemic on the national economy in general and specifically on local businesses in the municipality was mentioned by the participants. Some of the participants lamented how businesses were badly disturbed by the pandemic. As mentioned by some of the participants, their businesses could not operate during the lockdown, and even those that were opened couldn't generate enough income to pay the salaries of their employees. These challenges are reflected in the following quotes:

"Covid 19 become a major challenge, the business was not operating, there was no income for 3 months, and they have to pay the salaries of the employees." [P1; P2]

"Yes, my company was affected by COVID-19, and it was difficult to pay the salaries of the employees." [P3]

Two participants indicated that the companies were doing well until in 2020 they were affected by Covid 19. The business was not operating for a period of three months and the owners had to pay the salaries of the employees. The study conducted by Ladzani (2022) about the impact of COVID-19 on SMMEs in SA, indicates that the SMMEs had been experiencing some challenges that hamper their survival. However, Covid19 was an additional struggle to the existing problems. In addition to the above statements during Covid 19 many SMMEs were affected by the pandemic, and some businesses were closed completely due to financial constraints which led to a high unemployment rate (Posel, Oyenubi & Kollamparambil, 2021).

The findings from the study in this context can be supported by the study done by scholars like Alessa et al. (2021); Fubah and Moos (2022) on the impact of COVID-19 specifically on SMMEs in South Africa. Fubah and Moos (2022) argue that though COVID-19 may appear to have provided entrepreneurial opportunities, the long period of lockdown in various parts of the world, including South Africa, retarded entrepreneurial activity, resulting in the closure of some businesses. This view is supported by Alessa et al. (2021), who mentions that due to the impact of COVID-19, SMMEs such as restaurants, tourism operators, and movie theatres have been forced to shut down. In addition, there has been a sharp decrease in consumer demand as a result of cash shortages or the consumer's inability to visit stores to purchase necessities.

4.2.2.2.3 4 Economic factors

A challenge in the economy was mentioned as one of the challenges faced by SMMEs in the municipality. An economic challenge could be associated with several factors: a decrease in the demand for goods and services, political uncertainties, etc. The most prominent factor mentioned by the participants was the astronomical increase in fuel prices. This latter challenge makes the cost of production high and causes a corresponding increase in the prices of goods and services. This makes products and services unaffordable. This can be observed in the following quote:

"challenge in the economy, the increase in fuel price." [P15]

"The tenders are awarded to the companies outside the province, which become the challenge." [P2].

As revealed in this study, businesses do not operate in a vacuum. It operates within a circuit where its accomplishment neither breakdown uncovered by the dynamics of various internal and external factors. The external factors which amongst others include the economic factor impacts exogenously on the business to influence its operational efficiency, growth and sustainability.

According to Fatoki and Garwe (2010), financial concerns have impact on consumer purchasing patterns and have a significant impact on all firms in all sectors. Interest rates, exchange rates, and inflation are all economic variables that influence demand for products and services (Fatoki & Garwe, 2010; Cant & Wiid, 2013). Tshabalala et al. (2010) argue that the interest and exchange rate, all have an impact on small firm achievement. Small enterprise experienced the effect than big operations (Fatoki & Garwe, 2010).

4.2.2.2.4 Lack of mentorship/capacity building

Another challenge that was raised by the participants is the lack of mentorship. The participants articulated the necessity of providing guidance and training to SMMEs. The below quotes prove:

"My challenge is the mentorship for SMMEs, I might have a business, but I need someone who can mentor me in terms of business ideas." [P8]

"SMMEs need training and guidance in the business." [P10]

The overarching importance of providing coaching and mentoring to SME operators has been demonstrated in this context. Two participants alluded to the need for training of the SMMEs to sharpen their skills and knowledge of the running of the business. P10 also indicates the need for training and guidance in terms of completing the tender documents and tendering

compliance. Further state that there no communication regarding the advertisement of the tenders.

The training will assist SMMEs to minimize and overcome their challenges. It is important for SMMEs to attend the training to be provided with appropriate skills and experience (Phokwane, 2020). Aghim (2013) is in support of the importance of training and skills development for SMMEs, further indicating that owners should employ people with skills or employee who are willing to attend the training. Government intervention such NYDA, they are helping SMMEs with training and starting new businesses and also providing funding and training.

Participant 8 stated that he needs mentorship, someone to consult with regarding the daily operating. SMMEs that were in industry for more than 10 years, acquired expertise and experience. The municipality together with local forums can invite owners with such expertise to mentor the SMMEs. Therefore, there is a need for LED to host local forums for SMMEs.

4.2.2.2.5 Lack of resources

As seen in Table 4.10 above, 17.2% of the participants facing the problem of a limited resources. The data shows that while some participants require capital to purchase stock for business sustainability, others require resources, such as larger space, to run their businesses. Others lamented the issue of lack of resources. This is evident in the following response:

"Yes, grow a little, but we need a bigger space to run the mechanical workshop. We are doing the mechanical workshop and we currently running the business from home, and we are willing to pay the municipal rates." [P7]

"Need capital to buy stock to sustain the business." [P8]

"No, look now we need money for the business." [P11]

Participants 7 and 14 states that they are operating their businesses from their home backyard and need an office space. Both participants are doing electrical services and they need a bigger space such as a workshop. It was found that the SMMEs that are doing the supply and delivery, are operating their business from a residential home, and they don't have a formal office space to accommodate the guests. In this instance, the research arranges the boardroom at the municipality, and the venue was convenient for the SMMEs. Kusi, Opata and Narh (2015), added that some SMMEs have their own registered office with the employees, who assist with the running of the business, however, most of the SMMEs are doing business from home.

