



**AN ETHICAL STRATEGIC DECISION-MAKING
FRAMEWORK FOR SOUTH AFRICAN SMALL AND MEDIUM
ENTERPRISES**

by

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submitted in accordance with the requirements
for the degree of

DOCTOR OF PHILOSOPHY

in the subject of

BUSINESS MANAGEMENT

at the

UNIVERSITY OF SOUTH AFRICA

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February 2022

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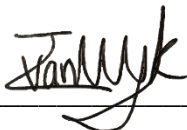
Degree: PhD

AN ETHICAL STRATEGIC DECISION-MAKING FRAMEWORK FOR SOUTH AFRICAN SMALL AND MEDIUM ENTERPRISES

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The following article was published:

Van Wyk, I. & Venter, P. 2022. Perspectives on Business Ethics in South African Small and Medium Enterprises. *African Journal of Business Ethics*, 16(1): 81-104

ACKNOWLEDGEMENTS

I am grateful to a few people who assisted, supported, and guided me on this journey. Without their assistance, this PhD would not have been possible. I would like to firstly thank my supervisor, Prof. Peet Venter, for his professional guidance, advice, assistance and support. His guidance and support are inspiring for my own endeavours in future supervision, and growth as a researcher and academic.

I would like to thank the key intermediaries, who enabled me to reach Small and Medium Enterprises (SMEs), or who put me in contact with SMEs. Their referrals and interest in the subject motivated me throughout my research journey. A special thanks also goes out to each SME owner/manager who set time apart to participate in the various phases of the research.

I would like to thank my employer, the University of South Africa, for the opportunity to complete my studies, the relevant study assistance, the AQIP scholarship and accommodating funds. Sincere appreciation also goes out to Prof. R. Albertyn for her valuable inputs regarding the IQA method, Mr E. van Zyl who assisted with the surveys and Lime survey, and Mrs R. Burger for editing the final thesis.

I would like to thank colleagues who assisted, advised, supported, listened and encouraged me in my PhD studies. Your encouragement and helpful inputs were valuable to this study. Lastly, a special appreciation goes to my friends and family, the pillars in my life. Their love, understanding, interest and support carried me through this journey. Thank you for believing in me.

Through this learning journey I can testify about and witnessed the guidance and blessings of my Lord.

All the glory and Honour to my Lord and Saviour (Colossians 3.17)

ABSTRACT

Small and Medium Enterprises (SME) are as important in South Africa as they are across the globe. The South African government has identified SMEs as a key player in the economy, and has developed policies and initiatives to assist them in becoming sustainable. These enterprises face numerous challenges due to their size and unique characteristics, and the failure rate of these entities remains high.

While much research has been conducted on SMEs, the field of strategic decision-making (SDM) and business ethics in SMEs is underrepresented, particularly in South Africa. Most research in these two fields has also focused on large organisations, and SMEs have been neglected. The implementation of effective SDM and the creation of ethical infrastructures are necessary to maintain and ensure the long-term performances of these entities. Hence, there is a need to develop appropriate theory and frameworks aimed at SMEs.

Considering the above, the aim of this study was to determine a benchmark SDM process for SMEs, and to identify how ethics can be integrated into the SDM process. Data was collected through the Delphi Technique, the Interactive Qualitative Technique, and additional interviews with SME owners/managers as participants. The Delphi Technique allowed the study to reach participants across all nine provinces of South Africa, although most participants in this study were located in the Gauteng province. Much of the empirical data obtained was defined and refined by the participants, with the researcher assisting and facilitating in the research process.

The empirical findings identified a benchmark SDM process, as well as how ethics can be defined and integrated into this process. The findings highlighted unique SDM-related activities in the South African context. These unique activities are internal reasons for SDM, financial analysis, the development of alternatives, choice of an alternative with the least cost route, gathering of non-financial information, importance of communication, the implementation step, and lastly, evaluating the effectiveness of the strategic decision. The findings also indicated that SMEs do not follow specific formal steps in SDM, which highlights the dynamic nature of SDM in SMEs.

The influencing factors of SDM in SMEs contributed additional and unique knowledge to the literature in the South African context. The unique influencing factors that were identified included operational matters such as “engine” (the processes and

structures), limitations/opportunity matters such as time and capacity, and rewards such as fuzzy feel-good feelings and financial potential. In addition, the study identified ethical influencing factors and ethical principles such as integrity, doing the right thing, reliability and responsible behaviour towards stakeholders that guide strategic decisions. Personal ethical principles, such as moral codes and beliefs, were also identified.

These findings highlight the mediating and moderating roles of SDM. The empirical finding also established how SMEs define ethics. The findings highlighted unique practical elements of defining business ethics, such as highlighting trustworthiness, and quality of products and services. Additional findings indicated the role of emotions in making ethical strategic decisions. Thirdly, the empirical findings also indicated how the broad influencing factors relate to each other. This was the first empirical research study to highlight the influencing factors within a system of SDM; highlighting influencing factors (primary drivers) such as risk, and primary outcomes such as rewards. Lastly, an ethical SDM framework is suggested, indicating the moderators and mediators in SDM, and highlighting how ethics are integrated into SDM.

The thesis contributes to the field of SDM, business ethics and SMEs, and particularly, to ethical SDM in SMEs. It is of value to South African SME owners/managers, who can utilise the findings of this study.

Key terms: SMEs, SMMEs, Small Enterprises, Delphi, Interactive Qualitative Analysis, IQA, Ethics, Business Ethics, Strategic Decisions, Strategic Decision-Making, South Africa

INGQIKITHI YOCWANINGO

Amabhizinisi Amancane Naphakathi Nendawo (ama-SME) abalulekile eNingizimu Afrika njengoba ebalulekile nasemazweni omhlaba wonke jikelele. Uhulumeni waseNingizimu Afrika usehlonze ama-SME njengamabhizinisi asemqoka emnothweni, futhi usethuthukise izinqubomigomo namasu ukuze awalekelele ekutheni aqhubeke. La mabhizinisi anezingqinamba eziningana ngenxa yobukhulu bawo nendlela eyehlukile abonakala ngayo, futhi izingasilinganiso lokwehluleka kwala mabhizinisi lisalokhu liphezulu.

Njengoba sekwenziwe ucwaningo oluningi mayelana nama-SME, umkhakha wokwenza izinqumo ngokusezingeni eliphezulu (i-SDM) kanye nowenkambisonhle yokusebenza kwama-SME awumelelekile kahle, ikakhulukazi eNingizimu Afrika. Ucwaningo oluningi kule mikhakha yomibili lugxile ezinhlenganweni ezinkulu, futhi ama-SME abeshaywa indiva. Kunama-SDM aqhutshwayo kanye nokwakhiwa kwezingqalazizinda ezisebenza ngokwenkambisonhle ukuze zigcine futhi ziqinisekise ukusebenza kwala mabhizinisi. Ngakho-ke, kunesidingo sokuba kuthuthukiswe izinjulalwazi nezinhloko ezifanele ezibhekene nama-SME.

Ukubheka okungenhla nje, inhloso yalolu cwaningo kwakuwuthola uhlelo lwama-SME oluwumgomo nokuhlonza ukuthi izinkambisonhle zingadidiyelwa kanjani ezinhlalweni ze-SDM. Ulwazi olungahlungiwe lwaqokelelwa kusetshenziswa iQhingaswe i-*Delphi*, iQhingaswe Elixhumanisa Okuphathelene nesimo, kanye nezinkulumongxoxo ezengeziwe nama-SME/nabaphathi njengababambiqhaza. IQhingaswe i-*Delphi* lwavumela ucwaningo ukuba lufinyelele kubababambiqhaza kuzo zonke izifundazwe eziyisi-9 zaseNingizimu Afrika, nakuba iningi lababambiqhaza kulolu cwaningo babezinze esifundazweni saseGauteng. Ulwazi oluningi olungahlungiwe olungasebenzisi isayensi kodwa olushoyo nolubonisayo lwachazwa lwase lulungiswa yibo belu ababambiqhaza, belekelelwa ngumcwaningi futhi eqhuba zonke izinhlelo zocwaningo.

Imiphumela engasebenzisi isayensi kodwa eshoyo nebonisayo yahlonza uhlelo oluwumgomo lwama-SDM, kanye nokuthi izinkambisonhle zingachazwa kanjani futhi zididiyelwe kulolu hlelo. Imiphumela ibalule imisebenzi eminingi ehlobene nemisebenzi yama-SDM ngokomqondongqangi waseNingizimu Afrika. Le misebenzi ehlukele iyizizathu zangaphakathi zokusebenza kwama-SDM, uhlaziyo lwezezimali,

ukuthuthukiswa kwezinye izindlela zokwenza izinto, okungakhethwa kukho okungabizi kakhulu, ukuqoqwa kolwazi okungelona olwezezimali, ukubaluleka kokuxhumana, isinyathelo sokuqhuba uhlelo, bese kuthi okokugcina, kube wukuhlola ukusebenza ngendlela efanele ekuthathweni kwezinqumo. Imiphumela iphinde yakubalula ukuthi ama-SME awazilandeli izindlela eziqondile ezisemthethweni kwi-SDM, lubalula ukusebenza ngendlela enamandla kwama-SDM nama-SME.

Izimo ezinomthethelela kuma-SDM ngaphakathi kuma-SME zibe neqhaza elengeziwe kanye nolwazi olwehlukile phezu kwalolo esiluthola emibhalweni yezazi zokuloba ngokomqondongqangi waseNingizimu Afrika. Izimo ezihlukile ezinomthethelela ezahlonzwa zazibandakanya izindaba zokuqhuba umsebenzi ezithathwa “njengeziwumgogodla” (okuyizinhlelo nezinhlaka), imikhawulo/okuphathelene namathuba okubalwa kukho isikhathi kanye namandla okwenza okuthile, imihlomulo okubalwa kuyo imizwa yokuziwa ngendlela efanele kanye nokuba semathubeni ezezimali. Ukwengeza nje, lolu cwaningo lwahlonza izimo zenkambisonhle njengezinomthethelela kanye nezimiso eziphathelene nenkambisonhle okubalwa kuzo ukunikezwa ubuqotho, ukwenza into efanele, ukwethembeka kanye nokuziphatha ngendlela enokuzibophezela kubabambiqhaza okuyikhona okuhlahlela izinqumo eziphezulu. Izimiso eziphathelene nenkambisonhle nomuntu, okubalwa kuzo indlela yobuqotho nezinkolelo zahlonzwa.

Le miphumela ibalula amaqhaza okungenelela nokulinganisa e-SDM. Imiphumela yolwazi olungasebenzisi isayensi kodwa olushoyo nolubonisayo ihlonze ukuthi ama-SME ayichaza kanjani inkambisonhle. Imiphumela izibalulile izakhi ezejwayelekile zokuchaza izinkambisonhle zebhizinisi, okubalwa kuzo ukwethembeka, kanye nezingabunjalo lemikhiqizo nezinsizakalo. Imiphumela eyengeziwe ibalule ukuthinteka komoya ngenkathi kuthathwa izinqumo ezinkulu ezihambisa ngokwenkambisonhle. Okwesithathu, imiphumela yolwazi olungasebenzisi isayensi kodwa olushoyo nolubonisayo iphinde yabalula ukuthi izimo ezinomthethelela zihlobana kanjani zizodwa. Lolu cwaningo kwaba olokuqala olungasebenzisi isayensi kodwa olushoyo nolubonisayo olwabalula izimo ezinomthethelela kwinqubo ye-SDM; olwabalula izimo ezinomthethelela (abalawuli abasekuqaleni) okubalwa kubo ubungcuphe, kanye nemiphumela yokuqala okubalwa kuyo imihlomulo. Okokugcina, kwabe sekuphakanyiswa uhlaka lwe-SDM oluhambisa ngokwenkambisonhle,

olubalula abenza isimo sibe lula kanye nabangenelelayo kwi-SDM, kanye nokubalula ukuthi zingadidiyelwa kanjani izinkambisonhle kwi-SDM.

Lo mbhalo wocwaningo uphonsa itshe esivivaneni emkhakheni we-SDM, kwizinkambisonhle zebhizinisi nama-SME, ikakhulukazi kwizinkambisonhle ze-SDM kwi-SME. Ibalulekile kubanikazi/kubaphathi bamaSMEs aseNingizimu Afrika, abangasebenzisa le miphumela yalolu cwaningo.

Amatemu asemqoka: Ama-SME, ama-SMME, Amabhizinisi Amancane, i-*Delphi*, Uhlaziyo Oluxhumanisayo Oluphathelene nesimo, i-IQA, Izinkambisonhle, Izinkambisonhle Zebhizinisi, Izinqumo Eziphezulu, Ukwenza Izinqumo Eziphezulu, INingizimu Afrika

KAKARETŠO

Dikgwebo tše nnyane le tša magareng (diSME) di bohlokwa ka Afrika Borwa le go ralala le lefase ka bophara. Mmušo wa Afrika Borwa o hlaotše diSME bjalo ka batšeakarolo ba bohlokwa kudu go kgolo ya ekonomi, gomme o hlamile dipholisi le mananeo a go thuša dikgwebo go ba le thekgo nako ye telele. Dikgwebo tše di ba le mathata a mmalwa ka lebaka la bogolo bja tšona le ka mokgwa wo di šomago ka gona, gomme kelo ya phuhlamo ya dikgwebo tše e sa le godimo.

Le ge dinyakišišo tše mmalwa di dirilwe ka diSME, lekala la maano a tše o ya diphetho (SDM) le maitshwaro a kgwebo ka gare ga diSME di fase kudu ka Afrika Borwa. Bontši bja dinyakišišo tše ka makaleng a a mabedi gape bo šeditše kudu go dikgwebo tše di kgolo, gomme diSME di hlokomologilwe. Go tsenywatirišong gabotse ga diSDM le go hlama dikgwebo tše di latelago maitshwaro go bohlokwa go hlokomela le go netefatša tiragatšo ya sebaka se se telele ya dikgwebo tše. Ka gona go na le hlokego ya go bopa diteori le diforeimiweke tše di lebišitšego go diSME.

Go ya ka dintlha tše di filwego ka mo godimo, maikemišetšo a nyakišišo ye ke go laetša tshepedišo ya maemo a kelo a SDM ya diSME, le go laetša gore maitshwaro a dikgwebo e ka kopantšhwa ka tsela efe ka tshepedišong ya SDM. Datha e kgobokeditšwe ka mokgwa wa Delphi, mokgwa wa ditlhokomedišišo, le go swara dipoledišano tša tlaleletšo le beng/balaodi ba diSME bjalo ka batšeakarolo. Mokgwa wa Delphi o kgontšhitše nyakišišo go fihlelela batšeakarolo go ralala diprofense tše senyane tša Afrika Borwa, le ge bontši bja batšeakarolo ka gare ga nyakišišo ye ba be ba dula Profenseng ya Gauteng. Bontši bja datha yeo e fihleletšwego e hlalošitšwe le go kaonafatšwa ke batšeakarolo, gotee le monyakišišo yo a thušitšego le go nolofatša tshepedišo ya nyakišišo.

Diphihlelelo tše di fihleletšwego di laeditše tshepedišo ya maemo a kelo a SDM le gore maitshwaro e hlalošwa le go kopantšhwa bjang ka gare ga tshepedišo ye. Diphihlelelo di bontšhitše kamano ya mešomo ya SDM ya moswananoši ka Afrika Borwa. Go ikgetha ga mešomo ye ke mabaka a SDM, tshekatsheko ya matlotlo, tihabollo ya mekgwa e mengwe, kgetho ya se sengwe sa go ba le ditshenyegelo tša fase, kgoboketšo ya tshedimošo ye e sego ya matlotlo, bohlokwa bja poledišano, kgato ya go tsenyatirišong, le mokgwa wa go sekaseka katlego ya leano la go tšea diphetho.

Diphihlelelo di laetša gape gore diSME ga di latele kgato ye itšeng ya semmušo mo kgwebong, yeo e laetšago mokgwa wa go fetogafetoga ga SDM ka gare ga diSME.

Dintlha tša go huetša tša SDM ka gare ga diSME di okeditše tsebo ye e ikgethilego go dingwalwa tša Afrika Borwa. Dintlha tše di ikgethilego di akaretša dintlha tša go šoma bjale ka “entšene” (ditshepedišo le mananeo) mabaka a ditšhitišo/dibaka bjalo ka nako le bokgoni, le diputseletšo tša go swana le go maikutlo a mabotse a go šoma le kgonagalo ya tšhelete. Go tlaleletša, nyakišišo e laeditše dintlha tše bohlokwa tša melawana ya maitshwaro dikgwebong bjalo ka potego, go dira se se lebanego, tshephagalo le maikarabelo go batšeakarolo bao ba hlahlago diphetho tša maano. Melawana ya maitshwaro ya motho, bjale ka mekgwa ya maitshwaro le ditumelo le yona e hlaotšwe.

Diphihlelelo tše di laeditše mešomo ya go namola le go lekanetša ya maano a tše ya diphetho. Phihlelelo ye e fihleletšwego gape e hlaloša ka fao diSME di hlalošago maitshwaro. Diphihlelelo di laeditše gape dintlha tše bohlokwa tša go hlaloša maitshwaro a kgwebo, bjalo ka go laetša tshephagalo, boleng bja ditšweletšwa le ditirelo. Diphihlelelo tša tlaleletšo di laeditše karolo ya maikutlo mo go direng diphetho tša maano. Ntlha ya boraro, diphihlelelo tše di fihleletšwego gape di laeditše gore dintlha tše di filwego di amana bjang. Ye ke nyakišišo ya mathomo ya go fihlelelwa go laetša dintlha tše bohlokwa ka gare ga lenaneo la SDM; bjalo ka kgonagalo ya kotsi le dipelo tše bohlokwa bjalo ka meputso. Sa mafelelo, foreimiweke ya SDM ya maitshwaro e šišintšwe, ye e laetšago balekanetši le banamodi ka gare ga SDM, le go laetša ka fao maitshwaro a kopantšwego ka gare ga SDM.

Thesese e tsenya letsogo lekaleng la SDM, maitshwaro a dikgwebo le diSME, kudu maitshwaro a SDM ka gare ga diSME. E bohlokwa kudu go beng ba dikgwebo goba balaodi ba diSME ba Afrika Borwa, bao ba šomišago diphihlelelo tša nyakišišo ye.

Mantšu a bohlokwa: diSME, diSMME, Dikgwebo tše Nnyane, Delphi, Tshekatsheko ya Bontši, IQA, Maitshwaro, Maitshwaro a Kgwebo, Diphetho tša Maitshwaro, Maano a Tše ya Diphetho, Afrika Borwa

TABLE OF CONTENTS

DECLARATION	i
ACKNOWLEDGEMENTS	ii
ABSTRACT	iii
INGQIKITHI YOCWANINGO	v
KAKARETŠO	viii
TABLE OF CONTENTS	x
LIST OF FIGURES	xv
LIST OF ACRONYMS, ABBREVIATIONS AND SYMBOLS	xix
CHAPTER 1: INTRODUCTION	1
1.1 INTRODUCTION	1
1.2 BACKGROUND TO THE STUDY	1
1.2.1 Business ethics.....	1
1.2.2 Small and Medium Enterprises	3
1.2.3 Importance of SMEs in developed and developing countries	3
1.2.4 Business ethics research in Small and Medium Enterprises	5
1.2.5 The need for ethics and ethical leaders in South Africa.....	7
1.2.6 Integrating business ethics and strategy	9
1.2.7 SDM research in South African SMEs.....	10
1.3 PROBLEM STATEMENT	11
1.4 RESEARCH QUESTIONS	13
1.4.1 Primary research question	13
1.4.2 Secondary research questions.....	14
1.5 DEFINITIONS OF KEY TERMS AND CONCEPTS	14
1.6 RESEARCH METHODOLOGY	16
1.6.1 Ontological, epistemological and axiological assumptions	16
1.6.2 Research design and strategy	16
1.6.3 Data collection and research approach.....	17
1.6.4 Data analysis	18
1.7 DEFINING THE RESEARCH UNIVERSE	19
1.7.1 Target population.....	19
1.7.2 Sampling technique	20
1.8 CONTRIBUTION OF THIS THESIS	21
1.9 DELIMITATIONS AND ASSUMPTIONS	22
1.10 RESEARCH ETHICS	23
1.11 LAYOUT OF THIS THESIS	24
1.12 CONCLUSION	24

CHAPTER 2: SMALL AND MEDIUM ENTERPRISES AND STRATEGIC DECISION-MAKING	25
2.1 INTRODUCTION	25
2.2 SMALL AND MEDIUM ENTERPRISES	25
2.2.1 Small and medium enterprises defined	25
2.2.2 Small business: significant sector	28
2.2.3 Small business: great challenges.....	29
2.2.4 Summary on small and medium enterprises	33
2.3 STRATEGIC DECISION-MAKING	33
2.3.1 Decision-making	34
2.3.2 Strategic decision-making.....	34
2.3.3 The SDM process	37
2.3.4 Characteristics of the SDM process	43
2.3.5 Factors influencing SDM.....	46
2.3.6 Summary of SDM	48
2.4 STRATEGIC DECISION-MAKING IN SMES: A SYSTEMATIC REVIEW OF LITERATURE	49
2.4.1 Systematic review: the methodology	49
2.4.2 SDM processes developed for SMEs (content).....	56
2.4.3 Characteristics of SDM in SMEs	66
2.4.4 Factors influencing SDM in SMEs (context)	67
2.4.5 Gaps in theory pertaining to SDM in SMEs	72
2.4.6 Further suggestions for future research on SDM in SMEs	74
2.4.7 Summary: SDM in SMEs	74
2.5 SDM IN SOUTH AFRICAN SMES.....	75
2.6 CONCLUSION.....	77
CHAPTER 3: BUSINESS ETHICS AND STRATEGIC DECISION-MAKING	78
3.1 INTRODUCTION	78
3.2 ETHICS AND THE BUSINESS SETTING	79
3.2.1 Defining business ethics	79
3.2.2 Institutionalising ethics – formally.....	84
3.2.3 Institutionalising ethics - informally.....	88
3.3 INTEGRATION OF BUSINESS ETHICS AND STRATEGY	91
3.3.1 Summary: Ethics and business ethics.....	93
3.4 ETHICAL DECISION-MAKING.....	93
3.4.1 Prescriptive approach to ethical decision-making.....	94
3.4.2 Descriptive approach to ethical decision-making.....	96
3.4.3 Factors influencing EDM.....	102
3.4.4 Summary: Ethical decision-making	106
3.5 ETHICS-RELATED INFLUENCING FACTORS IN EDM	107

3.6	LITERATURE ON ETHICS IN SDM	108
3.6.1	Ethics in small and medium enterprises	112
3.7	SDM ETHICS IN SMES: SYSTEMATIC REVIEW OF LITERATURE	113
3.7.1	Systematic review: The methodology.....	113
3.7.2	Planning.....	113
3.7.3	Conducting	114
3.7.4	Data extraction and reporting.....	119
3.8	BUSINESS ETHICS IN SOUTH AFRICAN SMES.....	144
3.9	CONCLUSION.....	145
CHAPTER 4: RESEARCH DESIGN AND METHODOLOGY.....		147
4.1	INTRODUCTION	147
4.2	THE RESEARCH QUESTIONS.....	147
4.3	RESEARCH PHILOSOPHY AND THEORY DEVELOPMENT	147
4.3.1	Research philosophy	148
4.3.2	Theory development	149
4.4	RESEARCH METHODOLOGY.....	150
4.4.1	Research design.....	151
4.4.2	Classification of research design.....	151
4.4.3	Sources and method of data collection	153
4.4.4	Control over variables	154
4.4.5	Purpose of a research study	154
4.4.6	Time dimension	154
4.4.7	Topical scope.....	154
4.4.8	Research environment.....	155
4.4.9	Participants' perceptual awareness.....	155
4.4.10	Research strategy.....	156
4.5	THE RESEARCH INSTRUMENT	157
4.5.1	Delphi Technique as research instrument.....	158
4.5.2	Interactive qualitative method as research instrument.....	160
4.5.3	Interviews as research designs.....	164
4.5.4	The advantages and challenges of using the various techniques.....	164
4.5.5	Pretesting the research instruments.....	166
4.6	DEFINING THE RESEARCH UNIVERSE.....	167
4.6.1	Target population.....	167
4.6.2	Sampling and sampling method.....	167
4.7	DATA OBTAINED	168
4.8	TRUSTWORTHINESS.....	168
4.9	DATA ANALYSIS.....	170
4.9.1	Delphi Technique data analysis	170

4.9.2	IQA method data analysis	172
4.9.3	Analysing data obtained from the interviews	173
4.10	CONCLUSION.....	173
CHAPTER 5:	DELPHI PHASE RESEARCH ANALYSIS AND FINDINGS	174
5.1	INTRODUCTION	174
5.2	FINDINGS AND ANALYSIS OF THE DELPHI TECHNIQUE	174
5.2.1	Round 1 (Part 1) of the Delphi Technique: SDM	174
5.2.2	Round 1 (Part 2) of Delphi Technique: Business ethics	193
5.2.3	Round 2 (Part 1) of the Delphi Technique: SDM	202
5.2.4	Round 2 (Part 2) of the Delphi Technique: Business ethics.....	213
5.3	CONCLUSION.....	219
CHAPTER 6:	ANALYSIS AND FINDINGS OF INTERACTIVE QUALITATIVE ANALYSIS METHOD AND INTERVIEWS	220
6.1	INTRODUCTION	220
6.2	IQA METHOD: FINDINGS AND ANALYSIS	220
6.2.1	Overview.....	220
6.2.2	The participants	221
6.2.3	The standard warm-up exercises and issue statement	223
6.2.4	IQA Affinities (themes) and their descriptions.....	226
6.2.5	Affinity relationship table (ART) and frequencies.....	234
6.2.6	Interrelationship diagram (IRD)	236
6.2.7	Group System Influence Diagram (SID) and analyses	241
6.2.8	Summary: A tour through the system (SDM in SMEs).....	255
6.2.9	Affinities as influencing factors of SDM	256
6.2.10	Ethical influencing factors	278
6.2.11	Summary: Influencing factors of SDM in SMEs.....	283
6.3	STRATEGIC DECISIONS IDENTIFIED IN SMES.....	286
6.4	SUMMARY	289
CHAPTER 7:	SUMMARY, CONCLUSION AND RECOMMENDATIONS	290
7.1	INTRODUCTION	290
7.2	REVISITING THE RESEARCH QUESTIONS.....	290
7.3	DISCUSSION OF RESEARCH QUESTIONS, CONCLUSIONS AND RECOMMENDATIONS.....	291
7.3.1	Strategic decision-making frameworks or tools to make decisions	291
7.3.2	Defining business ethics for SMEs.....	295
7.3.3	Factors (including ethical factors) that influence SDM in SMEs.....	297
7.3.4	Framework for ethical SDM for South African SMEs.....	301
7.3.5	Integrating ethics in strategic decision-making.....	302
7.4	RECOMMENDATIONS FOR MANAGERS AND PRACTITIONERS	306

7.5	RECOMMENDATIONS FOR FUTURE RESEARCH	308
7.6	RECOMMENDATIONS FOR THE IQA METHOD.....	309
7.7	LIMITATIONS OF THIS STUDY	311
7.8	RESEARCH CONTRIBUTION.....	312
7.9	CONCLUDING REMARKS.....	314
	REFERENCES.....	316
	APPENDIX A: SME CLASSIFICATIONS PER SECTOR OR SUB-SECTORS	348
	APPENDIX B: SYSTEMATIC REVIEW FILTER CHECKLIST	350
	APPENDIX C: SEARCH RESULTS PER DATABASE	357
	APPENDIX D: SYSTEMATIC REVIEW FINDINGS	368
	APPENDIX E: COMPONENTS OF AN ETHICAL INFRASTRUCTURE	398
	APPENDIX F: COVER LETTERS.....	407
	APPENDIX G: THE DELPHI TECHNIQUE QUESTIONS AND ROUNDS	413
	APPENDIX H: IQA TEMPLATES	436
	APPENDIX I: INTERVIEW PROTOCOLS	442
	APPENDIX J: STRATEGIC DECISIONS IN SMES.....	448
	APPENDIX K: UNIQUE ACTIONS NOT CAPTURED BY THE GENERIC GROUP RESPONSES	454
	APPENDIX L: THE RESEARCH JOURNEY AND REPORT	462
	APPENDIX M: ETHICAL CLEARANCE CERTIFICATE	470
	APPENDIX N: DECLARATION OF PROFESSIONAL EDIT.....	472

LIST OF FIGURES

Figure 1.1:	Layout of the thesis.....	24
Figure 2.1:	The IDSI (SDM) holistic conceptual framework	42
Figure 2.2:	A holistic SDM process for SMEs.....	64
Figure 3.1:	Integration of strategic management and business ethics	92
Figure 3.2:	Identified ethical strategic decision-making process.....	110
Figure 3.3:	Holistic EDM in SMEs	132
Figure 4.1:	Descriptors of the research design for this study.....	157
Figure 4.2:	Step in the Delphi Technique	159
Figure 4.3:	Steps in the IQA method.....	163
Figure 5.1:	Identified business ethics themes and categories (Part 1) of the Delphi Technique	180
Figure 5.2:	Identified business ethics themes and categories (Part 2) of the Delphi Technique	194
Figure 6.1:	Issue statement and broad guidelines used in the IQA group session.....	224
Figure 6.2:	Identified IQA affinities	227
Figure 6.3:	Maximum variance analysis of the focus group.....	239
Figure 6.4:	Power analysis of the focus group	240
Figure 6.5:	Tentative group SID	242
Figure 6.6:	Flat cluttered group SID	242
Figure 6.7:	Circular cluttered group SID.....	242
Figure 6.8:	Redundant links explained	244
Figure 6.9:	Clean group SID, with redundant links in lighter colour	245
Figure 6.10:	Clean group SID	245
Figure 6.11:	Identified influencing factors of SDM in SMEs.....	284
Figure 6.12:	Suggested mediators and moderators in SDM for SMEs	285
Figure 7.1:	SDM process for SMEs – empirical findings.....	294
Figure 7.2:	Influencing factors of SDM in SMEs – empirical findings.....	300
Figure 7.3:	Framework for ethical strategic decision-making for South African SMEs ..	302
Figure 7.4:	Integrating ethics in SDM for SMEs	305

LIST OF TABLES

Table 1.1:	Key concepts and terms defined	14
Table 2.1:	Characteristics of strategic decisions	35
Table 2.2:	Examples of various SDM models	38
Table 2.3:	Characteristics of SDM processes	44
Table 2.4:	Factors influencing SDM process.....	48
Table 2.5:	Search strings to identify SDM literature in SMEs	52
Table 2.6:	Journals included and their ratings (to identify SDM literature in SMEs).....	54
Table 2.7:	Inclusion and exclusion criteria (to identify SDM literature in SMEs)	55
Table 2.8:	Identified SDM frameworks in SMEs	59
Table 2.9:	Actions pertaining to SDM in SMEs.....	62
Table 2.10:	Factors that influence SDM in SMEs.....	68
Table 3.1:	Perceptions of business ethics.....	82
Table 3.2:	Components of an ethics programme	85
Table 3.3:	Components of informal ways to manage for ethical conduct.....	89
Table 3.4:	Ethical theories as guidelines in EDM	95
Table 3.5:	Various EDM frameworks	97
Table 3.6:	Individual factors influencing EDM	103
Table 3.7:	Organisational factors influencing EDM	104
Table 3.8:	Moral intensity as an influencing factor in EDM.....	105
Table 3.9:	Search strings 1 – 12 (to identify ethics in SDM for SMEs)	115
Table 3.10:	Search strings 13 – 24 (to identify EDM literature for SMEs).....	116
Table 3.11:	Journals identified and their rankings (to identify ethics, SDM and SME-related literature)	117
Table 3.12:	Inclusion and exclusion criteria (to identify ethics, SDM and SME-related literature)	118
Table 3.13:	Defining business ethics through elements	120
Table 3.14:	Ethical components evident in SMEs	124
Table 3.15:	Phases evident in an EDM process in SMEs	130
Table 3.16:	Factors influencing EDM in SMEs.....	134
Table 3.17:	Normative ethics in SMEs	139
Table 3.18:	South African SME perceptions of business ethics	145
Table 4.1:	Steps in the Delphi rounds.....	159
Table 4.2:	Steps in the IQA method.....	162
Table 4.3:	Determining drivers and outcomes for a SID.....	173
Table 5.1:	Number of codes, categories, and themes (Part 1) – SDM in SMEs	176
Table 5.2:	Delphi participant’s profiles	177
Table 5.3:	Categories of strategies identified in SMEs.....	179

Table 5.4:	Identified SDM themes, categories, and their frequencies (Part 1)	181
Table 5.5:	Theme 1: Reason for the strategic decision (Round 1, Part 1)	183
Table 5.6:	Theme 2: Analysis of financial information (Round 1, Part 1)	185
Table 5.7:	Theme 3: The strategic decision (Round 1, Part 1)	187
Table 5.8:	Theme 4: Gathering non-financial information (Round 1, Part 1).....	188
Table 5.9:	Theme 5: Communication (Round 1, Part 1)	190
Table 5.10:	Theme 6: Implementation (Round 1, Part 1)	191
Table 5.11:	Theme 7: Evaluation of the effectiveness of the strategic decision (Round 1, Part 1)	192
Table 5.12:	Number of codes, categories and themes (Part 2) – Business Ethics	194
Table 5.13:	Identified Business ethics themes, categories, and their frequencies (Part 2) of the Delphi Technique	195
Table 5.14:	Theme 1: Doing the right thing (Round 1, Part 2).....	196
Table 5.15:	Theme 2: Integrity (Round 1, Part 2).....	198
Table 5.16:	Theme 3: Transparency (Round 1, Part 2).....	199
Table 5.17:	Theme 4: Trustworthy (Round 1, Part 2)	200
Table 5.18:	Theme 5: Behaving responsibly (Round 1, Part 2).....	202
Table 5.19:	Findings for Theme 1: Reason for the strategic decision (Round 2, Part 1)	204
Table 5.20:	Findings for Theme 2: Analysis of financial information (Round 2, Part 1)..	205
Table 5.21:	Findings for Theme 3: The strategic decision (Round 2, Part 1).....	206
Table 5.22:	Findings for Theme 4: Gathering non-financial information (Round 2, Part 1) ..	207
Table 5.23:	Findings for Theme 5: Communication (Round 2, Part 1).....	208
Table 5.24:	Findings for Theme 6: Implementation (Round 2, Part 1).....	209
Table 5.25:	Findings for Theme 7: Evaluation of the effectiveness of the strategic decision (Round 2, Part 1)	210
Table 5.26:	Summary of consensus reached on SDM-related statements	211
Table 5.27:	Findings for Theme 1: Doing the right thing (Round 2, Part 2).....	214
Table 5.28:	Findings for Theme 2: Integrity (Round 2, Part 2).....	215
Table 5.29:	Findings for Theme 3: Transparency (Round 2, Part 2)	215
Table 5.30:	Findings for Theme 4: Trustworthy (Round 2, Part 2).....	216
Table 5.31:	Findings for Theme 5: Behaving responsibly (Round 2, Part 2).....	217
Table 5.32:	Summary of consensus reached on business ethics-related statements (Round 2, Part 2)	218
Table 6.1:	Profiles of the IQA participants.....	223
Table 6.2:	Participants' thoughts and reflections on elements affecting their SDM.....	225
Table 6.3:	Affinity 1: Limitation/Opportunity.....	229
Table 6.4:	Affinity 2: Reward.....	230
Table 6.5:	Affinity 3: Risk.....	231

Table 6.6:	Affinity 4: SMERacter	232
Table 6.7:	Affinity 5: Operations.....	233
Table 6.8:	Differentiating between the affinities	234
Table 6.9:	Numbering of affinities for analyses of relationships.....	235
Table 6.10:	Frequencies of relationships/Democratic composite	236
Table 6.11:	Affinities' pair relationships with the Pareto and power analysis	238
Table 6.12:	Tabular IRD	240
Table 6.13:	Tabular IRD in descending order of Delta	241
Table 6.14:	SID assignments.....	241
Table 6.15:	The nine relationships amongst the affinities.....	246
Table 6.16:	Profiles of additional participants.....	257
Table 6.17:	Strategic decisions identified in IQA findings.....	286
Table 7.1:	Linking the research questions to the empirical and literature findings	291

LIST OF ACRONYMS, ABBREVIATIONS AND SYMBOLS

ART	Affinity Relationship Table
CABS	Chartered Association of Business School
CSR	Corporate Social Responsibility
EDM	Ethical Decision-Making
GDP	Gross Domestic Product
HR	Human Resources
ICT	Information and Communications Technology
IQA	Interactive Qualitative Analysis
IRD	Interrelationship Diagram
JSE	Johannesburg Stock Exchange
RQ	Research Question
SDM	Strategic Decision-Making
SID	System Influence Diagram
SME	Small and Medium Enterprise
VAT	Value-Added Tax
US / USA	United States of America
UK	United Kingdom
Δ	(symbol for) Delta

CHAPTER 1: INTRODUCTION

1.1 INTRODUCTION

This chapter introduces the study entitled, “An ethical strategic decision-making framework for South African Small and Medium Enterprises”. This chapter discusses the background to the study, and presents the problem statement and research questions, after which, commonly used key terms and their respective definitions are provided. This is followed by a brief review of the research strategy, indicating how the research questions were addressed. Lastly, the chapter presents a discussion of the value of this research study, and briefly discusses the delimitations, assumptions, and ethical considerations of the study. The chapter concludes with a layout of the thesis.

1.2 BACKGROUND TO THE STUDY

This section discusses the background to the study in terms of the concepts of business ethics and small and medium-sized enterprises (SMEs). This section also discusses the importance of SMEs, business ethics research in SMEs, the need for ethics and ethical leaders in South Africa, how to integrate business ethics and strategy, and SDM research in South African SMEs.

1.2.1 Business ethics

For a variety of reasons, business ethics, a prominent topic, has been receiving increased attention in the business and academic setting (Borah & Hazarika, 2015:273; Fassin, Van Rossem & Buelens, 2011:425; Turyakira, 2018:1). The focus on business ethics has been compelled by the regular occurrences of corporate scandals, regulation updates to include sound governance, and various stakeholders’ demands for ethical behaviour in the business setting (Brenkert, 2019:917; Nuseir & Ghandour, 2019:602).

Some organisations have responded to these demands by establishing and maintaining an ethical infrastructure. Ethical infrastructures consist of formal and informal components that create an ethical business atmosphere (Fernández & Camacho, 2016:114; Morris, Schindehutte, Walton & Allen, 2002:331; Remišová, Lašáková & Kirchmayer, 2018:151; Zaal, Jeurissen & Groenland, 2019:825).

Examples of the formal components include ethics training, ethical officers, and a code of ethics. The informal components consist of norms, rituals, stories and organisational culture (Kaptein, 2010:603, 2015:416; Van Wyk, 2016b:231; Zaal *et al.*, 2019:826). Ethical infrastructures encourage ethical behaviour and minimise unethical behaviour (Einarsen, Mykletun, Einarsen, Skogstad & Salin, 2017:38; Zaal *et al.*, 2019:825). The development of such infrastructures is an important responsibility of managers at different managerial levels (De Cremer & Vandekerckhove, 2017:447). The components of an ethical infrastructure have been observed in a few SMEs (Fernández & Camacho, 2016:113; Morris *et al.*, 2002:331).

Many researchers in the field of business ethics have focused on the effectiveness of some of the components of an ethical infrastructure. The effectiveness of codes of ethics (Adelstein & Clegg, 2016:53; Kaptein, 2011a:233; Mauri-Ríos, Marcos-García & Zuberogoitia-Espilla, 2020:511; Persons, 2009:357) and ethical training (Palmer & Zakhem, 2001:77; Sekerka, 2009:77; Stenmark & Miller, 2021:1; Weber, 2015:27) have been studied. In addition, the characteristics or virtues of ethical culture (Ardichvili, Mitchell & Jondle, 2009:223; Cabana & Kaptein, 2021:761; Duh, Belak & Milfelner, 2010:473; Kaptein, 2010:601) and whistleblowing (Latan, Jabbour & De Sousa Jabbour, 2020:1; MacNab, Brislin, Worthley, Galperin, Jenner, Lituchy, MacLean, Aguilera, Ravlin; Tiessen, Bess & Turcotte, 2007:5; Zhang, Chiu & Wei, 2009:627) have been researched. According to a global survey of business ethics (Rossouw, 2012:388), some of the most prominent research themes in business ethics are the management of ethics or governance; sustainability, and corporate social responsibility and/or stakeholder relations. Whilst already a prominent research field, there remains scope for further research in this field.

A trend identified in the business ethics literature is the significant focus on large organisations (Fernández & Camacho, 2016:114; Robinson & Jonker, 2017:63). However, SMEs differ from large organisations in terms of procedures, structures, resources and tools (Cambra-Fierro, Hart & Polo-Redondo, 2008:645; Hang & Wang, 2012:91; Liberman-Yaconi, Hooper & Hutchings, 2010:74; Painter-Morland & Spence, 2009:1), and need SME-appropriate models and guidelines. The next section provides a definition of SMEs and discusses their importance to any economy.

1.2.2 Small and Medium Enterprises

As previously explained, SMEs differ from larger organisations in terms of decision-making, protocols and structures. In addition, SMEs typically have limited financial, technological and human resources (Cambra-Fierro *et al.*, 2008:645; Coetzer, Wallo & Kock, 2019; Hang & Wang, 2012:91; Liberman-Yaconi *et al.*, 2010:74). Nonetheless, despite their size and limitations, they play a critical role in an economy.

Defining an SME is challenging, as there is no common definition available. The definitions of SMEs vary in context, and across organisations, industries and countries (Coetzer *et al.*, 2019:425; Inyang, 2013:125; Krishnan & Scullion, 2017:431; Smit & Watkins, 2012:6324). The definition is often based on qualifying criteria such as annual turnover or number of employees (Krishnan & Scullion, 2017:431; Nene, 2017:7). In South Africa, the context of this study, the National Small Enterprise Act, 1996, provides a framework to define and categorise SMEs (Nene, 2017:7). The Act, *inter alia*, defines SMEs as:

...a separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or subsector of the economy ... and which can be classified as a micro-, a very small, a small or a medium enterprise by satisfying the (applicable) criteria. (South Africa, 1996:2).

1.2.3 Importance of SMEs in developed and developing countries

Worldwide, SMEs account for 90% and more of business enterprises and employ close to 60% to 70% employees (Fatoki, 2020:62; Gamage, Ekanayake, Abeyrathne, Prasanna, Jayasundara & Rajapakshe, 2020:3; Inyang, 2013:123; Masama & Bruwer, 2018:21; Taiwo, 2016:37). Although their gross domestic product (GDP) contributions are much smaller than that of large organisations; SMEs remain a critical player in the economy (Liberman-Yaconi *et al.*, 2010:71; Popa, Simion, Ştefan & Albu, 2019:169). They are seen as a driving force of economic growth, and can assist in poverty alleviation and job creation in developing and developed countries (Jamali, Lund-Thomsen & Jeppesen, 2015:12; Smit & Watkins, 2012:6325; Williams, Manley, Aaron & Daniel, 2018:33).

In developing countries, such as South Africa, SMEs contribute significantly to employment (Fatoki, 2020; Nene, 2017:4). According to Nene (2017:4) and Robinson and Jonker (2017:64), SMEs account for 91% to 92% of formal businesses in South Africa. In a country that is plagued by high unemployment rates, it is vital to the South African economy to develop SMEs and to ensure their success. This is an important strategy undertaken by the government of South Africa, as SMEs are key to reducing poverty, providing employment opportunities and ensuring sustainable economic growth, as well as creating income equality (Mlotshwa & Msimango-Galawe, 2020:1; Olawale & Garwe, 2010:729; Smit & Watkins, 2012:6326). It is also a national development goal in South Africa's National Development Plan-2030 to provide support for SMEs (Madzimore, 2020:1; National Planning Commission, 2012:30).

Due to their significant contribution towards the economy, several researchers maintain that SMEs need to be socially responsible, ethical, have an ethical orientation, and implement good governance practices (Fernández & Camacho, 2016:113; Louw, 2017:40; Painter-Morland & Dobie, 2009:7; Robinson & Jonker, 2017:65). Furthermore, ethics is essential to ensure the long-term success and sustainable growth of SMEs (Liao & Teng, 2010:10; Mboga & Amin, 2019:86; Painter-Morland & Dobie, 2009:7; Tello, Swanson, Floyd & Caldwell, 2013:106; Turyakira, 2018:1).

Misconduct is costly, and includes fines, penalties, and damage to reputations (Ethics Resource Centre, 2012:3; Kaptein, 2011a:233; Louw, 2017:41). However, it is believed that SMEs get away with unethical behaviour, especially with regard to labour-related issues, as their operations are not monitored to the same extent as those of larger organisations (Jamali *et al.*, 2015:14; Turyakira, 2018:1). In addition, SMEs do not have the resources available to develop and maintain ethical practices (Turyakira, 2018:1). The costs or implications of unethical behaviour to SMEs could threaten their sustainable growth, financial performance, and perhaps, their very existence (Painter-Morland & Dobie, 2009:7; Turyakira, 2018:1; Williamson, Ardoin, Clow & Cole, 2018:81). In addition, the ethical challenges they face and/or the unethical conduct they may embrace, might influence the contribution they could make to the long-term success of an economy and community (Painter-Morland & Dobie, 2009:7).

Ethics in SMEs, in the form of trust in relationships and good workforce practices, is needed for these enterprises to survive (Painter-Morland & Spence, 2009:3). It is through ethics that proper and trusting relationships with various important stakeholders, including the community, are fostered (Arend, 2013:1; Fatoki & Chiliya, 2012:14). Other benefits of being ethical include ensuring long-term profitability, maintaining trust amongst business partners, avoiding the costs of unethical practices, and maintaining a competitive advantage (Arend, 2013:1; Kaptein, 2011a:233; Robinson & Jonker, 2017:65; Tello *et al.*, 2013:106).

Failing to act ethically can lead to a business getting a poor reputation, as well as a reduction in profits and customers (Erondu, Sharland & Okpara, 2004:349; Turyakira, 2018:1). According to Crane, Matten, Glozer and Spence (2019:4), business activities would be nearly impossible if managers were dishonest or if there is no trust between stakeholders. Turyakira (2018:2) concurs with this viewpoint by stating that organisations must be perceived as ethical for them to be profitable. Hence, business ethics is essential for all businesses, including SMEs. Turyakira (2018:1) and Arend (2013:1) agree that ethics is essential for SMEs, and therefore they ought to develop and maintain ethical infrastructures in their enterprises.

1.2.4 Business ethics research in Small and Medium Enterprises

Business ethics research in the context of SMEs has focused on the specific characteristics of SMEs in relation to business ethics (Spence, 1999:163), the perception (or attitudes) of managers regarding ethics (Fassin *et al.*, 2011:425; Fatoki & Chiliya, 2012:13; Vivier, 2013:68), or their orientation towards ethics (Williamson *et al.*, 2018:80). Some researchers have focused on the specific ethical issues or risks that SMEs face (Carrascoso, 2011:71; Robinson & Jonker, 2017:63; Vitell, Diskerson & Festervand, 2000:15), while others have focused on the factors that influence the ethics of SMEs (Ahmad & Seet, 2010:47; Spence & Lozano, 2000:43).

Some researchers focused on the role of ethics in stakeholder relationships (Hwang & Chung, 2018:348; Roenjun & Speece, 2017:i). Payne and Joyner (2006:203) identified ethical decision-making behaviours within (entrepreneurial) SMEs, whilst Wu (2002:163) investigated the relationship between ethical decision-making and the organisational performance of SMEs of various sizes. Robinson and Jonker (2017:63)

investigated the unique ethical risk that SME owners/managers face, and how they embed personal values within their enterprises.

A limited number of studies have focused on ethical decision-making (EDM), specifically in SMEs. These studies have investigated individual characteristics and the effect of EDM in SMEs (Khalid, Omar, Syed Agil & Khalid, 2012:23). Savur, Provis and Harris (2018:114) studied the EDM process that was evident in SMEs, while Humphreys, Robin, Reidenbach and Moak (1993:9) investigated the differences in the EDM approaches of SMEs and their customers. The latter study investigated the approaches and evaluations to ethical situations applied in different contexts, and tried to determine if there were variances in the perceptions of ethics between SMEs and customers. Another study investigated the dynamics of motivation in EDM (Onu, Oats & Kirchler, 2018:177).

Models or guidelines specifically focused on SMEs are: 1) effective components of an ethical infrastructure for SMEs, 2) a blueprint for designing an ethics and compliance programme, and 3) a framework that describes the ethical infrastructure that emerges over time (Fernández & Camacho, 2016:113; Morris *et al.*, 2002:331; Winrow, Tessemea & Miner, 2012:38). However, these models were developed for the specific country (Spain and the United States of America (US)) or based on the regulations applicable to a country (such as the US Federal Sentencing Guidelines for Organisations), limiting its applicability to other countries, and a developing country such as South Africa.

It is evident that there is a lack of focus on business ethics in SMEs in the literature. Fernández and Camacho (2016:113) and Russel (2018:93) highlighted that ethical issues in SMEs are still under-researched. In addition, Painter-Morland and Dobie (2009:16) highlighted the need to understand ethics in the African SME environment, as well as to develop a unique approach to ethics for SMEs. There is a further need to develop tools for responsible business practices for SMEs, and for theory development in this field (Avram & Kühne, 2008:263; Moore & Spence, 2006:223).

According to the preliminary literature review conducted by the researcher in the current study, limited studies on business ethics in SMEs have been done in Africa. Most of these studies focused on the individual-level or micro-level, such as the perceptions or attitude of SME owners/managers related to ethics (Fatoki & Chiliya,

2012:13; Vivier, 2013:68), ethical risks faced by SMEs (Robinson & Jonker, 2017:63), and the ethical challenges arising from employee relations (Vivier, 2013:68). Some studies focused on the personal values of SME owners/managers or their ethical (or unethical) behaviour (Van Niekerk, Cant & Wiid, 2014:1149; Wiid, Cant & Van Niekerk, 2013:1087).

One study argued that SMEs are prone to unethical behaviour and suggested an integrated (ethical) decision-making model for South African SMEs (Naidoo, Perumal & Moodley, 2009:77). Naidoo *et al.* (2009:77) evaluated the existing decision-making models, their ethical elements, and postulated an integrated decision-making model. Being the only “model” found to assist South African SMEs regarding ethics, it is a conceptual model with no empirical findings. In 2018, Robinson and Jonker (2017:63) investigated the ethical risks SMEs face, and how the SME owners/managers mitigate these risks through their personal values that are embedded in their enterprises.

The state of business ethics research in South African SMEs is limited, and how this is defined practically by SMEs is similarly limited. For example, the researcher in the current study identified only two studies that investigated how business ethics in South African SMEs was identified, which substantiates the need for further research in this area.

The limited research (on SMEs and business ethics) provides a fragmented understanding of knowledge on business ethics in SMEs, and as such, has implications for SME managers. A lack of knowledge creates a significant gap in the literature (Cambra-Fierro *et al.*, 2008; Hang & Wang, 2012). This is particularly true for South Africa, given the limited research in these fields. In addition to the gap in the literature, there is a critical need for ethics and ethical leadership in the business regime in South Africa, as well as to identify and develop unique approaches to ethics for SMEs.

1.2.5 The need for ethics and ethical leaders in South Africa

Various laws and regulations have been passed to ensure ethical conduct in the South African business environment. These laws and regulations are aimed at promoting ethical conduct towards a variety of stakeholders and the environment, and include the Consumer Protection Act (69/2008), the Labour Relations Act (66/1995) and Prevention and Combating of Corrupt Activities Act (12/2004) (Corruption Watch,

2013; South Africa, 1995:2, 2008:2). In addition, codes concerning ethics, good practice or conduct have been established in certain sectors and professions (such as the Code of Ethics for Professional Conduct for accountants and the Code of Banking Practice) (Banking Association of South Africa, 2013; The South African Institute of Chartered Accountants, 2008).