The findings from the study by Mukwarami and Tengeh (2017) seem to corroborate with the conclusions of this study. Regarding the issue of resource availability, the study's findings seek to validate the study by Mukwarami and Tengeh (2017). As found in the study, Mukwarami and Tengeh (2017) identified business space as a main encounter for small businesses. The scholars argue that procuring a space can be a function that need available capital. In most cases, SMMEs are faced with the challenges of limited capacity or resources. Thus, SME operators use accessible spaces to run their businesses on daily basis, and this tends to retard their growth and sustainability.

Some scholars also argue that despite the heralded contributions from SMMEs to the economy (Machirori & Fatoki, 2013; Rankhumise & Masilo, 2017), one should still be concerned with their extreme failure rate and abridged performance, which do not interpret in real progress. Bilal, Khan, and Akoorie (2016) argued that due to a limited funds and dynamic capabilities, it is difficult for business to acquire sustainable performance reason been core drivers for performance are the resources (Joo & Suh, 2017).

Rankhumise and Masilo (2017) argue that in SA as is one of the countries considered a well develop, the financial institution normally they don't not fund the new business. Kersten, Harms, Liket and Maas (2017) also strengthen that SME struggle to get the funding from the bank, which appears big impact to the performance of SMMEs.

4.2.2.2.6 Late payment

As depicted in Table 4.10 above, the majority (27.2%) of participants consider late payment is a challenge hindering SMMEs within the SPLM. Below are respondent's quotes manifest the assertive.

"Late payment is the challenge; the municipality is not paying within 30 days. Suppliers must wait for almost 2 to 3 months for payment. On the other side should pay the workers while waiting for payment the business is suffering." [P3]

"Major challenge is the delay of payment, SPLM does not pay suppliers in time." [P10]

"The biggest challenge to the business is late payment, it disadvantages the business and fails to pay the employees on time." [P11]

Late payment is a stumbling block for business growth. SPLM does not pay suppliers on time, the supplier's payment should be paid within 30 days in line with the Supply chain policy of the municipality. Furthermore, late payment disadvantages the business, it results in paying the employees with their personal money.

Given the findings from the study, the effects of late payment to SMMEs, specifically as to how it impacts SMMEs in SPLM, have been articulately discussed. It has been argued, among other things, that late payment could possibly dampen business investment, particularly in the times of economic revival, and turn reduce production and global growth, while supported by study of Baily (2019). This finding can be further reinforced by the scholarship of Miller and Wongsaroj (2017).

According to Miller and Wongsaroj (2017), SMMEs that are late on payments incur opportunity costs as well as the costs of following up on these payments. According to Baily (2019), SMMEs suffer the loss of good advantage and the proportion to larger businesses do encounter such barriers (Department of Planning, Monitoring, and Evaluation, 2020). Delayed payments to SMMEs have a blow effect, triggering subsequent bills paid late, that often leads to delays in payments to additional SMMEs (Kaya, 2022).

4.2.2.2.7 Political interference

Another challenge faced by the SMMEs in the SPLM is a problem of political interference, as disclosed in the interview. As shown in Table 4.10 above, 10.3% of the participants in the interviews complained of political meddling in the awards of tenders, which they claim are given to well-known companies based on political connections. Others lamented the lack of tenders regarding the advertisement of tenders. This claim is reflected in the following quotes:

"There is a political meddling in the awards of certain tenders/projects. Tenders are given to well-known companies." [P1 and P9]

"Political interference and lack of information regarding the advertisement of tenders." [P10]

Several studies done by different scholars have explored the dynamics between procurement and corruption in Republic of South Africa, specifically in the context of fairness in awards of government tenders. (Esaamlg, 2019; Bowen, Edwards & Cattell, 2012; Manyathi, 2019; Munzhedzi, 2016; Sibanda, Zindi & Maramura, 2020). Noticeably, these were studies done by varied scholars in different contexts, and the outcomes of their studies reveal an absolute commonality concerning the degree of political interference in the public procurement process or the awards of tenders in South Africa.

According to Munzhedzi (2016), there is a widespread belief that public procurement in South Africa is susceptible to corruption, maladministration, and mismanagement. One of the widely acknowledged causes of the occurrences mentioned is political interference, which results in the hiring of inexperienced and unqualified contractors.

The abovementioned view is supported by the finding that emanated from the study by Manyathi (2019), which found that public procurement in South Africa functions inside a tightened political system that exerts some level of interfering with purchasing operations. In response to the call to reprimand political leaders for interfering with the operations of SMMEs, Sheehama and Shihomeka (2017) conducted a similar study that echoed the gravity of the implications of political interference on the growth and resistance of SMMEs.

As indicated by the participants, there is political inference in the awarding of the tenders, which makes the tender process not fair to all SMMEs, certain individual gets tenders. To get a tender, they have to be politically connected. In other countries such as Mozambique, political interference is still the main problem, the SMMEs are required to belong to a certain political party to get support. This is regarded as a challenge to SMMEs to get financial support (Klins1, 2014).

4.2.2.2.8 Technological factor

The dynamic nature of technology not only improves business operations but may also cause issues for others, particularly some business owners who are unfamiliar with the system's use. As mentioned by the participant, most of the government tenders used to be advertised in newspapers and tender bulletins. With the digitization of some government operations, tenders are now mostly advertised online. This process is now creating problems for most businesses that don't have adequate access to the internet. Furthermore, the cost of data is prohibitively expensive for SMMEs to afford.