South Africa's corporate governance code (the King IV report, or King Code) was amended (in 2016) to be based on principles that include ethical considerations (Deloitte, 2016). The King Code provides a framework to implement good governance in SMEs, which includes managing ethics (through ethical leadership, values and ethical foundations) (KPMG, 2016). Adherence to the King Code is a listing requirement for companies listed on the Johannesburg Stock Exchange (JSE), or that want to list on the JSE (Pierce & Kennedy-Good, 2009). Although a section of the King Code is dedicated to SMEs, the focus is more on medium-sized enterprises, and smaller enterprises are overlooked (IoDSA, n.d.:103; BGR Alluvium Chartered Accountants, 2021). The King Code remains voluntary (BGR Alluvium Chartered Accountants, 2021), and is not enforceable for enterprises not listed on the JSE.

However, despite these regulations and guidelines, there are several examples of eroding ethical leadership in corporate South Africa, and the broader continent (Booyesen, 2016; Lamprecht, 2016; Mohale, 2018; Quintal, 2012). Continuous media coverage on unethical practices, corruption and fraud in the private and public sectors are a case in point. For example, in 2017 three owners of popular Durban restaurants were accused of working with syndicates and charged with fraud (Shaikh, 2017). In 2017, Eskom was in the spotlight for unethical behaviour; being accused of mismanagement, political connections influencing irregular coal contracts and the appointment of allies to the board of directors (Groenewald, 2017). In 2017/2018, the Steinhoff Group was accused of accounting irregularities (Matseba, 2021), and in 2020, Gauteng Department of Health personal protective equipment (PPE) tenders were irregularly awarded to an organisation (Seleka, 2020). Corruption is one of the major challenges plaguing South Africa, together with massive inequality, crime and high unemployment (IoDSA, 2016:56; Irwin, 2011:7; Viviers & Venter, 2008:51; Van Vuuren, 2004:11).

South African SMEs are not immune to unethical practices (Brenkert, 2019:917). Some examples of unethical practices that have been highlighted in SMEs are

bullying, bribery, pornography, theft, harassment and fraud (Vivier, 2013:74; Viviers & Venter, 2008:51; Wiid *et al.*, 2013:1099). Frequent areas of ethical risks for SMEs include sales, theft and customers (Robinson & Jonker, 2017:63). The continuous occurrences of unethical behaviour in the corporate regime call for a need for ethics in corporate South Africa, which includes SMEs.

To gain an understanding of ethics in SMEs, it is necessary to understand the way SME owners/managers behave and think in their enterprises in relation to ethics (Spence & Lozano, 2000:52). In addition, it is evident from the examples of corporate scandals previously mentioned, that there is a lack of ethics in managerial decision-making (and in leadership). In addition, the prevailing lack of resources in SMEs makes any commitment other than to the core functions of the SME, burdensome or costly (Inyang, 2013:127; Ladzani & Seeletse, 2012:90; Painter-Morland & Spence, 2009:3), which echoes the call for a unique approach to ethics in terms of SMEs.

Strategic decisions (managerial decision-making) are fundamental in ensuring the survival and/or success of an enterprise over the long term, or ensuring organisational performance (De Castro Krakauer & De Almeida, 2016:114; Hang & Wang, 2012:106; Liberman-Yaconi *et al.*, 2010:71). Robinson and Jonker (2017:65) reiterate the importance of ethical orientations at the strategic level, as well as at the systems and operational levels. Therefore, this study proposes a unique approach to ethics by integrating ethics and strategic decision-making in SMEs.

1.2.6 Integrating business ethics and strategy

The link between business ethics and strategy is not new. Managers ought to deal with conflicting interests ethically, have ethical orientations on a strategic level, and should be able to formulate viable strategic plans (Belak, 2013:528; Robinson & Jonker, 2017:65). Singer (2013:309) and Minoja (2012:67) highlight the numerous calls in the literature to integrate strategic management and ethics. These calls stem specifically from the stakeholder theory scholars (Agarwal & Bhal, 2020:638; Minoja, 2012:67). As far back as 1988 and 2005, Guerrette (1988:376) and Childers (2005:34), respectively, highlighted these viewpoints.

In addition, strategic management textbooks have emphasised ethical considerations, in the form of behaving ethically, making ethical decisions and developing an ethical culture (Hill, Schilling & Jones, 2017:375; Hitt, Ireland & Hoskisson, 2017:402;

Thompson, Scott & Martin, 2017:567), indicating its importance for strategic leaders. In South Africa, building a (corporate) ethical identity has been highlighted as an important strategic imperative (Kleyn, Abratt, Chipp & Goldman, 2012:61). Consequently, for the purposes of this study, business ethics is regarded as an integral part of business strategy.

Strategy is a coordinated and integrated set of actions. These actions aim to capitalise on core competencies and to maintain and/or increase competitive advantage (Hitt *et al.*, 2017:4; Popa *et al.*, 2019:171). Strategy-related decisions, or strategic decision-making (SDM) aims to achieve a competitive advantage. These are complex decisions and change the scope and direction of an enterprise (De Castro Krakauer & De Almeida, 2016:114; Liberman-Yaconi *et al.*, 2010:73).

In SMEs, these decisions are made by a single individual or a small group of individuals (De Castro Krakauer & De Almeida, 2016:114; Jansen, Curseu, Vermeulen, Geurts & Gibcus, 2011:193; Popa *et al.*, 2019:172). As with business ethics, there has also been limited research on SDM in SMEs, as the primary focus of research is on large organisations (Hang & Wang, 2012:91; Liberman-Yaconi *et al.*, 2010:74; Musso & Francioni, 2012:280; Popa *et al.*, 2019:172).

This lack of focus on SMEs is concerning, as effective strategic decisions are vital to the success of all types of business, whether large or small (Popa *et al.*, 2019:171; Wilson, 2015:1). In South Africa, the context of this study, this significant gap is also evident (Gopaul, 2019:7; Gopaul & Rampersad, 2020:2).

1.2.7 SDM research in South African SMEs

The current study identified several strategic management studies that focused on South African SMEs. These include studies on strategic planning (Cohen, 2001:16; Odame, 2007:1), tools to assist in SDM (Afolayan & De la Harpe, 2020:697; Meyerowitz, Lew & Svensson, 2018:602; Pellissier & Kruger, 2011:426; Retief, Jones & Jay, 2008:504), or nature of an organisation, such as risk culture and how that relates to SDM (Osman & Lew, 2020:1). There were also studies that looked at strategic issues in SDM (Hipkin & Bennett, 2003:1), influencing factors (Kengne, 2015:490; Nyide, 2018:811) and the nature of strategic decisions (Cant, Wiid & Kallier, 2015:621). Some studies also investigated the relationship between organisational performance and strategic planning (Sandada, Pooe & Dhurup, 2014:659).

It is clear that there is a paucity of strategic planning and formulation research in South African SMEs (Sandada *et al.*, 2014:659). According to Gopaul and Rampersad (2020:1), their literature review identified only one SDM process in South African SMEs. Another study does assist in understanding SDM in South Africa, however, the study is set within the context of financial management (Kengne, 2015:498). The studies mentioned in this paragraph were published in 2015 and 2019, and the lack of focus on SDM in SMEs, substantiates the need for further research in this area.

1.3 PROBLEM STATEMENT

Less attention has been given to business ethics in SMEs, and there is practically no theoretical development related to business ethics in SMEs (Fatoki & Chiliya, 2012:14; Fernández & Camacho, 2016:114; Robinson & Jonker, 2017:63). Most of the models developed and theories identified in business ethics were aimed at large organisations and from developed countries (Moore & Spence, 2006:222; Painter-Morland & Spence, 2009:4; Turyakira, 2018:2; Vivier, 2013:68). The same limited focus applies to SDM research and theory development in SMEs (Gopaul, 2019:7; Hang & Wang, 2012:92; Huang, 2009:90; Liberman-Yaconi *et al.*, 2010:71). Therefore, there is a dire need for further research on SMEs, specifically as related to business ethics and SDM in developing countries, and to identify unique approaches to business ethics and SDM for SMEs.

In practice, SMEs are not large organisations in “smaller forms or sizes”, and do not resemble large organisations (Savur, 2017:24; Smit & Watkins, 2012:6325). SMEs are different, and do not have the formalised bureaucratic structures of large organisations. They tend to be informal in their approach to relationships, communication and ethics (Fassin *et al.*, 2011:441; Guillen, Mele & Murphy, 2002:177). They are more likely to be manager-owned, which influences the practice of business ethics and SDM (Brouthers, Andriessen & Nicolaes, 1998:136; Fatoki & Chiliya, 2012:14; Savur, 2017:24; Talaulicar, Grundei & Werder, 2005:522). Therefore, it is essential to have an understanding of the way owners/managers approach ethics and SDM in their enterprises to understand ethics and SDM in SMEs.

Research has shown that there is a high failure rate among SMEs (Dzomonda & Fatoki, 2017:209; Smith, Venter & Turyakira, 2014:679), and they face numerous challenges. These challenges include creating ethical business environments, as well

as entrepreneurial cultures (Mahmood & Pakistan, 2008:1; Naidoo *et al.*, 2009:82; Savur *et al.*, 2018:117). Any commitments other than to the core functions, are seen as burdensome (Inyang, 2013:127; Ladzani & Seeletse, 2012:90; Painter-Morland & Spence, 2009:3). Another reason for only focusing on the core functions, could be due to resources and time constraints. In addition, lack of capital and access to credit is a significant barrier for SME development, especially during the early stages. Funds are granted to SMEs based on their financial position and/or credit score. However, ethics and trust also play a role in the lending process. The perception that the lender gains of the SME's ethical attitude can influence its decision whether to grant funds or not. For example, if ethics is perceived to be "low", the SME is generally considered to be "riskier" (Fatoki, 2012:22).

It is an unfortunate reality that SMEs also operate in complex environments and need to survive and be profitable. They face temptations to change their ethics, or to act unethically to survive (Arend, 2013:1; Dzomonda & Fatoki, 2017:215; Robinson & Jonker, 2017:65; Wiid *et al.*, 2013:1087). Given their limitations, they need to survive and, as such, they witness the unethical practices that are deemed as acceptable in the corporate and political regime. Consequently, unethical behaviour is sometimes accepted, and considered necessary for survival (Arend, 2013:1; Wiid *et al.*, 2013:1090). Some examples of unethical practices identified in SMEs are tax evasion, dishonesty, bribery, discriminating against women, fraud, and copying Information and Communications Technology (ICT) software. However, unethical behaviour can negatively affect SMEs' long-term sustainability (Mboga & Amin, 2019:86; Wiid *et al.*, 2013:1090; Wu, 2002:174).

These examples reiterate a fundamental flaw mentioned earlier, namely, the lack of managerial decision-making ethics. These unethical decisions can compromise the contributions SMEs can potentially make to the economic wellbeing of their communities (Painter-Morland & Dobie, 2009:7). A lack of corporate governance structure for SMEs, is another fundamental constraint to their growth. SMEs' survival and growth are dependent on good governance, ethical behaviour and good business leadership (Lekhanya, 2015:215; Turyakira, 2018:2). However, in South Africa, it has been reported that there is a lack of corporate governance and good leadership in SMEs (Lekhanya, 2015:215; Qobo, 2021). Some reasons for this could be that its implementation is costly, and/or there is a lack of awareness regarding corporate

governance (Mahmood & Pakistan, 2008:1), or they will do whatever it takes to get the business, or to survive. This raises questions on the ethics, ethical decisions, and management of ethical conduct, and if ethics are integrated with the strategies of South African SMEs.

Given these challenges and limitations, there are limited frameworks or tools available to assist SMEs to create ethical infrastructures and effective SDM, and to ultimately, assist with their long-term performance and sustainability. There are several noticeable gaps in the body of knowledge on SME, SDM and business ethics, specifically with regard to frameworks, guidelines and models to assist SMEs in ethics-related matters (management, implementation, integration, and decision-making) and effective SDM.

The following points guided the problem statement for this study: Firstly, the fundamental flaw in managerial decision-making. In SMEs, managers/owners influence the practice of ethics in their enterprises. Secondly, one needs to understand the way owners/managers approach ethics in their enterprises. Thirdly, strategy and ethics ought to be integrated, and the focus of this study is on strategic decision-making (SDM) (within the field strategic management). Therefore, the following problem statement was identified for this study:

There is a lack of frameworks and/or guidelines to assist South African SME managers in ethical strategic decision-making.

In support of the problem statement, the purpose of this study was to 1) investigate (or identify) a SDM process in SMEs, 2) determine how ethics is defined in SMEs, and 3) determine the factors, and the ethical factors that influence SDM in SMEs. The latter aimed to determine how ethics is integrated in SDM.

1.4 RESEARCH QUESTIONS

This section presents the research questions (RQ) that were formulated for the current study.

1.4.1 Primary research question

The following primary research question was formulated for the current study:

How do SME owners/managers integrate ethics into their strategic decision-making processes?

1.4.2 Secondary research questions

The following secondary research questions were formulated for the current study:

1. How do SMEs owners/managers use strategic decision-making frameworks or tools to make decisions? (RQ1)
2. How do SME owners/managers define business ethics in practice? (RQ2)
3. What are the factors (including ethical factors) that influence SDM in SMEs? (RQ3)
4. What would a framework for making ethical strategic decisions for South African SMEs consist of? (RQ4)

1.5 DEFINITIONS OF KEY TERMS AND CONCEPTS

A list of definitions of terms and concepts frequently used in this thesis is provided in Table 1.1.

Table 1.1: Key concepts and terms defined

Term/ Concept	Definition/Explanation
Business ethics	Business ethics is ethics applied in the business setting, and is about what is right or wrong (or good or bad) individual or group behaviour in the business setting.
Corporate governance	The procedures and processes that govern and control organisations. Corporate governance structures stipulate the allocation of rights and responsibilities among various stakeholders (board members, managers and stakeholders) of organisations. It provides the rules that organisational decision-makers need to adhere to.
Corporate Social Responsibility (CSR)	Some of the definitions for CSR include: 1) Considering the impact of organisational actions on society; or 2) the duty (when making decisions) to protect and improve the welfare of society. Corporate Social Responsibility includes the economic, legal, philanthropic and ethical expectations and responsibilities that society places on organisations.
Ethical dilemmas	These are situations where an individual, or group of individuals needs to decide on an action or decision, but the choices are between several wrongs.
Ethical infrastructure	An ethical infrastructure consists of the formal and informal components that create an ethical atmosphere in the workplace.

Term/ Concept	Definition/Explanation
Ethical issues	These are situations where an individual, or group of individuals needs to decide on an action or decision, and need to choose between right and wrong.
Ethics	Ethics is the complex ideas, applications, and interpretations of what (and why) things are right or wrong. It concerns the moral behaviour of individuals, and is founded on the established standards of the collective group.
Strategic decision-making (SDM)	These are decisions aimed at achieving a competitive advantage. These decisions are complex in nature and change the scope and direction of an enterprise.
Strategy	The integrated and coordinated set of actions aimed at exploiting core competencies, and ultimately, gaining a competitive advantage.
Unethical behaviour	This refers to those actions that are wrong or bad, morally not acceptable, and/or illegal.
Delphi Technique	A data-gathering technique that allows a research study to converse opinions originating from real-world knowledge that is obtained from experts in the field. It involves a series of questions (or rounds) and the objective is to reach consensus on a particular topic.
Interactive Qualitative Analysis (IQA)	A systematic approach to qualitative research; combining the tradition of phenomenology (questions the structure and essence of a phenomenon) with systems theory (view of relationships being interconnected).
Affinity relationship table (ART)	Affinities (concepts or variables or themes) are populated during the Interactive Qualitative Analysis (IQA) technique. The relationships (of affinities) are recorded in an Affinity Relationship Table (ART), ultimately indicating (a matrix) of all the possible perceived relationships in the system.
System influence diagram (SID)	A figure depicting a picture of the system (indicating how the affinities influence each other), as analysed by the participants (IQA method refers to participants as constituents).
Interrelationship Diagram (IRD)	A predetermined diagram that contains all the information required (obtained from the ART) to produce the SID. This diagram contains all the relationships between the affinities.
Small and Medium Enterprise	Section 1(xv) of the National Small Business Act (102/119) (hereafter referred to as the National Small Business Act) states that an SME is “...a separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or subsector of the economy ... and which can be classified as a micro-, a very small, a small or a medium enterprise by satisfying the (applicable) criteria ...” (South Africa, 1996:2).
Organisations	Refers to larger organisations, and organisations in a broader context.

Source: Compiled from Wiid *et al.* (2013:1089), Fatoki (2012:23), Van Wyk (2016b:226), Fernández & Camacho (2016:113), Fassin & Van Rossem (2009:574), Hitt *et al.* (2017:4), OECD (n.d.), Bishop (2013:636), Liberman-Yaconi *et al.* (2010:73), Carroll & Buchholtz (2018:35), Hallowell & Gambatese (2010:103), Hsu & Sandford (2007:1), Northcutt & McCoy (2004:44), South Africa (1996:2).

The section below presents a brief review of the research methodology adopted for the current study, which is discussed in detail in Chapter 4.

1.6 RESEARCH METHODOLOGY

The following research context and methodology were implemented in the current study.

1.6.1 Ontological, epistemological and axiological assumptions

Considering the gap that was identified in the knowledge, and the subsequent problem statement that was formulated for the study, the phenomenon of interest to the current study was deemed to be relatively novel to the South African context. The literature indicated the central role and influence SME owners/managers have on both the management of ethics and SDM. Therefore, how ethics is integrated in the SDM process in South African SMEs (reality) is subject to the actions, decisions, and attitudes of SME owners/managers. Consequently, the management of ethics and the practice of SDM (reality) can be determined by the SME owners/managers' understanding of their actions and their interpretations (phenomenology) thereof. It was of paramount importance that the researcher's knowledge and own interpretations did not lead to research bias or influence the study's findings (axiological).

The best approach to addressing the problem statement was to include SME owners/managers (reality) as active participants in the research process (phenomenology), thereby gaining better insight into their interpretations (axiological). The ontological perspective of this study was thus more subjective (Babbie, 2016:6; Maree, 2016:33; Saunders, Lewis & Thornhill, 2019:133). In addition, the study aimed to investigate what an ethical strategic decision for South African SMEs would consist of, putting forward a framework to assist South African SME managers in ethical strategic decision-making. The emphasis on a practical solution and outcomes (Saunders, *et al.*, 2019:145). The researcher, and thus this research study, leans toward the pragmatism paradigm, which allowed the researcher to best address the research question by working with different types of research methods.

1.6.2 Research design and strategy

Due to the novelty of the phenomena, an exploratory research design was followed; adopting both an induction and deduction approach, or an abduction research strategy

(Saunders *et al.*, 2019:155). Exploratory studies are suitable when the aim is to ask open questions and to explore what is happening in the real world (in this case SDM and business ethics in South African SMEs) and to gain insight regarding a particular topic (Saunders *et al.*, 2019:186). Both elements of deduction and induction were combined, which allowed for the data to be defined and refined.

1.6.3 Data collection and research approach

Primary data was needed to investigate the two phenomena of interest to the study, namely, SDM and business ethics. The study selected two methods (research techniques) to explore these two concepts. The first research method was the Delphi Technique, and the second research method was the Interactive Qualitative Analysis (IQA) that included follow-up interviews.

The Delphi Technique is a method that is used to achieve consensus of opinions from field experts, and includes a series of questionnaires or rounds in the study (Hirschhorn, 2019:311; Hsu & Sandford, 2007:1; Humphrey-Murto & De Wit, 2019:137). This technique was used to explore SDM in SMEs (RQ1), as well as to formulate a working definition of ethics (RQ2) (Hirschhorn, 2019:312; Powell, 2003:376). This phase of the study utilised online questionnaires that were facilitated over LimeSurvey, and distributed via email. The first round consisted of open-ended questions to identify the SDM process, and to attain a working definition of business ethics, followed by additional rounds to revise and refine the process and the working definition until consensus was reached (Hirschhorn, 2019:312; Thangaratinam & Redman, 2005:120). Chapter 4 (Section 4.5.1) explains this process in more detail.

The IQA is an innovative and structured inquiry process, aimed at understanding a social phenomenon based in its natural setting (Sanchez, 2007:1246; Tseng, 2019:151; Wyatt, 2010:828). The IQA method was used to explore the influencing (and ethical influencing) factors of SDM in SMEs (RQ3). This technique also allowed the researcher to explore how these factors influence each other. Ultimately how ethics integrates in SDM, could also be explored through the influencing factors. An integral part of the IQA process is that participants (volunteers from the IQA focus session) were interviewed (one-on-one) to explore the influencing factors of SDM. Chapter 4 (Section 4.5.2) discusses and outlines the IQA process in more detail.

The recommended focus group size (12 to 20) could not be obtained during the IQA phase. The decision was made to conduct additional interviews to substantiate the themes identified in the findings of the IQA phase. The literature has shown that additional data may be gathered after IQA focus group sessions, and with different participants (Basson, 2018:450). Face-to-face semi-structured interviews were held with additional SME owners/managers who fell within the sample parameters. Semi-structured interviews assisted in exploring the list of themes identified in the IQA research phase. Semi-structured interviews allowed the study to substantiate the identified themes, while still allowing the flexibility to move between questions and themes as the conversations unfolded (Saunders *et al.*, 2019:437).

Consequently, the data was subdivided and collected in three broad phases, using a multimethod qualitative approach. The next section briefly reviews how the data was analysed. A detailed discussion of data analysis is provided in Chapter 4.

1.6.4 Data analysis

The data obtained from the Delphi Technique was analysed in Microsoft Excel and ATLAS.ti, a qualitative research software tool that assists in identifying themes, patterns, and codes. The findings from the first round were summarised by the researcher in ATLAS.ti. A preliminary SDM process, and elements pertaining to a working definition for business ethics were drafted from the summary. These findings, formulated as group generic statements, were presented to participants in subsequent rounds for revision and refinement, with the aim of reaching consensus. The data obtained during the subsequent Delphi rounds was analysed in Excel. Consequently, a conceptual SDM framework was suggested, as well as elements for a working definition for business ethics in SMEs.

During the IQA method, SME owners/managers were invited to an IQA focus group session. During this process, the participants 1) identified influencing factors within SDM (known as generating affinities), 2) identified and grouped affinities under common meanings (inductive coding), followed by refining the groupings and naming the overall common meanings (axial coding). Thereafter, affinity relationship tables (ARTs) were populated, and participants recorded and analysed each pair (group) of affinity relationships. Furthermore, the participants justified the relationship between (group) affinities by including a hypothesis (an “if-then” statement), which reflected

their experiences in support of the identified relationship (Northcutt & McCoy, 2004:48; Wyatt, 2010:831).

Excel and the templates provided in the supplementary material (Northcutt & McCoy, 2004:1) were used to analyse the frequencies of the relationships. The Pareto protocol, a statistical and reasonably rigorous method, was used to determine which relationships to include or exclude (see Appendix H for templates and tables). A group system influence diagram (SID) was drafted from the frequencies, depicting the picture of the system, and indicating how the affinities influence each other, as analysed by the participants (Northcutt & McCoy, 2004:175).

Thereafter, the participants from the IQA phase were interviewed, and additional interviews were conducted with additional SME owners/managers. All the interviews were recorded, transcribed, translated if needed, and the data was analysed in ATLAS.ti.

1.7 DEFINING THE RESEARCH UNIVERSE

This section discusses the target population of the study, and the sampling techniques that were selected for the study.

1.7.1 Target population

The target population of the study was South African SMEs. The chosen SME definition for the study is as per the National Small Business Act. According to this definition, SMEs are classified into four distinctive categories, namely, micro enterprises, very small enterprises, small enterprises, and medium enterprises. Appendix A provides a summary of these classifications.

According to the Bureau for Economic Research (2016:5), medium enterprises include traditional family businesses, employing over 100 employees, while micro enterprises include survivalist self-employed individuals and informal micro enterprises (street vendors and backyard mechanics). SMEs can be formally registered (such as private companies), and also include enterprises in the informal sectors that are value added tax (VAT) or non-VAT registered (such as street vendors) (Dtic, 2008: xxvii).

Due to the nature of this study and the focus on SMEs), the study was delineated to include formal small and medium enterprises within the formal sector (excluding street

vendors) that are VAT-registered and have a maximum of 100 employees. However, due to limited participation, the study eventually included micro enterprises (zero to five employees), and that are not VAT-registered for the IQA data gathering phase.

1.7.2 Sampling technique

A homogeneous purposive and snowball sampling technique was employed in this study. This sampling technique allowed the researcher to choose participants with similar characteristics, and to be referred to other candidates (Saunders *et al.*, 2019:321). Similar characteristics that were required from participants were:

- Must be a “formal” enterprise (formal sector), that is VAT-registered (this study excluded street vendors);
- May have up to 100 employees (but not more); and
- Must be at the same hierarchy level in the enterprise (either top manager and/or owner).

The participants in the IQA phase of the study needed to have the same and shared understanding of a phenomenon (Northcutt & McCoy, 2004:47). In addition, this study required in-depth knowledge from the participants, and not just the ability to generalise the findings. Hence, these sampling methods and techniques were well suited.

The researcher approached numerous SME owners/managers and various institutions and multinationals regarding SMEs in their supply chain. Due to the Protection of Personal Information Act (POPI Act), it was difficult to gain access to SMEs. Three institutions granted access to SMEs within their domain. One multinational and two membership-agency-type institutions agreed to act as the intermediary between the researcher and SMEs. Through snowball sampling, a few additional SME owners/managers were recruited by the researcher.

During the first phase of the research it was possible to include SMEs across various industries and regions in South Africa, since online questionnaires allowed for greater regional coverage. Due to the nature of the IQA and interviews, SMEs in Gauteng were included in the second and third research phases.

Despite numerous attempts to reach VAT-registered SMEs, only two IQA participants' enterprises were VAT-registered. As a result, the IQA session continued with SME owners/managers with VAT numbers and without. However, the study excluded street

vendors. For this reason, additional interviews with owners/managers of VAT-registered SMEs were conducted.

1.8 CONTRIBUTION OF THIS THESIS

This research study contributed to the fields of SMEs, SDM and business ethics in the following ways:

Theoretical contributions

- There is a paucity of business ethics and SDM research in SMEs. This study conducted research in SMEs, a sector that has been largely overlooked in the field of business ethics and SDM, adding theoretical developments to the respective bodies of knowledge, and in conjunction.
- Combining the fields of strategic decision-making and business ethics. Ethics can be seen at the heart of strategy. In addition, SMEs seem to focus more on core functions. During the preliminary literature review stage, no such previous studies could be identified, limiting our understanding on how ethics integrates with SDM in SMEs. Combining ethics and SDM, contributes to the body of knowledge by providing unique insights on an ethical SDM framework and how ethics integrates into SDM in SMEs.
- Business ethics and effective SDM are important for the long-term survival of SMEs, however there is a need for unique approaches to business ethics and SDM for SMEs. The study extends the body of knowledge on business ethics, SDM and SME literature in developing countries through the development of a framework aimed at assisting SME owners/managers in effective ethical SDM.
- There is a need to increase ethics in the South Africa business regime. However, scholars have “barely scratched the surface” (Painter-Morland & Spence, 2009:5). Formulating a working definition for ethics for South African SMEs, add to the field of knowledge on how business ethics is conceptualised in practical terms.
- In view of the need to develop appropriate theory and frameworks for SMEs, this study introduces a unique SME-appropriate framework to integrate ethics in SDM, specifically aimed at South African SMEs.

Methodological contributions

- There is a need for more qualitative and mixed research methods in business ethics, as most studies are quantitative in nature (Fernández & Camacho, 2016:117; Mcleod, Payne & Evert, 2016:437). In addition, qualitative research in business ethics is needed to better understand and explain complex concepts (Reinecke, Arnold & Palazzo, 2016:xiii). Strategic and management related research, especially SDM, has also been dominated by quantitative research designs (Bakonyi, 2018:1191; Molina-Azorin, 2012: 35; Pass, 2020:285). This study adopted a qualitative research design to increase the breadth of approaches to research in business ethics and strategic management related research.
- The Delphi Technique and IQA method were used, and the findings from both were combined in this thesis. The IQA is a relatively new qualitative research technique and has not been used by many research studies (Smith, 2005:481). In addition, during the preliminary literature stage of this study, no such study, that makes use of these two techniques in the same study, was identified. The use of these technique in a management research setting provides valuable insights for future researchers and supervisors on the application, strengths, and weaknesses of the respective techniques.

1.9 DELIMITATIONS AND ASSUMPTIONS

Several delimitations and assumptions applied to this study. This study specifically addresses the South African (developing country) context, and SMEs. While it was possible to access SMEs across various regions in South Africa, the IQA and interviews were limited to Gauteng. The categories set out by the National Small Business Act were used to define SMEs in South Africa. The scope of this research study excluded the informal sector and street vendors. The study built on the assumption that business ethics ought to be integrated into the strategy of organisations and enterprises. Therefore, this study focused on strategic decision-making by SME owners/managers.

There are related and similar topics to business ethics, such as corporate social responsibility or corporate citizenship. These topics are academically delineated, and the focus of this study is specifically on business ethics.

1.10 RESEARCH ETHICS

Ethics is an integral part of any research process, protecting the rights and interests of the participants, and maintaining the participant's trust and confidence in researchers and the research process. The data obtained for this research study would be used only for research purposes and to contribute to the bodies of knowledge relevant to this thesis. Consequently, the following criteria were adhered to:

- Adhering to the ethical research process of the University of South Africa (UNISA), and Department of Business Management by obtaining specific ethical clearance from the relevant University committees. (Ethical Clearance Certificate is attached as Appendix M.)
- Obtaining permission to conduct research from the managers/owners for each of the identified participating SMEs.
- Ensuring the privacy, anonymity, and confidentiality of 1) the respondents and their answers, 2) participating SMEs, and 3) findings/data by removing any identifiers.
- Providing participants with the right to participate and/or withdraw from the study, as well as comprehensive information regarding the study, for them to make an informed decision.
- Providing participants with the researcher's identification and contact details, as well as information on how the data would be used in the future, and why the respective participants had been selected. Their right to be assisted or to withdraw from the study was emphasised.

1.11 LAYOUT OF THIS THESIS

Figure 1.1 illustrates the layout of this thesis.

Chapter 1	INTRODUCTION
<ul style="list-style-type: none">•Introduces the thesis titled "An ethical strategic decision-making framework for South African SMEs".•Highlights the study's unique approach to integrate ethics in strategic decision making (SDM) for SMEs.•Outlines the study's primary and secondary research objectives and research methodical approaches.	
Chapter 2	SMALL AND MEDIUM ENTERPRISES AND STRATEGIC DECISION MAKING
<ul style="list-style-type: none">•Provides background and defines SMEs•Reviews strategic decision making (SDM) literature.•Includes a systematic literature review to identify SDM literature for SMEs.	
Chapter 3	BUSINESS ETHICS AND STRATEGIC DECISION MAKING
<ul style="list-style-type: none">•Review's business ethics literature.•Discuss the management of business ethics and ethical decision making.•Includes systematic review to identify business ethics literature specifically developed for SMEs, and within the context of SDM.	
Chapter 4	RESEARCH DESIGN AND METHODOLOGY
<ul style="list-style-type: none">•Reviews the research methodology implemented to achieve the research objectives.•Reviews the research techniques and how data was analysed	
Chapter 5	DELPHI PHASE RESEARCH ANALYSIS AND FINDINGS
<ul style="list-style-type: none">•Discuss the research analysis and findings of the Delphi research phase.•A SDM process for SMEs were identified.•A working definition for business for SMEs were identified.	
Chapter 6	ANALYSIS AND FINDINGS OF INTERACTIVE QUALITATIVE ANALYSIS METHOD AND INTERVIEWS
<ul style="list-style-type: none">•Address the research findings and analysis of the IQA research phase and subsequent interviews.•The influencing factors of SDM in SMEs were identified as well as ethics-related influencing factors.•Relationships between these influencing factors were identified.	
Chapter 7	SUMMARY, CONCLUSIONS AND RECOMMENDATIONS
<ul style="list-style-type: none">•Summarises of the research objectives and findings.•Presents the limitations and future research recommendations of the thesis.	

Figure 1.1: Layout of the thesis

Source: Researcher's own compilation (2020)

1.12 CONCLUSION

This chapter introduced the study titled "An ethical strategic decision-making framework for South African Small and Medium Enterprises", and provided an outline of the proposed study. This chapter provided the background to this study, identified the problem statement, research questions and the proposed research strategy implemented in the study. The contributions that this study made were highlighted, as well as an explanation of common concepts addressed in this thesis. In addition, the delimitations, assumptions and ethical considerations were provided. The chapter concluded with a layout of the thesis. The following chapter reviews the concepts of SMEs and SDM.

CHAPTER 2:

SMALL AND MEDIUM ENTERPRISES AND STRATEGIC DECISION-MAKING

2.1 INTRODUCTION

The focus of this chapter is on strategic decision-making (SDM) in SMEs. Two research questions that were formulated in Chapter 1 (Section 1.4) guided this chapter, namely: *How do SME managers/owners use strategic decision-making frameworks or tools to make decisions? (RQ1)*, and *What are the factors (including ethical factors) that influence SDM in SMEs? (RQ3)*. A preliminary literature review was conducted to gain a better understanding of the research questions, followed by a brief review of the literature on SDM. The aim of the literature review is to understand SDM and its influencing factors in a broader context. Lastly, a systematic literature review was conducted to identify SDM literature, specifically for SMEs. The chapter concludes by reviewing the SDM literature in SMEs in South Africa.

2.2 SMALL AND MEDIUM ENTERPRISES

This section provides a definition for SMEs, highlights their importance, and reviews their unique challenges.

2.2.1 Small and medium enterprises defined

Defining an SME is challenging, since there is no common definition (Krishnan & Scullion, 2017:431; Liberman-Yaconi *et al.*, 2010:71; Smit & Watkins, 2012:6324), and the definition of an SME is dependent on the context (Inyang, 2013:125; Krishnan & Scullion, 2017:431). The definition is often based on qualifying criteria such as annual turnover or number of employees (Kloppers & Kloppers, 2006:5; Krishnan & Scullion, 2017:431; Liberman-Yaconi *et al.*, 2010:71; Nene, 2017:7).

Some scholars define small enterprises as those with up to 500 employees, and very small, or micro enterprises are defined as those with up to 100 employees (Liberman-Yaconi *et al.*, 2010:71). However, in the US and Canada the delimitations are as high as 500 employees and more (Krishnan & Scullion, 2017:431). Other scholars define an SME as an enterprise with a workforce of 1 to 100 employees, or not more than up to 250. The European standard definition of an SME is an enterprise with less than

250 employees, a turnover of 50 million Euros or less, and a balance sheet of no more than 43 million Euros (Inyang, 2013:125; Krishnan & Scullion, 2017:431). The Organisation for Economic Co-Operation and Development (OECD) (OECD, 2005) defines SMEs as “Non-subsidiary, independent firms which employ fewer than a given number of employees. This number varies across countries. The most frequent upper limit designating an SME is 250 employees, as in the European Union. However, some countries set the limit at 200 and 500 employees”.

Within South Africa, the context of this study, the National Small Business Act, 1996 provides for a framework to define and categorise SMEs (Nene, 2017:6). The Act defines an SME as:

A separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or subsector of the economy ... and which can be classified as a micro-, a very small, a small or a medium enterprise by satisfying the (applicable) criteria.

The Act similarly defines a "small business organisation" as:

any entity, whether or not incorporated or registered under any law, which consists mainly of persons carrying on small business concerns in any economic sector, or which has been established for the purpose of promoting the interests of or representing small business concerns, and includes any federation consisting wholly or partly of such association, and also any branch of such organisation. (South Africa, 1996:2).

The National Small Business Act provides comprehensive classifications per sector or sub-sector (see Appendix A). SMEs are classified based on total annual turnover, the total full-time employees, and total gross asset value per classification, and per industry (South Africa, 1996:16). This study's focus is on South African SMEs, and therefore, the classifications set out by the National Small Business Act guided the definition of SMEs adopted by this study. The Act classifies SMEs into micro enterprises, very small enterprises, small enterprises, and medium enterprises. According to the Small Enterprise Development Agency (Bureau for Economic Research, 2016:8), medium enterprises include traditional family businesses,

employing over 100 employees, while micro enterprises include survivalists self-employed individuals and informal micro enterprises, such as street vendors. The growth potential of such enterprises is small, and they are unlikely to employ or hire employees.

Generally, SMEs are not necessarily formally registered (such as private companies) and include both enterprises in the informal sector and VAT-registered enterprises (Dtic, 2008:xxvii). However, there are significant distinctions between the formal and informal sectors. In South Africa, SMEs in the formal sector mainly operate within the Financial Intermediation Insurance, Real Estate and Business Services industries (more or less 44%) (Dtic, 2008:63). The second largest industry is the broadly labelled Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods; Hotels and Restaurants industry (more or less 23%). Informal SMEs tend to operate within the Wholesale and Retail Trade industry (more or less 52%) (Dtic, 2008:63).

Scholars use different terms for 'small businesses'. Terms such as Small, Medium and Micro Enterprises (SMMEs), Small and Medium Enterprises or Small and Medium-Sized Enterprises or companies (SMEs), small business/firm or micro-firm, are evident in literature (Bureau for Economic Research, 2016:5; Coetzer *et al.*, 2019:420; Fassin *et al.*, 2011:425; Gamage *et al.*, 2020:79; Guillen *et al.*, 2002:177; Inyang, 2013:125; Liberman-Yaconi *et al.*, 2010:71; Smit & Watkins, 2012:6324). The terms SMEs and SMMEs are sometimes used interchangeably (Smit & Watkins, 2012:24). In addition, closely linked to small enterprises in academic literature is entrepreneurship. It is only in recent times that the two terms, entrepreneurship and small business management, have been academically delineated. Entrepreneurship is characterised by innovation, creativity and novelty, and has a particular focus on wealth creation and growth. It can refer to any type of business, in contrast to a small business, an entrepreneurial business can be any size (Liberman-Yaconi *et al.*, 2010:72).

Another term that was identified was 'family business/enterprise' or 'small family business' (Duh *et al.*, 2010:473; Fassin *et al.*, 2011:429). This would typically be an enterprise where ownership and the members of the enterprise are family (Astrachan, Astrachan, Kotlar & Michiels, 2021:100395; Kidwell, Kellermanns & Eddleston, 2012:509). Such enterprises are committed to preserving the family's social capital and socio-emotional wealth (Venter & Farrington, 2016:35). The term used throughout

this thesis is Small and Medium Enterprises (SMEs), which, in the context of this study, can include entrepreneurial enterprises and/or family businesses with a workforce within the demarcated criteria (zero to 100 employees).

In practice, SMEs are different from large organisations and have their own unique business profile. These differences span across decision-making, structures, tools, turnover and number of staff employed (Coetzer *et al.*, 2019:426; Hang & Wang, 2012:91; Liberman-Yaconi *et al.*, 2010:71). According to Cambra-Fierro *et al.* (2008:645), Inyang (2013:125), and Coetzer *et al.* (2019:424), SMEs are more likely to be manager-owned. They tend to have smaller market shares, and are less structured than larger organisations (Coetzer *et al.*, 2019:425). In addition, SMEs are subjected to the market dynamics created by larger organisations through the supply chain (Inyang, 2013:125). Moreover, SMEs also have to compete against larger organisations (Chebo & Kute, 2019:66).

Being 'smaller' in scale means SMEs have limited financial, technological and human resources. This could lead to inadequate decision-making skills and knowledge. In addition, decision-making is most likely done by an individual, instead of a team. These characteristics influence strategic decision-making (SDM) related actions, behaviour and processes in SMEs (Hang & Wang, 2012:91; Savur *et al.*, 2018:115). However, despite their size and limitations, SMEs are globally considered to be an economically significant business sector (Liberman-Yaconi *et al.*, 2010:71; Savur *et al.*, 2018:115; Williams *et al.*, 2018:33).

2.2.2 Small business: significant sector

The value of this business sector is globally recognised. This sector contributes to economic growth, innovation, job creation and employment opportunities (Olawale & Garwe, 2010:729; Vrchota & Řehoř, 2019:299). As a result, the governments of both developed and developing countries have placed special emphasis on the development and sustaining of this business sector (Fee, Erridge & Hennigan, 2002:326; Olawale & Garwe, 2010:729; Xiang & Worthington, 2017:448).

SMEs account for most the business enterprises globally, and employ close to 50-60% of all employees (Gamage *et al.*, 2020:81; Inyang, 2013:125; Jamali *et al.*, 2015:12; Olawale & Garwe, 2010:729; Painter-Morland & Dobie, 2009:7). For example, in Australia and the United Kingdom (UK), SMEs account for 90 - 95% of

business. Although SMEs' GDP contributions and their 'added-value' are much smaller than that of large organisations, SMEs still remain a critical player in the economy (Chebo & Kute, 2019:66; Liberman-Yaconi *et al.*, 2010:71; Vrchota & Řehoř, 2019:300; Wadhwa, McCormick & Musteen, 2017:5). According to Liberman-Yaconi *et al.* (2010:71), and Krishnan and Scullion (2017:431), SMEs provide income and employment opportunities in both developed and developing economies.

In developing countries, such as South Africa, SMEs contribute significantly to national GDP, job creation and employment (Bureau for Economic Research, 2016:5; Nene, 2017:4; Olawale & Garwe, 2010:729). For example, SMEs in South Africa employ 56% to 60% of the workers in the private sector (Nene, 2017:4; Olawale & Garwe, 2010:729). One of South Africa's major challenges is a high unemployment rate (27%), which is exacerbated by a severe lack of skills (Bureau for Economic Research, 2016:5; Van der Merwe, 2020:4). With such figures, Painter-Morland and Dobie (2009:7) state that SMEs are the lifeblood of many individuals in Africa.

In a country plagued by high unemployment rates, it is vital for SMEs to be developed and their success ensured (Bruwer, 2020:148; Fatoki & Chiliya, 2012:13). SMEs can assist with some of the challenges faced by South Africa, such as reducing poverty, assisting with income equality and economic growth, as well as creating jobs (Olawale & Garwe, 2010:729; Smit & Watkins, 2012:6325). Therefore, the government of South Africa has made sustaining and developing SMEs an important strategy (Bruwer, 2020:148; Fatoki & Chiliya, 2012:13). The South African government has implemented strategies that aim to develop enabling environments for SMEs (Bureau for Economic Research, 2016:5). Given SMEs importance worldwide, it is imperative that they remain operational, or survive, in the long term. However, they face numerous challenges that may impact their sustainability.

2.2.3 Small business: great challenges

Across the world, SMEs operate in the same business environments as larger organisations, however, they do not have the same capabilities such as extended human resources and access to capital (Smit & Watkins, 2012:6324). With these limitations, SMEs can be seen as 'disadvantaged' when compared to larger organisations (Savur *et al.*, 2018:117; Smit & Watkins, 2012:6324; Wadhwa *et al.*,

2017:5). In addition, limited resources can influence their strategic plans (Wadhwa *et al.*, 2017:5) and managerial decision-making (Savur *et al.*, 2018:115).

To SMEs, any commitment, other than to their core functions, are burdensome (Inyang, 2013:125; Ladzani & Seeletse, 2012:90; Painter-Morland & Spence, 2009:3). They are exposed to greater competition, which is increasingly fuelled by legislation, globalisation, and reduced trade barriers. The greater competition, in turn, is fuelled by market expansions, as continuous developments in technologies and innovation change the ways in which businesses operate (Smit & Watkins, 2012:6324). While SMEs can respond to changes in the market more readily, they are particularly vulnerable to external factors or obstacles (Popa *et al.*, 2019:170; Smit & Watkins, 2012:6324). They find it challenging to cope and engage with such obstacles, and they need to manage the accompanied risks to survive (Smit & Watkins, 2012:6324).

Mahmood and Pakistan (2008) and Wadhwa *et al.* (2017:5) maintained that access to equity and finance is a major barrier for SMEs. This affects their growth, especially in developing countries. The reason for this constraint is the controversial policies that banks apply when lending to SMEs, as the financial sector caters primarily for larger organisations or enterprises. In addition, lack of capital and credit is a significant barrier for SMEs' development, especially during the early stages, when the funds granted to SMEs are based on their financial position and/or credit score, which is mostly in a dire state (Fatoki, 2012:22). Lack of funds in the early stages coupled with controversial policies may make it difficult for SMEs to capitalise on new opportunities in the market.

According to Lekhanya (2015:215), and Hisham, Ismail, Manan and Ramli (2020:2), the behaviour, skills and qualities of SME leadership have been identified as critical factors that influence both the survival and growth of SMEs. It is evident that leadership in SMEs determines the direction of the enterprise. According to Mahmood and Pakistan (2008:1), a lack of a corporate governance structure is another constraint to the growth of an SME. This was reiterated by Lekhanya (2015:216) who stated that SMEs' survival and growth are dependent on good governance and good business leadership. South Africa's King Code promotes ethics, ethical leadership, and the management of ethics (Van Wyk & Badenhorst-Weiss, 2017:332).

However, in South Africa, a lack of corporate governance and good leadership in SMEs has been observed for decades (Lekhanya, 2015:221). The reasons that have been supplied for this phenomenon could be that the implementation is costly, and/or there is a lack of awareness regarding corporate governance (Mahmood & Pakistan, 2008), or that SMEs will do whatever it takes to get business, or to survive. For example, SMEs might not officially record cash income, so that they are able to generate a better income for themselves; this is a form of survival. They might quote the lowest price (to get the business), trading off the quality of products or services. Another reason could be that SMEs do not regard corporate governance as important, or relevant to them.

In addition, SMEs operate in complex environments and need to survive and be profitable. However, SMEs face temptations to adapt their ethical stance, or to act unethically, to survive (Arend, 2013:1; De Arruda, 2010:43; Dzomonda & Fatoki, 2017:215; Wiid *et al.*, 2013:1087). Given the limitations they face, it is a struggle to survive whilst witnessing the unethical practices that are acceptable in the corporate and political regime. Consequently, unethical behaviour is sometimes accepted, and considered necessary to survive (Arend, 2013:1; Fatoki, 2020:63; Wang & Clegg, 2017:333; Wiid *et al.*, 2013:1090).

SMEs also face challenges in terms of developing an entrepreneurial culture and ethical business practices (Fatoki, 2020:63; Fatoki & Chiliya, 2012:14). SMEs face more difficulties than larger organisations do to engage in socially responsible (which includes ethical) behaviour (Fatoki, 2012:25). Another challenge is a lack of management capacity. SME owners/managers play a significant role, as they determine the direction of the enterprise, and communicate the vision and goals of the enterprise (Lekhanya, 2015:215).

Smit and Watkins (2012:6326) classify the challenges SMEs face into economic, enterprise-based and industry-related challenges, which all influence the success of SMEs. The success of SMEs is connected to local economic conditions. For example, should there be an economic recession, SMEs will most likely feel the burden of it. The term 'enterprise challenges' refers to the internal factors evident within an enterprise. This ranges from the availability of resources, management abilities, high employee turnover rates, and low productivity rates. Industry-related challenges encompass those factors arising in the market. Greater competition, low demand, poor

location and understanding of competitors are market factors that could negatively affect the success of an SME.

In South Africa (and the broader African continent), SME-specific challenges include access to finance and credit, poor physical infrastructure (affordable space or land, communication, utilities and transport) and low levels of research and development (R&D). Research and development can assist in determining a new idea's feasibility and discovering new innovative solutions to problems. In addition, onerous labour laws are particularly challenging for SMEs since they need the flexibility to accommodate cyclical downswings or upswings (Bureau for Economic Research, 2016:10).

An inadequately educated workforce and inefficient government bureaucracy are other challenges SMEs experience in South Africa. There are delays in obtaining permits and licenses, as well as a lack of coordination across departments causing duplication of activities. High levels of crime and the coupled security costs, and lack of access to markets pose challenges to SMEs. SMEs located in rural locations are particularly disadvantaged, as they cannot necessarily form collectives to increase the bargaining power needed to lobby government to respond to their needs (Bureau for Economic Research, 2016:10).

Furthermore, the regulatory environment does not adequately address corruption, and the tax structures increase the SMEs' financial burdens (Painter-Morland & Spence, 2009:4). Another challenge that has been highlighted is that SMEs compete with larger organisations, instead of selling complementary specialised products and services, as in other developing countries (Smit & Watkins, 2012:6327). Lastly, South African SMEs face ethics-specific risks (a form of challenge) in the areas of customer misconduct, sales, theft, and product quality (Robinson & Jonker, 2017:79).

The challenges that SMEs face, their unique role, and the special emphasis that has been placed on their success and sustainability, has led to funding and development initiatives being specifically designed for SMEs (Dtic, n.d.; Incentives SA, n.d.; Rangwetsi & Van der Waldt, 2021:97). In addition, research studies have focused on SMEs to increase the understanding of the practices of smaller enterprises. As stated previously, SMES differ from larger organisations in a variety of ways.

Strategic decision-making, the focus of this study, is also done 'differently' in SMEs (Hang & Wang, 2012:94). However, there is limited knowledge and research on SDM

process and practices, since most SDM studies focus on large organisations (Hang & Wang, 2012:92; Huang, 2009:90; Liberman-Yaconi *et al.*, 2010:71). This makes most SDM theory inadequate for application to SMEs (Liberman-Yaconi *et al.*, 2010:71).

Consequently, research on SDM in SMEs can: 1) improve the understanding of the SDM practices and activities of SME owners/managers; 2) contribute to SDM theory (through developing a model) and 3) lead to practical SME management implications (Hang & Wang, 2012:92). A better understanding of SDM in SMEs could assist SME owners/managers with the knowledge on how to apply SDM more effectively, consciously, and proactively in their enterprises. In addition, SMEs engaging in effective SDM could improve their long-term survival, sustainability, and performance success (Liberman-Yaconi *et al.*, 2010:71; Shepherd & Rudd, 2014:340).

2.2.4 Summary on small and medium enterprises

The importance of SMEs and their long-term survival is recognised in both developed and developing countries. In developing countries, SMEs play a particularly important role, as they contribute to economic growth and employment. In South Africa, SMEs can assist in addressing country-specific challenges, such as the high levels of unemployment and poverty. Consequently, the South African government is increasingly focusing on SMEs to assist in developing, maintaining, and enabling them. However, SMEs have unique limitations, and face unique challenges pertaining to their size and the business environment they operate in. The limited access to resources, and the economic, enterprise-based and industry-related challenges continuously threaten their existence. The challenges SMEs face in the South African business context shed light on the unique circumstances in which they operate.

The next part of this chapter focuses on SDM. SDM, in its broad context, is reviewed before focusing on SDM in SMEs.

2.3 STRATEGIC DECISION-MAKING

This section briefly reviews decision-making to provide a foundation for the review of SDM.

2.3.1 Decision-making

Decision-making is the process of identifying problems, gathering information, determining directions, identifying alternatives, evaluating alternatives, and choosing the most favoured decision (Alsmairat, Alhawamdeh & Alsmairat, 2019:95; Nutt, 1998:333). A generic managerial decision-making process comprises of the following five steps: 1) setting objectives; 2) identifying alternatives; 3) evaluating alternatives; 4) choosing the best decision and implementing the decision; and 5) following-up (Bauer, Schmitt, Morwitz & Winer, 2013:437; Harrison & Pelletier, 2000:463).

Decision-makers spend a significant amount of time and resources on evaluating alternatives. They are required to determine the best course of action, and be able to account for, and justify their decisions to internal (for example, higher management) and/or external stakeholders, if necessary (Nutt, 1998:333).

The nature of decision-making in the business setting can be routine-like (day-to-day) decisions, novel (new) or innovative decisions, and/or decisions that change the course of the organisations, its wellbeing or nature (Schoemaker, 1993:107; Zindiye, 2017:203).

This study's focus is specifically on strategic decisions, which are made by top management (Elbanna, 2006:1; Popa *et al.*, 2019:172). Decision-making is a vital process of strategic management and is foundational in determining the success of the organisation during its existence (Chebo & Kute, 2019:62; Hang & Wang, 2012:91).

2.3.2 Strategic decision-making

This section defines and explains SDM by reviewing the literature in the field, as well as the nature, content, context and characteristics of SDM.