"The use of technology is a problem, although is a good thing and I need to venture into using the system and data to check the tenders advertisement and previously, I used to buy a newspaper to check any tender advertisement." [P6]

Masilo (2017) argues that successful SME operators take advantage of innovative technology to enhance production effectiveness. Rankhumise and Masilo (2017) further argue that without developed technology, it would not be simple for business to endure. In a related study, Fatoki and Garwe (2010) alludes that absence of technological infrastructure stalled the progress of SMMEs in South Africa.

Participant 6 stated that he is being in the business industry for 12 years and he used to obtain the tender advertisement in the Friday newspaper. For the three quotations he used to call, and he will submit the hard copy of the quotation, he further states that recently to obtain the advertisement the SMMEs have to check the website and check their email on the daily basis. The information required by the government is available on the website.

SMMEs have to venture into the online system, and the use of data, previous they were depending on the notice board and local newspaper. Hadiyati (2015) indicates evolution of technology affects the operation and easy access to the markets for both SMMEs and their customers. The study of Marjanova and Stajanova (2012) also indicates that technology affected the way business is conducted and create market opportunities.

4.2.2.2.9 Unfairness in tender awards

Another problem mentioned by the participants is the issue of unfairness in tender awards. The participant criticised how government tenders are awarded to companies, which are in most cases awarded to people affiliated with people in the government or to certain companies. One of the participants complained that, even though SMMEs are encouraged to participate in the tendering process when it is advertised, the awards are unfair. This statement is substantiated by quotes:

"Some individual SMMEs are getting tenders, even if the tenders are advertised, but there is the unfairness of tender awards process." [P1]

"Tender process is not fair; tenders are awarded to certain companies and there is no rotation with the request for quotation." [P13]

It has been argued in the theoretical study that though SMMEs do contribute a great deal to the economy of a country, in recent times they have been victims of unfair and corrupt public procurement practices (Kwibisa, 2019).

4.2.2.3 Theme 3: Remedies to SMMEs challenges

The table below presents the remedies that can assist with the challenge that SMMEs experience. The following remedies can also boost the growth of SMMEs in different business sectors.

Table 4-11: Frequency distribution of responses on remedies SMMEs challenges

		Frequency	Percent	Valid Percent	Cumulative Percent
	Entrepreneurship programme	1	3.5	3.5	3.5
	Avoidance of late payment	6	20.7	20.7	24.2
	Capacity building	5	17.2	17.2	41.4
	Fairness in awarding contract	2	6.9	6.9	48.3
	Tenders' awards to SMMEs	6	20.7	20.7	69.0
	Provide funding/resources support	9	31.0	31.0	100.0
	Total	29	100.0	100.0	

Given the data obtained for the study as it relates to the remedies for the challenges of SMMEs, the following sub-themes emerged of the study. Entrepreneurship program; late payment avoidance; capacity building; contract fairness; tender awards to SMMEs; and support funding and resources.

4.2.2.3.1 Entrepreneurship programme

One of the solutions proposed by the participants is the creation of an entrepreneurial mentoring program. Although a minority of the participants advocated for this call, given the philosophy of this study as it relates to its stance on multiple realities to develop adequate knowledge about the challenges facing SMMEs in the Sol Plaatje Local Municipality, every bit

of relevant views and opinions counts. The quotes below from the participants substantiate this claim:

"If they can assist with training to get business skills." [P1]

"Provide mentorship and funding." [P1]

Mukwarami and Tengeh (2017) indicated that business need cash flow as well as the managerial skills to operate successfully.

4.2.2.3.2 Avoidance of late payment

As already mentioned above, late payment was part of challenges listed by participants. On this note, some of the participants as shown in table 4.12 above, advanced the solution of avoiding late payments as a remedy that could be applied to minimise the challenges. This can be outlines on this quotes:

"Late payment is the challenge; the municipality is not paying within 30 days. Suppliers must wait for almost 2 to 3 months for payment. On the other side should pay the workers while waiting for payment the business is suffering." [P3]

As demonstrated in the study, late payment causes significant cost and efficiency implications for SMMEs. According to Kaya (2022), policymakers should consider and prioritise measures that could address the liquidity shortages arising from late payments to SMMEs. Kaya (2022) further echoes the improvement of contractual measures that could promote stricter payment terms to avoid unnecessarily long payment delays.

4.2.2.3.3 Capacity building is one of the solutions that was advanced by the participants.

The process of capacity building was advanced as one of the remedies that could be utilized to boost the knowledge of the SMMEs in the Sol Plaatje Local Municipality. This can be done as training or mentorship to improve the skills of small business owners. This claim is reflected in the following comments.

"Provide mentorship and funding." [P8]

"Entrepreneur program and more jobs." [P8]

Again, in this context, the finding of the study seeks to galvanise the fundamentality of providing support to SME operators in Sol Plaatje's local municipality. As argued in the study of Mukwarami and Tengeh (2017), intellectual capital is a fundamental prerequisite for the growth and sustainability of SMMEs. The findings emanating from this study have demonstrated the need for coaching and mentoring to be administered to the SME operators to boost, to say the least, their management skills needed to keep the business growing.