2.3.2.1 Defining strategic decision-making

Strategic decisions are intentional decisions (or choices) and responses. They substantially affect an organisation's survival prospects, overall scope, wellbeing, and nature (Lieberman-Yaconi *et al.*, 2010:73; Popa *et al.*, 2019:171; Schoemaker, 1993:107). Such decisions lead to significant resource allocations (commitments), and have a significant impact on the entire organisation and its long-term performance. Elbanna (2006:1) highlighted that strategic decisions differ from industry to industry.

For example, a strategic decision for one organisation may not necessarily be a strategic decision for another.

The nature of strategic decisions is that they are non-routine, uncertain, unstructured, and pervasive (Shepherd & Rudd, 2014:340). Such decisions influence all functions within organisations, involve large financial costs, and have long-term implications. Mintzberg, Raisinghani and Theoret (1976:250) state that such novel decisions are complex and open-ended. The decision-maker has limited knowledge available on the situation and decision at hand, a vague idea of possible solutions, and how to evaluate the solution (Alsmairat *et al.*, 2019:96; Schwenk, 1984:111).

Strategic decisions are distinct in their nature and scope. Table 2.1 summarises the characteristics of strategic decisions. The researcher added 'relative' to the characteristics of strategic decisions, given that it is relative to the specific industry or business enterprise.

Table 2.1: Characteristics of strategic decisions

Dimension	Explanation
Complexity	The problem cannot always be comprehensively defined, and the search for solutions can be endless. There are various methods to follow to reach a solution and various solutions to a problem. There is also an interdependence that exists between the factors that lead to a solution. In addition, various (applicable) stakeholders define the problem at hand differently.
Uncertainty	Possible results (or solutions) are not known, specifically due to the variety of alternatives. Uncertainty is generated due to the lack of information at the time when it is needed. In addition, it is not possible to determine if the solution has been reached. For example, a solution may be a 'good solution' but one cannot determine if it is the 'right solution'.
Rationality	The activity of analysing the benefits and advantages of all possible solutions that will allow an individual to reach predetermined objectives. However, there is no test to determine if the solution will be effective.
Control/politics	Control over a situation and to have intentional results. Without control, results are merely an interplay between forces.
Relative	The strategic decision is relative to the specific industry or business.

Source: Compiled from Camillus (2008:3), Campos, Parellada, Atondo & Quintero (2015:12), Schwenk (1984:111), Elbanna (2006:1)

The above characteristics of strategic decisions provide some guidelines to identify strategic decisions. A lack of information (uncertainty), use of rationality and the choice of exercising control is relative to the decision-maker. This is in accordance with

literature findings, indicating that strategic decisions are relative – the complexity differs from industry to industry, or from organisation to organisation, and it is subject to the ‘whim’ of the decision-maker (Elbanna, 2006:1; Liberman-Yaconi *et al.*, 2010:80).

However, given the nature of strategic decisions, it explicitly excludes routine and repetitive decisions. Examples of strategic decisions include new product developments, entering a new market, restructuring, or repositioning the organisation. Effective strategic decisions are critical to any organisation, large or small, as such decisions influence organisational performance (Alsmairat *et al.*, 2019:95; Jocumsen, 2004:659; Liberman-Yaconi *et al.*, 2010:74). The next section reviews the research in the field of SDM.

2.3.2.2 Strategic decision-making research

In academia, strategic management consists of two broad streams of research within the field of strategic management, namely, strategy content and strategy process. Strategy content is concerned with strategic issues at corporate and business levels, and includes various diversification options and market-product choices, portfolio management, strategy matrix, strategic positions, the resource-based view, and core competencies (Elbanna, 2006:2; Hang & Wang, 2012:98; Huang, 2009:88).

The strategic process stream of research is concerned with strategic issues such as how to implement strategic changes and how individuals make strategic decisions (Hang & Wang, 2012:92; Huang, 2009:88). Huang (2009:88) mentioned a few areas of research focus in SDM, which include dominant strategic paradigms, the process of strategic decisions and decision-making effectiveness.

Numerous research studies have been undertaken in the SDM research stream, stemming from various academic disciplines. In addition, SDM-focused studies may focus on either the content (the process) of SDM, or the context (organisational and environmental factors) that influence SDM (Campos *et al.*, 2015:11; Chebo & Kute, 2019:62; Hang & Wang, 2012:93).

The SDM process has evolved into one of the most important themes of strategy research (Musso & Francioni, 2012:280). According to Elbanna (2006:2), for the last two decades, research has been dominated by content-focused studies. The above-

mentioned researcher maintains that content research and process research (within the strategic process stream) are complementary, influencing each other.

The sections below review the SDM process, its characteristics and the factors that influence SDM.

2.3.3 The SDM process

Mintzberg attempted to define the first SDM process (Brouthers *et al.*, 1998:131), and since then, a few SDM models and frameworks have been developed. Examples include the work of Witte, Joost and Thimm (1972:156), and Brouthers *et al.* (1998:131). Table 2.2 (see next page) summarises the SDM models identified in literature. Table 2.2 lists the authors who developed or suggested the specific SDM model, and provides a summary of the SDM process.

The frequently referenced SDM processes of Mintzberg *et al.* (1976:246) and Witte *et al.* (1972:156) are notable in Table 2.2. While these authors pioneered SDM, it does highlight a need for current, additional in-depth SDM studies, making use of a large number of units, as well as objects of analysis. In addition, SDM literature should be extended to include SMEs, and the SDM literature should be extended to include new and emerging industries, such as the IT industry and the fourth industrial revolution, also SMEs within networked organisations, and where there is a focus on collective benefit, for example.

The similarities between the various SDM models are evident from Table 2.2. Later in this chapter, the SDM literature specifically developed for SMEs is reviewed. Consequently, the SDM processes applicable to SMEs (Gopaul & Rampersad, 2020:1; Hang & Wang, 2012:91; Huang, 2009:87; Ibrahim, Dumas & McGuire, 2001:80; Jocumsen, 2004:659) were omitted in reflecting on the general similarities of SDM processes. In addition, the SDM steps proposed by Stokman, Van Assen, Van der Knoop and Van Oosten (2000:131) (Table 2.2) were also not considered, as their SDM process bears little to no similarity to the other models summarised in Table 2.2 (see the following page). The SDM process places the focus on the positions and relations to others in the SDM process. Therefore, to depict the similarities among the SDM models, the SDM models developed with larger organisations in mind, while excluding the process of Stokmans *et al.* (2000), were included in the review.

Table 2.2: Examples of various SDM models

Model of Mintzberg et al. (1976)	Model of Jocusen (2004) for large organisations	Model of Stokman et al. (2000)
<p>Identify phase</p> <ul style="list-style-type: none"> ▪ Recognition of the decision or problem. ▪ Diagnosis of decision (clarify and define the issues). <p>Development phase</p> <ul style="list-style-type: none"> ▪ Search route (for ready-made solutions). ▪ Design route (custom-made solutions of modifications of ready-made solutions). <p>Select phase</p> <ul style="list-style-type: none"> ▪ Screening (discarding what is not practical). ▪ Evaluating choices (using judgement, bargaining and analysis; comparing alternatives against relevant criteria). ▪ Authorising (selecting the route; getting approval to implement). 	<ul style="list-style-type: none"> ▪ Acknowledgement that a problem or opportunity exists. ▪ Need to decide emerges. ▪ Diagnosis of the situation, and initial information gathering. ▪ Developing decision criteria and weights. ▪ Obtaining and analysing information. ▪ Developing and evaluating alternatives. ▪ Favoured option is identified. ▪ Final detailed evaluation of option. ▪ Commitment to decision. <p>(Nine steps in SDM were highlighted through literature)</p>	<ul style="list-style-type: none"> ▪ Dissecting the problem into controversial issues. ▪ Determining capabilities, positions, and salience (characteristics) of each stakeholder in relation to each issue (salience is the willingness to push one's position in decision-making). ▪ Processes and strategies (to achieve the outcome) (shifts in positions to achieve the goal). ▪ Changing the decision setting (the setting is determined by the issue, capabilities, positions, and salience). <p>(Collective strategic decision-making, focusing on "positions and relations to others")</p>
Model of Witte et al. (1972)	Steps suggested by Eisenhardt and Zbaracki (1992)	Model of Brouthers et al. (1998)
<ul style="list-style-type: none"> ▪ Obtaining information. ▪ Determining alternatives. ▪ Evaluating alternatives. ▪ Choosing the best solution. 	<ul style="list-style-type: none"> ▪ Gathering information. ▪ Developing set of alternatives. ▪ Selecting optimal solution. <p>(Steps suggested, based on a literature review of rational actions)</p>	<ul style="list-style-type: none"> ▪ Information search. ▪ Information analysis. ▪ Selection phase.

Model of Fredrickson's (1984)	Model of Huang (2009)	Model of Gopaul and Rampersad (2020)
<ul style="list-style-type: none"> ▪ Diagnosis of the situation. ▪ Generating alternatives. ▪ Evaluating alternatives. ▪ Integrating final decision. 	<ul style="list-style-type: none"> ▪ Idea identification. ▪ Information search and analysis. ▪ Technical expertise and financial analysis (internal factor analysis). ▪ Commitment to final decision. 	<ul style="list-style-type: none"> ▪ Decision trigger (reactive market environment). ▪ Gathering external (market-related) information. ▪ Information interpretation. ▪ Generating options.
Model of Hang and Wang (2012)	Model of Jocusen (2004) for SMEs	Model of Ibrahim <i>et al.</i> (2001)
<p>Initial stage</p> <ul style="list-style-type: none"> ▪ Decision identification. ▪ Initial screening of existing information. ▪ Initial solution development. <p>Second stage</p> <ul style="list-style-type: none"> ▪ Information gathering. ▪ Initial solution refinement. ▪ Financial analysis. ▪ Commitment. 	<ul style="list-style-type: none"> ▪ Decision initiating. ▪ Information gathering/research. ▪ Financial analysis and assessment. ▪ Review internal matters. ▪ Final commitment. <p>Steps 2 to 4 are loosely defined, non-sequential and iterative.</p>	<p>Inputs</p> <ul style="list-style-type: none"> ▪ Internal capabilities of the family business. ▪ External environment of the family business. <p>Power filter</p> <ul style="list-style-type: none"> ▪ Management/ownership. ▪ Family values and preferences. <p>Outputs</p> <ul style="list-style-type: none"> ▪ Strategic decisions.

Source: Compiled from Brouthers *et al.* (1998:133), Eisenhardt & Zbaracki (1992:18), Fredrickson (1984:456), Hang & Wang (2012:98), Huang (2009:98), Jocusen (2004:670), Mintzberg *et al.* (1976:252), Stokman *et al.* (2000:133), Witte *et al.* (1972:179), Ibrahim *et al.* (2001)

Four 'actions' are evident across the remaining five models (Eisenhardt & Zbaracki, 1992:18; Fredrickson, 1984:456; Jocumsen, 2004:662; Mintzberg *et al.*, 1976:252; Witte *et al.*, 1972:179). Founded on the tested, and often cited model of Mintzberg *et al.* (1976:253), these actions are: 1) Identifying the problem (**I**), 2) Developing alternatives (**D**), 3) Selecting solution (**S**) and 4) (and additional step) Implementing the choice (**I**) (therefore, the acronym, IDSI).

2.3.3.1 The IDSI conceptual framework explained

Identifying phase (I)

The first phase identifies the problem, or as Jocumsen (2004:662) stated "acknowledging that a problem or opportunity exists". Opportunities, problems, and crises that will require a decision to be made, are identified, or recognised. Decision-makers will consult existing information channels and/or create new information channels to define and clarify the problem (Mintzberg *et al.*, 1976:254). In this phase, initial information is gathered in efforts to define and clarify the problem. Witte *et al.* (1972:169) and Eisenhardt and Zbaracki (1992:18) state that this activity involves obtaining or gathering information on the identified problem.

In the SDM process suggested by Jocumsen (2004:662), the first three steps, namely, 1) Acknowledgement that a problem or opportunity exists, 2) Need to make a decision emerges, and 3) Diagnosis of the situation, and initial information gathering, corresponds with this first Identifying phase.

Therefore, the 'Identifying phase (I)' phase includes all the actions pertaining to identifying and diagnosing the problem, decision, situation, or opportunity, as well as obtaining initial information regarding the problem, decision, situation, or opportunity to clarify and define the problem.

Developing alternatives phase (D)

During this phase, the decision-maker develops one or more (or a set of) solutions or alternatives to either solve a problem or capitalise on an opportunity. According to Mintzberg *et al.* (1976:255), the decision-maker may search for "ready-made solutions" or create "customised-made solutions" for the problem. Witte *et al.* (1972:169), Fredrickson (1984:451), and Eisenhardt and Zbaracki (1992:18) agree that this step involves information gathering and the development of alternatives.

Therefore, the 'Developing alternatives (D)' phase includes the actions pertaining to identifying, generating, searching, and finding possible alternatives, as well as the gathering of appropriate information to do so.

Selection phase (S)

In the selection phase, the many alternatives are reduced to a few feasible alternatives (screening). Secondly, the feasible alternatives are evaluated; and the decision-maker applies judgement, bargaining and analysis. Thereafter, the solution or course of action is chosen, and the solution is then subject to authorisation or approval (Mintzberg *et al.*, 1976:257). Witte *et al.* (1972:169) agree that this step involves "evaluation". The SDM model of Fredrickson (1984:448) is the only model that does not stipulate this activity. However, one can assume that alternatives are evaluated, so that an optimal (best or ideal) solution can be implemented. Determining an 'optimal' solution requires the use of some measure of judgement or evaluation.

The SDM process of Jocumsen (2004:622) mentions the following: 1) developing decision criteria and weights, 2) obtaining and analysing information, and 3) developing and evaluating alternatives. According to Mintzberg *et al.* (1976:257), normative literature on the selection phase involves three steps: developing criteria, evaluating alternatives (based on criteria) and making a choice. Hence, these three steps of Jocumsen (2004:622) fall under the selection phase.

The 'Select solution (S)' phase includes all the actions pertaining to setting criteria, and evaluating and screening the choices or alternatives that have been identified. During this phase, the final solution is chosen.

On analysing the SDM model of Mintzberg *et al.* (1976:257), the researcher in the current study decided to keep the 'getting approval to implement' step under the 'Select solution phase', and not the 'Implementation stage' (the next stage in the IDSI framework). The reason being that while plans can be formulated, and decisions can be made, the implementation thereof requires that a proposal or solution should first be approved, before the decision can be communicated to the broader organisation, and resources allocated to it, and tasks assigned.

The implementation phase (I)

The SDM process suggested by Fredrickson (1984:448) and Jocumsen (2004:662) includes an “integration” step and a “commitment to decision” step, not explicitly evident in the other identified models. However, one can assume that once a solution is approved (the final step in the ‘Selection phase’), implementation will follow. An implementation and follow-up step are also evident in general decision-making literature (Harrison & Pelletier, 2000:463; Zindiye, 2017:207).

Therefore, the last phase, the ‘Implementing (I)’ phase, encompasses the actions following an approved solution. Such actions include ‘integration’ and ‘commitment’, which implies the implementation of the decision across the entire organisation through communication, the allocation of resources, and tasks and responsibilities being assigned.

Figure 2.1 depicts the IDSI conceptual framework, indicating the typical, but not necessarily the all-inclusive or sequential actions pertaining to each phase.

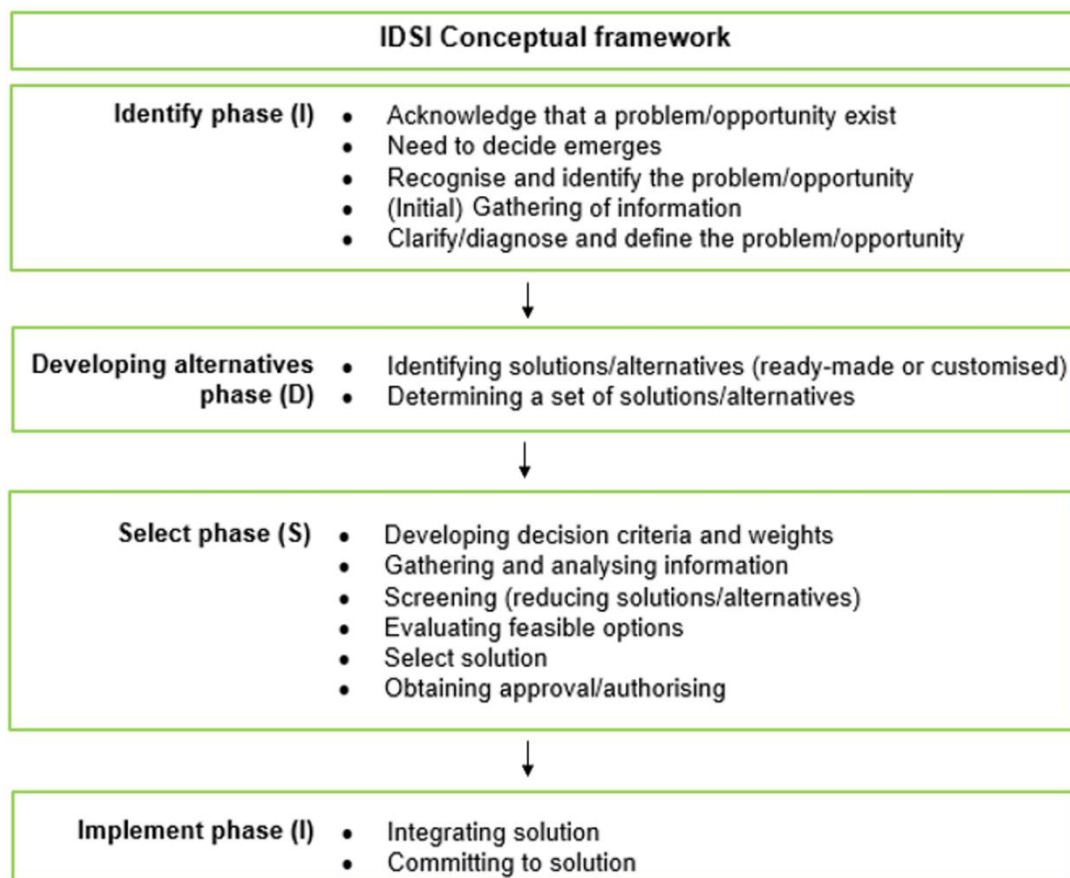


Figure 2.1: The IDSI (SDM) holistic conceptual framework

Source: Researcher’s own compilation (2018)

According to Hang and Wang (2012:92), most SDM models illustrate the SDM process as phases and they typically include the defined and directional steps that a decision-maker would follow. Huang (2009:90) maintains that the rational and incremental SDM processes are the most dominant processes. Mintzberg's original SDM model, for example, was a rational model (Brouthers *et al.*, 1998:131). The next section reviews these characteristics of the SDM process in more detail.

2.3.4 Characteristics of the SDM process

The SDM processes are, traditionally, understood as either rational, bounded-rational, or intuitive (Lieberman-Yaconi *et al.*, 2010:75; Schoemaker, 1993:113; Schwenk, 1995:474). Rationality clarifies "that behaviour which is logical in pursuing goals" (Elbanna, 2006:3). A rational (or rational-comprehensive) strategic decision-making process is systematic (linear/step-by-step) and comprehensive. The assumption is that information is available, with only one optimal solution (optimise), therefore, decisions are made in large and purposeful steps (Bauer *et al.*, 2013:437; Bourgeois & Eisenhardt, 1988:817; Lieberman-Yaconi *et al.*, 2010:75).

The purpose is to maximise profit or utility (Lieberman-Yaconi *et al.*, 2010:74), and this approach is arguably more suitable in stable business environments, and within bureaucratic organisations (Bourgeois & Eisenhardt, 1988:818). However, decision-makers are limited, or bounded, by their cognitive abilities and political realities (Bauer *et al.*, 2013:438; Elbanna, 2006:3). Bounded-rational (political incrementalism) SDM postulates that there are restrictions that are placed on decisions. Time, available information, and resources bind or restrict decisions, and such limitations discard rational analysis (Bourgeois & Eisenhardt, 1988:818).

For example, Bourgeois and Eisenhardt (1988:816) mention that information can become inaccurate or obsolete in fast-changing business environments. The decision-maker therefore chooses a solution that is 'good enough' (satisficing), as opposed to an optional solution (the best), or chooses to delay (or interrupt) the process (Bauer *et al.*, 2013:438; Bourgeois & Eisenhardt, 1988:817; Elbanna, 2006:3; Lieberman-Yaconi *et al.*, 2010:76). Hence, the notion is not always to maximise profit or utility but to choose a 'good enough' solution. This approach is also characterised as being incremental (small steps), non-linear (or unsystematic) and iterative (Bourgeois & Eisenhardt, 1988:817; Lieberman-Yaconi *et al.*, 2010:75; Mintzberg *et al.*, 1976:269).

The intuitive approach in SDM involves making quick decisions without clear reasoning and efforts. In this process, there is an absence of analysis, and is characterised by making decisions based on ‘gut feelings’ or ‘random guessing’ (Elbanna, Child & Dayan, 2013:150; Liberman-Yaconi *et al.*, 2010:75). According to Elbanna (2006:10), intuitions are incremental adaptations based in intimate and embedded knowledge. Such decisions are made based on experience, and less information is needed (Bauer *et al.*, 2013:438).

Managers making strategic decisions based on intuition, find it challenging to justify their reasons for a particular decision. Using intuition in SDM is seen as a viable approach, since most decisions are made with incomplete, inaccurate and untimely information (Elbanna *et al.*, 2013:151). In view of the incomplete, inaccurate, and untimely information, the assumption can be made that using intuition might also occur in fast-changing business environments. Table 2.3 highlights the differences between the rational, bounded-rational, and intuitive approaches to SDM.

Table 2.3: Characteristics of SDM processes

Rational approach	Bounded-rational approach	Intuitive approach
<ul style="list-style-type: none"> ▪ Logical behaviour (reasoning) ▪ Comprehensive information ▪ One optimal solution ▪ Linear ▪ Step-by-step; large and purposeful steps ▪ Select the decision that maximises profit/utility ▪ Stable environments 	<ul style="list-style-type: none"> ▪ Incomplete (lack of) information ▪ Many good solutions ▪ Nonlinear; small incremental steps ▪ Unsystematic ▪ Select a decision that is ‘good enough’; that will ‘satisfy the requirements’ – or to delay/interrupt ▪ Decision-making is more complex ▪ Decisions are bounded by constraints (information, resources, time, capabilities) ▪ Incremental ▪ Iterative ▪ Rapidly/fast changing environments 	<ul style="list-style-type: none"> ▪ Incremental adaptations ▪ Difficult to explain reasons for decisions ▪ Mental process (excluding conscious analytical-logical and rational thinking) ▪ Less information is needed ▪ No clear reasoning ▪ Taking quick decisions ▪ Absence of analysis ▪ Decisions made on gut feelings, random guessing, intimate and embedded knowledge and experience ▪ Unsystematic ▪ (Possibly) in fast changing environments

Source: Compiled from Bauer *et al.* (2013:438), Bourgeois & Eisenhardt (1988:817), Elbanna (2006:2), Elbanna *et al.* (2013:149), Liberman-Yaconi *et al.* (2010:75), Mintzberg *et al.* (1976:273)

There is limited empirical research on intuition in SDM research (Elbanna, 2006:8; Elbanna *et al.*, 2013:149), and as noted previously, most SDM studies focus on larger organisations. In addition, the literature provides little understanding of the specific approaches followed in SMEs. While Table 2.3 provides a summary of the characteristics of the three most referred to (or traditional) SDM approaches, other (or similar) approaches were identified in literature. The Garbage can model of Cohen, March and Olsen (1972:1), the synoptic process (an incremental process), and an integrated process, are cases in point (Elbanna, 2006:2).

The Garbage Can Model partially separates problems and choices. In this model, problems are addressed within the context of some choice (Cohen *et al.*, 1972:16). According to this model, a final decision is the result of several moderately independent streams or variables within organisations. These variables are problems (or the issue at hand), the available (or creation of) solutions, the decision-making participants, and choice of opportunities (opportunities that arises).

The Garbage Can process implies that there is movement between the problems, solutions, the participants and choice of opportunities (from one to another). The nature of this process depends on the intermeshing of variables (the streams), meaning the mix of problems, at a given time, the mix of solutions, and the outside demands placed on decision-makers. The Garbage Can model assists to some extent, in understanding the interrelatedness of decision-making, and dissecting these problems and solutions (Cohen *et al.*, 1972:16).

The synoptic (or synoptic formalism or comprehensive) model extends the traditional rational model, where analysis (rationality) is the main feature (Elbanna, 2006:2). According to Eisenhardt and Zbaracki (1992:18), the synoptic model is the rational model in its basic form. The synoptic model is merely variations or rearrangement of the rational model. For example, to see the rational model as a continuum and determining when and whether decision-making is rational (Eisenhardt & Zbaracki, 1992:22).

The incremental process (or political incrementalism model) defines the way in which strategic decision are made within organisations. The political perspective is concerned with the interaction of interests, conflict, and power amongst decision-makers. For example, conflicting goals and the interest of decision-makers influence

SDM. Politics may arise from inside organisations or from external parties (Elbanna, 2006:7).

Lieberman-Yaconi *et al.* (2010:80) mentioned an integrating or overlapping approach, where there is evidence of both a bounded-rational and intuition approach being applied in SDM by SME owners/managers. Little research has been done to explicitly summarise and highlight the contrasts, similarities, or any intertwined characteristics between these various approaches (previously explained) and the traditional approaches provided in Table 2.3. In understanding SDM, one needs to consider the variables, or factors, that influence SDM, and its outcomes. The section below reviews the factors influencing the SDM process.

2.3.5 Factors influencing SDM

Brouthers *et al.* (1998:131) classified the influential factors as power and politics, managerial characteristics and external control. Power and politics refer to the interplay between (top) managers and employees that influences strategic decisions. External control refers to the external shareholders (such as suppliers, customers and government) that can influence organisational decisions, while managerial characteristics refer to the demographics (for example, the qualifications and experience) of managers that influence decision-making.

Hang and Wang (2012:93) differentiate between environmental, organisational, and decision-specific factors. Environmental factors that influence SDM are the stability/dynamism, hostility/favourability, and complexity of the environment. According to the abovementioned two researchers, such factors influence characteristics of the SDM process. Organisational factors include centralisation of decisions, top management, politicisation, size, and ownership. Such factors influence the decision's agendas, development of alternatives, speed of decisions, and the comprehensiveness of decisions. Decision-specific factors are concerned with the decision risk, urgency of the matter, outcome uncertainty, the catalyst driving the decision, and the complexity of the specific decision.

Shepherd and Rudd (2014:340) identified similar factors, namely, top management team (their demographics), decision-specific characteristics, characteristics of the organisation, and the external environment. This is concurrent with some of the influential factors identified in the literature. These factors are the environment,

decision-specific characteristics, and the management team/manager (Alsmairat *et al.*, 2019:97; Mehrabi & Kolabi, 2012:179; Mintzberg *et al.*, 1976:268; Papadakis, Lioukas & Chambers, 1998:157).

From the literature four broad influences are evident, namely, individual (manager-related), internal contextual, external contextual and decision-specific factors, described as follows:

- Individual factors relate to the manager's characteristics or demographics (experience, age, qualifications).
- Internal contextual factors are the organisational-specific elements, such as power and politics, management/management team, size, and ownership.
- External factors are the external elements or forces that influence SDM. This would include the stability/dynamism, hostility/favourability and complexity of the environment, as well as decision-specific factors originating from the external environment.
- Decision-specific factors can both be contextual or external related. For example, the catalyst driving the decision could be internal (the decision to move into a new market) or external (significant decrease in market demands or trends, consumer spending, disruptive technological changes, or an economic recession).

Table 2.4 (see next page) summarises the factors influencing the SDM process identified in literature.

While Table 2.4 depicts the various influencing factors per category, the Garbage Can Model provides insight into the interplay of decision-making factors, especially in terms of context and relativity. According to this model, "problems are worked upon the context of some choice" and "the nature of the choice, time it takes, and the problem it solves all depend on a relatively complicated intermeshing of elements" (Cohen *et al.*, 1972:16). It would be interesting to understand the approach in SDM (rational, bounded-rational and intuition) and how an approach influences the outcomes of SDM, within the same context, and the same decision.

Table 2.4: Factors influencing SDM process

Individual	Internal/ Contextual	External/ Contextual	Decision-specific factors
<ul style="list-style-type: none"> ▪ Manager’s characteristics ▪ Demographics (experience, age, qualifications) ▪ Cognitive abilities ▪ Personality ▪ Meta cognition ▪ Potency ▪ Aggressive philosophy 	<ul style="list-style-type: none"> ▪ Power and politics ▪ Management/management team ▪ Centralisation of decisions ▪ Size ▪ Ownership 	<ul style="list-style-type: none"> ▪ Environmental stability/dynamism ▪ Environmental hostility/favourability ▪ Environmental velocity/uncertainty ▪ Munificence of the environment ▪ Market environment ▪ Stakeholders ▪ Natural and legal environment ▪ Industry factors 	<ul style="list-style-type: none"> ▪ Decision-specific factors originating from the external environment and form within the organisations. ▪ Urgency, complexity, risks associated with the decisions. ▪ Outcome uncertainty, catalyst driving the decision and expediency

Source: Brouthers *et al.* (1998:131), Hang & Wang (2012:93), Mehrabi & Kolabi (2012:179), Mintzberg *et al.* (1976:268), Papadakis *et al.* (1998:126), Shepherd & Rudd (2014:342), Wegner & Mozzato (2019:184)

No specific ethical influencing factors were identified, apart from “aggressive philosophy” under individual factors. It is reasonable to assume that ethical factors may influence the SDM process. For example, the ethical orientation of the individual, the decision itself, the corporate culture of the enterprise or the environment in which the enterprise operates may have underlying ethical elements that could potentially influence SDM.

2.3.6 Summary of SDM

Decision-making is the process of gathering information, determining direction, identifying various alternatives and options, evaluating alternatives, and choosing the most favoured decision. SDM, however, is distinct in nature and scope. Such decisions are characterised by complexity, uncertainty, rationality and control or politics. A generic process of SDM includes four phases, namely, identifying, developing alternatives, selecting, and the implementing phase (IDSI). This process can be rational, bounded-rational or intuitive, and such a process is influenced by individual, internal, and external contextual factors, and decision-specific factors.

Many scholars maintain that there is limited knowledge on how SDM is applied in SMEs (Chebo & Kute, 2019:61; Gopaul, 2019:7; Hang & Wang, 2012:91; Jankelová, 2017; Jocumsen, 2004:659; Liberman-Yaconi *et al.*, 2010:73). Most of the research studies on SDM primarily focused on large organisations, limiting the understanding, the applicability of the findings and recommendations for SMEs (Chebo & Kute, 2019:61; Jocumsen, 2004:659; Liberman-Yaconi *et al.*, 2010:74; Musso & Francioni, 2012:280). McCarthy (2003:328) for example, indicated that, in the context of strategy (management), SMEs tend to be less political, as they are smaller, and the organisational culture of such enterprises tends to be more informal, trusting, intuitive, and there are strong feelings of ownership and control.

The limited SDM processes developed for SMEs were identified within the context of Australia (Hang & Wang, 2012:91; Jocumsen, 2004:659), the Netherlands (Brouthers *et al.*, 1998:130), the US (Ibrahim *et al.*, 2001:80) and China (Huang, 2009:87), limiting their applicability to other developing countries, and to South Africa, the context of this study.

Due to the limited knowledge on SDM processes for SMEs, this study undertook a systematic review of the relevant literature. The aim was to reach an understanding and report on the SDM theory/literature in SMEs on: 1) the processes identified (RQ1), 2) the characteristics of the SDM process in SMEs, 3) the factors that influence the SDM process in SMEs specifically (RQ3), and 4) to identify gaps future research should aim to address.

2.4 STRATEGIC DECISION-MAKING IN SMES: A SYSTEMATIC REVIEW OF LITERATURE

This section presents a systematic review of the SDM literature in terms of the relevant methodological aspects.

2.4.1 Systematic review: the methodology

A review of the literature, an evidence-based approach, assists with understanding, mapping, and assessing the available theory within a field of study. In addition, it can assist in identifying the gaps in theory, which may ultimately contribute to the existing body of knowledge. To improve the quality of literature reviews, attempts were made to synthesise the literature reviews into a systematic, structured, transparent, and

reproducible approach (Munn, Peters, Stern, Tufanaru, McArthur & Aromataris, 2018:2; Tranfield, Denyer & Smart, 2003:208).

The two evidence-based approaches are systematic reviews and meta-analyses. Systematic reviews aim to report on the key scientific contributions in a field, while meta-analysis adopts a statistical approach to synthesise the findings (Tranfield *et al.*, 2003:208). Systematic reviews also assist in identifying, underpinning and informing future research areas (Munn *et al.*, 2018:2).

The systematic review methodology set out by Tranfield *et al.* (2003:214) was used as a guideline. This methodology for systematic reviews has been employed and/or adapted by other researchers (Alexander, Antony & Rodgers, 2019:382; Crossan & Apaydin, 2010:1154; Johnson & Schaltegger, 2016:481; Pittaway & Cope, 2007:479). This process consists of three broad steps, namely, planning, conducting and reporting (Tranfield *et al.*, 2003:214). During the planning stage, the need for a review is identified, followed by a proposal for a review and the defining of a review protocol. The conducting stage involves identifying research, selecting the studies to include, assessing the quality, data extraction and data synthesis. Lastly, the reporting stage includes the final report and recommendations (Tranfield *et al.*, 2003:214).

2.4.1.1 Planning

Given the limited research on SDM in SMEs, a systematic review was conducted with the aim of reaching an understanding of the SDM theory/literature in SMEs that was published in the last two decades. The systematic review was originally conducted in 2018, covering the two decades from 1998 to 2018. As the research study progressed, the systematic review was updated to include articles published in 2020, hence the period 1998 to 2020 was included in the review¹. The research questions that guided this review (and chapter) were: *How do SME managers/owners use strategic decision-making frameworks or tools to make decisions? (RQ1)*, as well as: *What are the factors*

¹ The systematic review was conducted in 2018. Two decades were 1998 to 2018. The systematic review was updated in early 2021. Hence, the period 1998 to 2020 was included.

(including ethical factors) that influence SDM in SMEs? (RQ3) (Chapter 1, Section 1.4). Consequently, the objectives of the systematic review were to identify the:

- SDM processes developed for SMEs, in both developing and developed countries;
- Characteristics of SDM in SMEs;
- Factors influencing SDM in SMEs; and
- Gaps in the theory pertaining to SDM in SMEs

The databases that were utilised covered the period 1998 – 2020. However, some of the databases utilised in 2018 had either been changed or updated since the initial review started in 2018. At the beginning of 2021, some of the databases' names were not the same. For example, Business Source Complete, used in 2018, was not available in 2021, but Business Source Ultimate was. The databases ranged between Business Source Complete (available in 2018), Business Source Ultimate (available in 2021), Science Direct Freedom Collection (SANLIC), Wiley online library full collection 2016 (available in 2018), Wiley Online Library Database Model 2020 (available in 2021), JSTOR archive collection and Google Scholar. Research studies identified for, and included in this review were downloaded and imported into ATLAS.ti.

2.4.1.2 Conducting

During this phase, keywords and search terms are defined in the preliminary literature review, which lead to defining the most appropriate search strings (Tranfield *et al.*, 2003:215). From the SME literature (see Chapter 2, Section 2.2), the following key terms were identified: *small and medium enterprises, small and medium-sized enterprises, small and medium-sized companies, SME, Small, Medium and Micro Enterprises, SMME, small business, small firm, entrepreneur, family business, family enterprise, small family business*².

From the literature review on SDM (see Chapter 2, Section 2.3), the following key words were identified: *strategic decision-making, SDM, strategic decisions*. 'Decision-making' was omitted as a key word, as the aim was to review the literature specifically in the field of SDM (and within the broader field of strategic management). The search

² These search strings/key terms were not included in the journals within the small business/entrepreneurial fields (for example, journal of small business management), since the focus of these journals is on SMEs/entrepreneurial enterprises.

strings for the systematic review are tabled in Table 2.5. The result was a final count of 12 strings.

Table 2.5: Search strings to identify SDM literature in SMEs

Search string/root terms		Constant terms in every string
1. small and medium enterprises...	AND	strategic decision-making
2. small and medium-sized enterprises...	OR	SDM
3. small and medium-sized companies...	OR	strategic decisions
4. SME...		
5. Small, Medium and Micro Enterprises...		
6. SMME...		
7. small business...		
8. small firm...		
9. entrepreneurship...		
10. family business...		
11. family enterprise...		
12. small family business...		

Example (Non-small business/entrepreneurial focused journal): The first string was written as: “small and medium enterprises” AND “strategic decision-making OR “SDM” OR “strategic decisions”

Example (Small business/entrepreneurial focused journal): The first string was written as: “strategic decision-making OR “SDM” OR “strategic decisions”

Source: Researcher’s own compilation (2018)

Once search strings have been defined, articles can be identified for a systematic review. According to Tranfield *et al.* (2003:215), the selection of studies ought to include both published (journals) and unpublished (conference proceedings and the internet) sources. However, the number of published articles can make meaningful research difficult, which is why scopes are often defined and demarcated (Alexander *et al.*, 2019:385). Due to the vast amount of research publications and journals, criteria were drafted to eliminate articles that do not fit within the scope of the systematic review (Alexander *et al.*, 2019:385).

To limit the large amount of literature, the systematic review was limited to “validated knowledge” (Crossan & Apaydin, 2010:1157). Therefore, the systematic review was limited to peer-reviewed (or scholarly) articles. The strategic management field is a relatively big research field, with many branches and research focus areas. Therefore, the focus of the studies (selected for review) ought to be on strategic decisions or SDM

literature (in SMEs). For example, the four SDM process identified in the literature review (see Chapter 2, Section 2.3.3, Table 2.2) had the terms “strategic decision-making” in the title of the articles (Brouthers *et al.*, 1998:130; Gopaul & Rampersad, 2020:1; Hang & Wang, 2012:87; Huang, 2009:91; Ibrahim *et al.*, 2001:80).

Therefore, the search string/root term (the first column in Table 2.5) was searched for in the articles³. However, the constant search strings (second column in Table 2.5) were searched for in the titles of articles. The researcher developed a systematic review checklist to utilise in the conducting phase (see Appendix B).

Journals to include in the systematic review were limited to the Chartered Association of Business School’s (CABS) *Academic Journal Guide*, and only journals with a ranking of 3 and higher were included. The *Academic Journal Guide* is a guide to the subject matter, the range, and journals of quality that business management academics publish in. It is based on expert and editorial judgements, as well as peer reviews, following the evaluation of publications. It is also informed by statistical data with regards to citations (CABS, 2015:5, 2018).

The CABS provides field-specific journal categories, and ranks journals (2018 figures) (CABS, 2015:5, 2018). Journals of distinction (ranked 4*) are globally recognised as exemplars of excellence (included in well-regarded international quality lists). Top journals (ranked 4) are journals with high submission rates, low acceptance rates, and highest citation impact factors. Journals publishing original and well-executed research articles have a ranking of 3. Journals publishing original research of an acceptable standard have a ranking of 2, while academic journals publishing articles that are of a recognised and modest standard are ranked 1.

Eight (8) journals were identified in the entrepreneurship and small business management field (with a ranking of 3 and higher, based on 2018 figures). Four (4) journals were identified within the Strategy field (with a ranking of 3 and higher), while an additional 20 journals were identified within the field of Ethics, Corporate Social

³ SME-related search strings/key terms (first column, Table 2.5) were not included in the journals within the small business/entrepreneurial fields (for example, Journal of Small Business Management), since the focus of these journals is on SMEs/entrepreneurial enterprises.

every string (column B, Table 2.5) in the titles of articles (concurrently). (Appendix B encompasses the checklists for each search, in each journal, and each search string).

Table 2.7: Inclusion and exclusion criteria (to identify SDM literature in SMEs)

No.	Inclusion criteria
1	Articles published since 1998 (up to 2020) (The aim was to reach an understanding of the SDM theory/literature in SMEs that was published in the last two decades (1998 – 2018), but updated to include the period 1998 – 2020.
2	Articles/papers written in English (Most academic articles/papers are in English).
3	Articles/papers addressing SDM in SMEs. (To enable an understanding of literature/theory of SDM in SMEs. (Articles must contribute to the SDM body of knowledge.)
4	Articles/papers focused on SMEs or SMMEs. (To enable an understanding of literature/theory of SDM in SMEs). (Articles must contribute to the SME body of knowledge). If the article did not explicitly state SME, the European standard definition of SME was used. An article had an SME focus if the sample firm had 250 or fewer employees, a turnover of 50 million or less, and a balance sheet of 43 million Euros or less (Inyang, 2013:125).
5	Scholarly (peer-reviewed) papers (To include validated knowledge).
No.	Exclusion criteria
1	Articles focused on large organisations (This study’s focus is on SMEs.)
2	Articles focused on “non-strategic” decisions (day-to-day/routine-like decisions). (This study’s focus is on strategic decision-making.)
3	No mention of firm size (A few articles could potentially be focused on SMEs, for example, an article focusing on SDM in family enterprises or entrepreneurial enterprises. These articles were reviewed but discarded and omitted if they did not indicate firms’ sizes.)

Source: Adapted from Johnson & Schaltegger (2016:486), Moustaghfir (2008:14)

For one journal search (*Long Range Planning*), the ScienceDirect Freedom Collection (SANLiC) was the only platform that gave access to articles from 01/09/1968 until the present day. This platform limited advanced searches to ‘Find articles with these terms’ and ‘Title, abstract or keywords’. Consequently, the individual Search string/root terms (column A, Table 2.5) were searched for in ‘Find articles with these terms’. The constant terms in every string (column B, Table 2.5) were searched for in the ‘Title, abstract or keywords’.

Google Scholar’s advanced search function was also utilised to ensure that no article was omitted from the *Long Range Planning* journal. Search string/root terms (column

A, Table 2.5) could not be searched, due to the limitations of the above-mentioned search options, but the *constant terms in every string* (Column B, Table 2.5) could be searched for in the option '*with at least one of the words*' occurring in the title of the article. An additional of five (5) results were obtained, of which four were duplications, and the remaining article did not focus on SMEs. No new articles were added as saturation was reached.

The initial search results included 119 articles, of which 28 articles were duplications (see Appendix C for counts per journal and search strings). During the first round, 34 articles were discarded based on the inclusion/exclusion criteria. Based on the criteria (Table 2.7), an initial count of 57 (119 - 28 - 34) articles were identified (initial counts). The relevant studies were imported into ATLAS.ti, and the articles were downloaded. These studies were reviewed to determine if they adhered to the inclusion/exclusion criteria. An additional 42 articles were discarded, resulting in a final count of 15 articles. A total of 76 (34 + 42) articles were discarded. Of those 76 articles, 16 articles had no direct SDM focus, 16 articles included large organisations or multinational, 22 articles did not specify the size of the sample organisations included, and 22 made no direct contribution to SDM literature.

2.4.1.3 Data extraction and reporting

During the data extraction phase, data is extracted into a reference management database. For this study, ATLAS.ti was used to log all the relevant data, and the 15 articles that were analysed. In the last phase, data was synthesised and reported. The section below reports on SDM in SMEs. These reports need to be understood in the context of the scope and limitations of this systematic review.

2.4.2 SDM processes developed for SMEs (content)

Three (3) articles identified an SDM process (see Appendix D). One article provided a possible divergent perspective on SDM in SMEs (Hauser, Eggers & Guldenberg, 2020:775). One SDM process was identified amongst micro enterprises in Australia (Lieberman-Yaconi *et al.*, 2010:70), and another SDM process amongst Dutch SMEs (Brouthers *et al.*, 1998:130). The remaining articles indicated the "absence" of consistent activities of behaviour in SDM (within the context of "absence of strategy"). This study was conducted amongst Swiss SMEs (Hauser *et al.*, 2020:775).

The steps in the SDM process of IT micro enterprises were 1) Informing, 2) Option generating, 3) Deliberating, and 4) Strategic decisions (Lieberman-Yaconi *et al.*, 2010:86). In the second SDM process, only three activities of SDM, namely: 1) information search, 2) information analysis and 3) selection phase, were evaluated in Dutch SMEs. The SDM process that the article was grounded on was that of Mintzberg *et al.* (1976:246), and the researchers did not investigate the entire SDM process and all its activities. Lieberman-Yaconi *et al.* (2010:87) explained the SDM process in IT micro enterprises as a cycle, and the steps as “interlinked and overlapping”. The informing stage starts with a trigger that initiates information gathering (that would eventually assist in generating appropriate strategic choices). During this stage, data is interpreted.

Once a few strategic choices are obtained, analysis of further information is required (Lieberman-Yaconi *et al.*, 2010:87). The informing stage corresponds to the “information search” and “information analysis” phases of the SDM process identified by Brouthers *et al.* (1998:133). It was found that SMEs engage moderately in information analysis activities (Brouthers *et al.*, 1998:134). The option-generating stage specifically entails the recognition of various strategic choices. However, during the option generation stage, a decision-maker would cycle back to the informing stage, as and when more information is noticed and interpreted (Lieberman-Yaconi *et al.*, 2010:87).

The deliberating phase entailed the assignment of weights or values to the strategic choices. During this stage, a decision-maker also cycles back to the informing and option generating stages. Ultimately a strategic decision is made (the last step). The researchers maintained that a decision-maker can skip a phase, and/or the phases can “happen all at once” (Lieberman-Yaconi *et al.*, 2010:88). The strategic decision stage corresponds with the selection phase of the SDM process identified by Brouthers *et al.* (1998:134). In this phase, or activity, it was found that SME owners/managers believe that they are effective in distinguishing relevant information from irrelevant information. In addition, the final strategic choice is made intuitively.

The last process was not a process as such, but indicated a possible divergent process in SMEs. In the context of the absence of strategy, SDM is described as “ad hoc problem solving”, and is done reactively without any strategic direction or consistency in strategy (Hauser *et al.*, 2020:784). While only observed in one article, this was an

important observation. It is reasonable to believe that inconsistent processes could be more evident in SMEs, especially where decision-making takes place by a sole person, and in survivalist enterprises, or situations, with limited resources. There is also no accountability to, for example, board members or top managers, hence the decision-maker has more freedom in decision-making.

The systematic review identified three SDM process for SMEs, with one being specific to micro enterprises. Due to the specific nature of the SDM model for micro enterprises, it needs to be specifically understood in the context of micro enterprises. However, it also assists in understanding SDM in SMEs, given the limited frameworks to consult in literature. The SDM processes identified in the preliminary and systematic reviews are illustrated in Table 2.8 (see next page). During the literature review, only one SDM process was identified in the South African context (Gopaul & Rampersad, 2020:7). A holistic conceptual framework of SDM in SME was drafted, based on the SDM processes reviewed in Table 2.8.

The first observation evident from Table 2.8, is how the SDM literature for SMEs developed during the period 1998 to 2020, and that these developments allow for a greater understanding of SDM in SMEs.

Firstly, the actions or steps of “decision initiative” or “decision identification” are evident in some SDM process, while not being explicitly mentioned in another. Where it was not identified, it could be due to an oversight, or it could be an indication of the degree of responsiveness (reactive versus proactive) of SDM in SMEs. In the one SDM process, the start of the SDM process was due to a trigger event (Gopaul & Rampersad, 2020:1). In this context, SDM started due to an external trigger event, and the SDM process was reactive (Gopaul & Rampersad, 2020:4).

Secondly, there is no implementation stage, which is evident in mainstream SDM literature (see the IDSI framework, for example, Section 2.3.3.1). This could be another critical oversight, especially considering that SMEs may not implement the final strategic decisions due to lack of finances, resources, or capabilities, and perhaps abort the strategy decision to maintain the status quo.

Table 2.8: Identified SDM frameworks in SMEs

Preliminary literature review			
Model of Ibrahim <i>et al.</i> (2001)	Model of Hang and Wang (2012)	Model of Huang (2009)	Model of Jocumsen (2004) for SMEs
<p>Inputs</p> <ul style="list-style-type: none"> ▪ Internal capabilities of the family business. ▪ External environment of the family business. <p>Power filter</p> <ul style="list-style-type: none"> ▪ Management/ownership. ▪ Family values and preferences. <p>Outputs</p> <ul style="list-style-type: none"> ▪ Strategic decisions. 	<p>Initial stage</p> <ul style="list-style-type: none"> ▪ Decision identification. ▪ Initial screening of existing information. ▪ Initial solution development. <p>Second stage</p> <ul style="list-style-type: none"> ▪ Information gathering. ▪ Initial solution refinement. ▪ Financial analysis. ▪ Commitment. 	<ul style="list-style-type: none"> ▪ Idea identification. ▪ Information search and analysis. ▪ Technical expertise and financial analysis (internal factor analysis). ▪ Commitment to final decision. 	<ul style="list-style-type: none"> ▪ Decision initiating. ▪ Information gathering/research. ▪ Financial analysis and assessment. ▪ Review internal matters. ▪ Final commitment. <p>Steps 2 to 4 are loosely defined, non-sequential and iterative.</p>
Preliminary literature review			
Model of Brouthers <i>et al.</i> (1998)	Model of Liberman-Yaconi <i>et al.</i> (2010)	Model of Hauser <i>et al.</i> (2020)	Model of Gopaul and Rampersad (2020)
<ul style="list-style-type: none"> ▪ Information search. ▪ Information analysis. ▪ Selection phase. 	<ul style="list-style-type: none"> ▪ Informing (includes information search and analysis). ▪ Option generating. ▪ Deliberating (over alternatives). ▪ Strategic decision. 	<ul style="list-style-type: none"> ▪ Absence of strategy (there is no intended or developed strategy). ▪ No observable consistency in decision-making or actions. ▪ Ad hoc problem solving. 	<ul style="list-style-type: none"> ▪ Decision trigger (reactive market environment). ▪ Gathering external (market-related) information. ▪ Information interpretation. ▪ Generating options.

Source: Researcher's own compilation (2018)

As seen in Table 2.8, an additional step identified was 'financial analysis'. In this step the focus would be on costs and revenue, for example (Hang & Wang, 2012:103). An emphasis on financial resources makes sense in the context of SMEs, as the lack of financial resources is a challenge that has the potential to influence strategic decisions.

Another interesting observation was the review of internal matters and a 'power filter'. During the review of internal matters, the decision-maker reviews the long-term goals, family, personal and lifestyle considerations, as well as ethical and social considerations (Jocumsen, 2004:669). Family values and considerations were highlighted by Ibrahim *et al.* (2001) under "power filter". This is an indication of how integrated the SME owner/manager is to the enterprise and its operations.

The SDM process of Hang and Wang (2012:104) is a two-phase process. On closer inspection, the two stages are similar to the others, yet different. This two-stage process indicates the "interlinked and overlapping" elements of SDM in SMEs which was also highlighted in the SDM processes of Jocumsen (2004:669) and Liberman-Yaconi *et al.* (2010:88). The interlinking and overlapping elements can be observed in the similarities between the two phases. The similarities are seen in revisiting the activities of information gathering and solution refinements. Information gathering and generating options were also identified in the SDM process of Gopaul and Rampersad (2020:7).

The SDM model of Ibrahim *et al.* (2001) illustrated a simplistic SDM process in family enterprises. It is merely inputs, power filter and outputs. The activities under inputs are the enterprise's resources and capabilities, external-competitive environment and the values and preferences of the family. The findings indicate that the inputs affect strategic choices. The power filter refers to the family's control in decision-making. All decisions are filtered or assessed through the family's values, preferences, and considerations. The output is the strategic decision. While based on family enterprises, it reiterates the integrated role of SME owners/managers in SDM.

The last observation was the possibility that there are no consistent activities in SDM for SMEs (Hauser *et al.*, 2020:784). This implies there are no specific SDM processes. Within the context of Hauser *et al.*'s article, such a lack of consistent processes or activities in SDM was evident (although only in one observation) in the absence of

strategy. SDM would typically be ad hoc (ad hoc problem solving), coupled with inconstant activities or behaviour. While this was a rare observation, it does indicate the dynamic nature of SDM in SMEs (Hauser *et al.*, 2020:784).