4.2.2.3.4 Fairness in awarding the contract.

Most of the participants have recommended that there should be fairness in the awarding of contracts. As some of the participants have complained, most of the tenders are being awarded unfairly to underserved businesses. This is impacting negatively on the SMMEs in the municipality. The following statement reflects this assertion:

"Fairness to all SMMEs regarding the business." [P1]

"Funding and fairness in awarding of tenders." [P13]

This study has revealed the essentiality of fairness to all SME operators concerning contract bidding, adjudication, and contract awards to deserving SME operators. Given the same sentiment, the study of Hoekman and Tas (2020) suggests that principle-enhancing practices boost SME participation, with the ultimate aim of standing a chance of being rewarded with more tenders to be won by SMMEs. Hoekman and Tas's (2022) study revealed the importance of using specific measures to boost open procedures (competition) and increase the opportunity for SMMEs to win tenders.

4.2.2.3.5 Tenders awards to SMMEs

The in above table 4.12 present (20.7%) of the participants recommended that priority be accorded to SMMEs when awarding tenders, in contrast to the practice of awarding contracts to politically aligned business owners and some businesses outside the province. This could be seen in the following comments:

"More tenders to be awarded to the SMMEs." [P2]

"To give us business." [P6]

The study's findings in this context support the assertion of Hoekman and Tas (2022) that to increase successful SME participation in public procurement, the government should prioritise stepping up the overall quality of the procurement processes.

According to Hoekman and Tas (2022), nations with superior procurement policies have more SME involvement and a higher possibility of SMMEs winning contracts. Contract division into smaller lots of boosts SMMEs' participation but only increases their chances of winning contracts for small lots.

4.2.2.3.6 Provide funding/resources support.

As shown in table 4.12 above, another remedy that was recommended by the participants was the need to provide funding and/or resource support to the SMMEs. As mentioned by the participants, each of the participants has their own resource needs for which they are yearning for support. The claim can be observed in the following direct quotes from the participants.

"To provide us with the office space/mechanical workshop space." [P7; P8; P10]
"Funding, currently borrowing money from relatives to stock for the business." [P12]
"Business and funding from the government." [P13 and P14]

The theoretical foundation of this study indicated that SMMEs faced the constraints of limited access to low- and medium-cost funding. According to Rajagopaul, Magwentshu, and Kalidas (2020), even when finance is available, SMMEs are still confronted with significant challenges in receiving the necessary help for a lack of awareness for opportunities and financial expertise.

Thus, Rajagopaul, Magwentshu, and Kalidas (2020) recommend the exigence to build funding and capability requirements into the contracts of SMMEs to create sustainability.

The two participants P3 and P5 indicated that they obtained funding in form of tool of trade and equipment for the business. Other seven participants stated that they never applied for funding and there no need to apply as not requirements and the process of obtaining the funding is not fair. With reference above it show that government interventions are not assisting, reason being requirements set up for funding. In instances, the SMMEs are aware of the programme, but they are ignorant, and they decided not to apply for funding. Seda as part of government programmes provides support to SMMEs, funding, managing finance, and training (Zizile &Tendai, 2018). SMMEs in SPLM are stagnation reason been they need funding to operate their business hence, there is programmes that are mandated to assist and creates a healthy economy (Tengeh, 2013: Moos & Botha, 2016).

4.2.2.4 Theme 4: Government SMMEs intervention programme

In this situation, the intention was to obtain the ideas, thoughts, and capabilities from the respondents regarding government intervention programmes for SMMEs in Sol Plaatje local municipality. Given information emanating from the conversations inductively emerged. These sub-themes are presented below:

Table 4-12: Frequency distribution of responses on remedies to SMMEs challenges

Frequency distribution of responses on remedies to SMMEs challenges

		Frequency	Percent	Valid Percent	Cumulative Percent
	Types of government SMMEs intervention programmes	14	35.5	34.5	34.5
	Efficacy of intervention programmes	15	35.7	35.7	71.4
	Expectations of SMMEs	12	28.6	28.6	100.0
	Total	42	100.0	100.0	

Fourteen participants are aware of the government intervention, specifically Seda. P3 and P9 are familiar with both Seda and NYDA, however, P13 do not have an idea of the government intervention programmes and never applied. Most of participants P1, P6, P13 & P14 indicate that the government intervention programmes are not helping. P1, P4, P6, P7, P9 & P12, once applied for funding from the intervention programs and did not get funding. They have applied for funding, however, did not meet the meeting requirement.

The funder requested the audited financial statements, the required to have at least 60 percent of money in the bank. Section 2.2.3 of the literature review supports the findings that SMMEs are experiencing a lack of funding from government programmes, funding will assist in terms of business growth (Sospeter & Nchimbi, 2018). Mashiyi (2018), found that SMMEs are still struggling with access to funding, and the SMMEs do not meet the criteria to be financed.

4.2.2.4.1 Types of government SMMEs intervention programmes

As displayed on table 4.13 above, (35.7%) responded commented on the type of government intervention programme available for SMMEs. Given the data from the interview, it became known about such interventions as business forums and SEDA. According to the interview data, some of the participants have attended business forums hosted by the municipality. One of the participants has lauded the operations of SEDA as a source of support for SMMEs in the municipality. This statement is reflected in the comments below:

 "Yes, I once attended a business forum in 2018 hosted by the municipality." [P3]
"No, attend a business forum hosted by the government department, not a municipality. [P9]

"SEDA, it is helping, I got funding in form of the tool of the trade from Frances Baard district.: [P10]

Finding supports the ideas of Rankhumise and Masilo (2017) in their study on the effect of government support on SME to provide financial assistance.

4.2.2.4.1 Efficacy of intervention programmes

Regarding the efficacy of the government's intervention for SMMEs in the municipality, there are mixed comments in this context. Some of the participants complained about the inefficiency of the intervention programme. One of the participants complained that he once applied for funding but was unable to get it. Some of the participants have vehemently denounced the intervention as not assisting, even though they haven't applied for any funding from SEDA. Unfortunately, some of them aren't even aware of government intervention for SMMEs in the municipality. However, there was one participant who received and benefited from government intervention for SMMEs in the municipality. Below are some relevant quotes from the participants:

"But they are not helping, once applied for funding, I did not get it" [P1]

"Never applied for funding, the government intervention is not helping, and I use the business overdraft." [P2]

"No, they are not assisting, and we never get help, hence we don't even apply." [P6]

"Never got funding from SEDA. SEDA promised me money for funding, but it's been three years since I applied." [P12]

"I don't know any government intervention, I am not interested and never applied for funding." [P4]

"I got funding from NYDA, and they bought my business equipment." [P8]

Myeko and Iwu, (2019). On the "Obstacles Faced by African Ecopreneur's in Black Townships of the Western Cape'', South Africa, found that some of the SME operators were not aware of any government policies or a framework which deals with small businesses. However, the authors suggest the government create the required awareness of their services and provide on the information about these services can be gained (Gwija, Eresia-Eke & Iwu, 2014; Myeko and Iwu, (2019)

4.2.2.4.2 Expectations of SMMEs

In this context, the participants expressed their perceived goals and aspirations about government intervention programmes for SMMEs in the municipality. Interestingly, each of the participants has individualized expectations regarding the government intervention program for SMMEs in the municipality. These mixed expectations range from an expectation of more jobs from the municipality and preference being accorded to local SMMEs. Others are expecting some kind of support from local SMMEs. These assertions are reflected in the quotes below:

"I am expecting more jobs from the municipality and preference should be given to the local SMMEs." [P2]

"More jobs and tenders to be awarded to the local SMMEs." [P10]

"More jobs from the municipality and support local SMMEs and preference are given to the local business." [P3]

Drawing from the findings emanating from the study, SME operators have mixed expectations regarding government intervention programmes aimed at propping up the SMMEs in Sol Plaatje municipality. Some of them, as revealed in the study, expect more support and more jobs from the municipality. The study also revealed that there was a push for more preferential procurement treatment for local businesses.

4.3 Chapter Summary

The chapter provided and debated the findings of the data analysis employed in this study. Outcomes were consolidated into two important areas: demographic characteristics of the participants and the thematic analysis results of the study. Given the objectives of the study, the four themes and their corresponding sub-themes were presented and discussed. The following chapter contains the conclusions and recommendations.

CHAPTER 5 - CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

Chapter five represents conclusions and recommendations for further research. These conclusions and recommendations were facilitated by the discussions that were carried out in Chapter Four and the findings on the ground. The objective of this research is to inspect the challenges of SMMEs in SPLM. In this chapter, they are conclusion and recommendations based on the findings, perspectives, and expressions of SME operators on the challenges facing SMMEs in the Sol Plaatje Local Municipality. Furthermore, the recommendations are based on the research questions and objectives of the study, which are aimed at understanding the challenges facing SMMEs in the Sol Plaatje Local Municipality

Specifically, the objectives of this study were to:

- To determine factors that hinder the growth of SMMEs in the SPLM.
- To formulate possible solutions for the challenges of SMMEs in the SPLM.
- To determine which government intervention programmes are available to SMMEs.

5.2 LITERATURE REVIEW FINDINGS

The findings from the literature were as follows: Technology, crime, unemployment, lack of access to the markets, Lack of management skills and training, financial resources, and support.

5.2.1 Technology

In terms of technology Fubah and Moos (2022), indicated that SMMEs are lacking regarding the utilisation of technology, it was come to light during the covid 19 as all the companies should to adopt the technology. Musa and Aifuwa (2020), stated that technology can be solutions to the challenges of the SMMEs, technology can assist SMMEs with the budget, running cost of the company and overall finance of the business. Furthermore, technology can

be used to promote the product or services Prasanna et al. (2019). The finding from research study agrees with the literature review regarding the technology as challenges to the SME.

5.2.2 Crime

Crime is an issue in South Africa, however the SMMEs in SPLM also suffered because of the crime. Although during the interview the participant did mention the crime as challenge, but they are some SMMEs that are affected by crime, robbery, and burglary. It appears as a low risk to the SMMEs (Moloi, 2014). The crime affects the SMMEs business and makes them feel unsafe. Crime become the threat to SME and cost the business such as they should have to insure the assets against the lost. Bushe (2019) alluded that the crime is common in SA and security management is needed as the remedy to control theft. The finding from the literature review and research study are not in the agreement as the participant did not mention the crime as mayor challenge, however the study was limited to 15 participants.

5.2.3 Poor Infrastructure

The infrastructure is important in supporting the survival of the SME (Bushe, 2019). The poor infrastructure is popular in townships it causes by the poor road, which also affects transportation (Malefane, 2013). The study agrees with the finding and the literature review, the findings of the study indicate that the participants are struggling with the workspaces. They have the mechanical workshop that need a big space and the municipality is not providing them with office space to conduct a business. According to Agwa-Ejon and Mbohwa (2015) alluded that lack of space become problems to survival of SMMEs. The state of the infrastructure in SPLM is bad, the businesses are affected by the public needs such as the water, electricity, telecommunications, and bad condition of the road.