A dynamic SDM process is consistent with the findings of Liberman-Yaconi *et al.* (2010:87) and Jocumsen (2004:668). The SDM process seems by nature to be dynamic or changing, inconstant, 'interlinked and overlapping', loosely defined, non-sequential and iterative (Hauser *et al.*, 2020:784; Jocumsen, 2004:668; Liberman-Yaconi *et al.*, 2010:87). Lastly, the two steps that seem to occur in all processes are the trigger event (which can either be reactive or proactive) and the actual decision. The steps or actions in between these two steps seem to be dynamic, or in other words 'fuzzy'. Holistically, these SDM frameworks allows for a better understating of what SDM could all entail in SMEs, and such knowledge may assist SMEs with effective SDM.

The identified SDM activities are summarised in Table 2.9. The purpose of this chapter was to identify a SDM process for SMEs. Five overarching actions, namely decision trigger, framing, informing, deliberating, and deciding were identified, and stipulated in Table 2.9, which forms the foundations of the holistic SDM process for SMEs.

Based on Table 2.9, a holistic process is presented in Figure 2.2. The steps informing, framing, and deliberating are dynamic, and perhaps even inconsistent, and hence, are illustrated as 'fuzzy' in Figure 2.2.

Table 2.9: Actions pertaining to SDM in SMEs

Name of activity	Step/Activity	What it entails	Author/s
Decision trigger	Decision identification	A trigger or catalyst would often come from the external environment.	Hang and Wang (2012)
	Decision initiating	*Outside-in approach.	Huang (2009) Gopaul and Rampersad (2020).
Framing the decision	Initial screening of existing information	Initial screening of ideas, which involved reviewing the decision-maker's knowledge on the environment, the enterprise, and collecting "simplistic" information. Reviewing the internal competencies, resources, and capabilities of the enterprise.	Hang and Wang (2012) Ibrahim <i>et al.</i> (2001)
	Initial solution development	Developing an initial and broad solution (just one solution). Little to no contingency planning.	Hang and Wang (2012)
Informing	Information search Gathering of information	Collecting information Gathering information informally, through informal channels, personal networking (personal relationships) and media. Information search on changes that occur in the environment. *Idea identification and information search can overlap	Huang (2009) Brouthers <i>et al.</i> (1998) Gopaul and Rampersad (2020)
	Information research	Conducting marketing-related research, obtaining general information, as well as technical issues and information on the general environment.	Jocumsen (2004)
	Information analysis	Assessing various responses/alternatives. In cases, there was no mention of analytic tools such as the SWOT analysis or the five-force analysis. One or two environmental factors may be focused on, but the analysis is not in depth.	Brouthers <i>et al.</i> (1998) Huang (2009) Gopaul and Rampersad (2020)

Name of activity	Step/Activity	What it entails	Author/s
		<p>Lack of sufficient resources limits the analytical tools to probability analysis and/or net present values.</p> <p>*The decision-maker can also decide not to analyse the information gathered relying on “gut-feeling”.</p>	
	Re-embark on additional information gathering	<p>Based on the initial solution, focused search of information would commence.</p> <p>Focus tends to be on the external environment.</p> <p>*As the size of the enterprise increases, so does the comprehensiveness of the information being gathered</p>	Hang and Wang (2012)
	Financial analysis Financial assessment	<p>Conducting financial analysis, budgeting, examining alternative options, feasibility study.</p> <p>Formal analysis tools were implemented due to third party requirements (for example, to get a loan from banks).</p> <p>The approach can be simple and informal (costs calculations, potential price considerations, volume output).</p>	<p>Hang and Wang (2012)</p> <p>Jocumsen (2004)</p> <p>Gopaul and Rampersad (2020)</p>
Deliberating	Initial solution refinement	<p>Developing alternatives were not common amongst SMEs.</p> <p>Focus on the one initial solution.</p>	Hang and Wang (2012)
	Deliberating over alternatives	<p>The deliberating phase entails the assignment of weights or values to the strategic choices.</p>	Lieberman-Yaconi <i>et al.</i> (2010)
	Deliberating over decisions	<p>Decisions are filtered or assessed through the family’s values, preferences and considerations.</p>	Ibrahim <i>et al.</i> (2001)
Deciding	<p>Selection of strategic decision</p> <p>Final commitment</p>	<p>Intuition appears to be the default on which the final decision is made.</p>	<p>Brouthers <i>et al.</i> (1998)</p> <p>Hang and Wang (2012)</p>

Source: Researcher’s own compilation (2018)

The SDM process illustrated in Figure 2.2, was drafted based on the integration and synthesis provided in Table 2.9.

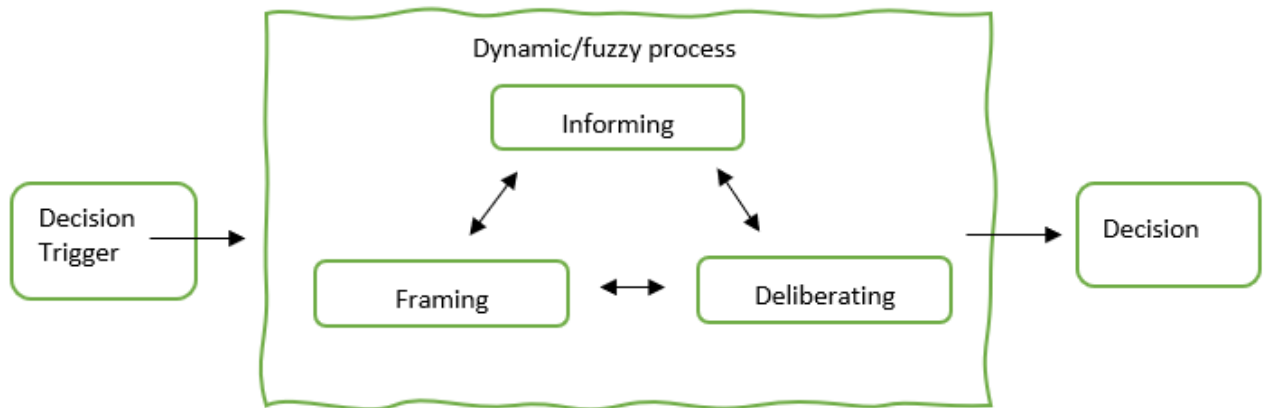


Figure 2.2: A holistic SDM process for SMEs

Source: Researcher's own compilation (2020)

Given the nature of SDM in SMEs, the activities can be represented as a process, however, the process could differ from situation to situation, decision-maker to decision-maker, and enterprise to enterprise. For example, a decision-maker could skip certain steps and the process could be applied inconsistently. However, a lack of consistency in SDM could possibly also indicate poor strategy development (Chebo & Kute, 2019:60).

A decision-maker could also repeat certain steps, moving to and fro between, for example, deliberating and informing. In the very same step, a decision-maker could either default to a simplistic exercise of the activity, or a more comprehensive exercise (as the size of the enterprise or the managerial competence increases, so does the comprehensiveness of the information being gathered). A decision-maker would cycle back to certain steps, as and when needed. The steps can also “happen all at once”.

The above SDM process is important as it brings a new and holistic, yet variety of possible options for SDM in SMEs, especially on how they do SDM differently from larger organisations. Further scientific and empirical investigations would be of value for the SDM field in SMEs. Further elaboration on each action (and all the activities involved) should be provided, as well as determining the comprehensiveness of each activity. What makes this holistic SDM process different, is the dynamic and ‘fuzzy’ nature of SDM in SMEs.

In addition, while the SDM process identified by Liberman-Yaconi *et al.* (2010:87) was identified in micro informational technology enterprise in Australia, the applicability of the SDM steps need to be investigated amongst small (larger than micro) and medium enterprises, across industries, and in other countries. Moreover, the intention of Brouthers *et al.* (1998:133) was not to identify a “novel” SDM process, but to investigate the rationality within the phases in terms of information searching, information analysis and the selection phase within Dutch SMEs.

Further research, and perhaps building theory using an induction approach, might assist in understating the SDM processes in SMEs specifically. The limited amount of SDM frameworks limits our understanding of SDM in SMEs, and how they make better and effective strategic decisions. In addition, these models were developed among SMEs in developed countries, limiting our understanding of SDM in SMEs in developing countries.

Compared to the IDSI SDM framework (see Figure 2.1, Section 2.3.3.1) a few similarities and differences are evident. In both processes, elements of framing, informing and deliberations are evident. The holistic SDM process illustrates the more dynamic and possibly inconsistent SDM processes of SDM in SMEs. This dynamic process also appears to be less formalised, and more simplistic in nature than the IDSI framework. As indicated by Brouthers *et al.* (1998:134), SME owners/managers engage moderately in information analysis activities.

The IDSI framework has an implementation step, which is not explicitly mentioned in the holistic SDM process for SMEs. In addition, the IDSI framework indicates activities, such as determining options, and a set of solutions. According to Hang and Wang (2012:91), the step ‘developing alternatives’ was not common amongst SMEs. In addition, the IDSI framework suggests gathering and analysing information. In SMEs, however, limited resources seem to limit the analytical tools to probability analysis (Huang, 2009:94).

Lastly, in the SDM process for SMEs there is a “financial analysis” step not explicitly mentioned in the IDSI framework. This is not to say that financial analysis does not occur in larger organisations, but merely that financial analysis is a smaller feature (and one of many analyses) in the SDM process. For SMEs, on the other hand, this analysis is perhaps more significant in the SDM process. The differences could

indicate critical oversights within the SDM processes of SMEs and larger organisations.

For SDM in SMEs specifically, one SDM 'path' does not start with 'decision identification', but with a trigger event. This could be a critical oversight, or it could be that the strategic choice was never identified *per se*. In this case, the decision-maker was merely, and by default, put in a situation where a strategic decision had to be made; indicating a reactive approach. With regards to the (lack of an) implementation step, it could also be that the strategic decision will be implemented once a strategic decision has been made. However, this absence could be a critical oversight that these models do not incorporate. Given the nature of SMEs, and that access to finances is a constraint, it could be that a strategy is never implemented due to lack of finances.

2.4.3 Characteristics of SDM in SMEs

Four (4) articles provided some insight into the characteristics of SDM process in SMEs (see Appendix D). From the literature it seems that the characteristics of SDM in SMEs seems to be more intuitive and/or bounded-rational (Jansen *et al.*, 2011:193; Liberman-Yaconi *et al.*, 2010:80; Sirmon, Arregle, Hitt, Michael & Webb, 2008:984). Empirical findings support these viewpoints. Liberman-Yaconi *et al.* (2010:80) and Brouthers *et al.* (1998:136) found that intuition and bounded-rationality was more evident amongst SMEs, with intuition more common or dominant in SMEs.

Interestingly, Brouthers *et al.* (1998:136) found that a manager's personal characteristics influence or play a role in rationality. In addition, SMEs tend not to be rational with certain strategic activities. SME owners/managers might be rational in gathering information, but then apply intuition when making the final strategic decision. This indicates that the rational, intuition and bounded-rational approaches may be applied in one SME process, as the manager progresses toward a strategic decision.

An interesting observation was made during the systematic literature review. While the decision-maker would be rational and gather information, the decision-maker would "discard" the information gathered and make the final choice based on intuition (Brouthers *et al.*, 1998:136). Sirmon *et al.* (2008:984) highlighted a similar observation whereby the decision-maker controls the information being obtained. In the face of

threats, information overload occurs. In such situations, the information search would be reduced, and the decision-maker would rely on current, or pre-existing knowledge.

Perhaps there is a fourth characteristic, a combination between the rational or bounded-rational approach and the intuition approach. Perhaps these approaches are on the same continuum. Another possibility is that this 'gathering and discarding of information' can be a trait of the intuition approach. However, this could also be a characteristic of poor strategic development, or absence of a formal business strategy (Chebo & Kute, 2019:60; Marom, Lussier & Sonfield, 2019:33). Regardless, there appears to be a characteristic of the SDM process whereby the decision-maker engages in rational, bounded-rational or intuitive decision-making – either due to limited information or out of own choice – within the same SDM process.

2.4.4 Factors influencing SDM in SMEs (context)

All the academic papers that were identified as suitable to be reviewed for the study either focused on factors that influence SDM, or provided some insight into the factors influencing SDM in SMEs (see Appendix D). The factors that were found to influence SDM in SMEs are summarised in Table 2.10 (see next page). The first column lists the category identified (for example, individual factor or decision-specific factor), the second column list the various factors identified in relation to the category, and the last column lists the authors (the source) of the applicable study. Table 2.10 also distinguishes between the theoretical (literature) and empirical findings.

There are a few similarities between the factors influencing SDM in SMEs and large organisations (Section 2.3.5, Table 2.4). Similarities include individual factors such as managerial characteristics and internal contextual factors such as the size of the enterprise. Similar external contextual factors include the environment and decision-specific factors, including the decision itself. Interestingly, Brouthers *et al.* (1998:136) found that power and politics appear to not have a significant influence on SMEs.

Table 2.10: Factors that influence SDM in SMEs

Category	Influencing factor	Sources
Individual factors	Owner/top management's personal characteristics (values, experiences, demographics, management skills, cognitive biases, decision-making heuristics, preferences, orientation, internal/external sources, information processing. (Empirical findings) Dependant/independent in making decisions - use of advisors or not. Purposeful/proactive searching for information (Literature findings) Consistency in SDM procedures (Literature findings)	Brouthers <i>et al.</i> (1998) Lieberman-Yaconi <i>et al.</i> (2010) Kroon, Van De Voorde & Timmers (2013) Talaular <i>et al.</i> (2005) Jansen <i>et al.</i> (2011)
	Entrepreneurial orientation (entrepreneurial authority) (Literature findings) Entrepreneurial logic/orientation (Empirical findings) Entrepreneurial alertness (Empirical findings)	Forbes (2005) Hayward <i>et al.</i> (2017) Kroon <i>et al.</i> (2013) Hauser <i>et al.</i> (2019) Roundy <i>et al.</i> (2017)
	Gender differences (Empirical findings)	Sonfield, Lussier, Corman & McKinney (2001)
Internal contextual factors	Management structures (Literature findings) Top management teams and Boards of directors (Empirical findings) Family ownership (Empirical findings)	Fiegner (2005) Lieberman-Yaconi <i>et al.</i> (2010) Talaular <i>et al.</i> (2005) Sirmon <i>et al.</i> (2008)
	Resources of the firm (Empirical findings)	Lieberman-Yaconi <i>et al.</i> (2010)
	Power and politics (Empirical findings)	Brouthers <i>et al.</i> (1998)
	Development pressures (Literature findings)	Fiegner (2005)
	Family influence (Empirical findings)	Sirmon <i>et al.</i> (2008)
	Decentralised decision-making by the top management team (Empirical findings)	Talaular <i>et al.</i> (2005)
	HR involvement (Empirical findings)	Kroon <i>et al.</i> (2013)
	Size of the firm (Literature findings)	Lieberman-Yaconi <i>et al.</i> (2010)

Category	Influencing factor	Sources
	Social system/ Entrepreneurial reference points (influenced by inside agents) (Literature findings) Human capital (Literature findings) Social capital (Empirical findings) Dependant/independency in making decisions (use of advisors or not) (Literature findings) Formal/informal relationships as sources of information (Literature findings)	Lieberman-Yaconi <i>et al.</i> (2010) Jansen <i>et al.</i> (2011)
	Type of enterprise (Literature findings/ Derived from literature)	Jansen <i>et al.</i> (2011) Sirmon <i>et al.</i> (2008) Croonon and Brand (2009)
	Appointment (or departure) of skilled personnel	Lieberman-Yaconi <i>et al.</i> (2010)
External contextual factors	Social system/ Entrepreneurial reference points (influenced by outside agents) (Literature findings) Social ties (social capital) (Empirical findings) External parties (Empirical findings)	Jansen <i>et al.</i> (2011) Lieberman-Yaconi <i>et al.</i> (2010) Forbes (2005)
	The environment (Empirical findings)	Mitchell <i>et al.</i> (2011) Jansen <i>et al.</i> (2011)
	Customers influence SDM in SMEs (customer proximity triggers, inform and validate strategic decisions) (Empirical findings)	Lieberman-Yaconi <i>et al.</i> (2010)
	Franchise influence (Empirical findings)	Croonen and Brand (2009)
Decision-specific factors	The strategic decision itself, Succession procedures/planning, HR intervention (Literature findings), Decision context (Empirical findings) Decision-specific characteristics (Literature findings)	Bjuggren and Sund (2001) Kroon <i>et al.</i> (2013) Jansen <i>et al.</i> (2011) Fiegener (2005)

Source: Liberman-Yaconi *et al.* (2010:76); Sirmon *et al.* (2008:992); Fiegener (2005:644); Talaulicar *et al.* (2005:534); Kroon *et al.* (2013:85); Mitchell *et al.* (2011:684); Hauser *et al.* (2020:776); Jansen *et al.* (2011:210); Bjuggren & Sund (2001:19); Croonen & Brand (2009:1036); Forbes (2005:603); Brouthers *et al.* (1998:136); Roundy, Harrison, Khavul, Perez-Northtveldt & McGee (2018:214); Sonfield *et al.* (2001:171); Hayward, Caldwell, Steen, Gow & Liesch (2017:130)

Several SME-specific factors were identified under the various categories. These individual factors included entrepreneurial orientation, logic, and alertness. Entrepreneurial alertness was found to predict strategic change decisions (Roundy *et al.*, 2018:214) and entrepreneurial logic or orientation affects the decision-maker's approach and reasoning in SDM (Hauser *et al.*, 2020:786; Hayward *et al.*, 2017:130). Entrepreneurial authority was also found to influence the way SMEs engage in SDM (Forbes, 2005:603).

It was found that gender differences do not have an effect on SDM, however, the research findings appear to be mixed (Sonfield *et al.*, 2001:171). As with larger organisations, the individual's characteristics also influence SDM (Brouthers *et al.*, 1998:136; Talaulicar *et al.*, 2005:522). However, a frequently identified individual factor was the decision-maker's approach to information processing (gathering and interpreting), as this influences SDM in SMEs (Lieberman-Yaconi *et al.*, 2010:76). Jansen *et al.* (2011:193) highlight that information processing explains decision effectiveness. Consistency in SDM procedures also influences SDM (Mitchell *et al.*, 2011:695). According to Jansen *et al.* (2011:193), the SDM procedures that are maintained (amongst other variables) have an influence on strategic choice.

Internal contextual factors specific to SMEs included the resources of the firm, development pressures, family influence, HR involvement, social networks, and the type of enterprise. Limited resources, such as limited access to information and technology shape SDM in SMEs (Lieberman-Yaconi *et al.*, 2010:76), while the pressure to develop and grow would lead to board involvement, which ultimately influences SDM in SMEs (Fiegenger, 2005:632). Family involvement in family-owned SMEs was also found to influence SDM by influencing the enterprise's response to threats of imitation (Sirmon *et al.*, 2008:992). Given the unique nature of family and entrepreneurial enterprises, Sirmon *et al.* (2008:992) included 'type of enterprise' as an influencing factor. Entrepreneurial orientation and family owned-enterprises provide unique SDM influences, hence, it is regarded as an influencing factor.

Kroon *et al.* (2013:85) highlighted that HR involvement plays a role in situations that are HR-related. In addition, internal social systems or networks serve as inputs and sources of information, which also influence SDM in SMEs. Decision-makers rely on advice and consultation from these internal networks (Lieberman-Yaconi *et al.*, 2010:85). Lastly, the appointment or departure of a skilled staff member triggers SDM

in SMEs (Lieberman-Yaconi *et al.*, 2010:87). As with larger organisations, management structures and teams, decentralise/centralised decision-making, and the size of the enterprise also influence SDM in SMEs (Fiegener, 2005:633; Lieberman-Yaconi *et al.*, 2010:77; Talaulicar *et al.*, 2005:534). However, power and politics appear to not have a significant influence on SMEs.

An external contextual influencing factor specific to SMEs included the external social systems. Decision-makers rely on advice and consultation from these external networks (Forbes, 2005:603; Lieberman-Yaconi *et al.*, 2010:85). However, Jansen *et al.* (2011:193) found that for SMEs, the breadth of these networks can be an advantage or disadvantage in terms of information processing. Lieberman-Yaconi *et al.* (2010:87) also found that customer proximity triggers, inform and validate strategic decisions. An interesting observation was the influence that a franchise holder has on the franchisee. Croonen and Brand (2009:1021) highlighted the effect of a new strategic plan from the franchise holder on the future decisions (to continue or not) of the small family-owned franchisee. As with larger organisations, the environment also influences SDM in SMEs (Jansen *et al.*, 2011:194; Mitchell *et al.*, 2011:684).

Decision-specific factors were a lesser observed influencing factor. Hauser *et al.* (2020:787) found that various decision-making approaches were evident in different decision contexts. According to Hauser *et al.* (2020:777), SMEs will start with strategic planning and determine sub-goals, given that there are limited resources (causation). The alternative is that SMEs will start with reviewing the resources and then start with strategic planning (effectuation). The effectuation approach is more evident when strategic decisions are concerned with business growth or capitalising on business opportunities.

Succession planning was identified in family-owned related decisions, and HR involvement in HR-related decisions was also identified (Bjuggren & Sund, 2001:11; Kroon *et al.*, 2013:85). It is reasonable to assume that the nature and the type of decisions influence SDM in SMEs. For example, succession procedures affect business relations and result in ownership and management uncertainty. Inputs obtained from HR may also affect SDM, especially if there is an HR-related element to a strategic decision, such as retrenchments.

Evident within this systematic review, was that the focus was more on the content of SDM. This observation was what Elbanna (2006:2) observed in 2006. In the last two decades (up to 2006), research in the strategic process stream has been dominated by content-focused studies. The next section reviews the gaps identified in the systematic review.

2.4.5 Gaps in theory pertaining to SDM in SMEs

Several gaps were identified within this systematic review regarding the SDM process, and the characteristics and factors influencing the SDM process in SMEs (See Appendix D).

The process (content) of SDM in SMEs (in developed and developing countries)

Within this systematic review, only three (3) studies identified an SDM process within micro-IT enterprises in Australia, or an element thereof, in the Netherlands. The remaining study indicated a lack of constant activities amongst Swiss SMEs. Further scientific and empirical investigations on the SDM processes followed in SMEs would be of value. Further investigations into each step, and all the activities involved would be beneficial. Financial analysis as an activity in SDM for SMEs (Section 2.3.3) needs further interrogation to gain an understanding of the nature of this activity, its effect on SDM, and to determine if it is applied differently by large organisations than in SMEs.

The applicability of the two SDM processes, or the inconsistency of SDM identified in the systematic review, need to be investigated amongst small (micro and larger than micro) and medium enterprises, within various industries, and in other countries. In addition, the holistic SDM conceptual framework for SMEs should also be empirically investigated to better understand SDM in SMEs. Further investigations on the absence of strategy, and ad hoc problem solving in SMEs could also further assist in understanding SDM in SMEs.

Most of the identified studies took place in developed countries, with a strong focus on Europe (seven papers). Four (4) studies took place in the US, while two (2) studies took place in Australia (Oceania). The remaining study (1) was a conceptual paper. Future research on SDM in SMEs ought to expand research across countries, and especially include developing countries (such as Brazil, Peru, or South Africa). Further research ought to consider the dynamics of developing worlds when investigating

SDM in SMEs, such as the formal and informal sectors and country-specific socio-economic factors. However, with the limited SDM processes available, additional research in developed countries might also contribute to the current understanding of SDM in SME.

Characteristics of SDM in SMEs

The literature suggests that SDM seems to be more intuitive and/or bounded-rational, and the empirical findings (within this systematic review) concurred with this finding. Intuition and bounded-rationality were more evident amongst SMEs, with intuition being more common or dominant.

Therefore, intuition that has received little attention in SDM literature could be further investigated within SDM for SMEs. The findings of Brouthers *et al.* (1998:136) regarding a manager's personal characteristics influencing rationality could also be explored in different contexts. Further research could assist in understanding the different approaches (rational, intuition and bounded-rational) that are applied in one SME process, as the manager progresses towards a strategic decision. The possibility of a fourth characteristic, an integrated approach, or the approach as a continuum, could also be empirically explored as part of the intuitive approach to SDM.

Factors influencing (context) SDM in SMEs

Although most of the focus in this systematic review was on factors influencing SDM in SMEs, there remains scope for further research opportunities. SME-specific factors are, for example, customers, HR involvement, entrepreneurial orientation, succession planning, nature of strategic decisions, internal and external social networks, franchise influences, and gender differences. There are numerous additional factors from the literature, particularly the constraints experienced by SMEs that could also be explored.

Further research is required in all the broader categories, with decision-specific factors that influence SDM perhaps needing more attention. Further research could shed light on these influencing factors within other industries, and in larger SMEs. One study found that power and politics does not have a significant influence on SDM in SMEs, but research should explore this influencing factor amongst micro and larger SMEs.

There were no ethical influencing factors identified, however, ethical, and social considerations were identified in the SDM process of Jøcumsen (2004:669). The question is: what are these specific considerations, and what are the impacts of these considerations in the SDM process of SMEs? It is also reasonable to assume that the personal characteristics of SME owners/manager, such as values, might play a role in SDM.

2.4.6 Further suggestions for future research on SDM in SMEs

Liberman-Yaconi *et al.* (2010:74) indicated that the SDM process of micro SMEs, might be different from the SDM processes followed in other (larger) SMEs. Future research studies could delineate their sample sizes to focus on micro, small and medium enterprises. In addition, specifying the type of enterprise (especially entrepreneurial and family enterprises) would allow for future comparisons on SDM findings between these enterprises and enterprise sizes. This would be of advantage, considering that entrepreneurial orientation or family involvements are influential factors.

According to Elbanna (2006:2), research in the strategic process stream has been dominated by content-focused research, which was substantiated by this systematic review. Further research on SDM in SMEs should perhaps focus on the context of SDM in SMEs. As identified in the literature review (Section 2.2.1), SMEs are subjected to market dynamics created by larger organisations (through the supply chain). Future research could investigate the market dynamics created by larger organisations and their influence on SDM in SMEs. In addition, a focus on ethics and how ethics influences SDM in SME appears to be under-explored.

2.4.7 Summary: SDM in SMEs

The research questions that guided the systematic review were “*How do SME managers/owners use strategic decision-making frameworks or tools to make decisions?*” (RQ1) and “*What are the factors (including ethical factors) that influence SDM in SMEs?*” (RQ3) The following summarises the SDM process identified for SMEs, the characteristics of this process, and influencing factors.

From the findings of the literature and the systematic review, a holistic SDM process was identified that included: 1) decision trigger, 2) informing, 3) framing, 4)

deliberating, and 5) the decision. This process is dynamic and 'fuzzy'. The characteristics of SDM in SMEs are more likely that of intuition and bounded-rationality. The factors affecting SDM in SMEs are like those observed in larger organisations, however, some SME-specific factors were identified. These include entrepreneurial orientation, resources of the enterprise, family influences, and social systems. No ethical influencing factors were explicitly or empirically identified. Within this systematic review, SDM research in SMEs is limited in terms of the contributions made to SDM in SMEs. In the last two decades (1998 to 2020), only fifteen (15) academic articles were identified in high impact journals that were suitable for this systematic review. While there has been a dominant focus on the factors influencing SDM in SMEs, there is still scope of further investigation.

Given the relative importance of SMEs in developing countries, it is surprising that many of the studies were conducted in developed countries. Future research on SDM in SMEs ought to 1) expand research across countries, 2) delineate SME in terms of sizes and type (for example, family enterprises), and 3) especially, include developing countries.

The findings are limited to the scope, demarcations, and criteria of this systematic review. Within high impact, SME-focused and strategy focused journals, only three (3) out of fifteen (15) papers (in 1998, 2010 and 2019, respectively) empirically identified an SDM process (or the absence thereof). Only two studies empirically investigated the characteristics of SDM in SMEs. The one paper was published in 1998, and the other one in 2010, more than a decade later. The remaining two papers provided literature insights, but did no empirical investigations (Jansen *et al.*, 2011:192; Sirmon *et al.*, 2008:979). There were limited contributions to the field of SDM in SMEs within these top-ranked journals with high citation impact factors that were published between 1998 and 2020. The next section reviews the relevant SDM literature on SME in South Africa.

2.5 SDM IN SOUTH AFRICAN SMES

Despite the researcher in the current study's best efforts, only one study could be identified that focused on an SDM process in South Africa. This process of Gopaul and Rampersad (2020:1), presented in Table 2.2, consists of: 1) a decision trigger (reactive market environment), 2) gathering external (market-related) information, 3)

interpreting information, and 4) generating options. This process highlights that the trigger event is an external stimulus, and more than one operation is developed and has an emphasis on gathering external information. Gopaul and Rampersad (2020) highlighted that the approach towards SDM is a continuum and SDM in SMEs tend to lean towards the intuitive side of the continuum. The external factors that influence SDM were the economic, regulatory, competitive and customer environment. Internal factors included employees, resources, finances, culture, and infrastructure. Infrastructure, in the context of their study, referred to the physical and staff infrastructure of the enterprise (Gopaul, 2019:183; Gopaul & Rampersad, 2020:7). This was an interesting observation in the South African context.

Other identified influencing factors include lack of financial literacy and resource limitations. However, these influencing factors were identified in the financial management aspects of SMEs. A strategic financial decision-making process was identified which entailed: 1) recognition of a need to make a decision, 2) searching for information, 3) analysing information, 4) considering surrounding issues, 5) establishing the objectives and, 6) feedback (Kengne, 2015:498).

The consideration of surrounding issues included feedback from various stakeholders, reviewing the business objectives, issues in the environment and social responsibility. Establishing objectives included reviewing the objectives that the financial strategic decision needed to achieve, for example, growing the business, and feedback entailed stakeholder feedback. This could be in the form of recorded information through monitoring and evaluations (Kengne, 2015:498). However, the findings are limited to financial SDM.

A few studies were identified that investigated the influencing factors of different elements, strategies, or phases in strategic management. Examples include factors that influence product strategy (Cant *et al.*, 2015:621), the role information plays in SDM (Afolayan & De la Harpe, 2020:967; Nyide, 2018:811), or the use of a managerial tools in strategy formulation (Pellissier & Kruger, 2011:426; Retief *et al.*, 2008:504). The limited research into and knowledge of SDM in South African SMEs validates the need for future research in this field, and underlines the purpose of the current study.

2.6 CONCLUSION

Effective SDM is vital to organisations, especially in terms of the long-term survival of SMEs. In this chapter, SDM, in its broader context, was reviewed in terms of the context, characteristics and content of SDM, followed by a systematic review. This systematic review was specifically aimed at identifying literature that investigated SDM in SMEs, specifically the strategic decision-making frameworks or tools used by SMEs (RQ1) and the influencing factors (RQ3).

In general, there has been a lack of focus on strategic management practices in SMEs. The systematic review reported on in this chapter, within the scope of the review, concurs with this viewpoint. Given the special focus in the literature on SMEs, there have not been many contributions to this field (SDM in SMEs) in the past two decades (1998 to 2020) within the identified top-ranking/highest cited journals (according to the CABS Academic Journal Guide). Further research on industry-specific influences, SDM processes and SDM characteristics would be beneficial to SMEs in the respective industries, and if such influences apply to other contexts. Such research will assist in gaining an increased understanding of SME practices.

The following chapter, Chapter 3, reviews how managers engage in ethics, and doing so, during SDM. Chapter 3 aimed to identify the ethical influencing factors (part of RQ3), to better understand ethics in SMEs, to identify possible ethical influencing factors and how ethics is defined in practice by SMEs (RQ2).

CHAPTER 3:

BUSINESS ETHICS AND STRATEGIC DECISION-MAKING

3.1 INTRODUCTION

This study regards business ethics as an important part of business strategy (Section 1.2.6). The focus of this chapter is on ethics in strategic decision-making (SDM) in small and medium enterprises (SMEs). The research questions that guided this chapter, Chapter 3, was: *How do SME owners/managers define business ethics in practice?* (RQ2) (Section 1.4) and the ethics-related part to *What are the factors (including ethical factors) that influence SDM in SMEs?* (RQ3) (Section 1.4).

This area appears to be relatively unexplored in research. The latter question (RQ3) was therefore adapted to enable a broader understanding of ethics in SDM in SMEs, and hence, the question “*How do SME owners/managers engage with ethics during SDM?*” was formulated for this chapter (henceforth referred to as RQ3-a). The aim was to understand ethics in a broader context to identify all the possible ethical factors that could influence SDM in SMEs.

Chapter 3 is divided into two parts. The first part of this chapter entails a preliminary literature overview of ethics in the business setting. The literature study on business ethics aims to address, in a broader context, “*how owners/managers engage with ethics*” by identifying the ways in which managers (of any business) can create an ethical infrastructure to support ethical decision-making. Understanding business ethics in a broader context, assisted the researcher to identify possible ethics-related elements in SDM (RQ3) and how ethics is defined in practice by SMEs (RQ2). The latter part of the chapter aimed to reach an understanding of how SME owners/managers engage with ethics during SDM. This involved, firstly, a review of the literature on ethics in SMEs’ SDM, followed by a systematic literature review with the aim of identifying how SME owners/managers engage with ethics during SDM.

The next section defines ethics and reviews ethics in the business setting and in a broader context, before addressing how managers engage with ethics in the business setting.

3.2 ETHICS AND THE BUSINESS SETTING

There have been numerous attempts to define business ethics, however, the definitions are conflicting and not resolved (Ferrell, Harrison, Ferrell & Hair, 2019:492). This section broadly defines business ethics, or ethics in the business setting.

3.2.1 Defining business ethics

Ethics is the study of morality and it seeks to define moral ideas. In addition, it is a constant reflection on action and practice, and is a study of what conduct is appropriate or not (Borah & Hazarika, 2015:273; Omolewu, 2008:1; Pérezts & Picard, 2015:836; Tamunomiebi & Elech, 2020:39). According to Borah and Hazarika (2015:273), ethics aims to define the “highest good of man as a member of a society”. Ethics is concerned with the values, norms and standards that are believed to be good and right in a given context (Pearce, 2013:498). According to Pérezts and Picard (2015:836), it is lived, situated, experienced, enacted, and includes the idea of what is good or right, as well as the practice thereof. It is honourable behaviour, it is relative, and it is complex (Omolewu, 2008:1; Stahl, Chatfield, Ten Holter & Brem, 2019:3). Rossouw and Van Vuuren (2017:5) maintain that ethics has three concepts, namely, the good, the self and the other, and concerns doing good for yourself and for others.

Ethics is complex, as norms and standards differ from one society to another. Ethical values also change over time, and what was considered ethical yesterday, may no longer be perceived so today (Paik, Lee & Pak, 2019:839). Various philosophers and economists, such as Plato, Adam Smith, John Stuart Mill and Immanuel Kant, have argued various approaches to ethics (Crane *et al.*, 2019:73; Stahl *et al.*, 2019:3; Van Wyk, 2016b:78). These philosophers and economists argued about what is good or bad, and offered explanations to reach a ‘good’ or an ‘ultimate end’.

These approaches, or theories, are often used as the foundation for decision-making frameworks to solve ethical dilemmas (Bayley, 2012:15; Collins, 2012:148; Crane *et al.*, 2019:67; Nguyen, Basuray, Smith, Kopka & McCulloh, 2008:68). However, whilst they provide a good foundation for a broad understanding of ethics, there is no grand theory that can assist in effectively applying ethics in the business setting (Arnold, Audi & Zwolinski, 2010:561; Oppenheimer, LaVan & Martin, 2015:508). Hence, the complexity in defining or applying ethics.

Ethics can be applied in various contexts such as in research, medical, marketing, ICT, finance, and environmental fields (Boatright, 2013:1; Goldman & Bounds, 2015:11; Shabbir, Maalouf, Griessmair, Colmekcioglu & Akhtar, 2019:727; Stahl *et al.*, 2019:3; Al Hadi, Cahyo & Budi, 2021:17). Business ethics, the focus of this study, is concerned with the good and bad (or right and wrong) decisions in the business setting covering all business situations, activities and decisions (Borah & Hazarika, 2015:273; Drover, Franczak & Beltramini, 2012:431; Shabbir *et al.*, 2019:39).

Business ethics is defined as the rules and standards that govern the behaviour of employees in the workplace (Goldman & Bounds, 2015:11). Haron, Ismail and Oda (2015:81) state that it is concerned with the application of ethical values (such as honesty, transparency, fairness and integrity) in the business setting. It reflects the shared beliefs of employees within organisations that embody the mutual sense of the norms, goals, beliefs and values of their workplace (Pearce, 2013:498).

Furthermore, business ethics describes the organisational principles, values and standards that guide employee (managers and staff) actions, as they interact with broader stakeholders (Chakrabarty & Bass, 2015:488). Goldman and Bounds (2015:11) concluded that business ethics deals with the values, standards, norms and rules of conduct that apply while organisations are pursuing their organisational goals and objectives. Broadly, and based on the above, business ethics can be defined as dynamic, with moral reflection at its core, is about doing good for society, and includes values (Weller, 2020:520).

It is evident from the above section that business ethics has three layers, namely, the organisational, the relational and the societal level. Business ethics is concerned with good conduct and the values that guide behaviour (relational) in the organisation (organisational level and relational level), and the conduct between society and stakeholders (societal level). Moreover, it is evident that it includes being good to self (the organisation) and others (stakeholders). Also evident is that, on the premise that it is concerned with shared values, business ethics is predefined within a specific context. Hence, the values or conduct promoted in the workplace are predetermined.

Lastly, it is important to highlight that business ethics and the law are not equal. The law stipulates the minimum standards of behaviour that can be seen as ethical behaviour. However, the law does not, within respective countries, for example,

prohibit products being tested on animals, abortions, or cheating on a spouse, which are questionable practices that raise concerns in specific cultures, societies or activists groups (Crane *et al.*, 2019:1; Rossouw & Van Vuuren, 2017:7). It is also important to indicate that, in the context of this study, the term 'business ethics' and related terms, such as corporate social responsibility, are academically delineated.

However, there may be differences in terms of how business ethics is defined in literature and how it is defined in practice. There are a range of various studies on the perception of business ethics, for example, marketing ethics, or customer perceptions. A number of these studies also focus on how the perceptions differ between managers, non-managers, and business students (Coelho, Drozdenko & Tesch, 2014:37; Diallo & Lambey-Checchin, 2017:435; Marsh, 2013:565; Siu & Lam, 2009:167). The table below focuses on perception studies with a focus on defining business ethics in practice, seen from the perspective of managers, employees, or future business leaders (business students). Therefore, Table 3.1 (see next page) summarises how ethics has been defined in practice.

The perceptions regarding business ethics coincides with that found in the literature, however, there are a few interesting observations in Table 3.1. Business ethics is perceived as compliance with the law, while the law and business ethics are not equated. Quality, gut feeling and integrity were also evident in these perceptions, highlighting a few specific elements in practice. Lastly, being responsible in terms of social causes was highlighted, although these notions are typically associated with Corporate Social Responsibility (CSR).

Table 3.1: Perceptions of business ethics

Key concept	Explanation/rationale	Authors/source
Compliance	Adhering to legislation, regulations and industry standards. However, ethics extends beyond the law.	Weller (2020) Moin, Khatun and Rahman (2020) Cacioppe, Forster and Fox (2008)
Gut feeling	Having a sense of what is wrong and what is right.	Bonde, Briant, Firenze, Hanavan, Huang, Li, Narayanan, Parthasaraty & Zhao (2016)
Integrity	Integrity was identified in the literature, but no explanations were provided.	Anggraeni (2014) Rambe & Ndofirepi (2017)
Quality in products/ services	Maintaining ethical behaviour through high quality products.	Lahdesmaki (2005)
Responsible behaviour towards broader society	Good conduct and decisions within the workplace, and towards various stakeholders.	Cacioppe <i>et al.</i> (2008)
Responsible behaviour towards the planet	Good conduct and decisions towards the planet and the environment	Cacioppe <i>et al.</i> (2008)
Values	The convictions about desirable workplace decisions and conduct. Examples of identified values in business ethics literature includes social responsibility, transparency, quality, commitment, humility, credibility, respect, integrity, fairness, as well as the values included in religion and society. Predefined values that are the foundation of training, codes of ethics, and orientating initiates.	Weller (2020) Moin <i>et al.</i> (2020) Rambe and Ndofirepi (2017)
Societal causes	Having societal causes, or activities, which assist in improving the community and/or society.	Moin <i>et al.</i> (2020)

Key concept	Explanation/rationale	Authors/source
	Taking responsibility and being responsive (in doing business) for worthy causes towards humanity, government, community and the environment.	
Moral judgements	Moral judgements about what is right and wrong	Bonde <i>et al.</i> (2016)
Obeying social standards	Adhering to common standards of society	Bonde <i>et al.</i> (2016)

Within organisations, managers manage ethical conduct, or ‘institutionalise ethics’ in various formal and informal ways. There are a variety of terms used by researchers for formally “institutionalising ethics” (Jose & Thibodeaux, 1999:134). The various terms include “formal measurements” (Belak, 2013:530), “ethics programme” (Kaptein, 2015:415), “formal systems” (Majluf & Navarrete, 2011:568; Smith-Crowe, Tenbrunsel, Chan-Serafin, Brief, Umphress & Joseph, 2015:792), “formal ethics programme” (Ruiz, Martinez, Rodrigo & Diaz, 2015:738), “ethics compliance mechanism” (Arjoon, 2005:345) and “ethical infrastructure” (McLeod *et al.*, 2016:429; Treviño, den Nieuwenboer & Kish-Gephart, 2014:638).

For the purpose of this study, the term ethics programme was used, and it encompasses the formal (or hard) components that are implemented to manage ethics or to institutionalise ethics in the workplace. The next section reviews the components of an ethics programme.

3.2.2 Institutionalising ethics – formally

An ethics programme refers to the tangible components of business ethics. It is a measure that is explicit, and includes components or instruments that are in place to guide ethics. Examples include a code of ethics, or ethics training. The aim of an ethics programme is to influence the conduct of employees, to promote ethical behaviour and to discourage unethical behaviour (Constantinescu & Kaptein, 2020a:122; Kaptein, 2015:415; Remišová *et al.*, 2018:153; Smith-Crowe *et al.*, 2015:792). From the literature it is evident that that an ethics programme can reduce the occurrences of unethical behaviour (Beeri, Dayan, Vigoda-Gadot & Werner, 2013:59; Jose & Thibodeaux, 1999:134; Smith-Crowe *et al.*, 2015:793).

A variety of components can be adopted that present an ethics programme, and the components to include will differ from organisation to organisation (Kiss, 2019:29; Ruiz *et al.*, 2015:727; Smith-Crowe *et al.*, 2015:793). Through a review of the relevant literature, the current study identified various components that an ethics programme could consist of. These components are listed in Table 3.2. Appendix E provides a brief review of each component.

Table 3.2: Components of an ethics programme

Component	Description
Vision statement	Primarily, vision statements state the desired future state of organisations (what they are aspiring towards), and drive strategic plans (Macleod, 2016:18). Organisations may include ethical principles or values in their vision statements (Anderson & Jamison, 2015:2; Macleod, 2016:18).
Mission statement	Mission statements state the purpose and the focus of organisations and describe how to reach the organisation's vision (Macleod, 2016:20). These statements provide direction, the allocation of resources, serve as a communication guide, and describe the values underpinned in the organisational directions (Desmidt, Prinzie & Decramer, 2011:469).
(Core) Value statements	A value statement is a clear, concise statement of the core beliefs, values, priorities, and direction that has been developed and adopted by organisations. These statements sometimes do not exclusively include ethics, but make reference to quality, customer safety and employee issues (Belak & Milfelner, 2011:110; Rampersad, 2006:456).
Ambitious statement	These statements explain the personal and shared ambitions of organisations, and include ethical principles, standards, values, or norms (such as integrity and fairness) (Rampersad, 2006:454).
Personal balance scorecard	An activity that requires employees (and especially, top managers) to formulate individual balanced scorecards. The aim is to align individual personal behaviour with employees' personal ambitions, and to remind employees of their values, and not to act in conflict with their conscience, whether at work or at home (Rampersad, 2006:455).
Code of ethics or code of conduct	A written document containing a set of predetermined prescriptions, expectations, or formally defined standards, developed by and for organisations (Beeri <i>et al.</i> , 2013:62; Hoover & Pepper, 2015:607).
Compliance manual	Some organisations adopt a compliance manual that stipulates organisational rules and emphasises important policies. These manuals make policies more understandable (Belak & Milfelner, 2011:110).
Pledge to be honest	A pledge is made before a certain activity (such as employees reporting on targets) (De Bruin, 2016:26).

Component	Description
Ethics report line (Whistleblowing line, hotline and/or helpline)	A website or app, telephonic line, or email address available to employees to report unethical behaviour or ethical issues, anonymously (Kaptein, 2015:416; Rampersad, 2006:456).
Employee selection or ethical screening	Employee selection or ethical screening includes assessing and evaluating the ethics, integrity, actions and attitudes of applicants or candidates prior to employment (Adam & Rachman-Moore, 2004:232; Kaptein, 2015:417).
Ethics training	Training aimed at qualifying employees to identify and define ethical issues and dilemmas in the workplace (Kaptein, 2015:416; Kiss, 2019:29; Majluf & Navarrete, 2011:568; Young, 2005:12).
Formal communication channels	Integrating ethics into all communication channels or programmes enforces organisational ethics. It includes publishing reports on citizenship, sustainability performance and ethics initiatives (Kiss, 2019:29; Rampersad, 2006:455; Weaver, Treviño & Cochran, 1999:291).
Ethical behaviour evaluation or ethics-oriented performance appraisal	This component includes ethics-based performance appraisals, which promotes ethical decision-making. There ought to be an awarding or rewarding aspect when ethical procedures are enforced (Bonime-blanc & Coyne, 2014:75; Park & Blenkinsopp, 2013:521; Ruiz <i>et al.</i> , 2015:728).
Rewarding and recognition	Rewards and recognitions are incentives for ethical behaviour; possibly built into compensation systems (Rampersad, 2006:457).
Ethics audit or evaluation programme	Internal monitoring system, aimed at evaluating the way the principles and rules are maintained by employees, or the assessment of the ethics of the organisation (Kaptein, 2015:421; Rampersad, 2006:457).
Sanctions or disciplinary measures	Sanctions or disciplinary measures are measures to effectively demote unethical behaviour (Kaptein, 2015:420; Kiss, 2019:29; Majluf & Navarrete, 2011:568; Park & Blenkinsopp, 2013:521; Rampersad, 2006:457; Weaver <i>et al.</i> , 1999:42).
Ethics standards and indexes	These indexes, for example, the Dow Jones Sustainability World Index, provide a framework for reporting social initiatives (Belak & Milfelner, 2011:110).
In-house ethics officer; Compliance officer; Ombudsman, ethics advocate	An individual (or office) dedicated to ethical matters in the organisation, normally in-house. This individual or office has “ethics information and expertise” and will also investigate any arising

Component	Description
or manager responsible for ethics in the workplace	allegations (Belak, 2013:106; Kaptein, 2015:420; Kiss, 2019:29; Rampersad, 2006:456; Weaver <i>et al.</i> , 1999:42).
Ethical committee	The ethics committee is responsible for developing policies, evaluating individual and organisational actions, and investigating policy violations (Jose & Thibodeaux, 1999:134; Kiss, 2019:29; Weaver <i>et al.</i> , 1999:41).
Employee orientation	The purpose is to communicate the ethical orientation of the employer to all new employees (Bonime-blanc & Coyne, 2014:75; Valentine & Johnson, 2005:46).
Due diligence and on-boarding	Ensuring due diligence and implementing an on-boarding programme to ensure that all third-party business partners and suppliers comply with the ethics programme (Bonime-blanc & Coyne, 2014:75).
Ethics consultation	External parties or individuals that facilitate ethical matters, such as giving advice (consultation) or ethical training (Van Wyk, 2016b:234).
Ethical risk management	Includes identifying, assessing, and minimising ethical risks that can occur in the workplace. Ethical risks include non-compliance to legislation, pollution, product liability and violations of human rights (Van Wyk, 2016b:234).
Other formal components	Ethical work designs or ethical considerations in the nature of work, which means that work is designed in meaningful ways that focus on physical welfare, wellbeing at the workplace, opportunities to grow, self-expression, emotional engagement and financial security (May, Li, Mencl, Huang, 2014:653). Other components listed, but not explained in literature, include ethics in job descriptions (Belak, 2013:530; Kiss, 2019:29).

Source: Researcher's own compilation (2018)

Research studies on the ethics components seem to study the components mostly in isolation, or included small sample sizes in the studies (Kaptein, 2015:415). It is evident in the review above (Table 3.2) that the majority of research studies (in the field of business ethics) focused on large organisations (Adam & Rachman-Moore, 2004:225; Anderson & Jamison, 2015:1; García-Sánchez, Rodríguez-Domínguez & Frías-Aceituno, 2015:681; Hoover & Pepper, 2015:605; Kaptein, 2015:415; Macleod, 2016:18).

This trend (a focus on large organisations) was also observed in Chapter 2 on SDM in SMEs. While there is an increased focus in business ethics-related research in SMEs, it appears to still be under-researched (Belás, Khan, Maroušek & Rozsa, 2020:97; Turyakira, 2018:1). The formal components could offer insight into possible ethical influencing factors in SDM, for both larger organisations and SMEs, a gap in the literature that has received limited attention. For example, a code of conduct, a value statement or ethics training may influence the SDM process of SMEs. The section below reviews informal initiatives to manage ethical conduct in the business setting.

3.2.3 Institutionalising ethics - informally

Informal components are implicit signs or signals that are transferred through conversations, observations, and social learning (Constantinescu & Kaptein, 2020a:122; Einarsen *et al.*, 2017:39; Remišová *et al.*, 2018:153; Smith-Crowe *et al.*, 2015:794). It plays an important role in the socialisation in organisations, which is a source of thinking, feeling, perceiving and evaluation (Belak & Milfelner, 2011:106; Cassell, Johnson & Smith, 1997:1079). It is through such informal components that managers and employees (peer-to-peer) regulate behaviour, and learn what is ethical and what not (Smith-Crowe *et al.*, 2015:794).

These informal components affect the atmosphere, or tone, in the organisation (Belak & Milfelner, 2011:107). The literature highlights a variety of components, and defines the informal initiatives for the management of ethical behaviour in the business setting. These various components, identified in this chapter, are listed in Table 3.3. (See Appendix E for a brief discussion of each component identified).

Table 3.3: Components of informal ways to manage for ethical conduct

Components	Identified in (source)
Ethics programme	There is an implicit component “behind” the explicit, or formal components (Constantinescu & Kaptein, 2020a:122; Majluf & Navarrete, 2011:568). These implicit components are something that is felt by employees or seen and heard through socialisation and unofficial messages in the workplace (Smith-Crowe <i>et al.</i> , 2015:793).
Organisational culture	Organisational culture encompasses the values, norms, beliefs and assumptions. It is found in individual (employee) social settings and an evolution of patterns over a period of time (Constantinescu & Kaptein, 2020a; Treviño, Butterfield & McCabe, 1998).
Ethical culture	Ethical culture is defined by the conditions (instilled by organisations) to comply with the ethical expectations of the organisation. It relates to that which influences employee behaviour, and the conditions for ethical or unethical behaviour (Kaptein, 2011b:846).
Ethical climate	Ethical climate refers to the perceptions of employees on that which is regarded as ethical and unethical behaviour in the workplace. It relates to the attitudes or atmosphere within the workplace regarding ethical and unethical behaviour (Kangas <i>et al.</i> , 2017:132; Kaptein, 2011b:846).
Open communication	The ethical expectations of organisations need to be openly, clearly, and persistently communicated in the workplace. In addition, the ethical expectations of the workplace (what is allowed, and what not; what is ethical, and what not) need to be understood by employees (Constantinescu & Kaptein, 2020b:41; Kaptein, 2015:417; Majluf & Navarrete, 2011:569).
Rewards systems and punishments	It is important for ethical behaviour to be reinforced through rewards (good behaviour) and/or punishment (unethical behaviour) (Belak & Milfelner, 2011:109; Constantinescu & Kaptein, 2020b:41; Kaptein, 2015:418).
Ethical leadership/ Management concern/ role modelling	Managers need to demonstrate and reinforce ethical behaviour and decision-making, and in doing so, act as role models (Belak & Milfelner, 2011:108; Constantinescu & Kaptein, 2020b:41; Majluf & Navarrete, 2011:569).
Ethics resources	Organisations need to provide employees with adequate time and enable them with the appropriate resources to perform their operational tasks properly, within reason. Unethical behaviour is encouraged if an

Components	Identified in (source)
	employee does not have adequate time and, for example, the equipment or budget needed to perform a job (Kaptein, 2015:417).
Employee commitment to ethical standards	Employee commitment to the ethical principles, expectations and standards of organisations is important. One way to achieve this is to involve them in the development and execution of ethics programmes (Kaptein, 2015:417).
Transparency and visibility	Transparency and visibility refers to the extent that unethical and/or ethical behaviour and its consequences are transparent and visible to others (manager to employee, and vice versa; and employee to employee) (Kaptein, 2008:926).
Mission and value-driven	The mission and values are clear and reflected in ethical guidelines and in employee behaviour (meaning ethics is institutionalised). There is a strong ethical culture, and trust and respect are fostered within relationships, and such values and missions are sustainable over the long term (Ardichvili <i>et al.</i> , 2009:448).
Stakeholder balance	Stakeholder concerns are consistently considered in all decisions, and stakeholders are dealt with in a constant and ethical way. This includes the fair treatment and fair compensation for employees, being a good corporate citizen, as well as balancing customer value and profit (Ardichvili <i>et al.</i> , 2009:448; Pavić, Šerić & Šain, 2018:130).
Process integrity	There is a dedication to fairness in processes, people, and products, as well as transparency in all decision-making. In addition, values are reinforced in performance appraisals, promotions, and everyday activities. Corporate governance processes are excellent and supported by top managements (Ardichvili <i>et al.</i> , 2009:448).
Long-term perspective	There is a long-term focus, whereby the mission of the organisation is placed above profits (and long-term gains over short-term gains). This includes acting in the best interest of customers over the long run, and managing stakeholder values with a long-term perspective in mind. In addition, environmental sustainability, profit and social responsibility are connected in the organisation (Ardichvili <i>et al.</i> , 2009:448; Pavić <i>et al.</i> , 2018:130).