5.2.4 Lack of management skills and training

The finding of the study approves and concur with the literature review that limited of management skill affects the growth of the business and the survival. It important for the SMMEs to be trained to gain skills in the business industry. It was alluded by the participant

that the municipality or the government intervention do not provide the SMMEs with the workshop. The workshop can empower the SMMEs and encourage the continuing of the business. It was found SMMEs with business skills, their businesses are performing well and generating profit (Al-Dairi, McQuaid & Adams, 2012).

5.3 FINDINGS FROM THE EMPIRICAL STUDY

5.3.1 RO1: To determine factors that hinder the growth of SMMEs in the SPLM.

The key findings regarding the factors that hinder the growth of SMMEs in the SPLM: competition from big businesses; the devastating impact of COVID-19; economic factors; Lack of mentorship or capacity building; lack of resources; late payment; political interference; and technological factors.

- Competition with big businesses

The study has demonstrated the gravity of the challenge of competition faced by SMMEs in SPLM. These findings seemingly substantiate the scholarship of several scholars, as contained in the previous chapter, who attested to competition one major challenges facing SMMEs that seeks to affect their performance (Gunasekaran, Rai & Griffin, 2011; Singh, Garg & Deshmukh, 2010; Mukwarami & Tengeh, 2017). According to Urban and Naidoo (2012), the major challenges confronting the expansion and sustainability of SMMEs is competition, with small businesses finding it difficult to withstand the pressure posed by large corporations. The study conducted by Zizile and Tendai (2018) indicates that competition affects the performance and growth of SMMEs and their entrepreneurial competency. These companies frequently become dominant players that dictate the speed of improvement and pricing in a specific production which they use to obtain government contracts in disproportionate amounts compared to SMMEs. According to the study, SME operators see the competition challenge as a barrier to the growth of SPLM businesses.

- Devastated impact of COVID-19

The study's findings appear to be consistent with the study's findings. Thus, the findings of this study can be supported by research done by scholars such as Alessa et al. (2021); Fubah and Moos, (2022) about the impact of COVID-19 on SMMEs in South Africa. Fubah and Moos, (2022) argue that though corona virus have provided entrepreneurial opportunities, the long period of lockdown in several parts of the world, as including South Africa, retarded to the small business resulting in the closing of some businesses. This view is supported by Alessa et al. (2021), mentions that the impact of COVID-19, SME that are operating as restaurants have been affected to close.

- Economic factors

With due gravitas, the study has shown the implication of economic challenges affect SMMEs in SPLM. The study has demonstrated certain factors commonly associated with the economic challenges of SMMEs in the municipality, such as a decrease in the request for goods following incessant price increases caused by the astronomical increases in fuel prices, as well, as political uncertainties. The incessant increase in fuel prices impacts production costs, which causes a corresponding increase in the prices of procurement. Thus, goods and services become unaffordable, with a consequential negative impact on the growth and existence of SMMEs within the municipality. The study's findings agree with the studies of some scholars (Kpodar, Fabrizio & Eklou, 2019; Nkwinika & Mashau, 2020) on the adverse impact of fuel prices on exports.

According to Fatoki and Garwe (2010), economic concerns have a right effect on consumer purchasing patterns and have a significant impact on all firms in all sectors. Interest rates, exchange rates, and inflation are all economic variables that influence demand for products and services (Fatoki & Garwe, 2010; Cant & Wiid, 2013). Tshabalala et al. (2010) argue that economic factors like interest rate, exchange rate, and competition all have an impact on small firm achievement, and small businesses experience effect than larger operations, which find it

hard to reply to speedy alteration due to a limited of finance (Fatoki & Garwe, 2010).ck of mentorship/capacity building.

The findings from the study have shown the imperativeness of providing mentorship and coaching to SME operators. The key findings of the study agree with the study of Mukwarami and Tengeh (2017), which sought to galvanise the necessity of providing support to SMMEs. Mukwarami and Tengeh (2017) argue that SME operators must be equipped with the business management skills required to keep the business growing. According to Mukwarami and Tengeh (2017), the availability of capital does not guarantee the success of the business, and intellectual capital is defensibly an important prerequisite for any business to start up.

- Late payment

Delayed it is the biggest obstacles as it was alluded during the interview, it one of the elements that need to be tacked and municipality must improve. It impacted the business and business investment and the production. It relatively expensive and time consuming for SME to keep on following up about the payment (Miller and Wongsaroj, 2017),

- Political interference

The concern for political interference as a challenge for expansion and endurance of SMMEs in SPLM was identified and unequivocally discussed in the study. The findings in this context were substantiated and validated by some related, existing studies done by some other scholars that have explored the dynamics between procurement and corruption in SA, specifically in the context of fairness in the awards of government tenders (ESAAMLG, 2019; Bowen, Edwards & Cattell, 2012; Manyathi, 2019; Munzhedzi, 2016; Sibanda, Zindi & Maramura, 2020). Noticeably, these were studies done by varied scholars in different contexts, and the outcomes of their studies reveal an absolute commonality concerning the degree of political interference in the public procurement process or the awards of tenders in SA.

- Technological factors

The study has demonstrated imperativeness of use of appropriate technology by SMMEs to enhance their operational efficiency. As demonstrated in the study, SMMEs in SPLM are faced with the challenge of keeping pace with the dynamic nature of technology, specifically as it relates to the procurement and usage of modern technology. The study of Rankhuse and Masilo (2017), alluded that technology is important. The imperativeness of the use of appropriate technology by SMMEs to enhance their operational efficiency cannot be overemphasized.

- Unfairness in tender awards

Findings from the study have revealed the challenge being faced by SMMEs regarding the unfairness in the awards of contracts, which in many cases tend to be in favour of big business. As correctly mentioned in the study of Kwibisa (2019), although SMMEs do contribute a great deal to the economy of a country, in recent times they have been victims of unfair and corrupt public procurement practices (Kwibisa, 2019).

5.3.2 RO2: To formulate possible solutions for SMMEs' challenges in the SPLM.

The key findings from the study regarding possible solutions for SMMEs in SPLM are: entrepreneurship programmes and capacity building; avoidance of late payment; fairness in awarding the contract and tender awards to SMMEs.

- Entrepreneurship programme's /capacity building

the significant findings regarding possible remedies for the several challenges faced by SMMEs in SPLM is the establishment and enhancement of entrepreneurship programmes. The results of this study have demonstrated the need for educating and mentoring to be administered to the SME operators to boost, to say the least, their management skills needed to keep the business growing. The possible solution to assist the SMMEs with their challenge

is to provide entrepreneurship programme or building capacity to SMMEs in SPLM. It will assist and empower the SME and create sustainability in their business.

According to Mukwarami and Tengeh (2017), the capital does not necessarily guarantee the accomplishment of the business. Capital is arguably a precondition for establishment of business. Mukwarami and Tengeh (2017) argue that SME operators should be fitted with the business management abilities required to keep the business growing. This view also represents part of the findings.

- Avoidance of late payment

As demonstrated in the study, late payment causes significant cost and efficiency implications for SMMEs. In this situation, the outcomes from the study agree to the scholarship of Kaya (2022). According to Kaya (2022), policymakers should consider and prioritise measures that could address the liquidity shortages arising from late payments to SMMEs. Kaya (2022) further echoes the improvement of contractual measures that could promote stricter payment terms to avoid unnecessarily long payment delays. The intention was to find the challenges of the SMMEs; However, late payment was the cause. The remedy to this late payment is that the municipality should review their policy and implement the 30 days payment. With this remedy there will be improvement in existence of the SMMEs.

- Fairness in awarding the contract.

This study has revealed the essentiality of fairness to all SME operators concerning contract bidding, adjudication, and contract awards to deserving SME operators. Given the same sentiment, the study of Hoekman and Tas (2020) suggests that principle-enhancing practices boost SME participation, with the ultimate aim of standing a chance of being rewarded with more tenders to be won by SMMEs. Hoekman and Tas's (2022) study revealed the importance of using specific measures to boost open procedures (competition) and increase the opportunity for SMMEs to win tenders. The finding revealed that the influences that hinders the progression of the SMMEs is the unfairness to awards of tenders. it was found that the SME are not pleased with the process of the tender awards, however the remedy for this finding is

for the municipality to follow and implement the proper procurement process, which state that the process of tendering should be reasonable, transparent, competitive, and cost effective (Municipal Supply Chain Management policy, 2021).

- Tender awards to SMMEs

The findings in this context support the assertion of Hoekman and Tas (2022) that to boost successful SME participation in public procurement, the government should prioritise stepping up the overall quality of the procurement processes.

According to Hoekman and Tas (2022), nations with superior procurement policies have more SME involvement and a higher possibility of SMMEs winning contracts. Contract division into smaller lots of boosts SMMEs' participation but only increases their chances of winning contracts for small lots. The finding revealed that the SMMEs are not considered in the awards of the tender, however the remedy for this challenge is for the municipality to empower, specifically the local SMMEs. The appointment of local bidders will increase economy of the SPLM and create more jobs.

- ***Provide funding/resources support.***

The key findings from the study have shown that SMMEs in SPLM are faced with the constraints of limited access to low- and medium-cost funding. The findings disclosed that SME are struggling to obtain funding and financial assistance from the authority as for instance SEDA. The possible solution for the challenges is to municipality to host the local forums and invite the funders such as banks and the government interventions to educate the SMMEs.

According to Rajagopaul, Magwentshu, and Kalidas (2020), even when finance is available, SMMEs are still confronted with significant challenges in receiving the necessary help due to a limited recognition of opportunities. Thus, Rajagopaul, Magwentshu, and Kalidas (2020) recommend the exigence to build funding and capability requirements of the contracts to create sustainability.

5.3.3 RO3: To determine which government intervention programs are available to SMMEs.

The key finding on which government intervention programmes are available to SMMEs. The following are types of government SME intervention programmes, efficacy of intervention programmes and expectations of SMMEs.

- Types of government SMMEs intervention programmes

Given the study's key findings, it became known about interventions such as business forums and SEDA. These government intervention programmes for SMMEs in the municipality seek to provide support in the form of funding and training to SME operators in the municipality, though the efficacy of the intervention programmes came out to be questionable, as found in the study.

The finding is supported by the opinions of Rankhumise and Masilo (2017) in their study on the effect of government support, based on a reasonable study of SA and China. Rankhumise and Masilo (2017) found that SEDA provides no financial assistance. Although business support is provided to pre-startups through the development of their business plans. It is observed that when recommendations are made for SMMEs to get funding, they do not always get approval. Causes include the lack of security. According to Akande et al. (2021), stated that it is tough for SMMEs to access finance from the bank as a result of the high competition and SMMEs do not meet the requirements for obtaining loans.

- Efficacy of intervention programmes

The results have shown uncovered efficacy of the government intervention programmes for SMMEs in the municipality. The study's findings in this context agree with the study done by

The study of Myeko and Iwu, (2019) in connection with SME obstacles were not interested to know about regulations concerning the small businesses.