Source: Researcher's own compilation (2018)

Similarly, as in the previous section, most of the research focus in the field of business ethics seems to be on large organisations, and such studies generally lack an explicit focus on SMEs. In addition, the current study identified no studies that investigated the influence of informal components on the SDM process in SMEs. Such studies could assist in understanding the possible ethical influencing factors in SDM. For example, how would open communication, or an ethical culture affect the SDM process? An ethical leader/manager (with a greater awareness of ethics in the workplace) might consider different ethical alternatives than a manager with a lower awareness of ethics in the workplace.

Understanding how the formal and informal components of managing ethics influence the SDM process could increase the understanding of SDM, and SDM in SMEs. This study's viewpoint on ethics and strategic management is that it is, or should be, integrated. Hence, a need arises to investigate the formal and informal components of managing ethics and the possible influences on SDM in SMEs. It is reasonable to assume that these components may influence SDM in SMEs, due to the relatedness of ethics and strategy. Ethics can be seen at the heart of strategy, which also justifies the call to integrate these two fields. The next section briefly reviews how strategy and business ethics are integrated, based on the formal and informal components previously addressed.

3.3 INTEGRATION OF BUSINESS ETHICS AND STRATEGY

Culture and management (or strategic leadership) are elements of corporate strategy, particularly strategy implementation (Hill *et al.*, 2017:409; Hitt *et al.*, 2017:384; Thompson *et al.*, 2017:540), substantiating this study's viewpoint of business ethics being an essential part of strategy.

Figure 3.1 illustrates how some of the components of managing for ethical conduct (both formally and informally) fit into strategic management.

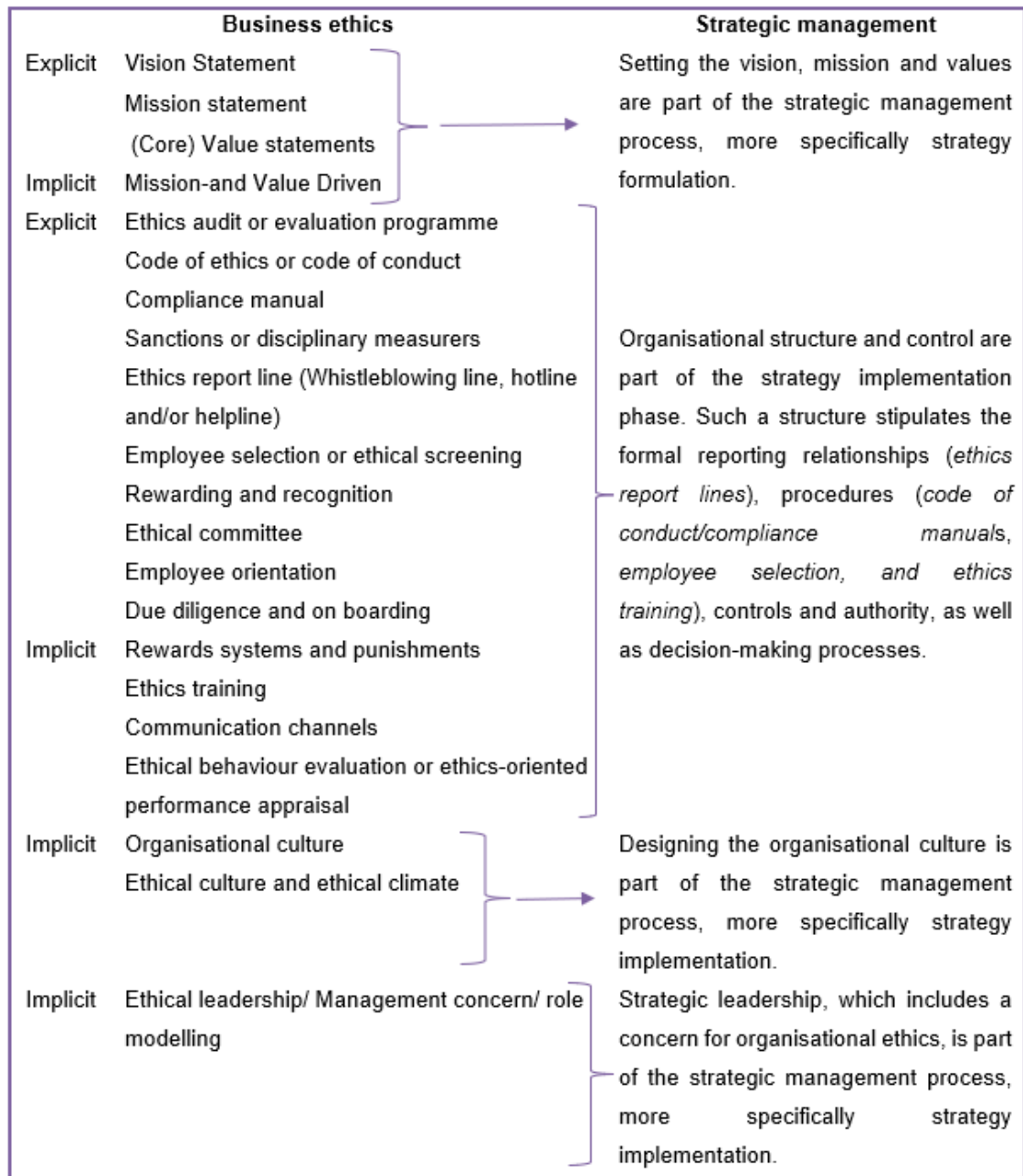


Figure 3.1: Integration of strategic management and business ethics

Source: Adapted from Le Roux (2016:163), Thompson *et al.* (2017:3)

Singer (2013:309) stipulates that strategic management and business ethics are similar fields or subjects. However, there appears to be a lack of focus on how business ethics influences, or changes (or the extent of these effects) the various strategy phases (strategy formulation and strategy implementation) in SDM. Such effects on the SDM phases would assist in understanding SDM within SMEs.

In addition, it could be of value to integrate ethics into SDM for SMEs, since SMEs may not have the capital to incorporate more expensive components of managing for

ethical conduct, or may not have the inclination (or energy) to direct attention to it. It was previously highlighted that SMEs focus on core functions, and anything else is burdensome (Ladzani & Seeletse, 2012:90; Painter-Morland & Spence, 2009:3). Hence, the proposal to integrate ethics into a core area, such as strategic management, but more specifically, SDM.

3.3.1 Summary: Ethics and business ethics

In the business setting, managers can manage for ethical conduct through formal and informal initiatives. Some of these initiatives directly relate to strategic management, such as leadership and organisational culture. However, the extent of the relation or influence of these components on a strategic level, specifically SDM, seems to be unexplored. Despite these limitations, these formal and informal components highlight possible areas of ethical influencing factors on a strategic level, and in SDM.

Despite the initiatives to manage ethics in the business setting, numerous ethical scandals are still reported in the media (Bon, Volkema & Da Silva, 2017:3). A fundamental flaw highlighted in Chapter 1 (Sections 1.2 and 1.3) was that managerial decision-making lacks ethics. The next section reviews the literature on ethical decision-making.

3.4 ETHICAL DECISION-MAKING

There are no straightforward differences between general decisions and ethical decisions (Crossan, Mazutis & Seijts, 2013:568). Ethical decision-making (EDM) is required when an employee negotiates or makes a decision related to ethical issues, or dilemmas, that emerge in the workplace (Valentine & Godkin, 2019:279). These ethical issues may concern, for example, illegal practices or immoral business decisions (Valentine & Godkin, 2019:27). The ethical implications of decisions are by default complex, ill-defined, and can affect stakeholders (Bagdasarov, Johnson, MacDougall, Steele, Connelly & Mumford, 2016:133). According to Crossan *et al.* (2013:568), while a decision may initially not be perceived as unethical, it may have unethical implications.

Moral-based foundations are used in EDM to determine if an issue is right or wrong. Moral-based foundations (or rules) are developed from an individual's cognitive moral development, values, and moral philosophies (Carlson, Kacmer & Wadsworth,

2002:16). Therefore, it can be said that an unethical decision is any decision that has the potential to harm others, and which may also deny the rights of others (Crossan *et al.*, 2013:568). According to Schwartz (2016:755), EDM is one of the most important concepts to understand as it can assist in preventing the negative costs associated with unethical decisions. Primarily, EDM is viewed from a prescriptive and descriptive approach (Crane *et al.*, 2019:109; Treviño & Nelson, 2011:38). These two approaches are reviewed below.

3.4.1 Prescriptive approach to ethical decision-making

The prescriptive approach to EDM is derived from ethical theories, and is aimed at assisting an individual (or group of individuals) to decide between right and wrong. The prescriptive approach to EDM assists individuals by providing normative guidelines for action or behaviour (Bachman, 2017:34; Crane *et al.*, 2019:69; Treviño & Nelson, 2011:71). These theories are often used as the foundation for decision-making, or are incorporated into decision-making frameworks to solve ethical dilemmas (Bayley, 2012:16; Collins, 2012:148; Crane *et al.*, 2019:69; Fraedrich, Ferrell & Ferrell, 2013; Nguyen *et al.*, 2008:68). Table 3.4 (see next page) provides for a synopsis of the various theories and their rationales.

This philosophical approach to applying ethics is also known as normative ethics (Crane *et al.*, 2019:67). There is also no grand theory that could assist in applying ethics in the business setting (Arnold *et al.*, 2010:561; Oppenheimer *et al.*, 2015:508). In addition, each of these theories (reviewed in Table 3.4) has its respective limitations. For example, the utilitarian theory is subjective, since determining the consequences of a decision is limited by the individual's (or team's) perspectives.

In virtue ethics, deep knowledge is required about an individual and his/her life before it is possible to determine if the individual's behaviour is ethical. In addition, which individual, society or community's ideals of good practice (traits or character) should be consulted in determining ethical behaviour? (Crane *et al.*, 2019:80; Van Wyk, 2016a:79).

Table 3.4: Ethical theories as guidelines in EDM

Theory	Rationale
Egoism	This theory focuses on the consequences of a decision. Morality is equal to self-interest and maximising one's own happiness is "moral". "I will not steal as it will lead to jail" is an example of reasoning within this theory's parameters.
Utilitarianism	This theory focuses on the consequences of a decision. Morality is equal to the greatest good for the greatest number of people involved. The decision requires a cost-benefit or pain-gain analysis to determine the greatest amount of good towards the greatest number of people involved in the situation.
Social Group Relativism	The focus is on social (group) norms. A social group activist would associate him/herself with the ethical standards of his/her group. An activist is concerned about what the social group would think regarding an issue, since there are common interests. An action is therefore considered moral if the action conforms to the social groups' standards.
Ethics of duty	The focus is on universal (and unchangeable) principles. Morality is the same across societies. The question to ask is "can this principle be applied, and if so, applied in all other situations, and by all other individuals?" or "can your decision become a universal law?"
Ethics of rights and justice	Ethics of rights: The focus is on the duties and natural rights of humans. One has a duty not to take away another's rights (such as the right to freedom of speech). Morality is equal to the "natural rights" of humans. Ethics of justice: The focus is on fairness. Morality is equal to fairness. One needs to be fair in terms of decision, outcomes, and procedures.
Feminism ethics	The focus of this theory is on relationships. Morality is equal to harmony. A moral action or decision is one that maintains harmony in and between relationships.
Discourse ethics	The focus is on norm generation and reaching consensus. Perceptions and values between Individuals and society differ. Hence, when a diverse group of people need to make a decision about what is moral in a particular situation, they can negotiate, or apply rational reflection to what could be right/wrong given the situation (norm generation).
Virtue ethics	The focus is on traits of character or virtue. The focus is not on behaviour (that defines morality), but the individual. Examples of trait are honesty, integrity and fairness. To apply this theory in a situation would be to ask, "what would a man of virtue do?"

Source: Collins (2012:149); Crane *et al.* (2019:75); Van Wyk (2016a:79); Constantinescu & Kaptein (2020b:10)

The next section reviews the descriptive approach to EDM.

3.4.2 Descriptive approach to ethical decision-making

The descriptive approach to EDM describes how and what individuals actually do in making right or wrong decisions (Crane *et al.*, 2019:109; Treviño & Nelson, 2011:71). Schwartz (2016:755) stipulates that the descriptive approach explains the ethical decision-making process (the moral reasoning) that decision-makers engage in.

3.4.2.1 Ethical decision-making: The moral reasoning process

The most cited EDM model or framework is that of Rest (1986) (Albert, Reynolds & Turan, 2015:468; Kish-Gephart, Harrison & Treviño, 2010:1; Lehnert, Park & Singh, 2015:197; Musbah, Cowton & Tyfa, 2016:335; Paik *et al.*, 2019:841; Schwartz, 2016:756). The EDM model of Rest (1986) encompass four stages, namely, becoming aware of an ethical issue (recognition), making a moral judgement, having an intention to act, and then engaging in the final behaviour (Kish-Gephart *et al.*, 2010:2; Paik *et al.*, 2019:841). Various EDM processes have subsequently emerged. Researchers, such as Jones (1991:370), Zollo, Pellegrini and Ciappei (2017:684) and Musbah *et al.* (2016:337) presented integrated EDM models.

These latter three integrated models include the recent developments in EDM such as moral intensity, and the individual and organisational factors that influence EDM. These models are mainly based on the work of Rest (1986). Additional EDM frameworks were identified in this literature review. These EDM frameworks resemble slightly different EDM processes than the ones previously identified. For example, in a study done amongst ethical senior military and civilian leaders, Heyler, Armenakis, Walker and Collier (2016:796) identified an EDM process. This process includes moral awareness, moral potency (encompassing moral courage, moral ownership and moral efficacy), emotions, deliberate process, colleagues' input, and moral intensity.

Another EDM framework, different from the framework suggested by Rest (1986), is that of Woiceshyn (2011:318). In this framework, the EDM process is depicted at a conscious rational level and at a subconscious intuitive level. The conscious level starts by recognising the moral issue (moral awareness), identifying the moral principles applicable in the situation/with the decision, applying these identified moral principles (moral behaviour) and resolving the moral issue. During the rational process, the decision-maker spirals to and from the subconscious level, and sends, stores and retrieves information (integration by essentials) (Woiceshyn, 2011:318).

Savur, Provis and Harris (2018:123) investigated the phases that Rest proposed for EDM in SMEs, while the differences between the EDM approaches of SMEs and their customers were analysed by Humphreys, Robin, Reidenbach and Moak (1993:9). The individual characteristics and their effect on EDM in SME have also been investigated (Khalid *et al.*, 2012:23).

Table 3.5 summarises the EDM processes identified above, and this is followed by a brief discussion of each element identified in the various models. Later in this chapter, the literature on ethics in SMEs will be reviewed, however, EDM-related articles focusing on SDM were omitted from the summary in Table 3.5.

Table 3.5: Various EDM frameworks

Broad steps identified	Steps/activities	Author/s
The environment (the beginning of the EDM process).	The environment	Jones (1991)
Moral awareness (identifying a moral issue).	Moral awareness (<i>Moral awareness loops to and from moral efficacy</i>). Recognise the moral issue. Conscious-level processing: Recognition of a moral dilemma. Subconscious level processing: Integration by essentials.	Rest (1986) Jones (1991) Zollo <i>et al.</i> (2017) Musbah <i>et al.</i> (2016) Heyler <i>et al.</i> (2016) Woiceshyn (2011)
Conscious and subconscious-level processing (making and retrieving memory files).	Conscious-level processing: Identification of applicable moral principles. Subconscious-level processing: Bringing to bear relevant information.	Heyler <i>et al.</i> (2016) Woiceshyn (2011)
Moral efficacy (reflecting on the possibility to make a positive change).	Decision-making routine (<i>Decision-making routine loops to and from moral efficacy</i>).	Heyler <i>et al.</i> (2016)
Moral judgement (deliberating and labelling decisions).	Moral judgement. Make moral judgement.	Rest (1986) Jones (1991) Zollo <i>et al.</i> (2017) Musbah <i>et al.</i> (2016)
Moral intent (moral motivation or willingness to take a decision).	Moral intent. Establish moral intent.	Rest (1986) Jones (1991)

Broad steps identified	Steps/activities	Author/s
		Zollo <i>et al.</i> (2017) Musbah <i>et al.</i> (2016)
Moral courage (crossing over from the willingness, or intent, to take steps towards the actual behaviour).	Moral courage.	Heyler <i>et al.</i> (2016)
Moral behaviour (the moral action).	Moral behaviour. Engage in ethical behaviour. Conscious-level processing: Application of moral principles. Subconscious-level processing: Bringing to bear relevant information. Outcome: Ethical or unethical. (<i>Outcome loops to and from moral efficacy</i>)	Rest (1986) Jones (1991) Zollo <i>et al.</i> (2017) Musbah <i>et al.</i> (2016) Heyler <i>et al.</i> (2016) Woiceshyn (2011)
Conscious and subconscious-level processing (making and retrieving memory files).	Conscious-level processing: Resolution of the dilemma. Subconscious-level processing: Integration by essentials.	Woiceshyn (2011)
Re-examining and rational justifications (legitimising the moral decision or behaviour).	Re-examining and rational justifications.	Zollo <i>et al.</i> (2017)

Source: Heyler *et al.* (2016:796); Kish-Gephart *et al.* (2010:2); Musbah *et al.* (2016:337); Woiceshyn (2011:318); Zollo *et al.* (2017:684)

1. Analysis of the environment (E)

According to Jones (1991:370), the EDM process begins with the environment, as it is from this environment that an ethical issue has emerged. In management and strategic management theory, managers need to monitor and scan the business environment to identify trends, risks and opportunities. Therefore, this study recognises the analysis of the environment as a phase in EDM.

2. Moral reasoning process (R) - Moral awareness

The moral awareness phase is evident in all six EDM frameworks summarised in Table 3.5. Moral awareness is when an individual becomes aware of an ethical issue, or a moral component in a decision/behaviour. During this phase, the individual displays

being ethically sensitive, taking others and their interest into account. In becoming ethically aware, the decision-maker would frame possible decisions or behaviour, and think about alternatives. In addition, the decision-maker would predict the possible consequences of the decisions or behaviour (Zollo *et al.*, 2017:683).

Moral awareness is shaped through family upbringing, religion (faith), organisational training, experiences, and precedent (Heyler *et al.*, 2016:796). In the EDM framework of Heyler *et al.* (2016:796) moral awareness loops to and from moral efficacy, another element of moral potency. This indicates that the decision-makers are evaluating their abilities to make a positive change.

3. Moral reasoning process (R) - Moral ownership

Hannah and Avolio (2010:293) maintain that a decision-maker needs to take ownership (part of moral potency). Moral potency refers to taking ownership and gathering the courage to act ethically. Hannah and Avolio (2010:293) define moral potency as follows:

a psychological state marked by an experienced sense of ownership over the moral aspects of one's environment, reinforced by efficacy beliefs in the capabilities to act to achieve moral purpose in that domain, and the courage to perform in the face of adversity and persevere through challenges.

From this definition, three concepts are evident, namely, moral courage, moral ownership and moral efficacy:

- Moral courage means having the confidence to handle the situation. Moral courage allows the decision-maker to cross over from the intent to act (moral intent) to acting (Hannah & Avolio, 2010:305).
- Moral ownership is experienced when a decision-maker feels a sense of responsibility regarding the ethical issue at hand (Heyler *et al.*, 2016:793).
- Moral efficacy refers to the confidence a decision-maker has in his/her ability to make a positive change (Hannah & Avolio, 2010:305).

4. Moral reasoning process (R) - Moral judgement

The moral judgement phase entails deliberation and labelling decisions as good (right) or bad (wrong). Moral judgement is the ability to justify why a decision is morally correct

or wrong (Musbah *et al.*, 2016:336; Zollo *et al.*, 2017:683). The phase 'identification of applicable moral principles' in the EDM framework of Woiceshyn (2011:317) can also be linked to the moral judgement phase. To be able to determine a decision as good or bad, the person needs to identify the applicable moral values or principles. The moral judgement phase is also referred to (or known) as moral reasoning, moral evaluation, or ethical decision-making (Schwartz, 2016:758).

In Table 3.5, there is a phase 'decision-making routine' (Heyler *et al.*, 2016:797). The decision-making routine encompasses emotion and deliberation, and input from colleagues. Emotions experienced by decision-makers and input from colleagues play a role in the decision-making routine, and in making ethical decisions. Therefore, these elements are regarded as influencing factors. The deliberation process involves two systems that a decision-maker can access. A slow deliberate, analytical, and consciously effortful process (system 1) or an automatic, effortless, mental response, and accessing information (much or little) stored in the memory files of the decision-maker (system 2). System 2 develops a decision-maker's intuition. This deliberation process is a process of deliberating and gathering information (through system 1 or system 2 thinking) (Heyler *et al.*, 2016:794).

In the EDM framework of Heyler *et al.* (2016:794), the decision-maker is yet to take courage/engage in a moral action. Hence, it appears that 'decision-making routine' relates to the moral judgement phase, and perhaps the moral intent phase. The moral judgement phase entails deliberation (Zollo *et al.*, 2017:683), linking the decision-making routine to this phase. Perhaps 'taking courage' is another way of explaining 'establishing intent'. In the EDM framework of Heyler *et al.* (2016:796), the decision-maker iterates to and from moral efficacy during this stage, reflecting on the possibility (the ability) of making a positive change.

5. Moral reasoning process (R) - Moral intent

After the moral judgement phase, the decision-maker will either be willing to implement the ethical behaviour or follow through with the decision. This willingness reveals a decision-maker's ethical intent (moral intent) (Musbah *et al.*, 2016:336; Zollo *et al.*, 2017:683). According to Schwartz (2016:758), this phase is also known as moral motivation, moral decision (a decision is made, but still needs action) or moral determination. During this phase, individuals structure (cognitively) all the possible

actions according to moral standards and principles. In addition, the decision-maker would prioritise moral values and moral consequences (Musbah *et al.*, 2016:336; Zollo *et al.*, 2017:683).

6. Moral reasoning process (R) – Moral courage

In Table 3.5, moral courage was also identified, before the phase ‘moral behaviour’ (the latter being the last in phase in four of the EDM frameworks). According to Hannah and Avolio (2010:302) and Heyler *et al.* (2016:794), a decision-maker needs to cross over from ‘the intent to act’ (moral intent) to the actual act (moral behaviour). This phase is referred to as moral courage. As stipulated previously, perhaps ‘taking courage’ is another means of explaining ‘establishing intent’.

7. Moral reasoning outcome (R) – Moral behaviour

A decision-maker would implement the moral behaviour and decision, based on his/her moral intent (Zollo *et al.*, 2017:683). This phase is evident in all the EDM frameworks identified in Table 3.5. The various EDM frameworks showed ‘resolution’, as well as ‘outcome’ or ‘moral behaviour’. In all the frameworks, these words refer to one similar action, namely, the action or behaviour (the outcome or decision) that follows a process of moral reasoning.

According to Heyler *et al.* (2016:796), outcome (or moral behaviour) loops to and from moral efficacy. In the EDM framework of Woiceshyn (2011:318), there is a step ‘application of moral principles’. One of the examples provided is that if a manager follows the principle of ‘justice’, then the application (the action) would be ‘granting the subordinate’ what he/she deserves (in the context of terminating a subordinate’s work due to a redundant job). What these actions could entail are providing the employee with good references, a compensation package and/or good references. This refers to a moral outcome, or a moral behaviour.

8. Moral reasoning process (R) – re-examining and rational justifications

In the EDM process suggested by Zollo *et al.* (2017:683), the step re-examining and rational justifications was identified. During this phase, the decision-maker re-evaluates the decision and provides a rational justification for it. In doing so, the decision-maker legitimatises their moral behaviour, and can ultimately explain and justify the action (Zollo *et al.*, 2017:683).

9. Moral reasoning process (R) – conscious and subconscious-level processing

According to Woiceshyn (2011:318), an EDM process is a conscious-level process. Paik *et al.* (2019:852) concur that there are conscious and subconscious elements to information processes in decision-making. Woiceshyn (2011:318) maintains that the decision-maker spirals into and from the subconscious level of processing. Within the subconscious level, the decision-maker accesses memory files, recalls relevant information, and then stores information in the memory files again. This subconscious-level processing bears reference to the decision-makers experience (both current and newly obtained) that he/she accumulated during the EDM process.

According to this EDM framework, the subconscious-level processing occurs during the moral awareness phase, identification of principles, and application of principles phase (in this case, the moral judgement phase), and the resolution of dilemma phase.

The process explained above does not happen in isolation. As mentioned previously, the differences between general decisions and ethical decisions are not straightforward. It is reasonable to assume the same argument exists for EDM and SDM. EDM occurs when an employee decides on ethical issues that emerge in the workplace, and which can also be on a strategic level.

As mentioned by Jocusen (2004:669), ethical and social considerations are evaluated during SDM. A decision-maker could follow an EDM process when making a morally infused decision, and at the same engage in SDM when making a strategy-related decision. When encountering a strategic decision with morally infused elements, the decision-maker could possibly go through the steps of both the EDM and the SDM process simultaneously. However, when it comes to EDM, some researchers have explored the factors that influence EDM before or during the stages identified by Rest (1986:3), as well as pre-existing conditions that may influence these stages.

3.4.3 Factors influencing EDM

In the literature, the factors influencing EDM are categorised under individual factors, organisational factors, moral intensity, and moral intuition. Individual factors are factors originating in/from the decision-maker, or that are specific to a decision-maker. Examples include age, education, conflict, nationality and religion (Lehnert *et al.*,

2015:201). However, new factors are still emerging, such as the influence of significant others (social groups, including peer management), experience, family (significant others), emotions, and precedent (setting a precedent and sending a signal to others by doing so) (Heyler *et al.*, 2016:792). Heyler *et al.* (2016:794) noted that amongst ethical leaders, emotions such as frustration, regret and feeling uncomfortable influence the decision-maker's EDM. Table 3.6 lists the individual factors that have been identified in the literature.

Table 3.6: Individual factors influencing EDM

Individual factors		
<ul style="list-style-type: none"> ▪ Gender ▪ Education ▪ Age ▪ Nationality ▪ Awareness ▪ Bias ▪ Conflict ▪ Creativity/ imagination ▪ Idealism ▪ Employment 	<ul style="list-style-type: none"> ▪ Relativism ▪ Job satisfaction ▪ Machiavellianism ▪ Moral development ▪ Religion ▪ Work experience ▪ Professional affiliation ▪ Significant others ▪ Intent ▪ Need for cognition 	<ul style="list-style-type: none"> ▪ Degree of honesty/integrity ▪ Professional affiliation ▪ Locus of control/personality ▪ Moral philosophy/value orientation ▪ Education ▪ Emotion ▪ Value orientation ▪ Job satisfaction ▪ Precedent

Source: Arar, Haj, Abramovitz & Oplatka (2016:647); Bush, Bush, Oakley & Cicala (2017:552); Heyler *et al.* (2016:793); Kish-Gephart *et al.* (2010:3); Lehnert *et al.* (2015:200); Musbah *et al.* (2016:337); Ross & Robertson (2003:214); Woiceshyn (2011:320); Van Wyk (2016b:243); Zollo *et al.* (2017:683); Paik *et al.* (2019:841)

Organisational factors, or situational factors, originate in the decision-making setting, and refer largely to policy factors (Musbah *et al.*, 2016:399; Ross & Robertson, 2003:214). These factors originate outside the individual or decision-maker, and do not relate to the decision-maker (Ross & Robertson, 2003:214). These factors originate from the immediate job context (including organisational culture) and characteristics of the workplace (Jones, 1991:368). Examples include codes of ethics, rewards and sanctions, rules, codes of ethics and organisational culture (Lehnert *et al.*, 2015:204; Zollo *et al.*, 2017:683).

Other interesting organisational factors identified are compensation for job losses, group dynamics and targets of misleading communication (Lehnert *et al.*, 2015:204).

However, further research is needed to examine the effects of these factors. Table 3.7 lists the organisational factors that have been identified in the literature.

Table 3.7: Organisational factors influencing EDM

Organisational/situational factors		
<ul style="list-style-type: none"> ▪ Bias ▪ Codes of ethics ▪ Ethical culture/climate ▪ External environment ▪ Intent ▪ Organisational size ▪ Professional affiliation ▪ Span of control ▪ Colleagues' inputs ▪ Rewards and punishments ▪ Competitiveness 	<ul style="list-style-type: none"> ▪ Significant others ▪ Subject norms ▪ Training ▪ Organisational structure ▪ Industry type ▪ Ethical leadership ▪ Working group ▪ Business competitiveness ▪ Group dynamics ▪ Level of monitoring ▪ Compensation packages 	<ul style="list-style-type: none"> ▪ Performance evaluation systems ▪ Organisational culture/climate ▪ Opportunity to engage in unethical behaviour ▪ Managerial influences (level of supervision) ▪ Targets or misleading communication ▪ Compensation for job losses ▪ Policies/procedures

Source: Arar *et al.* (2016:647); Bush *et al.*,(2017:552); Kish-Gephart *et al.* (2010:3); Lehnert *et al.* (2015:196); Musbah *et al.* (2016:337); Ross & Robertson (2003:214); Zollo *et al.* (2017:683)

It is evident from the literature review in this chapter that these factors are (to some extent) interrelated. While there are definite factors that originate from the individual (the decision-maker) such as gender and age, there are individual factors that are created by organisational (or situational factors). For example, in the category 'emotions', the comment "...and it was a frustrating situation" was made by one of the respondents in Heyler *et al.*'s (2016:793) study. While the emotion 'frustration', as well as the feelings pertaining to job satisfaction, is an individual factor, the situation (organisational context) serves as the catalyst for the decision-maker to experience this feeling.

The last two categories of influencing factors in EDM are moral intensity and moral intuition. Moral intensity, according to Jones (1991:372), "captures the extant of issue-related moral imperative in a situation". Lehnert *et al.* (2015:205) explain moral intensity as "the impact and severity of response based upon time, proximity, and level of repercussion (either positive or negative)". In essence, moral intensity is the characteristics of the (moral) issue itself (Zollo *et al.*, 2017:683). It focuses on the moral issues, and encompasses six dimensions, namely, social consensus, magnitude of

consequences, probability of effect, proximity, temporal immediacy, and concentration of effect (Husser, Andre & Lespinet-Najib, 2019:246; Valentine & Godkin, 2019:278). Table 3.8 lists the six dimensions of moral intensity, followed by a brief explanation of each dimension.

Table 3.8: Moral intensity as an influencing factor in EDM

Moral intensity	
<ul style="list-style-type: none"> ▪ Magnitude of consequences ▪ Social consensus ▪ Probability of effect 	<ul style="list-style-type: none"> ▪ Temporal immediacy ▪ Proximity ▪ Concentration of effect

Source: Arar *et al.* (2016:647); Bush *et al.* (2017:552); Lehnert *et al.* (2015:205); Musbah *et al.* (2016:337); Ross and Robertson (2003:214); Van Wyk (2016b:243); Zollo *et al.* (2017:683); Valentine & Godkin (2019:278)

The six dimension of moral intensity can be explained as follows:

- The magnitude of moral consequences is the sum of the harms (costs or pain) or benefits (pleasures or good) generated by an action or behaviour (the act in question) upon an individual.
- Social consensus is the degree of social consensus that a proposed actor of the behaviour is good (right) or bad (wrong).
- Probability of effect includes both the probability of the act of behaviour taking place and the probability that the predicted harm (or pain) or benefit (pleasure) will follow.
- Temporal immediacy refers to the time that passes from the act or behaviour (the act in question) to the moment that the consequences start (Collins, 2012:144; Husser *et al.*, 2019:245; Jones, 1991:378; Van Wyk, 2016b:247).
- Proximity refers to the degree of 'nearness'. This is the nearness that an individual (who will receive the harm or benefit) will feel to the act or behaviour.
- Concentration of effect, the last dimension of moral intensity, is concerned with the number of individuals affected by the act or behaviour, in other words, 'of a given magnitude'.

Jones (1991:380) explains that stealing a small sum on money from an individual or a small group of people has a greater concentration affect, if compared to stealing the same amount of money from a large organisation (Collins, 2012:143; Husser *et al.*, 2019:245; Jones, 1991:374; Van Wyk, 2016b:247).

These dimensions indicate the moral intensity of an act or behaviour, or its moral component (Jones, 1991:377). For example, the higher the total sum of consequences, the higher the moral intensity of the act or behaviour. The higher the degree of social consensus (that an act is wrong), the higher the moral intensity. If the temporal immediacy is immediate, then the higher the moral intensity (Collins, 2012:143; Husser *et al.*, 2019:245; Jones, 1991:374; Van Wyk, 2016b:246). Moral intensity, according to Jones (1991:383), plays a role in moral awareness, judgement, intent and behaviour.

In Chapter 2, intuition, and making use of 'one's gut feeling' was explained (Section 2.3.4). Recent developments in EDM and intuition indicate that the functions around EDM are automatic and intuitive (Egorov, Verdorfer & Peus, 2019:817). Moral intuition is said to influence EDM, more specifically, the decision-maker (George & Dane, 2016:54; Zollo *et al.*, 2017:681). Intuition plays a significant role in EDM, and is obtained through experience, the adoption of mental models as seen in influential leaders, social anchors, and representation (picking up on cues being transmitted by colleagues) (Heyler *et al.*, 2016:795). Intuition is said to occur on the subconscious level of ethical decision-making (Woiceshyn, 2011:311).

Zollo *et al.* (2017:684) conceptualised that moral reasoning is a 'servant' of moral intuition, since intuition theorists claim the activity of moral judgement is intuitive. However, this proposition is purely theoretical. Nevertheless, the literature has indicated that moral intuition plays a role in the moral judgement phase of EDM (Zollo *et al.*, 2017:686). It also appears to be foundational to the entire EDM process, whereby a decision-maker seeks to justify the incidences of moral intuition that occur as they navigate through EDM.

3.4.4 Summary: Ethical decision-making

The above discussion on ethical decision-making discussed two streams of approaches, namely, prescriptive and descriptive ethics. These approaches and their applicability in EDM were elaborated on. The descriptive literature also provided insight into EDM processes and the factors that influence this process. The influencing factors are individual, organisation (or situational) factors, and moral intensity and moral intuition. The importance of newly emerging concepts, such as the role of emotions and intuition, were also highlighted.

The chapter also reviewed business ethics in a broader context, by identifying the ways in which managers (of any business) can create an ethical infrastructure to support ethical decision-making. In addition, EDM was reviewed in the same broad context. From these broader contexts, areas of ethical influencing factors can be highlighted which may affect SDM in SMEs. The next section reviews the possible ethical influencing factors that have been derived from the EDM literature (RQ3).

3.5 ETHICS-RELATED INFLUENCING FACTORS IN EDM

Referring to the literature reviewed above, it is possible to identify the possible ethical influencing factors for SDM that may appear throughout the EDM phases and activities. For example, elements of the formal and informal components that have been adopted in a business may influence SDM (Sections 3.2.2 and 3.2.3) in large organisations and in SMEs. However, it is not to say that all SMEs will have formal components, such as a code of ethics. Due to the characteristics and limitations that apply to SMEs, they will most likely resort to informal components, if any at all. Medium-sized SMEs might have a few formalised components such as vision statements or codes of ethics, but micro and very small SMEs will most probably have none of these components. Moreover, informal components, such as role modelling, and perhaps even the culture of the enterprise, might be more evident in SMEs. It is, therefore, reasonable to assume that some of these formal and informal components may, to some extent, influence SDM.

There might be ethical influencing factors when observing the EDM process. Moral intuition and moral judgement may influence SDM in SMEs. In Chapter 2 it was highlighted that during SDM in SMES the decision-maker would deliberate on ethical and social considerations. This activity of deliberation also takes place during moral judgement, however, the focus is merely different. It is possible for a decision-maker to consider the ethical considerations of a strategic decision and its impact. It is possible that the ethical culture of an enterprise or its leadership, either positively or negatively, may influence SDM. It is, therefore, reasonable to assume that some of these components in EDM may, to some extent, be evident in SDM for SMEs.

There have been a few similarities in the influencing factors of SDM and EDM. Both processes are influenced by individual factors such as bias, skills (or education) and values (see Chapter 2, Section 2.3.5 and Chapter 3, Section 3.4.3). Organisational

influencing factors that are evident in both processes are the size of the business, and the use of social networks (see Chapter 2, Section 2.3.5 and Chapter 3, Section 3.4.3). Social networks relate to 'social consensus' under moral intensity, as well as to 'significant others' under the organisational factors in EDM.

The ethical theories applied by the decision-maker may also influence SDM. For example, assigning weights to alternatives is also an activity commonly observed in mainstream SDM, and to a lesser extent in SMEs (Lieberman-Yaconi *et al.*, 2010:87). The activity of assigning weights to alternatives can be closely related to a cost-benefit analysis in the utilitarian theory (the focus is different, but the activities are closely related). For example, in the SDM process, the decision-maker may also review the ethics-related costs or benefits of a strategic decision on the community or the environment.

The question is how (and if) the ethical theories, and when applied by a decision-maker, affect decisions on a strategic level (in gathering information and assigning weights, for example). These theories could possibly influence the actual decision that is made on a strategic level. In addition, they could also influence the SDM process by either increasing the comprehensiveness of the decision or slowing down the speed of the process. Considering how managers engage with ethics in a broader context indicates the possibilities of influencing factors on SDM. What these ethical influences are, and the extent of these influences on a strategic level, seems to be unexplored.

The next section (the second part of this chapter) aims to reach an understanding of how SME owners/managers engage in ethics during SDM. Firstly, the literature on ethics in SDM was reviewed, followed by a systematic literature review with the aim to identify how SME owners/managers engage in ethics during SDM (RQ3-a) and how they define ethics (RQ2).

3.6 LITERATURE ON ETHICS IN SDM

As challenging as SDM already is in complex business environments, it becomes more challenging when stakeholders can influence internal organisational decisions (Hitt & Collins, 2007:354). Moreover, there is an increased focus, or scrutiny, on how strategic decisions are made (the process), due to the frequent reports of corporate scandals in the media (Hitt & Collins, 2007:354). In addition, ethics is inherently a complex

subject. Ethical decisions are defined differently, and decision-makers use various philosophical perspectives to make decisions.

Moreover, it also appears that if strategic decisions are made by a team of managers, the values and ethics in play may vary (Hitt & Collins, 2007:354). Regardless of the challenges around ethics, the literature substantiates the necessity of ethics in strategy; including strategic decisions. The call for ethics to be integrated into strategy has been previously highlighted. According to Melé and Guillén (2006:15), SDM has both an economic and ethical “end”. According to these researchers, economic and ethical rationality are present in every managerial decision or behaviour. The economic end focuses on the strategic objectives or the goal to be obtained, while the ethical end stipulates that ethical rationality is inherently evident in human actions (Melé & Guillén, 2006:15).

Given this viewpoint and call, there appears to be limited literature on ethics, specifically in the SDM research stream. Despite the researcher in the present study’s best efforts, only a few studies were identified. Frewer (1999:569) focused on morality, ethics, and risk regarding new and emerging technologies, and how managers ought to consider the beliefs of society when introducing new technologies. In this conceptual paper, Frewer (1999:569) argued that public ethical perceptions (or concerns) ought to be included into theoretical models to explain the evolution of the public’s attitude to emerging technologies. Representative groups ought to be involved in policy matters, such as approving the procedures followed, and should be related to the developments and implementation of the procedure.

A paper published by Korsgaard, Schweiger and Sapienza (1995:60), examined how SDM procedures can facilitate the positive attitudes that are needed in decision-making teams. The focus was on the team members’ perception of the fairness of the procedures followed in the team, and trust in the team leaders. What makes the approach of Korsgaard *et al.* (1995:60) unique was that they investigated how the SDM process influences the attitudes and behaviour of team members.

According to the above researchers, a team's decision-making effectiveness depends to an extent on the cooperativeness and commitment of all members in providing the information needed to implement those decisions. Their findings indicate that the SDM process significantly impacts the attitude of managers, specifically their attitude

towards themselves, each other, the leader, and the decision. It is therefore possible for leaders of SDM teams to influence the cooperation and commitment amongst team members through (fair and respectful) SDM procedures.

In both papers mentioned in the above paragraphs, there was no mention of an SDM process, but there was a mention of how these concepts under investigation influenced the SDM process or vice versa. Broadly speaking, public moral or ethical perceptions may influence SDM (depending on the representative group being consulted during the process). In addition, fair and respectful (ethical) SDM processes increase the commitment and cooperation within SDM. However, there were no indications of the organisations' sizes in the above papers. These findings may or may not be relevant to SMEs.

A few studies particularly investigated an ethics-related influencing factor on SDM in SMEs, or implicitly indicated possible ethical influencing factors. Phipps (2012:177) investigated how the personal spiritual beliefs of top managers influence SDM. The findings indicated that the spiritual beliefs of top managers frame the information the individual considers (for SDM). One ethical SDM framework was identified. This framework was conceptualised by Prasad and Kumar (2014:32), specifically for Indian pharmaceutical companies. The framework was developed from literature and needs further empirical investigation. The framework is illustrated in Figure 3.2.

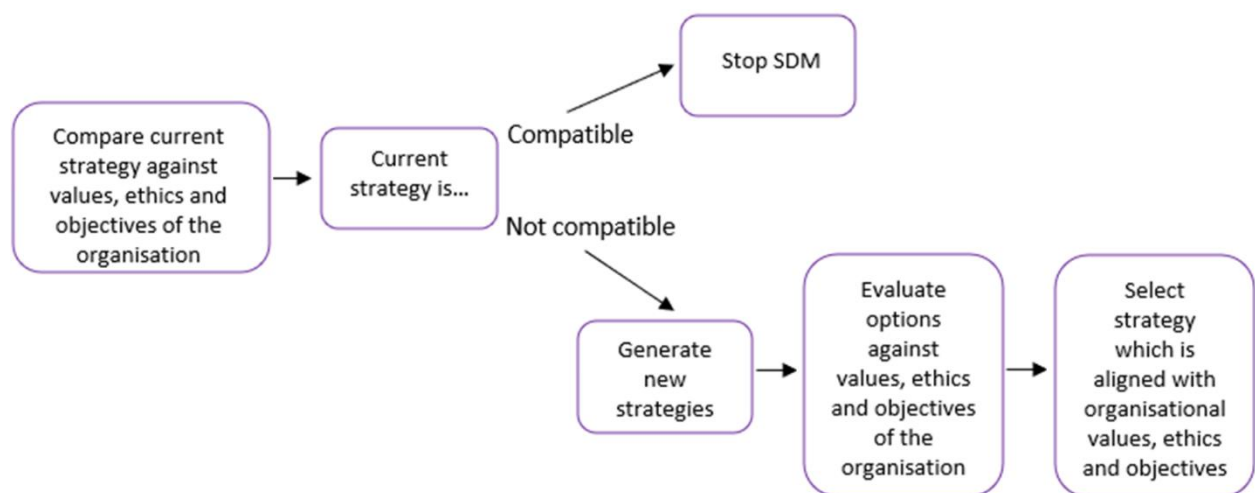


Figure 3.2: Identified ethical strategic decision-making process

Source: Prasad & Kumar (2014:32)

The above framework consists of four steps, namely, the evaluation of present strategies, generation of strategies, evaluation of alternative strategies, and selection

of the best strategy. In the first step, the present strategies (and their performances) are assessed against the organisation's values, ethics and objectives. If the present strategy does not fulfil the ethical and economic requirements, then the decision-maker needs to generate alternative strategies (step two). This step involves generating possible alternatives, while taking costs, reliabilities, risk, and flexibility into account. Thereafter, each alternative strategy is evaluated (step three) against the organisation's values, ethics, and objectives. In the last step, the best strategy is selected. The 'best strategy' implies the organisation's values and ethics are met, and it is the one that will best achieve the organisation's objectives (Prasad & Kumar, 2014:33).

Compared against the ISDI SDM framework (conceptualised in Chapter 2, Section 2.3.3.1), it is evident that there are similarities. The ISDI framework consists of an identify (I), developing alternatives (D), selection (S), and implement (I) phase. In both frameworks, there is an Identify phase (I), Develop alternatives phase (D) and Select phase (S). The difference is that the framework of Prasad and Kumar (2014:33) starts by reviewing the present strategies, indicating a narrow view of SDM. If the present strategy is compatible ('ok') then the ethical SDM process stops. In addition, the framework does not explicitly mention an implementation phase, but it could be assumed. There is a clear distinction between a generating and evaluating stage, while the ISDI framework absorbed the notions of the evaluation stage into the Selection Phase (S).

Another difference in the framework of Prasad and Kumar (2014:33) is the explicit assessment of the organisation's values, ethics and objectives. Such assessments are almost done continuously throughout the process. Prasad and Kumar (2014:33) shed light on how ethics can be integrated into SDM, and its possible influences. In addition, there seems to be a few ethical influencing factors that influence SDM. However, the framework is conceptualised, based on the literature, and is suggested for Indian pharmaceutical companies with no indication of the sizes of such organisations.

From the above discussion, and specifically in terms of SMEs, the ethical influencing factors in SDM can be spiritual (or religious) beliefs, organisational values and organisational ethics. Due to the limited knowledge on ethics in SMEs' SDM, this chapter undertook a systematic literature review. The aim was to reach an

understanding, and report on ethics in SDM theory/literature as related to SMEs, and ultimately identify possible ethical influencing factors in SMEs' SDM.

The next section briefly defines ethics in SMEs (RQ2), followed by the systematic review. Given that ethics is complex and relevant to a specific context, the section below aims to provide the foundation for a definition of business ethics in SMEs.

3.6.1 Ethics in small and medium enterprises

The same definition of business ethics, as identified in Section 3.2.1, was observed amongst scholars focusing on smaller enterprises, including small entrepreneurial firms. Business ethics is the application of predetermined standards in the workplace, promoting good behaviour within the workplace and the broader business environment (Belás *et al.*, 2020:97; Van Niekerk *et al.*, 2014:1150). An observed factor was that business ethics is concerned with social relationships and the exchanges, reciprocity, and goodwill it entails (Spence & Rutherford, 2003:2). Business ethics also includes the ethical business enterprise, and how conduct ought to be in relation to work and society (Spence & Rutherford, 2003:2).

According to Naidoo *et al.* (2009:78) and Belás *et al.* (2020:97), abiding by the law, rules, and being compliant is 'ethical behaviour'. However, these researchers add that ethics goes beyond the law. Naidoo *et al.* (2009:78) add that business ethics concerns (not limiting) human rights, obligations, doing good to society in such a way that society benefits, and includes specific virtues such as fairness, honesty, courage, and loyalty. It also entails respecting people and the planet (Belás *et al.*, 2020:97).

However, the nature of SMEs introduces a variety of applications of business ethics and various limitations. A personal level is also evident, given that an SME can be manager-owned, since the owner-manager or the small management team are central to any business interactions (Hammann, Habisch & Pechlaner, 2009:38; Van Niekerk *et al.*, 2014:1152).

Since SMEs tend to not have formal structures, business ethics may not be formulated in written policies or documents but may be reflected in the manager-owners' orientations and actions (Hammann *et al.*, 2009:29). In addition, personal beliefs and personal ethical orientations may be more profound in SME (Belás *et al.*, 2020:96; Robinson & Jonker, 2017:66; Spence & Rutherford, 2003:1).

3.7 SDM ETHICS IN SMES: SYSTEMATIC REVIEW OF LITERATURE

This section presents the systematic review of the relevant literature conducted in this chapter, ranging from the methodological aspects, to reporting on the findings.

3.7.1 Systematic review: The methodology

The systematic review methodology set out by Tranfield *et al.* (2003:214) that was applied in Chapter 2 was also applied in this chapter. The same three broad steps, namely, the planning, conducting, and reporting stages were implemented.

3.7.2 Planning

The limited research on ethics in SDM in terms of SMEs validates the need for a systematic review. The aim was to reach an understanding of how SME owners/managers engage in ethics during SDM. The research questions that guided this review (and chapter) were “*how SME owners/managers engage ethics during SDM*” (RQ3-a) and “*how do SME owners/managers define business ethics in practice?*” (RQ2). From the preliminary literature review presented in Sections 3.2 to 3.4, managers can engage in ethics by managing for ethical conduct and/or making ethical decisions. Consequently, the objectives of the systematic review were as follows:

- To identify the definitions, or elements thereof, for business ethics.
- To identify the ethical components (formal or informal) that SMEs implement in their enterprises.
- To identify EDM processes specifically developed for SMEs, and the relevant influencing factors.
- To identify ethics-related literature within the field of SDM, specifically focusing on SMEs.
- To identify the gaps in theory pertaining to ethics in SDM in terms of SMEs

Similar to the procedure described in Chapter 2, the period of the initial review was from 1998 to 2018, however, the systematic reviews were updated to include 2020. Hence, the period from 1998 to 2020 was reviewed. Changes or updates in databases were also noted in this systematic review. The databases ranged between Business Source Complete (database was possibly updated to Business Source Ultimate),

Science Direct Freedom Collection, Wiley online library full collection 2016 (possibly updated to Wiley Online Library Database Model 2020), JSTOR archive collection and Google Scholar. Research studies identified for and included in this review were imported into ATLAS.ti.

3.7.3 Conducting

During this phase, keywords and search terms were defined (identified through a preliminary literature review), which led to defining the most appropriate search strings (Tranfield *et al.*, 2003:214). The same SME-related and strategic decision-related key words identified in Chapter 2 were used in this systematic review (first column in Table 3.9 and Table 3.10, see next two pages).

The additional key words were identified in the business ethics field. From the literature review on business ethics, the following key words were identified: *ethics, business ethics, formal measurements, ethics programme, formal systems, explicit component, formal ethics programme, ethics compliance mechanism, ethical infrastructure, ethical culture, informal context, informal organisational context, informal measures, implicit component.*

From the literature review on EDM, the following key words were identified: *Ethical decision, ethical decision-making, moral decisions.* The search strings for the systematic review are listed in Table 3.9 and Table 3.10. The result was a final count of 24 strings; 12 strings pertaining to ethics-related literature within the field SDM, specifically focusing on SMEs, and 12 strings pertaining to the ethics-related (formal and informal components to manage ethics and EDM) literature within SMEs.

In accordance with the methodology applied in Chapter 2, the systematic review was limited to “validated knowledge” (Crossan & Apaydin, 2010:1157), and specifically strategic decisions or strategic decision-making literature and business ethics literature (in SMEs). Therefore, only peer-reviewed (or scholarly) articles were included, and the search string/root terms (first column in Table 3.9 and Table 3.10)

were merely searched for in the database⁴. The constant search strings (second and third column in Table 3.9 and Table 3.10) were searched for in the titles of articles.