- Expectations of SMMEs

Drawing from the findings from the study, SME operators have mixed expectations regarding government intervention programmes aimed at propping up SMMEs in SPLM. Some of them, as revealed in the study, expect more support and more jobs from the municipality. The study also revealed that there was a push for more preferential procurement treatment for local businesses.

5.4 Recommendations

Given the intentions of the study (RO1), key findings from the study have identified the challenges faced by SME operators in SPLM. These challenges were: competition from big businesses; the devastating impact of COVID-19; economic factors; a lack of mentorship or capacity building; a lack of resources; late payment; political interference; a technological factor; and unfairness in tender awards. These challenges were articulately presented and discussed in the study.

Regarding the formulation of remedies to the challenges of SMMEs in the municipality (RO2), the following remedies were advanced:

Firstly, it suggested that the municipality should develop an entrepreneurship program/capacity building for SMMEs. The Entrepreneurship programme's /capacity building can be developed through the municipality Local Economic Development section (LED). This initiative will benefit the local SME. Furthermore, this will assist and benefit to increase the program activities within the SPLM and improve the economic development of the municipality. From the perspective of the resources, the development of SME should be included in the budget for the LED section, to provide support.

Secondly, in regarding to the findings of late payments, the Municipality should avoid late payment and review and complies with Contract management the policy of the municipality approved by the Council in 2022, as well as the supply chain policy of the municipality of 2021, stipulating that the Service Providers should be paid within 30 days after submission of the

invoice. The highest authority within the municipality should implement the policy and all the responsible officials should comply with the policy. With this remedy the SMMEs will not suffer the waiting for the payment, and this will minimize the risks of the survival The policy will benefit the SMMEs.

Thirdly support and promote local SMMEs through the procurement process and awards the tenders to the local business. Through the SCM policy, the municipality can encourage the big companies to subcontract SMMEs, this clause can be use as the requirement in the tendering process. In addition, the municipality is encouraged to adopt the new preferential Procurement Regulation of 2022 from National Treasury. This regulation encourages of the organ of state to design and implement the specific goals that will used to benefit the local companies including the SMMEs. Once the policy is approved, all the SMMEs will benefit from local procurement within the municipality. Many of the tenders will be awarded to local companies. Lastly, this will improve the economy of the municipality and create more jobs.

Fourthly, to encourage the municipality to participate in gender-responsive procurement. Gender-responsive emanates from the new Preferential Procurement policy of 2022, which encourages the municipality to procure at least 40% of goods or services from companies owned by women. Encourage the municipality to adopt and implement the policy. This will benefit and encouraged the companies owned by women to participate in the tender process. In addition to that, it was found that the businesses in SPLM are dominated by male owners more that the female. This improves the status core of the male dominate in SPLM.

Finally, the study explored the various government intervention programmes available for SMMEs in the municipality (RO3). Based upon study's findings, types of intervention programmes in SPLM identified were SEDA and business forums. It clear that the SMMEs in SPLM are only familiar with SEDA than other intervention, it is advisable also for the municipality during the business forums host by the LED to educate the SME about interventions. In the study, the efficacy of the programmes and the SME operators' expectations from the programmes were investigated, and the key findings were presented.

In regarding the provision of funding and resource support, the possible solution for these challenges is to host the local forums and invite the funders such as banks and the government interventions to educate the SMMEs. Furthermore, the municipality may invest in the technology development of SMMEs. Some participants indicated the difficulty of venturing from the old system of newspapers to the electronic search of advertisements. The local Economic Development (LED) section within the municipality should assist SMMEs with training and guides in terms of the funding application. This can also take place through the local forum and workshop, which includes mentorship.

5.5 Contribution of the study

Study has explored the challenges faced by SMMEs in SPLM provided insights regarding the specific factors that hinder the growth and survival of SMMEs in the SPLM. The key results from the study provide thoughtful remedies that might be applied to attend the challenges mentioned. The study also provides insightful knowledge as to the types and efficacy of SME government intervention programmes available to SME operators in the municipality. The outcomes of the study add to the dynamics of operating SME businesses in SPLM. Given the findings on the efficacy and expectations of SME operators from the government intervention program, the municipality and programme designers would be better able to design intervention programmes aimed at providing efficient supports to SMMEs in the municipality.

5.6 Suggestion for future study and research gaps

The study makes the following recommendations for the future studies:

- The study was done on a limited number of organisations in the municipality therefore, it suggested the other research method t should be used to allow large sample size.

- It is therefore recommended the future researchers may have to consider employing a larger number of participants to include the municipality and other government departments.

- It suggested the future researcher to include the agencies responsible for providing support to SMMEs in the municipality.
- Other categories of business should be included to provide a wide-ranging and complete understanding of the topic.

5.7 CONCLUSION

The foregoing chapter has provided the findings within context of the research objectives of the study as a way of providing a conclusion to the study. Various challenges bedevilling the success, growth, and survival of SMMEs in SPLM were identified as follows: entrepreneurship programme's; avoidance of late payment; fairness in awarding the contract and tender awards to SMMEs. The possible remedies that could be taken to address the identified challenges and constraints were formulated.

It was recommendation that the LED section with the municipality should host the local forum to capacity and empower the SMMEs. In term so of late payment the municipality have adopt and adhere to the policy. Furthermore, the tendering process had better be fair to all SMMEs. Therefore, it is concluded that once the municipality implement the above-mentioned remedies the SMMEs will contribute to the economy of the SPLM. The possible solution and remedy for the government intervention was also articulated on the recommendations.

lastly, the types of government intervention programmes available to SME operators in the municipality were explored to establish their level of efficacy as well as the expectations of the SME operators regarding the programmes.

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