A systematic review checklist was also developed for this conducting phase (see Appendix B). The search strings were broken down into two categories. Search string one (1) to 12 assisted in identifying ethics-related literature within the field of SDM specifically focusing on SMEs (Table 3.9).

Table 3.9: Search strings 1 – 12 (to identify ethics in SDM for SMEs)

Ethics-related literature within the field of SDM and SMEs				
Search string/root terms		Constant terms in every string		
1. small and medium enterprises...	AND	strategic	AND	ethical decision
	OR	decision-	OR	ethical decision-making
2. small and medium-sized enterprises...	OR	making	OR	ethics
		SDM	OR	business ethics
3. small and medium-sized companies...		strategic	OR	formal measurements
		decisions	OR	ethics programme
4. SME...				formal systems
5. Small, Medium and Micro Enterprises...				explicit component
6. SMME...				formal ethics programme
7. small business...				ethics compliance
8. small firm...				mechanism
9. entrepreneurship...				ethical infrastructure
10. family business...				ethical culture
11. family enterprise...				informal context
12. small family business...				informal organisational context
				informal measures
				implicit component

Search strings 13 to 24 assisted in identifying the ethics-related (formal and informal components to manage ethics and EDM) literature within SMEs (Table 3.10 see next page).

⁴ SME-related search strings/key terms (first column, Table 3.9 and Table 3.10) were not included in the journals within the small business/entrepreneurial fields (for example, Journal of Small Business Management), since the focus of these journals is on SMEs/entrepreneurial enterprises.

Table 3.10: Search strings 13 – 24 (to identify EDM literature for SMEs)

Ethics-related (formal and informal components to manage ethics and EDM) literature within SMEs		
Search string/root terms		Constant terms in every string
13. small and medium enterprises...	AND	ethical decision
14. small and medium-sized enterprises...	OR	ethical decision-making
15. small and medium-sized companies...	OR	ethics
16. SME...	OR	business ethics
17. Small, Medium and Micro Enterprises...	OR	formal measurements
18. SMME...		ethics programme
19. small business...		formal systems
20. small firm...		explicit component
21. entrepreneurship...		formal ethics programme
22. family business...		ethics compliance mechanism
23. family enterprise...		ethical infrastructure
24. small family business...		ethical culture
		informal context
		informal organisational context
		informal measures
		implicit component

Example (Non-small business/entrepreneurial focused journal): The first string was written as: “small and medium enterprises” AND “strategic decision-making OR “SDM” OR “strategic decisions” AND “ethical decision” OR “ethical decision-making” OR “ethics” OR “business ethics” OR “formal measurements” OR “ethics programme” OR “formal systems” OR “explicit component” OR “formal ethics programme” OR “ethics compliance mechanism” OR “ethical infrastructure” OR “ethical culture” OR “informal context” OR “informal organisational context” OR “informal measures” OR “implicit component”.

Example (Small business/entrepreneurial focused journal): The first string was written as: “strategic decision-making OR “SDM” OR “strategic decisions” AND “ethical decision” OR “ethical decision-making” OR “ethics” OR “business ethics” OR “formal measurements” OR “ethics programme” OR “formal systems” OR “explicit component” OR “formal ethics programme” OR “ethics compliance mechanism” OR “ethical infrastructure” OR “ethical culture” OR “informal context” OR “informal organisational context” OR “informal measures” OR “implicit component”.

Source: Researcher’s own compilation (2018)

Journals were limited to those listed in the Chartered Association of Business School’s (CABS) Academic Journal Guide (journals with a ranking of 3 and higher). Table 3.11 lists the journals identified in the fields of entrepreneurship and small business management, strategy and general management, ethics, and social responsibility.

Table 3.11: Journals identified and their rankings (to identify ethics, SDM and SME-related literature)

Field: Entrepreneurship and small business management (ratings in brackets)	Field: General management, ethics and social responsibility (ratings in brackets)
Entrepreneurship, Theory, and Practice (4) Journal of Business Venturing (4) Strategic Entrepreneurship Journal (4) Entrepreneurship and Regional Development (3) Family Business Review (3) International Small Business Journal (3) Journal of Small Business Management (3) Small business Economics (3)	Academy of Management Journal (4*) Academy of Management Review (4*) Administrative Science Quarterly (4*) Journal of Management (4*) British Journal of Management (4) Business Ethics Quarterly (4) Journal of Management Studies (4) Academy of Management Annals (4) Academy of Management Perspectives (3)
Field: Strategy (ratings in brackets)	Business and Society (3)
Strategic Management Journal (4*) Global Strategy Journal (3) Long Range Planning (3) Strategic Organization (3)	California Management Review (3) European Management Review (3) Gender and Society (3) Work, Gender and Organization (3) Harvard Business Review (3) International Journal of Management Reviews (3) Journal of Business Ethics (3) Journal of Business Research (3) Journal of Management Inquiry (3) MIT Sloan Management Review (3)

Source: CABS (2015:2, 2018)

Eight (8) journals were identified in the Entrepreneurship and Small Business Management field, and four (4) journals were identified within the Strategy field. In the field General management, Ethics and Social Responsibility, 17 journals were identified. This resulted in a final count of 29 journals. The inclusion/exclusion criteria were guided by the criteria set by Johnson and Schaltegger (2016:486) and Moustaghfir (2008:14), and are summarised in Table 3.12.

Table 3.12: Inclusion and exclusion criteria (to identify ethics, SDM and SME-related literature)

No.	Inclusion criteria
1	Articles published since 1998. (The aim was to reach an understanding of the SDM theory/literature in SMEs published in the last two decades (1998 - 2018), but updated to include 1998 – 2020.)
2	Articles/papers written in English (Most academic articles/papers are in English).
3	Articles/papers focused on SDM and ethics and EDM in SMEs. (To enable an understanding of the literature/theory on SDM and ethics and EDM specifically developed for SMEs. Article must contribute to the SME body of knowledge.)
4	Articles/papers focused on ethics in SMEs. (To enable an understanding of the literature/theory on ethics specifically developed for SMEs. (Article must contribute to the SME body of knowledge). If the article did not explicitly state SME, then the European standard definition of an SME was used. An article had an SME focus if the sample enterprise had 250 employees or less, a turnover of less than 50 million, and a balance sheet of 43 million Euros or less (Inyang, 2013:125).)
5	Articles/papers focused on EDM in SMEs. (To enable an understanding of the literature/theory on EDM specifically developed for SMEs. (The article must contribute to the SME body of knowledge). If the article did not explicitly state SME, then the European standard definition of an SME was used. An article had an SME focus if the sample enterprise had 250 employees or less, a turnover of 50 million or less, and a balance sheet of 43 million Euros or less (Inyang, 2013:125).)
6	Scholarly (peer-reviewed) papers. (To include validated knowledge.)
No.	Exclusion criteria
1	Articles focused on large organisations. (This chapter’s focus is on SMEs.)
2	Articles focused on “non-strategic” decisions (day-to-day/routine-like decisions). (This chapter’s focus is on strategic decision-making.)
3	No mention of firm size. (To keep the analysis and findings pure, articles were omitted if they did not indicate the sizes of the enterprises.)

Source: Adapted from Johnson & Schaltegger (2016:486); Moustaghfir (2008:14)

Making use of advanced search settings, the respective search strings were entered into the identified databases. In most of the journals, it was possible to search the search string/root terms (first column in Table 3.9 and Table 3.10) in the journal, as well as the constant terms in every string (second column in Table 3.9 and Table 3.10) in the titles of articles (concurrently).

For one journal search (*Long Range Planning*), the ScienceDirect Freedom Collection (SANLiC) was the only platform that gave access to articles from 01/09/1968 until the present. This platform limits advanced searches to ‘Find articles with these terms’ and

'Title, abstract or keywords'. Consequently, the individual Search string/root terms were searched for in 'Find articles with these terms'. The constant terms in every string were searched for in 'Title, abstract or keywords'.

Google scholar's advanced search function was utilised to ensure that no article was omitted from the *Long Range Planning* journal (with a focus on SDM). Search string/root terms could not be searched, due to the limitations of the abovementioned search options, but the 'constant terms in every string' could be searched for in the option 'with at least one of the words' occurring in the title of the article. An additional 14 results were obtained, of which eight (8) additional articles were downloaded into ATLAS.ti. All eight (8) articles were excluded for final review, as they did not adhere to the final inclusion criteria.

The titles and abstracts of papers were consulted, and the initial search results included 205 articles, of which 104 articles were duplications. During the first round, 24 articles were discarded, based on the inclusion/exclusion criteria. Based on the criteria, an initial count of 77 (205 – 104 – 24) articles were identified (initial counts). The relevant studies were imported into ATLAS.ti, and the articles were downloaded. These studies were reviewed to determine if they adhered to the inclusion/exclusion criteria. An additional 58 articles were discarded, resulting in a final count of 20 articles. A total of 82 (15 + 45) articles were discarded. Of those 82 articles, 15 articles had no direct SDM focus, 45 articles included large organisations or multinationals, 20 articles did not specify the size of the sample organisations included (see Appendix C).

3.7.4 Data extraction and reporting

During the data extraction phase, data was extracted into ATLAS.ti. The 20 articles were imported into ATLAS.ti. In the last phase, data was synthesised and reported. The section below reports on ethics in SDM for SMEs within the scope and limitations of this systematic review. The sub-sections below report on the findings of this systematic review.

3.7.4.1 Defining business ethics

In total, 12 articles identified in the systematic review, provided insight into how business ethics can be defined for SMEs, or highlighted elements that define business ethics. The broad academic definition seems to be the values adopted by an enterprise that guides conduct in the workplace and towards external parties (Chakrabarty &

Bass, 2015:488; Benavides, Juan & de Vivar Frontelo in Fernández & Camacho, 2016:116). This definition is very similar to one provided in Section 3.2.1. These definitions are broad, which makes the establishment of ethical business practices challenging for SMEs. However, the 12 studies that were identified provided insight into how this definition can be dissected to assist in understanding what good behaviour or what workplace values entail for SMEs specifically. Table 3.13 summarises these elements.

Table 3.13: Defining business ethics through elements

Elements identified		Author/s
Values	<p>Hard work honesty, integrity, fairness, justice, truthfulness, and trustworthiness.</p> <p>Trust, believe, faith, open, doing the right thing, kindness, honesty, responsibility.</p> <p>Context-specific values.</p> <p>Islamic religion; Christianity; values, morality and principles that stem from religion.</p> <p>Enterprise values.</p>	<p>Tlaiss (2015)</p> <p>Spence and Lozano (2000)</p> <p>Cambra-Fierro <i>et al.</i> (2008)</p> <p>Karakas, Sarigollu & Kavas (2015)</p> <p>Courrent and Gundolf (2009)</p> <p>Abdelzاهر and Abdelzاهر (2017)</p> <p>Fernández and Camacho (2016)</p>
Social relationships	<p>The exchanges, reciprocity, and goodwill these (business) social relationships entail.</p> <p>Respect for others.</p> <p>Ethical relationships between the enterprise and business activities.</p> <p>Good conduct towards external parties and in the workplace.</p> <p>Relationship elements.</p>	<p>Spence and Rutherford (2003)</p> <p>Spence and Lozano (2000)</p> <p>Carr (2003)</p> <p>Spence and Rutherford (2003)</p> <p>Courrent and Gundolf (2009)</p> <p>Fernández and Camacho (2016)</p>
Broader society	<p>The exchanges, reciprocity, and goodwill these (business) social relationships entail.</p> <p>Giving back to the community (benevolence).</p> <p>Respect for others.</p> <p>Good conduct towards society.</p> <p>Moral standards that govern conduct towards society.</p>	<p>Spence and Rutherford (2003)</p> <p>Tlaiss (2015)</p> <p>Cambra-Fierro <i>et al.</i> (2008)</p>
Social causes	Benevolence/ giving back to community.	Tlaiss (2015)
Natural environment	Having respect for the environment.	Cambra-Fierro <i>et al.</i> (2008)
Doing the right thing	<p>Good conduct or acceptable behaviour.</p> <p>Way of behaving.</p>	<p>Cambra-Fierro <i>et al.</i> (2008)</p> <p>Spence and Lozano (2000)</p>

Elements identified		Author/s
	Knowing right from wrong. Good behaviour. Good behaviour in the relationships between the enterprise and business activities. Moral standards that govern conduct in the workplace.	Carr (2003) Courrent and Gundolf (2009) Lahdesmaki (2005) Chakrabarty and Bass (2015) Fassin <i>et al.</i> (2011)
Adhering to rules	Various rules to govern behaviour.	Spence and Lozano (2000) Courrent and Gundolf (2009) Tlaiss (2015)
Emotions	Pleasure/embarrassment.	Spence and Lozano (2000)

Source: Researcher's own compilation (2021)

Doing the right thing, or good behaviour was identified in numerous articles, and seems to be central to business ethics in practice (Cambra-Fierro *et al.*, 2008:646; Carr, 2003:8; Courrent & Gundolf, 2009:751; Spence & Lozano, 2000:48). Values is another central element, and religion seems to drive values (Abdelzaher & Abdelzaher, 2017:359; Cambra-Fierro *et al.*, 2008:647; Courrent & Gundolf, 2009:859; Karakas *et al.*, 2015:811; Tlaiss, 2015:46).

Interestingly, adhering to rules was identified (Courrent & Gundolf, 2009:751; Spence & Lozano, 2000:43; Tlaiss, 2015:865). These rules referred to the rules of conduct or behaviour that prescribe good conduct. There were no deliberations on the rules of conduct in the articles. These rules could be general rules of conduct in business, or in society, and perhaps even rules imposed through legislation and regulations. Tlaiss (2015:865) explained that regulatory and normative rules are encouraged by societies. Within normative frameworks (Section 3.4.1), society's natural and business rights are promoted. These rights are also protected by law, indicating a relative relationship to legislation.

In addition, the outlook on business ethics in SMES not only includes stakeholders, but also includes considering the environment (Cambra-Fierro *et al.*, 2008:645). In addition, 'emotions', which is an integral part of the decision-maker, was found to be an element of business ethics. Values, as identified in Table 3.13 referred to both enterprise and personal values. A business philosophy that is aligned with an SME owner/managers' personal values was also identified, implying that enterprise values may also be adopted in SMEs.

Lastly, emotions and religion were also identified. Emotions or feelings, in the context of the article and its findings, were said to be ‘the case of ethics’. In this situation the decision-maker was led by feelings (Spence & Lozano, 2000:47). Religion was identified as the foundation of business ethics (Abdelzaher & Abdelzaher, 2017:3; Spence & Lozano, 2000:47). Emotions and religion would seem to be more evident at the individual level.

Interestingly, social causes were identified. There are debates on the definitions of business ethics, and how it is differentiated from CSR (Ferrell *et al.*, 2019:492; Yılmaz, 2019:108). The two concepts are closely related, and to some extent, part of each other. However, being, or taking responsibility for societal issues is typically associated with CSR (Ferrell *et al.*, 2019:492). The latter indicates the complexities in defining business ethics in relation to concepts such as CSR. In the above discussions and Table 3.13, the good, the self and the others are also evident.

Based on these insights, business ethics can be defined, or understood in the context of the individual level, enterprise level, societal level, and relational level. More specifically, business ethics can be explained as the values of the decision-maker, the values of the enterprise, doing the right thing, adhering to the rules of conduct, and responsible behaviour towards internal and external parties, and the environment.

3.7.4.2 Ethical components (formal or informal) evident in SMEs

Out of the 20 articles that were identified for the review, 15 articles mentioned or focused on an element or elements of ethical components in SMEs (see Appendix D). Only one (1) article specifically focused on identifying components that SMEs can implement to develop an ethical infrastructure. Through reading, the researcher identified other components.

Most articles clearly distinguished between formal and informal components, but a few unclear categories were identified. Fernández and Camacho (2016:117) proposed an additional category, namely “Leadership”. The researchers maintain that leadership influences ethical culture, climate, and any formal or informal system in an enterprise. The literature highlights that the appropriate (business ethics-related) ‘tools’ or the ethical infrastructure is largely dependent on the individual owner or manager of an SME (Spence & Lozano, 2000:51; Spence & Rutherford, 2003:2).

In addition, Arend (2013:18) noted that ethical values evolve as the enterprise grows “and the founder of the enterprise is replaced with a management team”. This highlights the centric and influential role that management/leadership has. Leadership can therefore be argued as either an additional category, or perhaps it could be a formal component (of an ethics program) in SMEs. Leadership could, perhaps be the driver, accelerator, or catalyst that ‘initiates’ the ethical framework (both formally and/or informally) for SMEs. For this study, leadership was also considered an additional category.

One article (see Arend, 2013:18) mentioned “ethics-focused dynamic capability”, which was defined as the “skills and resources needed to obtain integration between ethics and performance”. There is no further elaboration on these skills or resources in the article. For this study, skills and resources were categorised under leadership, as they were seen as a capability of the individual (the leader or manager). Consequently, ethics-focused dynamic capabilities were included under formal leadership.

Ethical values, as identified by the same researcher (see Arend, 2013:17), can fall under informal or formal components of an ethics program. To be able to classify this component correctly would be to investigate the purpose or ‘place’ of ‘ethical values’ within the context of the article. However, there were no further elaborations provided. Ethical values can be implemented through formal value statements, or it could be part of building an ethical culture. Consequently, ethical value statement was included under formal components as well as ethical values under informal components.

The formal and informal components that were identified are summarised in Table 3.14. The first column lists the category identified (formal or informal) the second column list the various factors identified the last column list the researchers (the source) of the applicable study. The table also distinguishes between the literature and empirical findings

Table 3.14: Ethical components evident in SMEs

Category	Component identified	Sources
Leadership components	<p>Leadership (including leaders' value system, moral stance and ethics focused dynamic capabilities, legacy of integrity, interest of employees, realistic goal setting and expectations and accessibility) (Empirical findings).</p> <p>Role modelling (Literature findings).</p> <p>Leadership rewarding behaviour (Literature findings).</p>	<p>Arend (2013)</p> <p>Fernández and Camacho (2016)</p> <p>Spence and Lozano (2000)</p> <p>Singhapakdi, Sirgy and Lee (2010)</p> <p>Spence and Rutherford (2003)</p> <p>Fernández and Camacho (2016)</p>
	<p>Informal leaders (Literature findings).</p>	<p>Fernández and Camacho (2016)</p>
Formal components	<p>Workshop on managerial values (can be linked to ethical training. Also includes professional training and attendance of conferences) (Empirical findings).</p>	<p>Spence and Lozano (2000)</p> <p>Wu (2002)</p> <p>Fernández and Camacho (2016)</p>
	<p>Selection process (empirical findings) and Selection process (Literature findings).</p>	<p>Fernández and Camacho (2016)</p>
	<p>Formal communication (Transparency in information) (Empirical findings).</p>	<p>Fernández and Camacho (2016)</p>
	<p>Self-evaluations (Literature findings).</p>	<p>Fernández and Camacho (2016)</p>
	<p>Ethical channel (Literature findings).</p>	<p>Fernández and Camacho (2016)</p>
	<p>Reviews and reports (Empirical findings).</p>	<p>Fernández and Camacho (2016)</p>
	<p>Specific ethics content (includes welcome manuals) (Empirical findings).</p>	<p>Fernández and Camacho (2016)</p>
	<p>Mission statement (Empirical findings).</p>	<p>Spence & Lozano (2000)</p> <p>Fernández and Camacho (2016)</p>
<p>Legislation and regulation (include industry standards) (Empirical findings).</p>	<p>Singhapakdi <i>et al.</i> (2010)</p>	

Category	Component identified	Sources
	Legal behaviour towards the environment (Literature findings).	Cambra-Fierro <i>et al.</i> (2008) Fernández and Camacho (2016)
	Punishment and sanctions (Literature findings).	Fernández and Camacho (2016) Dickel & Graeff (2018)
	Formal meetings (Empirical findings).	Fernández and Camacho (2016)
	Committees (Empirical findings).	Fernández and Camacho (2016)
	Codes of ethics (Empirical findings) Codes of ethics (Literature findings).	Courrent and Gundolf (2009) Carr (2003)
	Vision statement (Empirical findings).	Wu (2002) Fernández and Camacho (2016)
	Value statement (Literature findings).	Chakrabarty and Bass (2014) Fernández and Camacho (2016) Arend, 2013
	Code of ethical practice/ code of conduct (Literature findings).	Fassin <i>et al.</i> (2011) Carr (2003) Spence and Lozano (2000)
Informal components	Communications (includes dialog, comparative conversations, between employees, socialising) (Empirical findings).	Wu (2002) Spence and Rutherford (2003) Fernández and Camacho (2016)
	Informal performance rules (Empirical findings).	Fernández and Camacho (2016)
	Informal meetings (Empirical findings).	Fernández and Camacho (2016)

Category	Component identified	Sources
	<p>Organisational culture (includes stories, myths and own language) (Literature findings).</p> <p>Includes flexibility and conciliations, and employee partition (Empirical findings).</p> <p>Building a “pro-green” organisational culture in SMEs’ organisational culture (Literature findings).</p> <p>Environmental ethics (is done informally in SMEs operating in Arabia) (Empirical findings).</p> <p>Cultural norms (Empirical findings).</p> <p>Local beliefs system (religion is a foundation for ethics) (Literature findings).</p>	<p>Fernández and Camacho (2016)</p> <p>Abdelzaher and Abdelzaher (2017)</p> <p>Tlaiss (2015)</p>
	<p>Entrepreneurial network (which include guidelines on behaviour, values to instil and ethics) (Literature findings).</p> <p>Social networks (Literature findings).</p>	<p>Courrent and Gundolf (2009)</p> <p>Spence and Rutherford (2003)</p>
	<p>Ethical culture (that pursues a greater collective good or wellbeing) (Empirical findings)</p> <p>Ethical culture/climate (Mention of culture shift) (Literature findings)</p> <p>Shared ethical values of the enterprise (Empirical findings)</p> <p>Building ethical values (Literature findings)</p>	<p>Karakas <i>et al.</i> (2015)</p> <p>Fassin <i>et al.</i> (2011)</p> <p>Spence and Lozano (2000)</p> <p>Singhapakdi <i>et al.</i> (2010)</p> <p>Chakrabarty and Bass (2014)</p> <p>Karakas <i>et al.</i> (2015)</p> <p>Arend (2013)</p>
	<p>Ethical climate (connectedness, trust, sensitivity, belonging, friendship, genuineness) (Empirical findings)</p>	<p>Karakas <i>et al.</i> (2015)</p>
	<p>Informal methods of control (Empirical findings)</p>	<p>Spence and Lozano (2000)</p>

Source: Researcher’s own compilation (2021)

There are overlaps between the components listed in SMEs (Table 3.14) and in larger organisations (Section 3.2.2 and Section 3.2.3, and Table 3.2 and Table 3.3). Examples of similar formal components include vision statement and codes of ethics. Not previously identified were transparency in information of enterprise performance and results (Fernández & Camacho, 2016:121). The researchers identified this as a formal component, and it is linked to communication. Hence, there seems to be a distinction between formal and informal communication.

Also identified were self-evaluations which includes behavioural parameters (Fernández & Camacho, 2016:121), and that was listed as a formal component. No further elaborations were provided. The last formal component identified were legislation and regulation (includes industry standards), which also included legal behaviour towards the environment. Ethical and legal behaviour was identified as vital for success, and adherence to industry bodies, rules and standards promotes ethics in the workplace (Cambra-Fierro *et al.*, 2008:647; Fernández & Camacho, 2016:116; Singhapakdi *et al.*, 2010:421).

Similar informal components include ethical culture and communications, for example. Additional informal components that were identified were informal performance rules (predetermined by managers) and for managers to identify informal leaders. No further elaborations were provided. Informal meetings were also identified. These meetings are regular and not always recorded (Fernández & Camacho, 2016:121). Informal environmental ethics or a culture that is “pro green” was also identified as an informal component and listed under organisational culture. Environmental ethics were incorporated because it was required/suggested by religious principles in the context of the relevant article. The approach to environmental ethics appears to be less formal and infused within the enterprise’s culture (Abdelzaher & Abdelzaher, 2017:359).

Local belief systems, also stemming from cultural norms, highlight philosophical and cultural values (Abdelzaher & Abdelzaher, 2017:359; Tlaiss, 2015:861), albeit the contexts being in the Middle East. In this context, local belief system and cultural norms can be seen as a foundation for ethics in the workplace. It is not merely the manager or owner that instils such religious-founded ethics in the workplace, but also the employees, as they have the same or similar religious teachings and upbringings. This was listed under organisational culture, along with stories, myths, and language.

Courrent and Gundolf (2009:750) and Spence and Rutherford (2003:2) identified social or entrepreneurial networks. Entrepreneurial networks refer to the embeddedness of entrepreneurs in their environment, which influences their professional and personal life. Within this 'embeddedness', networks are formed, which may bring legitimacy, help, structural relationships and exchanges, and a framework to guide them in terms of values and actions. However, this was specifically found within micro enterprises (Courrent & Gundolf, 2009:750). These networks could also be closely related to communication.

Informal methods of control were also identified, and which seem to be preferred by SMEs. SMEs prefer to be aware of control methods, but due to resource constraints, it is not formally adopted. The last category was leadership components, which highlights the central role leadership plays. Also listed under this category were rewards and role modelling, which are actions of leaders. Also identified was that managers ought to identify informal leaders in the enterprises (Fernández & Camacho, 2016:117), which was listed under this new leadership category. Literature highlight that SMEs have an informal approach to ethics (Fassin *et al.*, 2011:441), and rely more on the guidance of leadership than on formal codes of conduct (Spence & Lozano, 2000:51).

These formal and informal components (as listed in Table 3.14) may give guidance on possible ethical influences in SDM. The findings are limited to this systematic review's scope. In addition, only one (1) article provided empirical findings on formal components for SMEs, and additional components were identified in the literature reviews of the included articles. This limited focus ought to be addressed in further research. The focus of the articles also presented unique findings, which may be specific to the samples included, namely, a focus on family business and micro enterprises. The component 'entrepreneurial networks' for example, were identified in micro enterprises. Consequently, there is a need for research in SMEs to delineate the population explicitly in term of family business, micro enterprises, and small and medium enterprises. The section below summarises the EDM processes that were identified in SMEs.

3.7.4.3 The EDM processes evident in SMEs

Thirteen (13) articles (out of 20) mentioned or focused on an element or elements of EDM in SMEs (see Appendix D). In four (4) articles, the researcher could identify phases pertaining to EDM in SMEs. Nine (9) articles mentioned or focused on an element of normative theories, while 10 articles mentioned or focused on factors that influence the EDM process. The literature reviews of the articles highlighted additional elements pertaining to EDM. The following sub-sections report on the EDM phases evident in SMEs.

Phases evident in EDM in SMES

Four (4) articles provided insight into the phases evident in EDM in SMEs (see Appendix D). No article explicitly investigated an EDM process, however, EDM-related phases or activities were identified. One article identified for the literature review investigated EDM in SMEs (Savur *et al.*, 2018:126). Table 3.15 (see next page) lists the phases evident in the articles included in the systematic review. Column A lists the steps of EDM identified, and Column B, the sources. The table also distinguished between literature and empirical findings.

No explicit process was identified, but the paper reviewed did highlight a few similar actions pertaining EDM (as reviewed in Section 3.4.2). The phases identified are moral awareness, moral judgement, and moral behaviour. Moral satisfaction and imitating ethics were additionally identified as phases, or possible actions in EDM for SMEs. Moral satisfaction was mentioned by Courrent and Gundolf (2009:751), who stipulated the following: “As players, by means of both their decision and their choices, nevertheless necessarily pursue their own interests (material interests or moral satisfaction at having acted well)”.

Table 3.15: Phases evident in an EDM process in SMEs

Phase evident in an EDM process	Author/s
Moral awareness (identifying the moral issue). (Literature findings)	Solymossy and Masters (2002)
Moral qualification/deliberation/justification/judgement. (Literature findings) Deliberation on costs and benefits of their decisions (to transgress laws or to behave unethically), and to evaluate the interest of all parties involved. (Literature findings) Moral reasoning and moral considerations. (Literature findings) Entrepreneurs look for clues (within themselves) to self-justify actions. (Literature findings) Moral/ethical judgement is dependent on the identification/personality of the agent. (Literature findings)	Courrent and Gundolf (2009) Dickel and Graeff (2018) Lahdesmaki (2005) Solymossy and Masters (2002)
Moral satisfaction (the feeling associated with behaving ethically). (Literature findings)	Dickel and Graeff (2018)
Imitating ethics – acting as others do/aligning actions to that of others; not relying on moral conscience. (Empirical findings)	Courrent and Gundolf (2009)
Moral action. (Literature findings)	Courrent and Gundolf (2009) Solymossy and Masters (2002)

Source: Researcher's own compilation (2019)

It can be argued that in pursuing one's own interest or moral satisfaction, that action falls within the deliberation or moral judgement phase. However, pursuing moral satisfaction can perhaps also refer to an outcome, that is, the feeling associated with before and after behaving ethically. In addition, with the ethics of SMEs being dependent on the SME owner/manager, it is viable for moral satisfaction to feature strongly in the EDM process of SMEs. What was not explicitly evident or identified in Table 3.15, were moral ownership, moral intent, and the environment, as well as the conscious and subconscious elements (Section 3.4.2).

One (1) article investigated the EDM process of Rest in Australian SMEs (Savur *et al.*, 2018:126). This was the only EDM process that was empirically investigated. Moral awareness, moral intent, moral judgement, and moral behaviour were observed amongst SMEs during EDM. An interesting observation was that the finding indicated

that all four (4) phases were evident in EDM in SMEs. However, there were situations where only two or three of the phases were evident. For example, the decision-maker would recognise the moral issue, make a moral judgement, and proceed to moral behaviour. The findings suggested that a decision-maker engages with moral judgement and moral intent, but not moral awareness and moral behaviour (Savur *et al.*, 2018:127). This indicates the possibility of a dynamic and fuzzy process.

While the conscious and subconscious were not identified as elements in the EDM process, the systematic review indicated that these elements are present in EDM. Courrent and Gundolf (2009:752) mentioned the conscious and subconscious (in the context of self-interest) that interferes with moral action. Interestingly, 'imitating ethics' was identified, and empirically investigated amongst micro enterprises (Courrent & Gundolf, 2009:749). Instead of applying moral deliberations, it was (empirically) found that a decision-maker would merely do as others do, align, or imitate his/her actions to that of others. This implies that the decision-maker does not rely on his/her own moral reasoning or moral conscience.

Courrent and Gundolf (2009:758) suggest that this is perhaps due to financial constraints. This raises more questions regarding the EDM processes in micro enterprises. Do micro enterprises even become morally aware of the ethical issue at hand or are they merely acting by default as others do and imitate ethics? They could perhaps be imitating unethical behaviour.

Figure 3.3 (see next page) depicts a holistic EDM process for SMEs identified in the systematic review. The phases identified in the systematic review and literature reviews were moral awareness, moral judgement, moral behaviour, moral intent, and moral satisfaction. In this figure, moral satisfaction is the feeling associated with behaving ethically. In addition, moral judgement and moral intent may fall away as a phase in EDM, being replaced by imitating ethics. Lastly, the process is indicated as dynamic or fuzzy, as not all phases are always engaged in during EDM (Savur *et al.*, 2018:127).

With the ethics of the SME being dependent on the SME owner/manager, it is reasonable to assume that the conscious and subconscious elements of EDM are also evident in SMEs. However, there are no empirical findings related to the interplay of the conscious and subconscious in terms of SMEs. For this reason, the researcher

merely proposed that information flows to (storing information) and from (retrieving information) during the EDM process of SMEs.

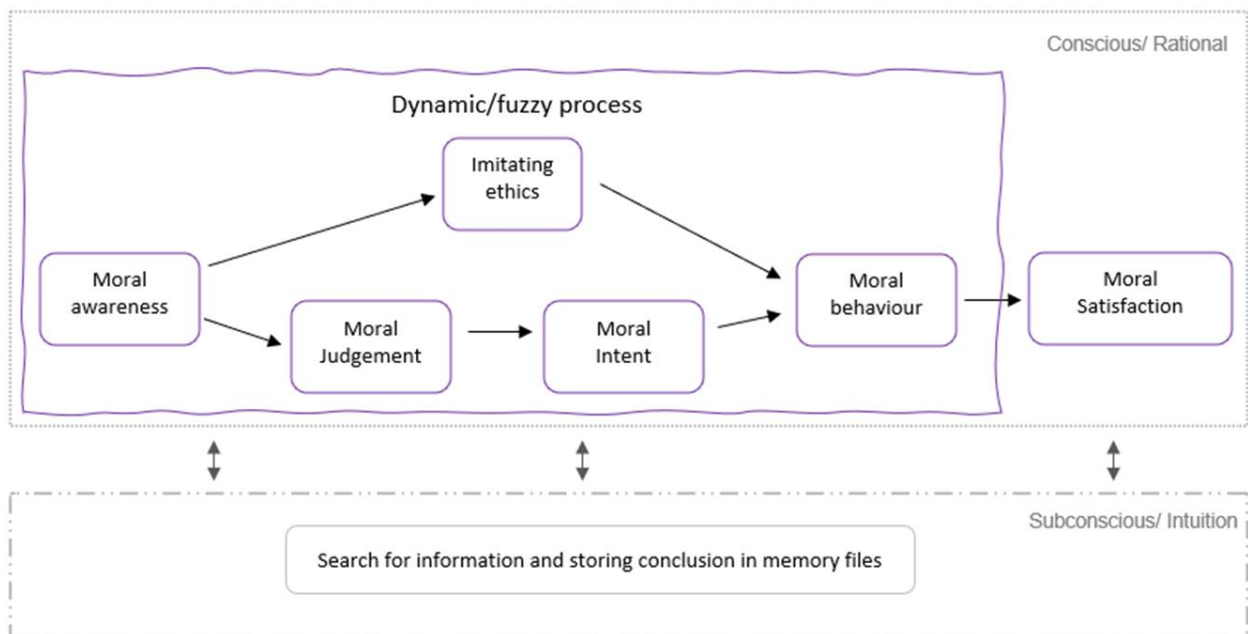


Figure 3.3: Holistic EDM in SMEs

Source: Researcher's own compilation (2020)

The suggested EDM process for SMEs is important, as it brings new, and holistic options for EDM in SMEs. The holistic EDM process of SMEs is relatively more simplistic than the EDM processes of larger organisations (Section 3.4.2). The similarities are moral awareness, moral judgement, moral intent, and moral behaviour. Acknowledged were elements of the subconscious and conscious in EDM for SMEs. However, in contrast, moral satisfaction and imitating ethics were not presented (or mentioned) in the EDM process of larger organisations. The process is also depicted as dynamic. In addition, moral ownership and the environment are not presented in the EDM process of SMEs.

The limited number of EDM frameworks available limits our understanding of EDM in SMEs, and how they make ethical decisions. Only Rest's EDM model was investigated in Australian SMEs in a developed country, limiting our understanding of EDM in SMEs in developing countries. Further scientific and empirical investigations of this process would be of value for SMEs. Future research could also investigate the phases not identified, namely, moral ownership and the environment.

The simplistic EDM process could be an indication of the informal approach SME owners/managers take towards EDM. It could be that they rely much more on intuition during EDM (hence, the simplistic process) or it could be that the knowledge of EDM in SMEs is limited. Additional research could attempt to empirically validate the elements presented in the simplistic EDM process conceptually suggested for SMEs, and/or could expand this process as new insights are obtained. More importantly, elements within the EDM framework may provide additional insight regarding possible areas of ethical influence in SDM.

Factors influencing EDM in SMEs.

Eleven (11) articles provided insight into the factors influencing EDM in SMEs (see Appendix D). Table 3.16 (see next page) provides a summary of the influencing factors affecting EDM in SMEs. In the available literature the influencing factors were categorised under individual, organisation, and moral intensity. However, the researcher identified the need to distinguish between organisational factors and external factors. Examples of such factors include legislation/regulation/guidelines, an external trigger event, and competition. In Table 3.16, a column for 'category' was included to indicate the category each identified factor relates to. The categories identified in Section 3.4.3 were individual and organisational factors, as well as moral intensity.

In Table 3.16, the broader categories, as identified in the preliminary literature review, are evident, namely, individual factors, organisation factors and moral intensity (Section 3.4.3). Overlapping with organisational factors, are external factors such as the external environment, customers, and competition.

Table 3.16: Factors influencing EDM in SMEs

Category	Influencing factors	Sources
Individual factors	<p>Individual factors. (Conceptual findings)</p> <p>Individual characteristics (self-interest/the individual/ individuality). (Literature findings)</p> <p>Management's value system/manager of the enterprise. (individual's value system). (Literature findings)</p> <p>Individual (faith, ethical believes, moral stance business values, care for others). (Empirical findings) and individual philosophy</p> <p>Religion. (Empirical findings)</p> <p>Level of cognitive moral development. (Empirical findings)</p> <p>Cognitive dissonance development. (Empirical findings)</p> <p>There is a relation between an educational programme (ethics training/skills/cognitive development) and individual EDM. (Suggestions)</p> <p>Facilitators (influencing factors), which include, family involvement, business knowledge, fair trade businesses, faith community. (Literature/case study)</p> <p>Motivators (influencing factors), which include, support social cause, direct relationship, preserve craftsmanship, share aesthetic products. (Literature/case study)</p> <p>Triggering event (a trigger/critical event (a visit to a developing country; divine intervention) encouraged engagement with fair trade. (Empirical findings)</p>	<p>Spence and Rutherford (2003)</p> <p>Solymossy and Masters (2002)</p> <p>Karakas <i>et al.</i> (2015)</p> <p>Tlaiss (2015)</p> <p>Courrent and Gundolf (2009)</p> <p>Wu (2002)</p> <p>Cater <i>et al.</i> (2017)</p> <p>Ede <i>et al.</i> (2000)</p> <p>Solymossy & Masters (2002)</p>
	<p>Entrepreneurial ethics is tied to their networks. (Literature findings)</p> <p>Embeddedness of individual with his/her environment. (Literature findings)</p>	<p>Courrent and Gundolf (2009)</p> <p>Dickel and Graeff (2018)</p>
	<p>Type and structure of relationships. (Conceptual findings)</p> <p>Relationships with others. (Conceptual findings)</p> <p>Social relationships. (Conceptual findings)</p>	<p>Spence and Rutherford (2003)</p> <p>Courrent and Gundolf (2009)</p> <p>Solymossy and Masters (2002)</p>

Category	Influencing factors	Sources
		Dickel and Graeff (2018)
Organisational factors	Presence of sanctions and punishments. (Literature findings)	Dickel and Graeff (2018)
	Profitability (their first consideration). (Literature findings)	Wu (2002)
	Ownership/management structure. (Empirical findings)	Cambra-Fierro <i>et al.</i> (2008)
	Internal stakeholders. (Empirical findings)	Lahdesmaki (2005)
	Lack of resources. (Empirical findings)	Lahdesmaki (2005)
	Company-related variables (position of the enterprise, primary business of the enterprise and region) also had (mixed) effects on the <i>level of ethics</i> . (Literature findings) SMEs (the enterprises) identify different moral issues. (Empirical findings/conceptual)	Ede <i>et al.</i> (2000) Solymossy and Masters (2002)
External factors	Legislation/regulation/guidelines (Respect for the environment - environmental sustainability - is guided by legislation). (Empirical findings) Legal context. (Empirical findings)	Cambra-Fierro <i>et al.</i> (2008)
	Distributor's positive perspective. (Empirical findings)	Cambra-Fierro <i>et al.</i> (2008)
	Sociocultural context. (Empirical findings)	Cambra-Fierro <i>et al.</i> (2008)
	External stakeholders. (Empirical findings)	Lahdesmaki (2005)
	Industry/sector characteristics. (Empirical findings)	Cambra-Fierro <i>et al.</i> (2008)
	External competitive behaviour. (Literature findings) Competition (the ethical dilemma of deciding to collaborate or not with competitors). (Empirical findings).	Wu (2002) Cambra-Fierro <i>et al.</i> (2008) Lahdesmaki (2005)
	Situational factors (moderating influence). (Conceptual findings)	Solymossy and Masters (2002)

Category	Influencing factors	Sources
	The market (customer demands) and market forces. (Literature/case study).	Cambra-Fierro <i>et al.</i> (2008)
Moral intensity	Moral intensity/magnitude of consequences. Expected economic gains/high benefits and low costs. (Empirical findings)	Dickel and Graeff (2018)
	Moral intensity/social consensus. Community behaviour. (Literature findings) Social ties/social influences. (Literature findings) Customer satisfaction (responsible towards customers). (Literature findings) Characteristics of the issue (moral intensity), including, social consensus, concentration affect and probability effect. (Conceptual findings)	Wu (2002) Cambra-Fierro <i>et al.</i> (2008) Dickel and Graeff (2018) Solymossy and Masters (2002)
	Moral intensity/probability effect. Risk of being caught/exposed. If the risk is low, then entrepreneur will engage in corrupt practices. (Literature findings) Characteristics of the issue (moral intensity), including, social consensus, concentration affect and probability effect. (Conceptual findings)	Dickel and Graeff (2018) Solymossy and Masters (2002)
	Moral intensity/Proximity. Inter-organisational proximity influences the <i>role</i> of ethics in managerial decisions. (Empirical findings) Social proximity influences the <i>status</i> of ethics in managerial decisions. (Empirical findings)	Courrent and Gundolf (2009)

Source: Researcher's own compilation (2019)

Within the organisational and individual categories, there is an element of ownership or control. Organisational factors such as ethical leadership, training and span of control are elements that organisations can influence, or control. Individual factors, such as education and religion, are those which an individual has ownership of (or can control). However, external environment factors are independent of organisational and individual factors. In basic management theory, the external (macro and market) environment influences organisations. The organisation has no control over these factors. It is also reasonable to believe that the external factors could be a type of catalyst for some of the organisational and individual factors. For example, the type of industry and legislation will influence the culture or training provided in the enterprise.

The systematic review identified additional influencing factors, namely, legislation/regulation/guidelines, a personal trigger event and embeddedness of individual with his/her environment, social ties/relationships, networks, community behaviour and consensus (personal, business and market-related), shareholders, the perception/satisfaction of others (customers and distributors). Also identified was the influence of resource availability. Type and structure of relationships were also identified as an influencing factor, along with the expected economic gains/high benefits and low costs of the decision or risk of being caught/exposed (if the gains are greater than the costs or the risks of being caught is low, unethical behaviour will follow).

The literature review showed that individual factors such as emotion, Machiavellianism, job satisfaction and intent were not explicitly identified. Organisational factors such as working group, bias, span of control, and policies were also not identified. The dimensions of moral intensity evident in EDM in SMEs were proximity (inter-organisational proximity and social proximity), magnitude of consequences, concentration affect, and probability effect. It is not to say that the remaining dimension (temporarily immediacy) is not applicable, but it is clear that this dimension is perhaps less observed in SMEs or has not specifically been investigated. It might be worthwhile to empirically explore how, and to what degree, these dimensions of moral intensity influence EDM in SMEs, and if the remaining dimension is evident in EDM in SMEs.

The presence of sanctions and punishments are related to rewards and punishments which are formal components of institutionalising ethics. Social networks implicitly

entail communication, which is an informal component. These elements were identified as possible influencing factors in literature. These two identified influencing factors overlap with the formal and informal components of managing for ethical conduct. There might be more, since these components guide ethical decisions and behaviours in the workplace. It might be worthwhile to empirically explore how, and to what degree, the ethical components influence EDM. The next sub-sections review the normative ethics identified in the systematic review.

Normative ethics in EDM in SMEs

Nine (9) articles provided insight into the normative ethics observed in EDM in SMEs (see Appendix D). Table 3.17 (see next page) presents a summary of the normative theories identified or mentioned in EDM for SMEs.

Almost all the normative theories were observed in SMEs, except for discourse ethics and postmodern ethics. One additional theory was observed (not previously identified in the preliminary literature review), namely, altruism and the sociological approach. While altruism is closely associated with utilitarianism, with altruism, the focus is on behaviour that is “motivated by the desire to benefit someone other than oneself for that person’s sake” (Kraut, 2020). The individual does not decide on the greatest amount of good (utilitarianism), but deliberately wants to do good for another person, or help the person, or to prevent harm (Kraut, 2020).

One article criticised the prescriptive approaches to EDM (Carr, 2003:15). The prescriptive approach is said to ‘impose’ a solution on an ethical dilemma. The sociological approach was suggested, and this approach maintains that there is no separation between work life and social life. For example, how the individual leads their own life, can have a significant influence on how their work life is conducted. The sociological approach could be closely associated with the social group relativism, where an individual would align his/her values to that of the social group. The group’s values would then influence how their work life is conducted, as proposed by the sociological approach (Carr, 2003:15).

Table 3.17: Normative ethics in SMEs

Normative theory/theories		Authors
Virtue ethics	Virtuousness; leaving a good legacy behind (virtue of ethics). (Empirical findings) Work values, such as hard work, honesty, integrity, truthfulness, and trustworthiness. (Literature)	Karakas <i>et al.</i> (2015) Tlaiss (2015)
Altruistic ethics	Ethics training will lead to the application of altruistic ethics to moral dilemmas. (Suggestion)	Wu (2002) Cater <i>et al.</i> (2017)
Egoism	Perusing own interest (Egoism). (Empirical findings) Egoistic arguments, preferring local suppliers above another (even if more expensive). (Empirical findings)	Lahdesmaki (2005) Courrent and Gundolf (2009)
Utilitarianism	An individual choosing the greater good and collective wellbeing over self-interest (utilitarianism). (Empirical findings). Utilitarianism arguments evident in decisions. (Empirical findings) Utilitarianism arguments evident in decisions. (Literature)	Karakas <i>et al.</i> , 2015 Courrent and Gundolf (2009) Lahdesmaki (2005) Solymossy and Masters (2002)
Deontological perspective (Ethics of duty)	Deontological perspective or arguments evident in decisions. (Literature) Moral obligations that arise in the entrepreneurial network. (Literature) The religion (Islam) outlines the minimum obligations (Ethics of duty). Deontological approach (codes of ethics) rare in SMEs. (Empirical findings)	Tlaiss (2015) Courrent and Gundolf (2009) Lahdesmaki (2005) Solymossy and Masters (2002)
Ethics of rights and justice	Fairness and justice are encouraged in this religion. (Literature and empirical findings) Motivation for fairness and justice (helping others in need). (Literature/case study) Justice perspective or arguments evident in decisions. (Literature)	Tlaiss (2015) Cater <i>et al.</i> (2017) Lahdesmaki (2005) Solymossy and Masters (2002)
Feminism ethics	Individuals collectively seeking to maintain connectedness in terms of interpersonal relationships, trust, friendship, belonging and interpersonal sensitivity (feminism ethics). (Empirical findings)	Karakas <i>et al.</i> (2015)
Feminist ethics	Virtuousness; leaving a good legacy behind (virtue of ethics). (Empirical findings)	Karakas <i>et al.</i> (2015)

Normative theory/theories		Authors
Sociological approach	There is no distinction and separation between the world of work and an individual's social life. How one can lead your own life, can have a significant influence on how work life is conducted. (Conceptually suggested)	Carr (2003)
Different normative ethics in different decisions	2+	Lahdesmaki (2005)

Source: Researcher's own compilation (2019)

The alternative approach considers how ethics can differ between contexts. While this approach may be valuable within a context, caution needs to be taken in situations where a business is dealing with different societies, and perhaps with international business also. Considering the 20 articles that provided literature on the elements of EDM in SMEs, the majority provided some insight (whether explicitly or implicitly) into the factors that influence the EDM process.

Interestingly, Lahdesmaki (2005:66) observed that different theories applied in different situations or contexts. For example, the features of deontological, virtue ethical and utilitarian approaches were identified concerning decisions on the quality of products, while rights and duties (deontological ethics) were applied in decisions concerning employer-employee relationships. Courrent and Gundolf (2009:757) found that deontological theories are rarely observed in micro enterprises, specifically.

The ethics-related literature within the field of SDM for SMEs

No papers mentioned or focused on ethical-related literature specifically developed for SDM in SMEs (see Appendix D). There is perhaps some link to SDM, where the implicit institutionalisation of ethics was observed in SMEs. The institutionalisation of ethics is the extent to which an organisation or manager implicitly or explicitly integrates ethics into decision-making processes. It is reasonable to believe that this would be the same for operational, general, and SDM processes (Singhapakdi *et al.*, 2010:418). Not only does this highlight a lack of focus in such research on ethics in SDM in terms of SMEs, but it also justifies this study's research objective.

However, from the above discussions, and seen in the light of the possibility that EDM and SDM may be integrated, it is possible to understand where, or what could

potentially influence SDM in SMEs. The following is a list that summarises the broad themes from which ethical influencing factors may emanate during SDM in SMEs, and that was identified in this chapter.

- Formal and informal ethical components (Section 3.2.2 and Section 3.2.3).
- Elements/actions in the EDM process (Section 3.4.2)
- Normative ethics (Section 3.4.1)
- Influencing factors that influences EDM (Section 3.4.3)

The gaps in theory pertaining to ethics and ethics in SDM in terms of SMEs

Several gaps were identified within this systematic review regarding the ethics in EDM in SMEs (See Appendix D). Specific gaps pertaining to the systematic review were concerned with the ethical components of managing for ethics, EDM in SMEs and ethics-related literature in SDM in terms of SMEs.

- **Ethical components of managing for ethics in SMEs**

Some additional components were identified that future research could focus on. These components include ethics-focused dynamic resources (not elaborated on), social exchange, environmental ethics, informal methods of control, entrepreneurial networks, environmental ethics, and local religious beliefs. Future research could also provide a better understanding of the formal and informal components across various contexts (from SME to SME) and how that influences SDM in SMEs. A particular focus on leadership might assist in understanding this component in the unique setting of an SMEs.

- **EDM in SMEs**

For the systematic review, EDM in terms of SMEs was divided into the phases of EDM, the factors influencing EDM, and the normative theories applied in EDM in SMEs. The EDM phases in SME are under-researched. Only four phases were identified (moral awareness, moral judgement, moral intent, and moral behaviour). The limited research on the EDM phases in SMEs is of great concern. Additional empirical investigations might lead to a better understanding and elaboration of the EDM phases in SMEs. An element worth exploring is 'imitating ethics', as a

possible phase of EDM, moral satisfaction, as well as the conscious and subconscious elements of EDM in SMEs.

With reference to the influencing factors, the broader categories, namely, individual factors, organisational factors and moral intensity were evident. Sanctions, selection of resources, profitability, and social networks were highlighted as additional influencing factors. It might be worthwhile to empirically explore how, and to what degree, these factors influence EDM in SMEs.

Research on normative ethics in SMEs should perhaps investigate the different theories applicable in different situations or contexts, while observing the same decision-maker. Future research could also further investigate the sociological approach to EDM in SMEs.

- **Ethics-related literature in SDM**

This systematic review highlighted the lack of focus in research in ethics in SDM in terms of SMEs. Particularly, what ethical factors influence SDM in SMEs. Future research ought to attempt to bridge this gap in knowledge. While not a focus of this systematic review, the additional gaps, or suggestions for future research, were identified by the researcher. Firstly, further research should consider delineating specifically between the various categories of SME. Secondly, the limited focus on developing countries ought to be addressed.

A relatively even spread of qualitative, quantitative and conceptual investigations were noted. Of the 20 articles included in the review, six (6) articles used a qualitative research design, nine (9) were quantitative, three (3) papers were conceptual papers, one (1) was a case study design, and one (1) paper used a mixed-methods approach. In addition, most of the research took place in developed countries (Germany, US, Arab, Middle East, Spain, Belgium, Greece and France), excepting for one (1) study that took place in a developing country (Turkey). Future research designs could consider using mixed methods, case studies and mono-method qualitative research designs.

3.7.4.4 Summary: Business ethics and SDM in SMEs

The research question that guided the systematic review was: 'how SMEs owners/managers engage with ethics' (RQ3-a) in a broader attempt to understand how

ethics is defined by SMEs (RQ2), and what possible influencing factors there could be (RQ3). The following summarises how business ethics can be defined, the formal and informal components identified in SMEs, the EDM process identified for SMEs, influencing factors and the normative theories identified.

Business ethics can be unpacked as the values of the decision-maker, the values of the enterprise, doing the right thing, and adhering to rules of conduct towards others and the environment. These activities include a relational element that resides in business activities and taking others into consideration.

In SMEs one can distinguish between the formal and informal components for managing ethics in the enterprise, however, the lines are blurred, as it is context-specific. Three additional observations were made. Firstly, in terms of SMEs, the management related to ethics, leadership and transparency of information, and ethical channels (communication) were listed as formal components, while the literature proposes it to be regarded as informal components for larger organisations. The opposite is also true for informal components. In addition, evident in this systematic review was the central role of the leadership.

The second observation was the formal and informal components specific to SMEs. Examples of this were self-evaluations, entrepreneurial networks, legislation and regulations, and informal performance rules, controls, and meetings. The last observation was that an element, for example, formal mission statements, was only used for a specific context (in this case for marketing purposes), and not internalised. Lastly, communication (socialisation) was identified as a formal and informal component of managing for ethics in SMEs.

The phases of EDM in SMEs that were identified were moral awareness, moral justification, moral intent, and moral behaviour. The EDM phases of moral ownership, moral intent and moral courage were not explicitly or implicitly identified in the systematic review. The subconscious and consciousness elements of EDM were merely mentioned in the context of self-interest. A possible additional phase in EDM in SMEs is that of 'imitating ethics'.

In this systematic review, many research articles provided insight into the factors influencing EDM in SMEs. The factors could be classified as individual or organisational factors or moral intensity. The researcher in the present study added

an additional classification, namely, external factors. SME-specific influencing factors included legislation/regulation/guidelines, a personal trigger event, and the embeddedness of the individual with his/her environment, social ties/relationships, and networks. The study proposes that the formal and informal components may also be influencing factors, although only two components were identified as influencing factors. Most of the normative theories were observed in SMEs, with some normative theories being applied in specific contexts within the same enterprise.

This systematic review found a lack of literature on ethics in SME, EDM in SMEs, and ethics in SDM research related to SMEs, considering the importance of ethics and SDM in SMEs. In the last few years (1998 to 2020), only 20 articles were identified in the top journals that were identified for this systematic review. While there has been a dominant focus on the factors influencing EDM in SMEs, there remains scope of further investigations.

One (1) area that needs additional attention is the ethical factors (or elements) that could affect SDM in SMEs. This chapter and the literature highlighted the following three factors, namely, the spiritual (or religious) beliefs, the enterprise's values, and its ethics. A fourth influencing factors, namely, leadership, is also proposed due to the central role SME owners/managers play in their enterprises. Given the relative importance of SMEs in developing countries, it is surprising that only two (2) studies have been done in developing countries. The findings were limited to the scope, demarcations and criteria of this systematic review, which was limited to the top-ranked journals with high citation impact factors.

The next section reviews the business ethics literature on SMEs in South Africa, more specifically, how the concept is defined by SMEs.

3.8 BUSINESS ETHICS IN SOUTH AFRICAN SMES

There is limited literature on the perception and application of business ethics in South African SMEs. Two studies were identified that specifically investigated how SMEs define business ethics. Table 3.18 (see next page) summarises these perceptions of SMEs.

The findings presented in Table 3.18, and these perceptions are similar to the perceptions identified in the systematic review, namely, values, broader society, social

causes, the environment, and adhering to rules. Gut feeling was highlighted in the South African context, together with consistency. Emotions, as identified in the systematic review, were not evident in the South African context. Adhering to the rules that govern behaviour was identified in the systematic review, while in the South African context, compliance was identified, which distinguishes between regulations and legislation.

Table 3.18: South African SME perceptions of business ethics

Key concepts	Description	Reference
Compliance	Adhering to rules and industry standards. Rules of behaviour or codes of conduct aimed at sustaining the enterprise.	Painter-Morland and Dobie (2009)
Values	Concern for the values of society. Values, such as integrity, honesty, consistency, commitment, fairness, openness, care and transparency.	Painter-Morland and Dobie (2009) Vivier (2013) Painter-Morland and Dobie (2009)
Community	Perceptions of business ethics included the community, environment, and employees. Doing business included having responsibility and being responsive to worthy causes (humanity, community, environment, government).	Painter-Morland and Dobie (2009)
Consistency	Keeping to what you said you would do (your word). Keeping to your promises (promise). Delivering services/products at the agreed costs. Delivering what was promised.	Vivier (2013)
Gut feeling	Having an internal sense to distinguish between right and wrong.	Vivier (2013)

3.9 CONCLUSION

The focus of this chapter was on business ethics in SDM in terms of SMEs. The first part of this chapter provided a preliminary literature overview on ethics in the business setting, or business ethics. The literature study on business ethics aimed to address, in a broader context, 'how managers engage with ethics' by identifying how managers (of any business) can create an ethical infrastructure to support ethical decision-making, and how ethics is defined.

In the second part of the chapter, a systematic review was conducted to explore how SME owners/managers engage in ethics during SDM. Understanding business ethics in a broader and SME-specific contexts, assisted in identifying possible ethics-related elements in SDM (RQ3) and how ethics is defined in practice by SMEs (RQ2).

The chapter concluded by reviewing the perceptions of business ethics in South African SMEs.

The next chapter addresses the research methodology implemented in this study to achieve the research questions.

CHAPTER 4:

RESEARCH DESIGN AND METHODOLOGY

4.1 INTRODUCTION

This chapter provides a blueprint of the research methodology used in the current study. Firstly, the research questions are revisited after which the research philosophy is explained, followed by a discussion of the research methodology. This chapter also presents a review of the research universe, or industry under study, and how data was obtained. Lastly, the research instruments' validity and reliability are discussed, how data was analysed and how the findings and recommendations are presented in the subsequent chapters.

4.2 THE RESEARCH QUESTIONS

The primary research question for the current study was: *How do SME owners/managers integrate ethics into their strategic decision-making processes?*

From this followed the secondary research questions, namely:

1. How do Small and Medium Enterprises (SMEs) managers/owners use strategic decision-making frameworks or tools to make decisions? (RQ1)
2. How do SME owners/managers define business ethics? (RQ2)
3. What are the factors (including ethical factors) that influence strategic decision-making (SDM) in SMEs? (RQ3)
4. What would a framework for ethical strategic decision-making for South African SMEs consist of? (RQ4)

The next section discusses the research philosophy applied in this study to address these research questions.

4.3 RESEARCH PHILOSOPHY AND THEORY DEVELOPMENT

This section reviews the research philosophy adopted for the study, and how the study aimed to develop the theory.

4.3.1 Research philosophy

Considering the gap identified in the knowledge (Chapter 1, Section 1.3), the phenomena were deemed to be novel to the South African context. The central role of SME managers/owners (the social actors) in their entities was also highlighted. Strategic decision-making in SMEs rests solely on the manager/owner, and is subjected to the manager/owner's personal experiences, limitations and biases (Belás *et al.*, 2020:96; De Castro Krakauer & De Almeida, 2016:113; Huang, 2009:98; Liberman-Yaconi *et al.*, 2010:74). This central role by management also applies to how ethics is managed in SMEs.

The literature highlighted the importance of management/leadership in the shaping of ethics in organisations (Ardichvili & Jondle, 2009:29; Fatoki & Chiliya, 2012:13; Al Halbusi, Williams, Ramayah, Aldieri & Vinci, 2021:159; Raza & Ramzan, 2013:189). According to Mele (2011:12), ethics is integrated with management thought, managerial decision-making, and the manager's ethics and moral character. In addition, to understand ethics in SMEs, requires an understanding of the way owners/managers approach ethics (Spence & Lozano, 2000:52). More importantly, in terms of the present study, was how the managers/owners interpret SDM and ethics in their own enterprises.

The SDM process of SMEs is also different from that of larger organisations (different people, different context) (Fassin *et al.*, 2011:441; Guillen *et al.*, 2002:177; Huang, 2009:98; Smit & Watkins, 2012:6325). Therefore, the integration of ethics into SDM (reality) is subjected to the actions of SME owners/managers (subjectivism). Consequently, ethics in SDM (reality) can be understood through the managers' actions and their interpretations.

It was therefore important to obtain an understanding of the perceptions, experiences and insight of SME owners/managers to determine the SMEs' ethics and SDM processes. More importantly, an understanding of the participants' own interpretations was essential. This implied using data-gathering techniques that allowed the researcher to obtain such perceptions, insight, practical effects of ideas and experiences from real-world experts, and their interpretations. These data-gathering techniques provided participants with a more central role in the research process, allowing them to share their own interpretations.

The ontological orientation of this study was thus more subjective, while adopting a pragmatism philosophy (Saunders *et al.*, 2019:150). The section below reviews this study's approach to theory development.

4.3.2 Theory development

Initially, two data-gathering techniques, namely, the Delphi Technique and the Interactive Qualitative Analysis (IQA), were selected to obtain data regarding the perceptions, experiences, and insights of SME owners/managers (the real-world experts). The Delphi Technique is a widely used method to achieve consensus of opinions (Hsu & Sandford, 2007:1; Humphrey-Murto & De Wit, 2019:136). This technique was used to gain the most reliable consensus on the process that SME owners/managers follow when engaging in SDM, as well as in the formulation of a working definition for ethics (Powell, 2003:312) (RQ 1 and RQ 2). This technique allowed the researcher to facilitate and synthesise the data, while the participants remained active in defining and refining the data. This allowed the researcher to gain insight into their (the participant's) interpretations of SDM and the business ethics in their enterprises.

The IQA method was used to explore the influencing (including possible ethical influencing) factors in SDM for SMEs (RQ 4). The IQA method maintains that the individuals (real-world experts) closest to a phenomenon are best able to construct a representation of a system's influences and outcomes (Basson, 2018:84; Northcutt & McCoy, 2004:51; Tseng, 2019:147). The system in this study, being an SDM process. This technique also allowed the researcher to gain insight into the participants' interpretations of the elements that influence their SDM.

Both the Delphi and the IQA techniques minimised research bias, as the respondents were central to defining and refining the data (and subsequent findings). Inherently, induction and elements of deduction are evident in both techniques, as the respondents define and refine the phenomenon. According to Northcutt and McCoy (2004:16), and Ananth and Maistry (2020:3), the IQA method applied induction when participants are asked to induce categories of meanings, followed by deduction, where participants are asked to define and redefine these meanings. Deduction is further applied when participants are asked to investigate the relationships of influences among the generated meanings. Rhodes and Coomber (2010:61) and Gasson

(2003:85) stipulated that the defining and refining processes (or iterations or comparisons) involve incremental deductive leaps, or switching between inductive and deductive thinking.

The first part of the Delphi phase investigated the SDM process of SMEs, using an open-ended questionnaire in the first round (define). In the remaining two rounds, subsequent well-structured questionnaires followed to redefine the SDM process (and a working definition of ethics) and/or feedback was given. The same process of define and redefine evident in the Delphi Technique, was applied in the IQA method. Consequently, both deduction and induction are evident in the defining and refining process (Northcutt & McCoy, 2004:16).

Qualitative research may have elements of deduction in the research process. According to Saunders *et al.* (2019:157), it is possible, and even beneficial, to use the two approaches in combination. For the purposes of this study, specifically, the combination of the two approaches allowed the participants to define and refine the data that was obtained, and allowed for continuous member-checks. It is, however, important to emphasise that the findings of this study cannot be generalised.

While the initial research methods applied in the theory development were the Delphi and the IQA techniques, the researcher decided to conduct additional interviews using semi-structured interview questions. The additional interviews involved SME owners/managers who had not participated in the IQA research phase and whose enterprises were VAT-registered. The aim was to assist with the exploration of the list of themes identified in the IQA session.

Based on the philosophy and theory development approaches followed in this study, the methodical choice, research strategy, techniques chosen for data collection and the techniques chosen to analyse the collected data can be grounded. The next section reviews this study's research methodology.

4.4 RESEARCH METHODOLOGY

This section outlines the research design, research strategy and instruments, research universe, data collection, data analysis and findings and recommendations.

4.4.1 Research design

This section reviews the procedures that were implemented to collect the data needed to structure and solve the research questions. The research design adopted for the present study is described through a combination of the 'research onion' descriptors of Saunders *et al.* (2019:130) and the descriptors suggested by Cooper and Schindler (2008:142) and Schindler (2019:75). The nine descriptors are: 1) Classification of the research design; 2) Sources and methods of data collection; 3) Control of the variables; 4) Purpose or aim of the study; 5) Time dimensions; 6) Topical scope; 7) The research environment; 8) Participants' perceptual awareness; and 9) Research strategy. The study's descriptors are briefly discussed in the sections below.

4.4.2 Classification of research design

The philosophical assumptions direct the methodological choices of a research study (Nieuwenhuis, 2016:72; Saunders *et al.*, 2019:130). As two qualitative approaches were initially used in the research stages of the current study, it is regarded as a multi-method qualitative study (Saunders *et al.*, 2019:175). A third qualitative research method was added as the study progressed, namely, additional interviews. Multi-method qualitative studies, as a research design, incorporate more than one qualitative data-collection technique and corresponding data analysis procedures (also known as a multi-method qualitative study) (Saunders *et al.*, 2019:176).

Two methods were initially selected for data collection, particularly since this study had to investigate difficult fields/concepts. The first two concepts were combined and investigated in Phase 1, the Delphi Technique research phase. This phase investigated the concept of SDM and a definition for business ethics in SMEs. Phases 2 and 3 (the IQA method and additional interview phases, respectively) investigated the factors (including the ethical factors) that influence SDM.

The advantages of initially using two different methods were that 1) the Delphi Technique allowed for consensus to be reached on the SDM process and a working definition for business ethics amongst SME owners/managers; 2) the IQA method allowed for the investigation of influences (relations) amongst identified concepts; and 3) the field experts to present their perceptions in a focus group session, and 4) both the Delphi and IQA techniques are qualitative research techniques that remove researcher bias. In addition, part of the IQA method involved interviews, which allowed

the researcher to gain additional in-depth knowledge regarding the elements that had been identified and the occurrence of ethics in SDM.

The third research phase, namely, the additional interviews, allowed the researcher to explore the themes identified in the IQA session amongst SME owners/managers who met the initial sampling criteria (SMEs with VAT numbers). This research phase also allowed the researcher to identify ethics-related influencing factors in more detail. The literature also provided evidence of additional data gathering taking place outside the procedures of the IQA to complement the findings or data arrived at in the IQA (Basson, 2018:88).

The implementation of three research phases would allow for the needed data collection and analysis, as well as minimising complexity in the data gathering and analysis processes. In addition, it would be easier for the participants to focus on the specific research concepts in each phase, rather than to be presented with a variety of research questions and concepts that could potentially result in confusion, or lead to difficulties if the participants had to participate in the complex subjects simultaneously. It was envisaged that the use of three different techniques might also reduce boredom and research fatigue amongst participants, as they were not being overwhelmed with one data-gathering technique that was being used repetitively. From a data integrity point of view, the additional data gathering techniques may minimise the influence that possible domineering personalities may have during the IQA session, and strengthen data triangulation.

The three research stages complemented each other, with the one following the other (sequentially). During the Delphi stage, the participants were probed to reflect on their strategic decisions, and what it entailed. They were also asked to define business ethics in their workplace. Examples of strategic decisions given during the Delphi stage, and the process identified in this first round were used in the warm-up exercise in the IQA stage to probe the thoughts of a different sample group. After the warm-up exercise, the participants were asked to reflect on the influencing factors that came to mind. The additional interviews were aimed at obtaining additional insights from VAT-registered SMEs to substantiate the findings of the IQA phase amongst VAT-registered SMEs.

The Delphi and IQA research techniques followed a qualitative approach, while incorporating deduction and induction. During the Delphi stage an open-ended questionnaire was used, and subsequent well-structured questionnaires, with the aim to rank or order items; and reach consensus. Thereafter, the participants were guided to define and redefine the SDM process and to formulate a working definition of ethics. Data derived from the Delphi stage (and from the various rounds) was analysed qualitatively (using Excel and ATLAS.ti), which are well within the tool's parameters (Hasson, Keeney & McKenna, 2000:1010; Hsu & Sandford, 2007:2).

During the IQA phase, the data collection started with a brainstorming session, followed by a 'define and refine' process (Ananth & Maistry, 2020:3; Northcutt & McCoy, 2004:16). Thereafter, follow-up interviews followed, as well as the additional interviews.

The ontological perspective of this study was subjective, while following a pragmatism philosophy. In addition, deduction and induction approaches were used to develop theory. According to Saunders *et al.* (2019:145), qualitative research design and subsequent practical solutions and outcomes are associated with the pragmatism philosophy. The deductive and inductive approaches to theory development are also common approaches in qualitative data analysis (Bertram & Christiansen, 2015:117; Saunders *et al.*, 2019:179). The research design was well suited and complementary to the research objectives of the current study. In addition, the research design provided for flexibility and adaptation, inherent in qualitative designs and methods (Azungah, 2018:385).

4.4.3 Sources and method of data collection

The data needed for this study (in both research phases) was not available at the time of the study, and therefore primary data was needed. The phenomena were also novel to the South African context. Therefore, new, or primary data was collected (Saunders *et al.*, 2019:338; Schindler, 2019:33). The nature of this research design is qualitative (getting responses from participants in all research phases); inherently incorporating various forms of communication as a method for data collection. Moreover, reality (ontology) is subject to the actions, decision, and attitudes of social actors (in this study being SME owners/managers) (subjectivism), necessitating a communicative data-collection method.

4.4.4 Control over variables

This study's main purpose was to determine an ethical SDM framework for SMEs. In addition, the management of ethics (reality) can be determined by understanding the manager's actions and their interpretations (interpretive). To truly understand ethics and SDM amongst SME owners/managers, there should be no interference (no control or manipulations), as that would increase researcher bias. Hence, an ex post facto design was implemented (Cooper & Schindler, 2008:143; Schindler, 2019:76).

4.4.5 Purpose of a research study

The objective or purpose of the current study and the research design resemble the nature of an exploratory research design (Babbie, 2016:90; Saunders *et al.*, 2019:186; Schindler, 2019:52). The interpretivism philosophy, the epistemology perspective of this study, aims to gain new and insightful understanding and interpretations of social worlds and contexts. This main purpose of the current study was to determine an ethical SDM framework for SMEs. This phenomenon was novel to the South African context, and the aim was to gain insights (to clarify our understanding) about SDM in SMEs and to integrate ethics into the SDM of SMEs in South Africa.

4.4.6 Time dimension

Research studies can be cross-sectional or longitudinal studies (Babbie, 2016:106; Schindler, 2019:80). For the purpose of this study, and to answer the primary and secondary research questions, a cross-sectional study was implemented. A cross-sectional study was chosen due to the time constraints and the need (or not) for law-like assumptions. The 'time assumption' (Babbie, 2016:111) is that it would be possible to describe a SDM process of SME owners/managers that exist 'now' or at that point in time. In addition, this study aimed to not to make generalised assumptions (or law-like assumptions) of conclusions.

4.4.7 Topical scope

This study incorporated a sequential multi-method qualitative study (a qualitative research design). The data was also analysed qualitatively in all the research phases using ATLAS.ti, and Excel. Topical scope concerns the degree of breath and depth to study. According to Schindler (2019:76), there are two classifications, statistical studies (designed for breadth) and case studies (in-depth studies within a full

contextual setting). This study was designed for depth, however, this study's topical scope is neither of these two (case study or statistical), and by implication, this classification is not applicable to the present study.

4.4.8 Research environment

Research studies can take place in the actual environment (field conditions) or in a staged environment (Schindler, 2019:78). The Delphi Technique, as utilised in this study, incorporated an online questionnaire design, which could be filled in at any time that suited the participants. During the IQA research phase, participants were invited to a 'workshop' in a 'meeting-type' environment. While participants were removed from their direct work environment, the research was still taking place under field conditions. In addition, the interviews involved scheduling meetings with participants, which is a natural occurrence in the workplace. There were no imitations or manipulation of conditions in any of the research phases, and the research environment was classified as field conditions.

4.4.9 Participants' perceptual awareness

It needs to be considered that participants' perceptual awareness can influence the outcomes of a research study (Cooper & Schindler, 2008:145; Schindler, 2019:80). There are three levels of perception. Respondents perceive a deviation either as researcher-induced or unrelated to the researcher. Lastly, the respondents perceive no deviations from their daily tasks, responsibilities or routines. Such perceptions may alter the outcomes of a research study, either moderately or significantly.

The respondents are the field experts, and their thoughts, experiences, and perceptions regarding SDM, and business ethics was the data required for this study. To limit participants altering their perceptual awareness, participants were informed about this study and its purpose. The SME owners/managers who were identified for the study were called, emailed, or met with in person, and a follow-up email was distributed to each participant who was willing to participate in the study (refer to Appendix F) after the initial contact was made.

In addition, the initial two research phases minimised the possibility of obtaining skewed outcomes or altered conclusions. In both the Delphi and the IQA techniques, respondents could define and redefine the data, thereby enabling the researcher to

ultimately present the most accurate picture of the findings. Consequently, both these techniques, to some extent, minimise the risk of altered outcomes or 'less than normal' responses, thereby strengthening the validation of the results.

During the additional interviews, the researcher provided the participants with the identified themes, and merely asked for their experiences and insight into the themes. The researcher believes that the additional interviews further minimised the risk of altered outcomes or 'less than normal' responses. Prior to the interviews, the participants were also informed about the study's purpose. While the participants were actively involved in data collection, and were informed well in advance, it does not completely limit biased perceptual awareness. However, the participants who responded were in a positive frame of mind, since they had been given the choice to participate in the study (or not). In addition, the guaranteed anonymity (apart from the focus groups) and confidentiality of data encouraged honest opinions.

4.4.10 Research strategy

The Delphi Technique, IQA method, and additional interviews were implemented to answer the research questions. The Delphi Technique has recently gained more popularity in qualitative research studies, and particularly at the level of doctoral studies (Davidson, 2013:53). The IQA method is a relatively novel technique, and is a systematic, rigorous, and accountable method of data gathering (Ananth & Maistry, 2020:1). These two research strategies, together with interviews, were deemed suitable for the pragmatism philosophy and approach to theory development (deduction and induction) adopted for this study. A summary of the study's research design is outlined in Figure 4.1.

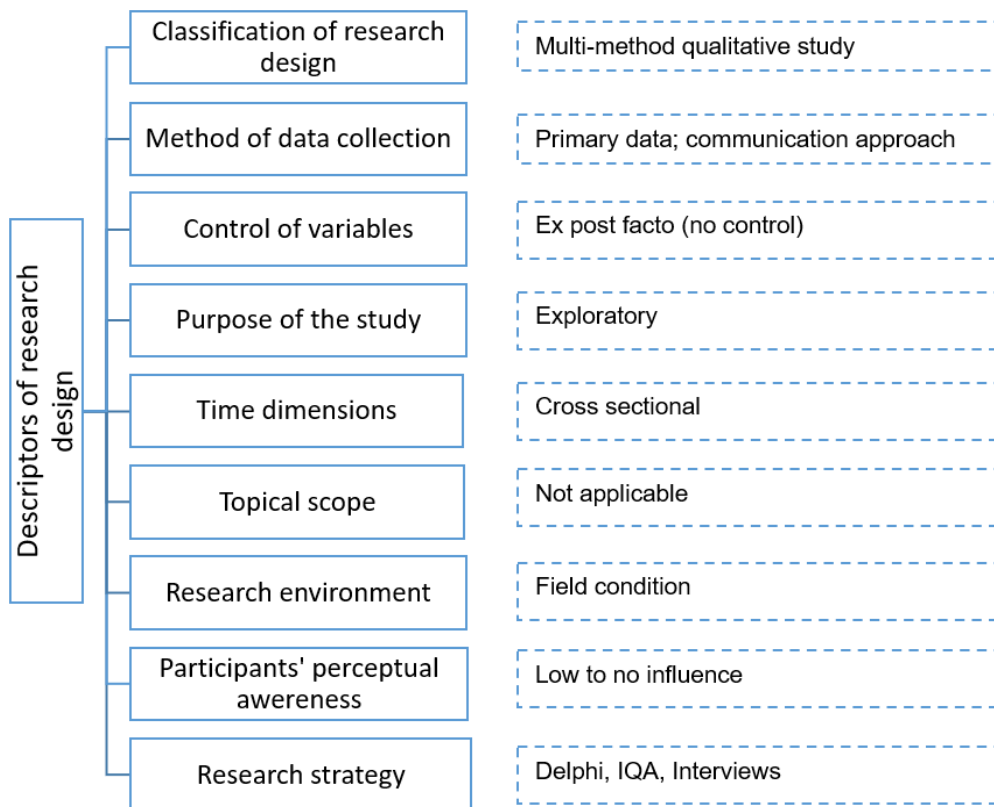


Figure 4.1: Descriptors of the research design for this study

Source: Researcher's own compilation (2019)

The next section reviews the research instruments used to achieve the research objectives of this study.

4.5 THE RESEARCH INSTRUMENT

There are a variety of techniques that researchers can use to obtain real-world knowledge from experts. This study collected data in three separate phases, each implementing a different research instrument for data collection. Phase 1, or the Delphi phase, used the Delphi Technique. Phase 2, the IQA phase, used the IQA method, while Phase 3 incorporated additional interviews. The Delphi Technique, IQA method and additional interviews specifically allowed the research study to converse opinions originating from real-world knowledge obtained from experts in the field (Hsu & Sandford, 2007:1; Northcutt & McCoy, 2004:21; Saunders *et al.*, 2019:148). These techniques were deemed suitable for this study's view on reality (or ontology, which was subjective), and is discussed below.

4.5.1 Delphi Technique as research instrument

The Delphi Technique converses opinions originating from real-world knowledge obtained from experts in the field (Hsu & Sandford, 2007:1). It is an ideal technique to implement when investigating a complex issue or more than one phenomenon, and to capitalise on expert knowledge about an issue or phenomenon (Fefer, Stone, Daigle & Silka, 2016:3).

The Delphi Technique allows for iterations, feedback loops or rounds, with the aim of achieving consensus among the opinions that have been obtained regarding the phenomena under investigation (Hirschhorn, 2019:312; Hsu & Sandford, 2007:2). Consensus is reached by, firstly, generating ideas, secondly, by organising and structuring these ideas, and, lastly, by combining individual judgements should there be a lack of agreement (Fefer *et al.*, 2016:3). The iterations allow participants to re-evaluate their initial judgements.

The Delphi Technique provides the participant with anonymity, and the feedback process is controlled (Hirschhorn, 2019:312; Hsu & Sandford, 2007:2). This technique is also inexpensive, minimises group conflict and is an effective method to combine knowledge from various experts in different locations (Fefer *et al.*, 2016:3). Therefore, the Delphi Technique was seen as a suitable research instrument for use in the present study, given this study's research design. It allows for induction and deduction (defining and refining) during iterations, and provides the ability to develop a theoretical explanation (Grounded Theory) of the SDM processes of SMEs and a working definition of ethics for SMEs.

The aim of the Delphi Technique was to understand the SDM process of SMEs in South Africa, and to determine a working definition of ethics for SMEs. According to Hallowell and Gambatese (2010:103), the Delphi Technique can have from two to six rounds, however, acceptable convergence might be reached in three or fewer rounds. This research study envisioned implementing three rounds, and should minimal consensus be reached, a fourth round would follow (Fefer *et al.*, 2016:3; Hallowell & Gambatese, 2010:102; Hsu & Sandford, 2007:3).

The rounds of the Delphi Technique are explained in Table 4.1, followed by Figure 4.2 that visually illustrates the process.

Table 4.1: Steps in the Delphi Technique

The Delphi Technique	
Round	Activity
Round 1	This stage aimed to solicit specific information on the content area (in this case the SDM process and a working definition of business ethics), using open-ended question/s (See Appendix G). The outcomes from this round were used to develop a well-structured questionnaire that allowed participants to agree/disagree and elaborate on statements.
Round 2	In this round, a 7-point Likert scale and an open-ended questionnaire were distributed to participants, with the aim of reviewing and refining the information found in Round 1. More accurate outcomes could be populated, which was used to summarise the items identified and their respective agreements (or disagreements), elaborations, and rated statements.
Round 3	If a third round should be needed, the outcomes of Round 2 will be presented to participants for final revision. During this round, participants needed to either align their judgement with the overall outcomes, or stipulate why they choose to remain outside the consensus. This round made provision for participants to change their judgements on priorities or rankings placed on items (during Round 2).

Figure 4.2 visually illustrates the process of the Delphi Technique.

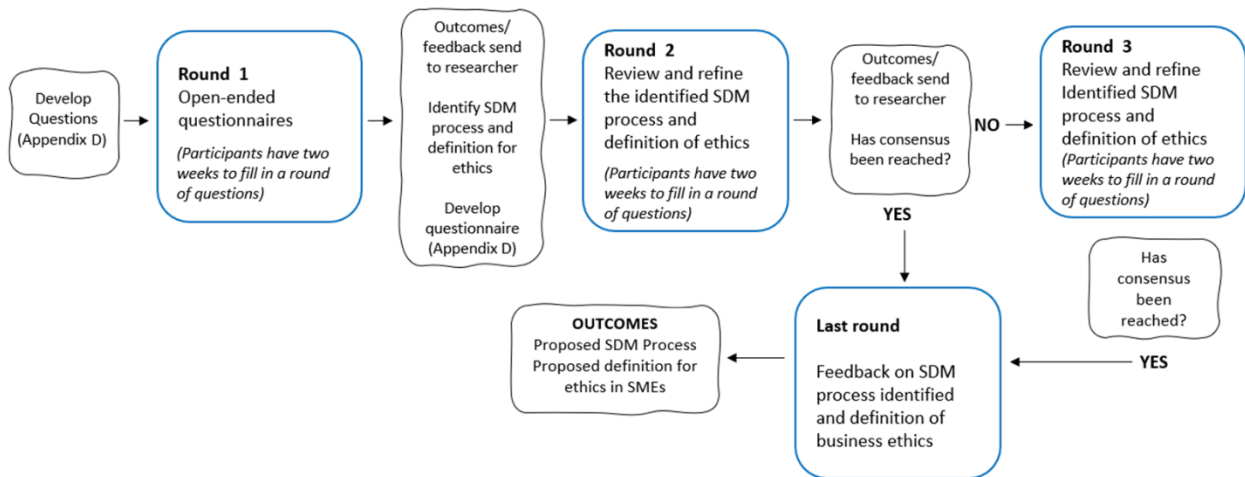


Figure 4.2: Step in the Delphi Technique

Source: Researcher's own compilation

4.5.1.1 Determining consensus

There is little knowledge on how consensus is determined in the Delphi Technique. According to Giannarou and Zervas (2014:67), there is no common practice to measure this, and Hsu and Sandford (2007:4) stipulated that consensus is open for interpretation. Consensus criteria vary and have been noted as 80% of responses

falling within two categories (which two categories are not specified) of a Likert scale. Another observation was to choose 70% of responses rating three or higher on a 4-point Likert scale with a median of more than 3.25. In another research study, 95% of the averages had to exceed the mean of five (5) on a 7-point Likert scale. However, the use of percentages, frequency distributions, or central tendencies has also been criticised (Hsu & Sandford, 2007:4). Delphi consensus ranges have also been noted as 55 to 100% agreement, with the considered standard at 70% (Avella, 2016:307; Powell, 2003:379).

Percentage ranges for consensus have been a common method of interpretation and observation (Avella, 2016:307; Giannarou & Zervas, 2014:68; Hsu & Sandford, 2007:4; Powell, 2003:379). It has been observed that only percentages (of responses) as an exclusive measure for measuring consensus in the Delphi Technique has been used (Giannarou & Zervas, 2014:168). For the purpose of this study, being qualitative in nature, consensus was deemed to be reached when 70% or more of the participants agreed (or disagreed) with the statements (Sekayi & Kennedy, 2017:2756).

Using a 7-point rating scale in Round 2, 70% of responses had to fall within either the positive or negative side of the Likert scale. A 7-point Likert scale provides more freedom and distinction, especially for qualitative research designs (Grisham, 2009:121). According to Hallowell and Gambatese (2010:103), a minimum of eight (8) panel members are suggested for the Delphi Technique, while Fefer *et al.* (2016:1) included 31 participants. In a modified version of the Technique, 20 to 30 participants were suggested (Paul, 2008:1). However, the possibility of panel members dropping out needs to be accounted for.

4.5.2 Interactive qualitative method as research instrument

The Interactive Qualitative Analysis (IQA) method is a systematic approach to qualitative research, and highlights that the method combines the tradition of phenomenology (questions the structure and essence of a phenomenon) with systems theory (view of relationships being interconnected) (Ananth & Maistry, 2020:1; Sanchez, 2007:1240).

The IQA method maintains that the individual closest to a phenomenon can best construct a representation of a system's influences and outcomes (Basson, 2018:84; Northcutt & McCoy, 2004:51; Tseng, 2019:171). This method allows participants to

generate and identify themes, and the researcher is merely a facilitator during the process (Northcutt & McCoy, 2004:44).

The IQA method starts with a research statement, or issue statement, and a homogeneous focus group (in terms of experience, work, or common structure). Silent brainstorming follows and reflections are written down on cards (one thought, reflection, or statement per card) during this session. Thereafter, the cards are taped to a wall and read out loud by the facilitator. The aim is to reach agreement on the meanings of each card. Silent sorting follows as the participants silently organise the cards into meaningful groups (inductive coding). Thereafter, these groups of meanings (affinities) are named and revised. In this stage, the cards that may have been mismatched are reordered into their proper groups (axial coding) (Northcutt & McCoy, 2004:44).

Once affinities have been defined, the nature of the relationships between the affinities are analysed by the participants. The relationships are demarcated as: 1) A influencing B; 1) B influencing A, and 3) no relationship. Relationships are recorded in an Affinity Relationship Table (ART), ultimately indicating (a matrix) of all the possible perceived relationships in the system (Northcutt & McCoy, 2004:44). Participants are required to develop propositions (cause and affect statements) for each identified relationship (theoretical coding). Once this stage has been reached, the focus session group is dismissed.

Following the ART, a group Interrelationship Diagram (IRD) can be populated; this step is done by the researcher. From the ART and IRD, the system influence diagram (SID) can be populated. The SID is a mind map that represents the complete and simplest system of influences and outcomes. Redundant links, or links between two affinities that, if removed, a path still exist through an intermediary are removed to populate a simplistic, or clean SID (Northcutt & McCoy, 2004:180). Hereafter, follow-up interviews can be scheduled to assist in explaining the relationships (Northcutt & McCoy, 2004:44).

This study used the IQA method to determine the influencing (including ethical influencing) factors in SDM for SMEs. The volunteers from the IQA focus session were also interviewed (one-to-one) to explore the influencing factors. The IQA process in this research study consisted of four steps, as presented in Table 4.2 (Basson,

2018:15; Northcutt & McCoy, 2004:48; Wyatt, 2010:830). This is followed by Figure 4.3 that visually illustrates the process.

Table 4.2: Steps in the IQA method

The IQA method	
Step	Activity
Step 1	The researcher identified participants, based on distance of power. For the purpose of this study, the participants were SME owners/managers who have experience in SDM. They had the power to discuss the phenomena under study.
Step 2	<p>Participants were invited to a focus group session. The session started with an introductory or warm-up activity. The purpose of this activity was to ensure that the participants 'cleared their minds' and considered the upcoming issue statement considering the purpose of the research. Thereafter, an issue statement was presented to clarify the research question (namely, <i>What are the influencing factors that influence SDM?</i>). The issue statement presented to the participants was: <i>"Tell me, what impacts or influences your decision-making?"</i></p> <p>Thereafter, the participants generated reflections and thoughts during silent brainstorming. The reflections were written on notes and posted on a wall. The rest of this step consisted of the following activities. Firstly, the participants had to read all the cards silently. Thereafter, the facilitator (in this case the researcher), read each card out loud to ensure clarity of each reflection. Secondly, participants were asked to group (cluster) each card into affinities (groups of cards) with common meanings (inductive coding). Thirdly, the participants needed to revise and refine the affinities; ensuring that each affinity was under the correct cluster, or group. A card was placed above each cluster and named (axial coding).</p>
Step 3	An ART was provided, and each participant needed to record and analyse each possible affinity's relationship. The relationships were demarcated to: 1) A influences B; 2) B influences A; or 3) no relationship between affinities. A hypothesis or 'if-then' statements were requested to validate the provided relationships. The ART was completed by individuals. At the end of the focus session, the researcher documented each relationship on an Excel spreadsheet (provided in the supplementary materials) to calculate the number of relationships and votes each relationship accumulated.
Step 4	A group system influence diagram (SID) was created, depicting the picture of the system (indicating how the affinities influence each other), as analysed by the participants.

Figure 4.3 visually illustrates the IQA process.

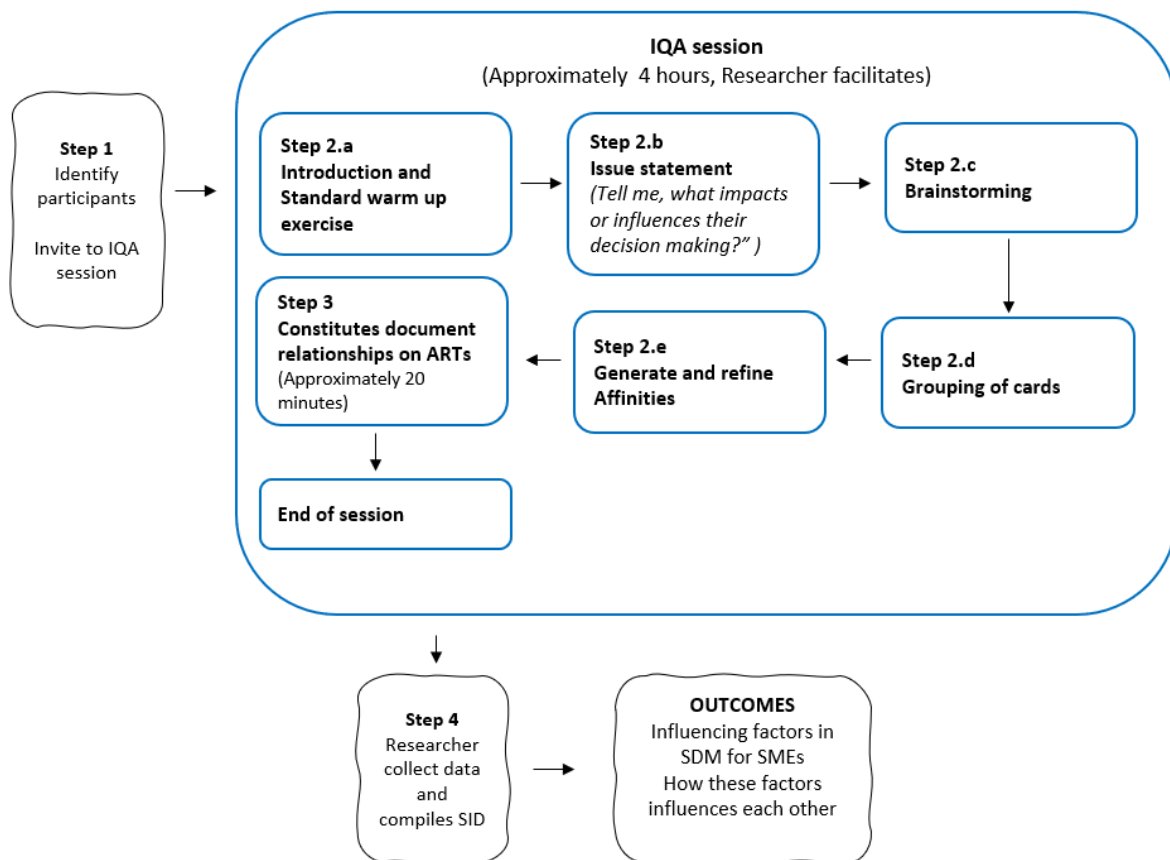


Figure 4.3: Steps in the IQA method

Source: Researcher's own compilation

After Step 4, the volunteers were invited for a follow-up interview, and the focus session was disbanded. Northcutt and McCoy (2004:221) provided guidelines on how to structure the interview according to the axial and theoretical parts and questions, hence, there were two parts to the interviews. The interview questions were dependent on the findings of the IQA focus group. The interview started with the axial interview part, and participants were presented with the affinities and their definitions. After each affinity was addressed, the questions followed (See Appendix I). The initial question was open-ended, followed by specific questions should there be a need to better understand the participant's answer (Saunders *et al.*, 2019:459)

The second part of the interview dealt with the theoretical part. During this part, each relationship was explored, as indicated by everyone on their individual ARTs. The participants were also probed for practical examples. After each relationship was

explored, specific questions followed should there be a need to better understand a participant's answer. The IQA interviews were scheduled shortly after the IQA session.

4.5.3 Interviews as research designs

Since non-VAT-registered SMEs were included in the IQA session, the purpose of this added research phase was to substantiate the findings of the IQA session amongst VAT-registered SMEs. Interviews are a useful and effective technique to gather data, and to determine how social actors interpret their views on reality. In this technique, the interviewer (the researcher) played a central role in the data gathering and analysis (Saunders *et al.*, 2019:435). Since the purpose of the additional interviews was mainly to obtain additional in-depth information regarding predetermined themes, the same questions that populated the IQA interviews were used.

4.5.4 The advantages and challenges of using the various techniques

As previously explained, this study used three separate qualitative research techniques. The section below reviews the advantages and challenges of each technique.

4.5.4.1 The Delphi Technique

The Delphi Technique provided broad and expert knowledge through the rounds, encouraged decision-making amongst the participants, and enabled them to reach consensus on the SDM process followed in SMEs, and a definition for business ethics (Fefer *et al.*, 2016:4). It was inexpensive to implement, and enabled the researcher to obtain data from participants in different locations in Gauteng. In addition, this technique facilitated group dialogue, the obtaining and sharing of knowledge amongst experts without group conflict, and the ability to define and refine data. It also allowed the researcher to keep the respondents and answers anonymous. Lastly, researcher bias was minimised, since the technique allowed for participants to define and refine the data collected.

The Delphi Technique has the potential for low response rates, due to the iteration processes (Hsu & Sandford, 2007:5). The technique is time-consuming, as it is iterative and sequential. In addition, several weeks may pass between the various rounds, and there is also the high possibility of dropout rates during each round (Fefer *et al.*, 2016:4; Hsu & Sandford, 2007:5). There is a potential for the researcher to

mould opinions by providing distorted feedback to participants in the subsequent rounds, which leads to the possibility of respondents rating their responses differently (Hsu & Sandford, 2007:5).

In addition, there is a potential to identify general statements rather than specific topic-related information. Participants may have different levels of in-depth knowledge regarding the topic under investigation, and this may result in participants with less knowledge obtaining general knowledge instead of topic-specific knowledge (Hsu & Sandford, 2007:5). According to Hsu and Sandford (2007:5), subject motivation is key to ensure continuous responses from participants. By including the SME managers/owners who make the strategic decisions, this study aimed to minimise a low response rate. The researcher had the time to implement the Delphi Technique, and aimed to provide timely, yet adequate feedback during iterations. Utmost caution was taken to avoid distorted feedback, and the literature reviews conducted for this study were consulted during each round.

As these weaknesses of the Delphi technique are well documented, the researcher was aware of them, and could ensure the validity and credibility of the technique and outcomes. The trustworthiness of the data is explained in detail in Section 4.8, which ensured the reliability and validity of this study's findings.

4.5.4.2 The IQA method

The IQA method is innovative and relatively novel, and has been used in a limited number of research studies. The advantages of the IQA method are that researcher bias is minimised, as the participants analyse and refine the data that has been collected (Wyatt, 2010:829). A disadvantage of the IQA method is that anonymity among the participants cannot be guaranteed. Another disadvantage is the time required for this technique, as it is a challenge to get participants to participate in a three to four-hour research session (Northcutt & McCoy, 2004:87). While small groups should be avoided, it is not a serious problem in terms of producing affinities. However, a small group can skew the data when it comes to theoretical coding (group realities and relationships of the affinities) (Northcutt & McCoy, 2004:87).

Bias may be introduced with domineering personalities during the focus group session. The IQA method also does not specify what should be done when agreement cannot be reached by participants, before the time and energy run out. It is possible that, in

seeking agreement, participants may mask conflict and compromise. The silent nature of grouping the cards may not reveal such unresolved conflicts of meanings. Inherently the IQA method is time-consuming and logistically challenging (Ananth & Maistry, 2020:10).

As the IQA method is relatively novel, its shortcomings are less documented than that of the other two techniques. The documented weaknesses allowed the researcher to be aware of these weaknesses and ensure the validity and credibility of the technique and outcomes.

4.5.4.3 Interviews

The issues of concern surrounding interviews are related to trustworthiness, forms of bias, and cultural differences. Although more widely used than the Delphi Technique and IQA method, interviews also have limitations or shortcomings. The disadvantages of interviews are mainly concerned with the quality of data issues. It is time-consuming, ranging from establishing access, building rapport, to making contact, and conducting the interview. There may also be power issues with either the interviewee or the interviewer. The interviewee has privileged power, while the interviewer has authority in research. Both power issues may influence the interpretation of the findings (Alsaawi, 2014:154). In addition, other shortcomings of interviews include forms of bias, inability to generalise findings, and challenges with difficult interviewees. Lastly, there is the possibility of technological-induced issues if using online platforms.

The shortcomings of interviews are well documented, which allowed the researcher to be aware of these weaknesses to ensure the validity and credibility of the technique and outcomes. Trustworthiness of data is explained in detail in Section 4.8.

4.5.5 Pretesting the research instruments

In the pretesting phase of the study, the researcher sought out the opinions of experts or knowledgeable individuals to determine the clarity and relevance of the questions. During this activity, the researcher asked three (3) knowledgeable individuals to review the pre-defined questions of the Delphi Technique. One individual is an academic with a research focus on Strategic Management, and the remaining two are experienced academic researchers, one with a PhD only, and the other a Professor (with a PhD). As a result, the questions and language were “toned down” so that SME owners/managers may understand the questions better.

The researcher also asked the SME owner/manager of a very small-sized enterprise, and the SME owner/manager of a medium-sized enterprise to explain what strategic decisions and business ethics mean to them. The aim was to assess their ease of participation and knowledge on strategic decisions and business ethics. The SME owner/manager of the medium-sized enterprise easily participated in the conversations on strategic decisions and business ethics. Both enterprises were VAT-registered. The owner/manager of the very small-sized enterprise had more difficulty answering the questions but could still answer the questions. The researcher was confident that the sample would be able to participate comfortably in the research phases.

The issue statement needed in the IQA phase was determined, refined with the assistance of a field expert (in IQA) and tested amongst friends, a few SME owners and family. A mock IQA session was conducted to prepare the researcher for the session. While the structure of interview questions, or interview protocol, was given by Northcutt and McCoy (2004:217), a mock interview was also conducted with a researcher who is familiar with interviews. The aims were to refine possible interview questions, practising interviews and probing questions, and limit researcher bias.

4.6 DEFINING THE RESEARCH UNIVERSE

This section discusses the study's research universe in terms of the target population and sample technique/s.

4.6.1 Target population

This study focused on SME managers/owners (the decision-makers). The definition selected for the concept 'SME' was that given by the National Small Enterprise Act. The scope of this study was delineated to include SME managers/owners of formal small and medium enterprises, within the formal sector, and to exclude, for example, street vendors (Bureau for Economic Research, 2016:5; South Africa, 1996:16).

4.6.2 Sampling and sampling method

A sample is a sub-group of the elements of a selected population chosen for a research study (Saunders *et al.*, 2019:292; Schindler, 2019:93). As there was no complete list of SMEs in South Africa available at the time of the study, there was therefore no comprehensive sample frame. Two non-probability sampling techniques,

namely, purposive sampling and snowball sampling were used (Saunders *et al.*, 2019:321). These homogeneous purposive sampling techniques allowed the researcher to choose participants with similar characteristics (Saunders *et al.*, 2019:321). For the purposes of this study, the participants were VAT-registered micro, small and medium-sized SME owners/managers (similar occupation/hierarchy level) within the formal sector, and with a maximum of 100 employees.

As the researcher could not obtain enough SMEs that were VAT-registered to participate in the IQA session, SMEs that were not VAT-registered also attended the IQA session. It was decided to conduct additional interviews (third research phase) with VAT-registered SMEs only. The researcher also ensured that Phase 3 (additional interviews) included only SME participants who were the full-time owners/managers of their enterprises.

4.7 DATA OBTAINED

Primary data was initially obtained through two research phases, during which three sets of data were obtained. The first research phase incorporated the Delphi Technique, and second research phase incorporated the IQA method, and subsequent IQA interviews. Due to limited participation during the IQA phase, additional interviews were conducted in a third research phase.

4.8 TRUSTWORTHINESS

The researcher aimed to ensure the transferability, credibility, dependability and confirmability of the study (Given & Saumure, 2008). Transferability refers to the degree to which the findings of a research study can be applied to other contexts and studies. In this study, transferability was ensured through keeping a proper paper trail (Given & Saumure, 2008) and recording and discussing the research methods and data analysis in detail. In addition, the focus group sessions (in the IQA phase), and all interviews were recorded to ensure further documentary proof was available. In addition, the systematic procedures of the IQA method specifically support transferability (Wyatt, 2010:829) and accountability (Ananth & Maistry, 2020:1).

Credibility is achieved when the phenomenon being investigated can be accurately and richly described. The Delphi Technique and IQA ensure credibility, as both

techniques tap into the experiences of participants and their real-world knowledge, thereby limiting researcher bias. These techniques are participant orientated, and allow for continuous member-checks, and the researcher's primary role was more that of a facilitator (Tobin & Begley, 2004:392; Wyatt, 2010:829). The additional interviews allowed for additional member-checks. During the interview phase of the IQA (research Phase 2) and the additional interviews (research Phase 3), interview guides were drafted and followed. All interviews were recorded. Semi-structured interviews ensured high levels of validity, and a paper trail ensured transferability.

Dependability refers to a study's reproducibility. A study's findings can be reproduced if the same context and procedures are applied (Given & Saumure, 2008). The research procedures and research techniques selected for this study were clearly documented (Tobin & Begley, 2004:392). To ensure confirmability, no claims can be made without data supporting the claims (Given & Saumure, 2008). During the first two research phases, the participants were central to obtaining and analysing data, minimising the risk of the researcher making unsubstantiated claims. During the Delphi rounds, the findings were made available to the participants. During the IQA phase, participants were an integral part of the data coding process; allowing for members-checks and minimising the possibility of researcher bias. The additional interview phase sought additional insight into already identified themes.

This research study used triangulation to validate the results through the use of different methods and sources to collect data (Dzwigol, 2020:2). Triangulation was achieved within methods and between methods (Dzwigol, 2020:2). The Delphi Technique used an open-ended questionnaire in round 1, followed by a survey that used a rating design questionnaire in round 2. In round 2, participants were also allowed to refine their answers or add to the findings of round 1. In essence, the Delphi Technique allowed data to be gathered at different times and the two data sets collected in the two rounds to be compared. Triangulation was achieved with this method.

Triangulation was also achieved through the IQA method. Three sets of data were collected and analysed from a different set of SME participants, namely, identifying and coding affinities, establishing the relationships between the themes, and the follow-up interviews.

The IQA and additional interviews also allowed for further triangulation. Due to the global Covid-19 pandemic, only two interviews were face-to-face interviews, one was telephonic, and the other was over Zoom and MS Teams. The additional interviews (over and above the IQA follow up interviews) included a different set of SME participants. Triangulation within this method was achieved.

To answer the primary research question, the data obtained across the research phases was analysed and combined, and triangulation was achieved between methods.

4.9 DATA ANALYSIS

The empirical data was produced by the respondents during the various phases of the study. This section describes how the data was analysed in the various research phases.

4.9.1 Delphi Technique data analysis

The data obtained during the Delphi Technique, and more specifically, the open-ended questions during round one (1) was analysed by means of thematic analysis and coding. Thematic analysis simplifies the process of data analysis and provides flexibility, while offering dependable data. Through thematic analysis, the researcher could identify, organise, and understand common patterns and crucial topics across the collection of data. A theme was defined as an answer that shapes a common pattern, while a code was generated that links data (or a finding) to a research question (Schutte, Niemann & Kotzé, 2019:6; Uys, Meyer & Niemann, 2019:6).

The first step in thematic analysis is to become familiar with the empirical data that has been obtained. This was achieved through continuously reading through the responses in a raw format (Word document). Once all the responses had been obtained, the data was imported into ATLAS.ti. A research notebook was kept, and ideas and insights that emerged from the reading were logged. Data sets were read through again before coding started.

Using an inductive approach to theory development, the codes were data-driven, and initially, “in vivo” coding was applied. The use of open coding assisted the researcher to label statements and sort through data. Any ideas and insights that emerged from the in vivo coding were logged in the research notebook. During this stage,

suggestions for specific codes were logged and defined in the research notebook (Babbie, 2016:387; Saunders *et al.*, 2019; Sekayi & Kennedy, 2017:2757).

Each data set and the in vivo codes were reviewed, and specific codes were assigned to occurring patterns (axial coding). During axial coding, the researcher identified which open codes can be grouped together (those with similar meanings). Reanalysing the data ensured consistency in data analysis, as well as logging possible broader themes that were logged in the research notebook. This step allowed the researcher to reword statements to present a group response. In this step, broader themes, analytical categories, or central codes were also identified (selective coding) by identifying repeating ideas (Babbie, 2016:387; Saunders *et al.*, 2019:657; Sekayi & Kennedy, 2017). Similar codes were combined, and redundant codes were identified and removed through iterations. The remaining codes were revised and grouped under overarching themes (Schutte *et al.*, 2019:6).

The outcome of this round provided a detailed summary of the most frequent actions in SDM (a draft SDM framework), and also a few possible elements for a definition of business ethics compiled from the most frequent elements identified during this round. The data from round one was summarised as statements and presented back to the participants. In the second round, the statements from round one (1) were presented to respondents in two parts again. Part one was concerned with SDM, and part two was concerned with business ethics.

During this round, the respondents were asked to either leave the statements as they were (should they have nothing to add), or to make adjustments to make the statements more meaningful to them. The respondents were provided with an open-ended comment window in which to make the modifications. Another open-ended comment window was included if a respondent wanted to add another activity to the SDM process. Participants were also asked to rate the applicability of the statements to their own practices. The data from round two were imported into Excel, the modifications were evaluated, and the draft statements updated.

In cases where any alterations caused a change to a statement's meaning, the old statement was kept, and a new statement was drafted to reflect the new idea or meaning (Sekayi & Kennedy, 2017:2758). See Appendix G for the design of the questions used in the rounds of the Delphi Technique.

4.9.2 IQA method data analysis

In the IQA stage, the data was analysed by the participants, and eventually the researcher. The process started with a silent brainstorming session that produced reflection notes. The reflection notes were stuck to a wall, agreements of the meanings were established, and the participants were asked to silently group the thoughts into groups of meanings (inductive coding). The participants named each group of meaning (affinities) and the affinities and thoughts were re-assessed (axial coding). The aim was to sort any thoughts/notes that were perhaps mismatched into their proper groups (Northcutt & McCoy, 2004:47).

Once affinities had been established and named, the participants were asked to analyse the nature of the relationships between each of the affinities. The relationships were demarcated to A influencing B; B influencing A, or no relationship. The participants had to indicate relationships on the Affinity Relationship Tables (ART), as developed by Northcutt and McCoy (2004:47) (see Appendix H). They were also asked to provide if-then statements to indicate the relationships (Northcutt & McCoy, 2004:155).

After the participants were dismissed, the researcher compiled the degree of consensus (or a group composite) of the affinity relationships using the Pareto Protocol. The outcome of this exercise was presented in a group interrelationship diagram (IRD). The frequencies of relationships were identified and recorded in Excel, and accumulative percentages, accumulative frequencies (relation and frequency) and power were calculated for each relationship. Power and cumulative percent (frequency) were used to determine which relationships to include in the group IRD. These templates and calculations of the Pareto Protocol were predetermined and included as Appendix H.

From the group IRD, a group system influence diagram (SID) was populated. The SID is a mind map that illustrates the relationships of the entire system and was compiled as follows: From the group IRD, the relationships (the arrows) were counted to find the value of delta. Arrows facing up in the IRD are added up, and the total is presented in an 'Out column'. The same is done for the arrows facing right, and the totals placed in an 'In column'. Delta is calculated by subtracting the 'Ins' from the 'Outs'. A negative delta value indicates a relative effect, while a positive delta value indicates a relative

driver. From the values it was possible to determine primary and secondary drivers, circulators, and secondary and primary outcomes. Table 4.3 indicates how these elements are identified.

Table 4.3: Determining drivers and outcomes for a SID

Drivers	Outcomes
Primary driver	Many Outs but NO Ins
Secondary driver	Both Ins and Outs, but there are MORE Outs than Ins
Circulator	Equal numbers of Outs and Ins
Secondary outcome	Both Ins and Outs, but there are FEWER Outs than Ins
Primary outcome	Many Ins and NO Outs

The outcome was a group SID that visually illustrated the relationships.

4.9.3 Analysing data obtained from the interviews

The data obtained from the interviews was translated, transcribed, and analysed in ATLAS.ti. Predetermined themes (identified in the IQA phase) assisted in identifying and coding the data obtained from the interviews. The purpose of the interviews was to obtain additional data to substantiate the themes identified in the IQA research phase, and to explore ethical influencing factors in SDM.

4.10 CONCLUSION

This chapter provided a blueprint of the research methodology used in this study. The research questions were revisited, followed by addressing the research philosophy and the research methodology (design, strategy and instruments). The research universe, or industry under study, and how data was obtained were reviewed. The final section of this chapter discussed the research instruments' validity and reliability, how data was analysed, and how the finding and recommendations are presented in the subsequent chapters. The next chapter summarises the findings of the first research phase.

CHAPTER 5:

DELPHI PHASE RESEARCH ANALYSIS AND FINDINGS

5.1 INTRODUCTION

This research study collected data in three research phases. The first phase was the Delphi phase that consisted of three rounds of questionnaires. This chapter reports on the findings of the Delphi research phase. The findings presented in this chapter are related to Research question 1, namely: *How do SME managers/owners use strategic decision-making frameworks or tools to make decisions?* (RQ1) and Research question 2, namely: *How do SME owners/managers define business ethics?* (RQ2).

The section below discusses the data analysis and research findings of the Delphi research phase. The aim of the Delphi research phase, in this study, was to understand the SDM process of SMEs in South Africa, and to determine a working definition of ethics for SMEs.

5.2 FINDINGS AND ANALYSIS OF THE DELPHI TECHNIQUE

In the current study, the Delphi Technique had three rounds. This section presents the overview, analysis, and findings of the three rounds.

The purpose of the Delphi research stage was to understand the SDM process of SMEs in South Africa (RQ1), and to determine a working definition of ethics for SMEs (RQ2). There were three rounds of iterations to achieve consensus on the SDM process and a definition for business ethics for SMEs. The sections below summarise the findings of the three Delphi rounds. The discussion of Round 1 is divided into two parts, namely, SDM and business ethics.

5.2.1 Round 1 (Part 1) of the Delphi Technique: SDM

This section reviews the SDM part (Part 1) of Round 1. The first round of the Delphi Technique used an open-ended questionnaire to obtain the participants' responses on their SDM practices (see Appendix G for all the questions used in the Delphi rounds). Two applicable questions were asked pertaining to SDM. The two questions were:

- Think of an example of a recent strategic decision you have made. In the space below, briefly tell me about this strategic decision (see Appendix G).

- Reflect on the actions you would typically engage in when making strategic decisions. In the space below, briefly explain the actions, or processes, or steps you follow to make good strategic decisions. Take your strategic decision explained above as an example to guide me through this process: from how the need to make this strategic decision originated, the actions that followed thereafter, to the result (see Appendix G).

Round 1 provided 27 total responses. Of these responses, seven (7) had to be removed as they did not adhere to the inclusion criteria. One (1) respondent's answer was excluded as the business had more than 200 employees, and six (6) were excluded as the SMEs were not VAT-registered. This resulted in 20 responses that could be analysed.

In only a few cases did the participants list the steps and actions that they followed during SDM in the form of statements. They rather provided practical examples of what they had done. Some statements included sensitive information that might cause participants to feel uneasy should another participant read the statement. To limit the risk of sample fatigue, the researcher decided to identify the most frequently occurring themes (or universal descriptions) in the data. This is still in accordance with the practices followed in the Delphi Technique (identifying universal descriptions and key opinions and issues) (Grisham, 2009:117; Hasson *et al.*, 2000:1011). These themes were drafted as 'their group generic statements' and presented to the participants in Round 2. Examples from the original statements were included. They were asked to agree, add to, correct, or remove the group statements identified by the researcher.

During this part of Round 1, seven (7) themes pertaining to SDM were identified. The inductive approach was applied, and theory development was data driven, and in vivo codes were assigned. From the in vivo codes, specific codes were assigned to recurring patterns (axial coding). Codes with similar meaning were grouped, and redundant codes were identified. Broader themes, categories and central codes were identified. The themes, and categories and central codes were used to identify the typical actions in an SDM process for SMEs. Table 5.1 summarises the number of codes in vivo, axial codes, redundant codes, as well as the final number of themes, categories and central codes that emerged from the axial codes.

Table 5.1: Number of codes, categories, and themes (Part 1) – SDM in SMEs

Codes, categories and themes	Counts
Codes in vivo	85
Axial codes	19
Redundant codes	16
Categories	10
Themes	7

Source: Researcher's own compilation (2020)

Table 5.2 (see next page) presents a summary of the participants' profiles. Included in this table are details pertaining to their service/products they deliver, the size of their enterprise, and years of experience as a top-level manager or owner.

Of the 20 responses, the majority were male participants (16). Demographics pertaining to home language included Afrikaans (8), English (5), IsiZulu (3), Sesotho (1), Shangaan (1), IsiXhosa (1), and Tswana (1), which indicated the reasonable inclusion of different participants and different cultures. While falling outside the scope of this study, the participants were given a short description of a strategic decision (See Appendix G), and asked for an example of a strategic decision they have implemented.

The short description was broad, and stipulated strategic decisions related to: 1) how competitive advantage can be maintained or increased, 2) the future or the bigger picture, 3) how to grow or scale down, and 4) major changes in the business (scope or scale).

Table 5.2: Delphi participant's profiles

Pseudonym (P)	Male (M) / female (F)	Products/ services	Years of experience	Enterprise size (number of employees)	Enterprise classification
P1	M	Mechanical and civil works	9	11 – 20	Very small
P2	M	PVA paints	10	0 – 5	Very small
P3	M	Advisory services, capital raising	4	6 – 10	Very small
P4	M	Construction	10	6 – 10	Very small
P5	M	Health, safety and environmental consulting services	5	0 – 5	Micro
P6	M	Property management services, real estate, supply and deliver, construction	5	0 – 5	Micro
P7	F	Legal services	4	51 – 100	Medium
P8	M	Manufacturing services - oil and gas/marine	16	51 – 100	Medium
P9	F	Maintenance services and plant hire	5	11 – 20	Small
P10	M	Mining engineers. Manufacture, supply & design underground rolling stock for the mining industry	23	0 – 5	Micro
P11	M	Accounting and auditing	30	21 – 50	Small
P12	M	Steel and hardware	15	51 – 100	Medium
P13	M	Animal health remedies	11	21 – 50	Small
P14	M	Industrial instrumentation	31	11 – 20	Very small
P15	M	Location intelligence solution and spatial data asset and inventory management systems for the telecommunications industry	26	11 – 20	Small
P16	M	Retail meat and deli products, wholesale products and venison processing	12	51 – 100	Medium
P17	M	Strategic brand and marketing communication services	40	21 – 50	Small
P18	F	Litho and digital printing - Wide format printing and installation of all types of signage	16	11 – 20	Small
P19	F	Training and development	18	0 – 5	Micro
P20	M	HR consultancy	28	11 – 20	Small

Source: Researcher's own compilation (2020)

The strategic decisions that were identified are briefly discussed below, before the findings of the SDM process are presented.

Five categories of strategic decisions were identified. The first category that was identified was market development, where the SME would make decisions regarding their market development strategies and which markets to expand into or to focus on, which new customer to cater for. This could also include adding a related or unrelated line of business to the enterprise, and/or the implementation of integration strategies which may include moving forwards or backwards in the supply chain.

The second category was entitled restructuring, which included the purposeful restructuring of operations (the business itself, getting a partner on board, selling the business) or personnel (retrenchments or recruitments).

The third category that was identified was hedging against threats, which included forward buying of either stock or cover.

The last two categories of strategies that were identified were scope of business and refocusing on niche market, or prioritising. Scope of business is specifically concerned with the size of transactions to consider, or considerations about sufficient capacity. Refocusing on niche market includes a deliberate refocus, or a shift in focus, on a particular or priority market.

Table 5.3 lists the categories of strategic decisions that were identified from Round 1 (Part 1) of the Delphi Technique. The first column lists the categories of strategic decisions, and the second column gives examples of verbatim transcriptions that support it. The last column indicates the number of times it was observed (counts). Appendix J provides a detailed list of verbatim transcriptions.

Table 5.3: Categories of strategies identified in SMEs

Strategic decisions	Example of verbatim transcriptions	Counts
Market development	<i>“We managed to find a gap in the legal landscape and honed in on this. This has placed us in a better position since and we see more potential for growth.”</i> (Participant 7)	4
Restructuring	<i>“To sell part of the business.”</i> (Participant 5) <i>“The strategic decision being to retrench our entire workforce and mothball our own operation, essentially putting ourselves into business rescue and on care and maintenance. In other words, on life support!”</i> (Participant 10)	11
Hedging against threats	<i>“Approximately 60% of our Cost of Goods are imported. I recently decided to buy forward cover to for all outstanding foreign creditors at R14.20 (which was considered high at the time), but due to the anticipated volatility of the exchange rate, it was decided prudent to rather fix. This helped the company maintain a competitive advance for the next six months as the current exchange rate is at R17.30 (a 22% improvement).”</i> (Participant 13)	2
Scope of business	<i>“The size of transactions to be considered for the business.”</i> (Participant 3)	1
Refocusing on niche market	<i>“The prioritisation of the rest of Africa as a key business development and strategic imperative is an issue that has been highlighted recently, and agreed as a top management priority both this year and into the foreseeable future.”</i> (Participant 17)	2

Source: Researcher’s own compilation (2021)

After first asking participants for a strategic decision, they were asked to reflect on all the actions they engaged with when making these strategic decisions. Figure 5.1 presents a thematic map of the themes and categories that were identified, followed by Table 5.4 that summarises the frequencies logged for the themes and categories.

The seven (7) themes, as listed in Figure 5.1, are briefly discussed in the paragraphs following Table 5.4.

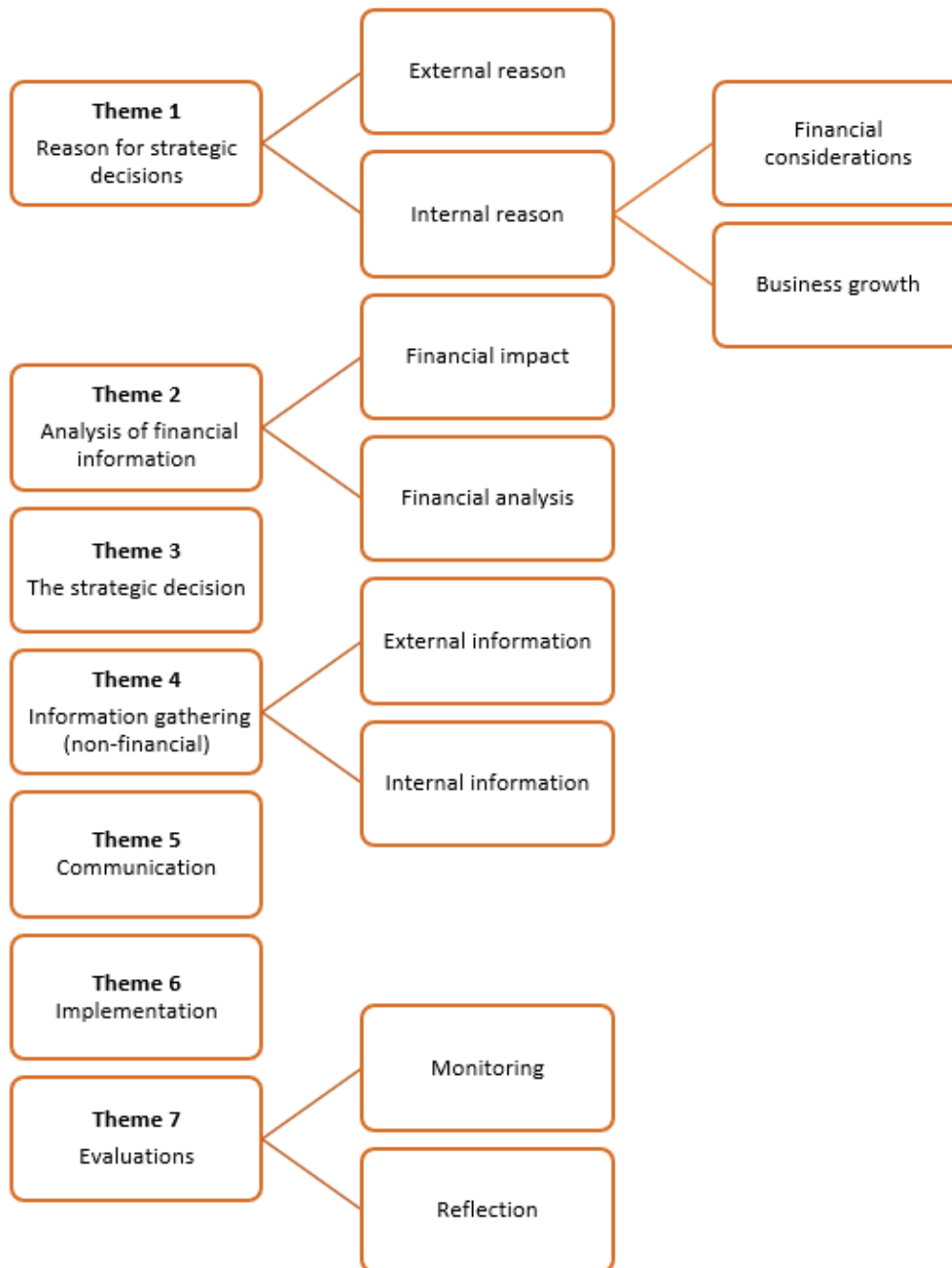


Figure 5.1: Identified business ethics themes and categories (Part 1) of the Delphi Technique

Source: Researcher's own compilation (2020)

Table 5.4: Identified SDM themes, categories, and their frequencies (Part 1) of the Delphi Technique

Participants	Reason for the strategic decision		Analysis of financial information		The decision	Information gathering		Communication		Implement	Evaluation	
	External reason	Internal reason	Financial impact	Financial analysis		External	Internal	Stakeholders	Shareholders		Monitoring	Reflection
P1	-	-	-	-	1	-	-	-	-	-	-	-
P2	-	-	-	-	1	-	-	-	-	-	1	-
P3	-	-	-	-	1	-	1	-	-	-	-	-
P4	-	-	-	-	1	-	-	-	-	-	-	-
P5	-	-	-	1	1	-	-	-	-	-	-	-
P6	-	1	1	1	1	1	-	-	-	-	-	-
P7	-	1	-	-	1	-	1	-	1	1	-	-
P8	1	-	-	-	1	-	-	-	-	-	-	-
P9	-	-	-	-	1	1	-	-	-	1	-	-
P10	-	1	1	-	1	1	1	1	1	1	-	1
P11	1	-	1	1	1	1	1	-	-	1	-	-
P12	1	-	-	-	1	1	-	1	-	-	-	-
P13	1	-	-	-	1	1	1	-	-	-	1	1
P14	-	-	-	-	1	-	1	-	-	-	-	-
P15	-	-	-	-	1	1	-	-	1	-	-	-
P16	1	-	-	-	1	-	1	-	-	-	-	1
P17	-	1	-	-	1	1	1	-	1	1	1	-
P18	-	1	1	-	1	-	1	-	-	-	-	1
P19	1	-	-	1	1	1	1	1	-	1	1	1
P20	-	-	-	-	1	-	-	-	-	-	-	-
Total / Sub-theme	6	5	4	4	-	9	10	3	4	-	4	5
Total / theme	11		8		20	19		7		6	9	

5.2.1.1 Theme 1: Reason for the strategic decision (Round 1, Part 1)

The first theme identified in the SDM process of SMEs is the reason for the strategic decision. The researcher identified 11 counts of actions related to this theme. There were two categories relating to this theme, namely, internal reasons and external reasons. The reasons for the strategic decision would either originate from within the SME or from outside the SME. Hence, the sub-themes, internal reasons (5 counts) and external reasons (6 counts) (Table 5.4), as briefly discussed below.

Internal reasons

As the name suggests, the reason for making a strategic decision originated from a need within the SME. This conclusion was based on the following four verbatim statements:

“...due to financial implications of supply and delivery which sometimes you are paid later or make no profit.” (Participant 6).

“Its origin was financial we started to become cash flow negative. The lower demand for our products resulted in us being unable to meet our monthly cash flow requirements, despite not having debt or having rent to pay.” (Participant 10).

“Printing on {information not relevant} machines is a long and expensive process.” (Participant 6).

“...underpinned by the need for continued business growth in an often challenging SA context.” (Participant 18).

Of the internal reasons identified, three (3) were due to financial constraints within the SME and were identified by the SME manager/owner. These participants indicated that financial constraints (high expenses or financial implications) resulted in the strategic decision being taken. The remaining two (2) internal reasons were related to the SMEs' need for business growth. It seems that the SMEs actively sought out opportunities in the market that started the SDM process due to the need for growth, or as a result of the ability to identify a gap.

External reasons

As the name suggests, the reason for making a strategic decision originated from outside the SME. This conclusion was based on the following four verbatim statements:

“Also, I expect a sharp increase in the steel price due to the rand's poor performance.” (Participant 12).

“Due to the lockdown, we have implemented Remote Training Platforms, to move our current offering away from face-to-face interaction onto online.” (Participant 19).

“Selling 51% of our Business to be aligned with government regulations.” (Participant 8).

“With the closing down of {information not relevant}, we had to re-evaluate our future services and personnel composition.” (Participant 11).

Table 5.5 summarises the group generic statements drafted from this theme. The last column shows the code that was assigned to the generic statement (GS). While the most frequently recurring statements were used to compile group statements, these draft statements were continuously reviewed and compared against the original data. This was done to ensure that no important statements were accidentally overlooked. No additional statements were identified for this theme.

Table 5.5: Theme 1: Reason for the strategic decision (Round 1, Part 1)

Generic statement	Code
1.1 I/we identified the reason for strategic decision-making, which was either a problem or an opportunity (for example, the national lockdown, financial implications, high expenses, and the opportunity to grow the business).	GS 1
1.1.1 I/we identified an internal factor that caused my entity ⁵ (enterprise) to engage in strategic decision-making (for example, high operational expenses, or the need to increase turnover, or to grow the business).	GS 2
1.1.2 I/we identified an external factor that caused my entity (enterprise) to engage in strategic decision-making (for example, national lockdown, changes in the industry, or changes in the external environment).	GS 3

⁵ The word entity was used in the design of the questionnaires, and for this purpose, the word enterprise was included in brackets next to entity.

5.2.1.2 Theme 2: Analysis of financial information (Round 1, Part 1)

The second theme identified in the SDM process of SMEs was the analysis of financial information. The researcher identified eight (8) counts of actions related to this theme. The sub-categories related to this theme were financial implications (4 counts) and financial analysis (4 counts) (Table 5.4), as briefly discussed below.

Financial impact

The participants indicated that they conducted or identified a type of financial impact analysis. This was a simplistic analysis, such as looking at profit, cash flow, or expenses. This conclusion was based on the following four examples of verbatim statements:

“Due to financial implications of supply and delivery which sometimes you are paid later or make no profit.” (Participant 6).

“Its origin was financial, we started to become cash flow negative. The lower demand for our products resulted in us being unable to meet our monthly cash flow requirements, despite not having debt or having rent to pay.” (Participant 10).

“With the closing down of {information not relevant} we had to re-evaluate our future services and personnel composition. The closing down of {information not relevant} is a major threat to any local business. It affected all businesses (our clients), which filters through to our turnover.” (Participant 11).

“Printing on {information not relevant} machines are a long and expensive process.” (Participant 18).

Financial analysis

From within the findings the concept of financial analysis was evident. The participants indicated that they would review the organisation's performance, financial repercussions, and financial performance indicators. This conclusion was based on the following four examples of verbatim statements:

“Develop working plan with clear direction and actions for each team member. Continuous open communication to finalise offering including clear description, FAQ's and financial repercussions.” (Participant 19).

“I analysed my 2019 performance and I identified areas which I wasted time and finances.” (Participant 6).

“To sell part of the business. Review financial statements of the business unit. Review income streams and input costs. Review the cost of selling the business.” (Participant 5).

“I follow the SWOT analysis as a guideline, taking into effect the financial impact, keeping in mind the effect of decisions on personnel and the local community.” (Participant 11).

Table 5.6 summarises the group generic statements drafted from this theme. These draft statements were continuously reviewed and compared against the original data. No additional statements were identified for this theme.

Table 5.6: Theme 2: Analysis of financial information (Round 1, Part 1)

Generic statement	Code
2.1 I/we analysed financial information pertaining to the problem/opportunity identified (for example, reviewing the financial implications or financial statements or the entity (enterprise)).	GS 4
2.1.1 I/we reviewed the financial implications that the identified issue or opportunity may have on my entity (enterprise) (for example, the financial impact that high expenses have on profits/cash flow, or the financial impact of the lockdown).	GS 5
2.2 I/we conducted a financial analysis considering the strategic decision I/we decided to implement (for example, reviewing financial statements, income streams, expenses).	GS 6
2.2.1 I/we reviewed the current financial state of my entity (enterprise) (for example, reviewing the current/past financial statements and income streams).	GS 7
2.2.2 I/we evaluated the possible financial impact the chosen strategic decision may have on my entity (enterprise) (for example, consider the costs or other financial impact of implementing the strategic decision).	GS 8

The findings show the use of tools in SDM, namely, the SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) and a simplistic financial analysis.

5.2.1.3 Theme 3: The strategic decision (Round 1, Part 1)

Across the data, it was possible to identify the strategic decision (the solution) that the SME owners/managers implemented or decided upon, and the actions that were part

of the strategic decision. Hence, the theme ‘the strategic decision’. This conclusion was based on the following four examples of verbatim statements:

“Deciding to venture into property development business, as the construction business was the primary business objective.” (Participant 4).

“Strategic decision is almost like navigating through many different options with probably similar outcome but choosing at the least cost route, specially to conserve the cash flow while growing.” (Participant 2).

“Is to include construction on my service and reduce on supply and delivery due to financial implications of supply and delivery which sometimes you are paid later or make no profit.” (Participant 6).

“To sell part of the business. Review the cost of selling the business.” (Participant 5).

Most of the responses mentioned only one decision, and no mention was made of other options to consider. Only one participant suggested that there were two options that the SME owners/managers evaluated, as below:

“We decided to start producing only from the {information not relevant} facility and transporting the product instead of opening manufacturing facility in {information not relevant} too. This will follow once volume justify.” (Participant 2).

Table 5.7 summarises the group generic statements drafted from this theme. These draft statements were continuously reviewed and compared against the original data. Four additional statements were identified and included. The decision and rationale are included in Appendix K.

Table 5.7: Theme 3: The strategic decision (Round 1, Part 1)

Generic statement	Code
3.1 I/we decided on the solution that would address the identified issue or opportunity.	GS 9
Additional statements	
3.2 I/we evaluated the outcomes of more than one options/solutions.	GS 10
3.3 I/we reviewed the cost of implementing the chosen solution.	GS 11
3.4 I/we selected the outcome/solution with the least cost route to conserve the entity (enterprise).	GS 12
3.5 I/we do not follow specific, formal steps during my/our strategic decision-making process.	GS 13

5.2.1.4 Theme 4: Gathering non-financial information (Round 1, Part 1)

A prominent theme that was identified was gathering non-financial information, in which participants obtained information within outside or inside their enterprises. Hence, the sub-categories, internal (9 counts) and external (10 counts) (Table 5.4). There were overlaps with the analysis of financial information (Theme 2). The analysis of financial information was identified as a key, or core theme. This theme (gathering information) refers to the reviewing of non-financial information.

Internal

The participants indicated that they would gather internal non-financial information. This conclusion was based on the following four examples of verbatim statements:

“Approximately 60% of our Cost of Goods are imported.” (Participant 13).

“Defining the purpose of” {removed identifier/company name}. (Participant 9).

“Evaluate our current state against where I need our company to be.” (Participant 14).

“This is based on a combination of market insight, evidence of current business strategy and opportunity, underpinned by the need for continued business growth in an often challenging SA context.” (Participant 17).

External

The participants indicated that they would gather external non-financial information. This conclusion was based on the following four examples of verbatim statements:

“Identifying customers’ needs > Benchmarking.” (Participant 9).

“Engage with the team (employees and suppliers) and get everyone’s input.” (Participant 19).

“I follow the SWOT analysis as a guideline, keeping in mind the effect of decisions on personnel and the local community.” (Participant 11).

“I researched construction industry and got a mentor in this field, and partnerships. Currently I am learning and aligning my business to be ready for construction opportunities...” (Participant 6).

Table 5.8 summarises group generic statements drafted from this theme. These draft statements were continuously reviewed and compared against the original data. No additional statements were identified for this theme.

Table 5.8: Theme 4: Gathering non-financial information (Round 1, Part 1)

Generic statement	Code
4.1 I/we gathered non-financial information pertaining to the strategic decision (for example, research the industry, customer needs, review the effectiveness of the current strategy, or the purpose of the entity (enterprise)).	GS 14
4.1.1 I/we gathered internal non-financial information of my entity (enterprise) (for example, reviewing the vision/purpose of my business, evidence of current business strategy).	GS 15
4.1.2 I/we gathered external non-financial information (for example, customer needs, benchmarking, input from suppliers, trends in the industry).	GS 16

5.2.1.5 Theme 5: Communication (Round 1, Part 1)

The fifth theme that was identified was communication. The researcher identified six (6) counts of actions related to this theme. The categories relating to this theme were stakeholders (3 counts) and shareholders (4 counts) (Table 5.4). The SME owner would communicate with either stakeholders or shareholders regarding the strategic decision, with the aim of getting input and buy-in.

Stakeholders

Communication with stakeholders was evident within this theme. The participants indicated that they would communicate with employees, unions or suppliers. This conclusion was based on the following four examples of verbatim statements:

“Engage with the team (employees and suppliers) and get everyone's input. Continuous open communication to finalise offering including clear description, FAQ's and financial repercussions, due to the lockdown we have implemented. Celebrate all successes (no matter how small) to keep team motivated.” (Participant 19).

“Just having a good relationship with our suppliers is a good strategy, keeping in contact, etcetera, so as to when there is a problem in the market... {information not relevant}.” (Participant 12).

“Our biggest single cost to company was the {information not relevant}. Our think tank was called together, we deliberated and two days later I started the negotiating process to {information not relevant} through a process of consultation with all stakeholders including unions which took two months to complete.” (Participant 10).

Shareholders

Communication with shareholders was evident within this theme. The participants indicated that they would communicate with managers during the SDM process. This conclusion was based on the following four examples of verbatim statements:

“Our biggest single cost to company was the {information not relevant}. Our think tank was called together, we deliberated and two days later I started the negotiating process to {information not relevant} through a process of consultation with all stakeholders including unions which took two months to complete.” (Participant 10).

“The prioritisation of the Rest of Africa as a key business development and strategic imperative is an issue that has been highlighted recently and agreed as a top management priority both this year and into the foreseeable future.” (Participant 17).

“We discussed this with the three shareholders’ senior staff. Mail shots and focus on users and prospects in telecommunications.” (Participant 15).

“When making strategic decisions it is important to get input and buy-in from everyone on management.” (Participant 7).

Table 5.9 summarises the group generic statements drafted from this theme. These draft statements were continuously reviewed and compared against the original data. No additional statements were identified for this theme.

Table 5.9: Theme 5: Communication (Round 1, Part 1)

Generic statement	Code
5.1 I/we communicated with shareholders regarding the strategic decision to get their input (for example, input from the management team).	GS 17
5.2 I/we communicated with shareholders regarding the strategic decision to get their buy-in (for example, buy in from the management team).	GS 18
5.3 I/we communicated with other stakeholders regarding the strategic decision to get their input (for example, input from employees, suppliers, unions).	GS 19
5.4 I/we communicated with other stakeholders regarding the strategic decision to get their buy-in (for example, buy-in from employees, suppliers, unions).	GS 20

5.2.1.6 Theme 6: Implementation (Round 1, Part1)

Across the data, it was possible to identify the implementation of the strategic decision. This was either implicitly or explicitly stipulated. This conclusion was based on the following four examples of verbatim statements:

“Develop working plan with clear direction and actions for each team member.” (Participant 19).

“Through a process of consultation with all stakeholders including unions, which took two months to complete.” (Participant 10).

“Resource In-sourcing > Implementation.” (Participant 9).

“Once obtained, the action to execute the plan must be quick and swift to get maximum value.” (Participant 7).

Table 5.10 summarises the group generic statement drafted from this theme. These draft statements were continuously reviewed and compared against the original data. No additional statements were identified for this theme.

Table 5.10: Theme 6: Implementation (Round 1, Part 1)

Generic statement	Code
6.1 I/we implemented the solution	GS 21

5.2.1.7 Theme 7: Evaluation of the effectiveness of the strategic decision (Round 1, Part 1)

The last theme that was identified was the evaluation of the effectiveness of the strategic decision, which included two categories, namely, monitoring (5 counts) and reflection (5 counts) (Table 5.4). Some elements of continuous monitoring or giving feedback based on reflections were evident in this theme, as discussed below.

Monitoring

Monitoring was evident in a few cases where participants stipulated that they were monitoring the impact of the strategic decision, or there was an indication of a continuous review process. This conclusion was based on the following four examples of verbatim statements:

“Plan and execute marketing campaign. Monitor Progress. Celebrate all successes (no matter how small) to keep team motivated.” (Participant 19).

“The detailed actions emanating from this are still a work in progress but will essentially entail key geographic accountability across the management team and designated actions and responsibilities that need to be regularly reported on. In terms of results, this is similarly a work in progress but there is a track-record of momentum in this area with current activity across both West Africa and East African markets.” (Participant 17).

“This helped the company maintain a competitive advantage for the next six months as the current exchange rate is at R17.30 (a 22% improvement).” (Participant 13).

“We decided to start producing only from the {information not relevant} facility and transporting the product instead of opening manufacturing facility in {information not relevant} too. This will follow once volume justify.” (Participant 2).

Reflection

Reflection was evident in a few cases where participants gave feedback on the effectiveness of the implemented strategic decision. This implies a slightly different action than that of monitoring and reporting. This conclusion was based on the following four examples of verbatim statements:

“With the upgrade - We do the to {information not relevant} and send a PDF file to the to {information not relevant} directly where you hit one button and printing starts.” (Participant 18).

“It was a win-win outcome, three years later we still operational and the ... {information not relevant}.” (Participant 10).

“We soon realized that selling product at a discounted price whilst paying prime retail rent and service fees that went up much quicker than inflation and price increases, we cannot focus on wholesale as a supplementary income source.” (Participant 16).

“Celebrate all successes (no matter how small) to keep team motivated.” (Participant 19).

Table 5.11 summarises the group generic statements drafted from this theme. The draft statements were continuously reviewed and compared against the original data. There was one additional statement that was identified and included. The decision and rationale are included in Appendix K.

Table 5.11: Theme 7: Evaluation of the effectiveness of the strategic decision (Round 1, Part 1)

Generic statement	Code
7.1 I/we monitored the effectiveness of the implemented strategic decision (for example, there are regular reporting or checks in place).	GS 22
7.2 I/we reflected on the effectiveness (success or failure) of the implemented strategic decision (for example, reviewing the improvement success of failure of the implemented strategic decision).	GS 23
Additional statements	
7.3 I/we reviewed how to improve elements in the strategic decision-making process (for example, wasted time or finances and/or adapt the current strategy to be more effective).	GS 24

5.2.1.8 Summary: Round 1 – SDM

The aim of this round was to identify the SDM process of SMEs. In rare cases the participants listed the steps and actions that they followed during SDM. The majority explained what they did in a simplistic and practical manner, thereby providing practical data to analyse, and which allowed the researcher to identify key themes and categories for SDM in SMEs. The seven (7) themes were: 1) reason for the strategic decision, 2) analysis of financial information, 3) the strategic decision, 4) gathering non-financial information, 5) communication, 6) implementation, and 7) evaluation of the effectiveness of the strategic decision.

Appendix G includes the identified themes, drafted statements and questions for Round 2.

5.2.2 Round 1 (Part 2) of Delphi Technique: Business ethics

This section reviews the business ethics related part of Round 1. An open-ended questionnaire was used to obtain the participants' responses on a definition for business ethics. One question was asked pertaining to a definition of business ethics, namely: How would you define business ethics in your workplace?

Round 1 (Part 2) provided 20 responses that could be analysed. As with Part 1, the findings were diverse, and in some cases practical answers were given. In other cases, mere listings were provided (for example, "honesty, value, integrity" or "Christian"). The researcher followed the same approach as with Part 1: grouping frequently identified themes and highlighted non-frequent themes. During Round 1, five (5) themes were identified (pertaining to a definition for business ethics).

The inductive approach was applied, and as theory development was data driven, 'in vivo' codes were assigned. From the in vivo codes, specific codes were assigned to recurring patterns (axial coding). Codes with similar meaning were grouped, and redundant codes were identified. The themes, categories and central codes were used to identify typical elements of a definition for business ethics for SMEs.

Table 5.12 summarises the number of codes in vivo, axial codes, redundant codes, as well as the final number of themes, categories and central codes that emerged from the axial codes. These themes were used to identify how SMEs define business ethics in their practical operations.

Table 5.12: Number of codes, categories and themes (Part 2) – Business Ethics

Codes, categories and themes	Counts
Codes in vivo	50
Axial codes	13
Redundant codes	7
Categories	4
Themes	5

Source: Researcher's own compilation (2020)

Figure 5.2 provides a thematic map of the themes, categories and codes identified, followed by Table 5.13 that summarises the themes and categories, and indicates the frequencies of the themes and categories.

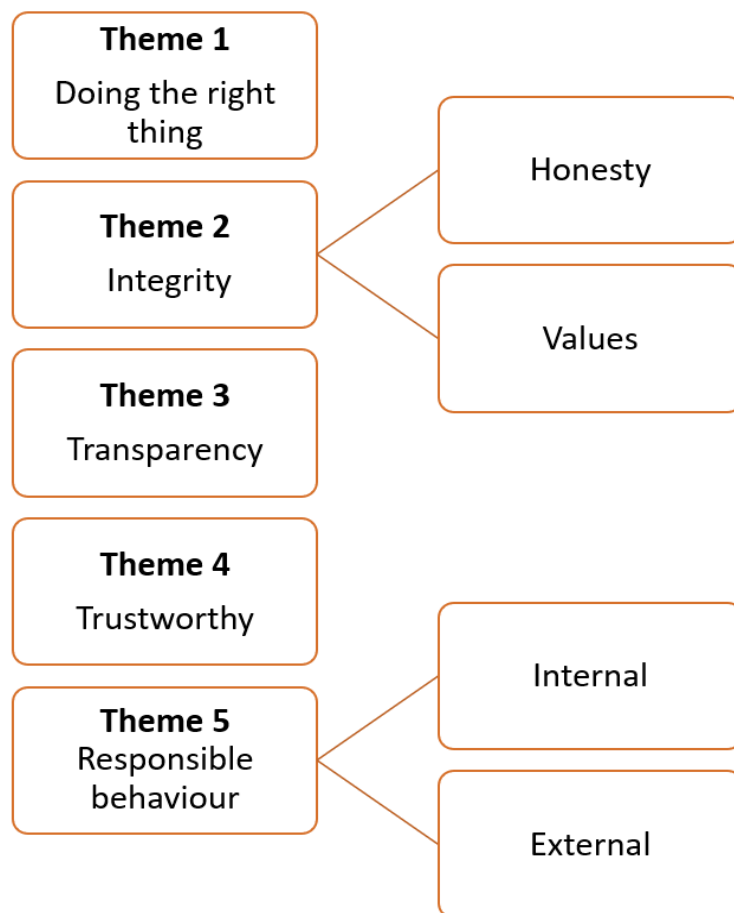


Figure 5.2: Identified business ethics themes and categories (Part 2) of the Delphi Technique

Source: Researcher's own compilation (2020)

Table 5.13: Identified Business ethics themes, categories, and their frequencies (Part 2) of the Delphi Technique

Participants	Theme 1: Doing the right thing	Theme 2: Integrity		Theme 3: Transparency	Theme 4: Trustworthy	Theme 7: Responsible behaviour	
		Sub-theme: Values	Sub-theme: Honesty			Sub-theme: Internal	Sub-theme: External
P1	-	-	-	-	-	-	1
P2	-	-	-	-	-	1	1
P3	-	-	-	-	-	-	1
P4	-	-	1	1	-	-	-
P5	1	-	-	-	-	-	-
P6	-	1	1	-	-	-	-
P7	1	1	1	1	-	1	-
P8	-	-	1	-	1	-	-
P9	-	-	-	1	-	-	-
P10	1	1	-	-	1	1	1
P11	1	-	1	-	-	-	-
P12	-	-	-	-	1	-	1
P13	1	-	1	-	-	-	-
P14	1	1	-	-	-	1	-
P15	-	-	-	-	-	1	-
P16	-	-	-	-	-	-	-
P17	-	1	-	-	-	1	-
P18	-	1	-	-	1	-	-
P19	-	1	1	1	-	1	1
P20	-	1	-	-	-	-	-
Total / sub-theme	-	8	7	-	-	7	6
Total / theme	6	15		4	4	13	

5.2.2.1 Theme 1: Doing the right thing (Round 1, Part 2)

The first theme identified was doing the right thing (6 counts) (Table 5.13). The participants stipulated that doing the right thing (within operations) or making the correct decision is an integral part of the definition of business ethics. This conclusion was based on the following four examples of verbatim statements:

“Do the right thing always, delivering the best quality products, services, processes, and technologies in the industry.” (Participant 14).

“Doing the right thing.” (Participant 5).

“Doing the right things instead of doing things right.” (Participant 11).

“It is about doing the ‘right’ thing. It is better to take the correct and honest decision as opposed to taking decisions solely based on short-term gain.” (Participant 13).

Table 5.14 summarises the group generic statements drafted from this theme. The draft statements were continuously reviewed and compared against the original data. The researcher identified and included one additional statement. The decision and rationale are included in Appendix K.

Table 5.14: Theme 1: Doing the right thing (Round 1, Part 2)

Generic statement	Code
1.1 Business ethics is about doing the right thing.	GS 1
Additional statements	
1.2 Business ethics is about being compliant with legal and industry-specific regulations (for example, financial regulations).	GS 2

5.2.2.2 Theme 2: Integrity (Round 1, Part 2)

The researcher identified integrity as another theme (12 counts) that the participants included in their definitions of business ethics. Two categories of integrity became evident, namely, honesty (7 counts) and values (5 counts) (Table 5.13). These two concepts form an integral part of the definition of integrity.

Honesty

Participants stipulated that honesty (7 counts) is a virtue that features in the definition of business ethics to them. This conclusion was based on the following verbatim statements:

“Honesty, Value and integrity.” (Participant 6).

“It is better to take the correct and honest decision, as opposed to taking decisions solely based on short-term gain.” (Participant 13).

“Loyalty, honesty and be creativity.” (Participant 8).

“We believe that transparency, communication, honesty and integrity is the foundation of our company culture and ethics.” (Participant 7).

One participant stipulated:

“Conduct business in a way that there are no secrets that you will be ashamed of if your parents were to find out.” (Participant 11).

Values

Participants stipulated that there are personal or enterprise values (or principles) (5 counts) that they live by. In one instance, a participant referred to their moral compass within the business setting, which typically includes values and principles. This conclusion was based on the following verbatim statements:

“Our Principles. We are what we repeatedly do. Excellence, then, is not an act, but a habit. Do the right thing always, delivering the best quality products, services, processes, and technologies in the industry. Maintain ethical practices.” (Participant 14).

“We are guided by our own moral compass. The business has been successful because of the integrity, respect and trust that exists in relation to its shareholders and senior executives.” (Participant 10).

“As a small entrepreneurial business, we have a well-defined purpose and a clearly articulated set of values with corresponding behaviours applicable to our people.” (Participant 17).

“Of utmost importance, we believe in doing business openly and honestly. It is one of our critical values which we live by dealing with our clients, employees and suppliers ethically and by compliance to all legal and financial laws.” (Participant 19).

Table 5.15 summarises the group generic statements drafted from this theme. These draft statements were continuously reviewed and compared against the original data. No additional statement was identified for this theme.

Table 5.15: Theme 2: Integrity (Round 1, Part 2)

Generic statement	Code
2.1 Business ethics is upholding integrity (values and honesty) while doing business.	GS 3
2.2 Business ethics is about upholding values (for example, upholding principles, excellence, beliefs, or being professional).	GS 4
2.3 Business ethics is about being honest.	GS 5

5.2.2.3 Theme 3: Transparency (Round 1, Part 2)

Being open and transparent was a recurring theme, hence, the name selected for this theme: transparency (4 counts) (Table 5.13). It was highlighted that being transparent and open is important in the business setting. This implies that information ought to be communicated to (or shared with) various shareholders and stakeholders. This conclusion was based on the following four examples of verbatim statements:

“Good. We conduct business in an open and transparent manner.” (Participant 9).

“Of utmost importance, we believe in doing business openly and honestly.” (Participant 19).

“To me it’s about doing things above board at all the times.” (Participant 4) {Meaning: legitimate, honest, and open. If something is above board, the behaviour and actions are done in an honest and straightforward manner. When business dealings are done in a manner that is above board, then the dealings and associated actions are honourable and in an open manner (Cambridge Dictionaries, Not dated).}.

“We believe that transparency, communication, honesty and integrity is the foundation of our company culture and ethics.” (Participant 7).

Under the theme Integrity (Theme 2), “no secrets” were interpreted as being honest. The participant stipulated:

“Conduct business in a way that there are no secrets that you will be ashamed of if your parents were to find out.” (Participant 11).

This was not counted under the theme for transparency, but ‘no secrets’ could also be interpreted as being open and transparent. Table 5.16 summarises the group generic statements drafted from this theme. These draft statements were continuously reviewed and compared against the original data. No additional statements were identified for this theme.

Table 5.16: Theme 3: Transparency (Round 1, Part 2)

Generic statement	Code
3.1 Business ethics is being open and transparent while doing business.	GS 6

5.2.2.4 Theme 4: Trustworthy (Round 1, Part 2)

The theme ‘trustworthy’ was identified in the data, and the participants indicated that matters concerning loyalty and trust are important. Hence, the theme trustworthy (4 counts) was assigned. This conclusion was based on the following four examples of verbatim statements:

“Professionalism, Trustworthy, Loyal, Always on Time.” (Participant 18).

“Trust is the foremost quality I look for when entering a business relationship with someone.” (Participant 12).

“The business has been successful because of the integrity, respect and trust that exists in relation to its shareholders and senior executives.” (Participant 10).

“Loyalty, honesty and be creativity.” (Participant 8).

Table 5.17 summarises the group generic statements drafted from this theme. The draft statements were continuously reviewed and compared against the original data, and no additional statement was identified for this theme.

Table 5.17: Theme 4: Trustworthy (Round 1, Part 2)

Generic statement	Code
4.1 Business ethics is about being trustworthy (reliable and loyal) in what we do.	GS 7

5.2.2.5 Theme 5: Behaving responsibly (Round 1, Part 2)

Another theme that was evident from the responses was behaving responsibly. The participants indicated that they would behave responsibly towards internal stakeholders (management team) (7 counts) or external stakeholders (employees, or the planet) (7 counts) (Table 5.13), as discussed below.

Internal stakeholders/shareholders

The aspect of behaving responsibly towards internal parties was evident in the definitions provided. This conclusion was based on the following four examples of verbatim statements:

“As a small entrepreneurial business we have a well-defined purpose and a clearly articulated set of values with corresponding behaviours applicable to our people. We follow a relatively simplistic philosophy of doing good, purposeful business and ensuring that the work we do makes a positive impact across the business.” (Participant 17).

“Business ethics is a priority and one which we will not compromise on. We believe that there is only one way when it comes to ethics and that is the right way. We believe that transparency, communication, honesty and integrity is the foundation of our company culture and ethics.” (Participant 7).

“We are guided by our own moral compass. The business has been successful because of the integrity, respect and trust that exists in relation to its shareholders and senior executives.” (Participant 10).

“It is about doing the ‘right’ thing. It is better to take the correct and honest decision, as opposed to taking decisions solely based on short-term gain.” (Participant 13).

External stakeholders

The aspect of behaving responsibly towards external parties was evident in the definitions provided. This conclusion was based on the following four examples of verbatim statements:

“Our motto has always been that we source and produce only the best quality that is possibly available. Our suppliers also know that we stand for quality, and nothing less.” (Participant 16).

“Trust is the foremost quality I look for when entering a business relationship with someone.” (Participant 12).

“Of utmost importance, we believe in doing business openly and honestly. It is one of our critical values which we live by dealing with our clients, employees and suppliers ethically and by compliance to all legal and financial laws.” (Participant 19).

“Company Responsibility. Taking energy forward - making it safer, cleaner, and more efficient for people and the planet. “Our framework – People. Increase diversity in leadership, our employee base, and our supply chain to reflect the communities where we operate.” (Participant 14).

Table 5.18 summarises the group generic statements drafted from this theme. The draft statements were continuously reviewed and compared against the original data. Two additional statements were identified and included. The decision and rationale are included in Appendix K.

Table 5.18: Theme 5: Behaving responsibly (Round 1, Part 2)

Generic statement	Code
5.1 Business ethics means behaving responsibly towards internal and external stakeholders/shareholders.	GS 8
5.2 Business ethics means behaving responsibly towards other members on the management team.	GS 9
5.3 Business ethics means behaving responsibly towards other stakeholders (for example, our employees, customers, and suppliers).	GS 10
Additional statements	
5.4 Business ethics means behaving responsibly towards the planet.	GS 11
5.5 Business ethics is about delivering products and services of good quality.	GS 12

5.2.2.6 Summary: Round 1 – Definition for business ethics

The aim of this round was to determine how business ethics is defined by SMEs. In some rare cases the participants provide an actual definition; the answers ranged from what they found to be important, what they are looking for (for example, reliability) a list of aspects (for example, honesty and integrity), or explaining how they would operate in an ethical manner.

It was possible for the researcher to identify important elements that could comprise a definition of business ethics for SMEs. The five themes (or elements) were: 1) doing the right thing, 2) integrity, 3) transparency, 4) trustworthy, 5) behaving responsibly. Appendix G includes the statements and questions for Round 2.

5.2.3 Round 2 (Part 1) of the Delphi Technique: SDM

This section reviews the SDM part of Round 2. In the second round of the Delphi technique, the findings (the group statements) were presented to the participants who completed Round 1. Their individual answers were also included in the respective emails to them, to enable them to review their own answers against that of the group statements. However, the participants could only see their own answers, and not the answers of others. In Round 2, the participants were asked to indicate the extent to which a respective group statement, or a generic activity in the SDM process was applicable to them.

The aim of this round was to reach consensus. Given the 7-point rating scale that was applied to the list of statements, 70% of the responses had to fall on either the positive or negative side of the Likert scale.

The SDM part (Part 1) of Round 2 consisted of 24 group statements, to which participants could indicate the extent to which an activity was applicable to them. They were given the opportunity to make changes to the group statements or add SDM activities not presented in the group findings. This allowed participants to verify and change the interpreted preliminary findings, and/or suggest additional actions not represented in the group findings.

While 20 participants responded in Round 1, only 10 (of those 20) responded in Round 2, resulting in a 50% dropout rate. Therefore, Round 2 provided 10 total responses. The sections below summarise the findings of Part 1 of Round 2 of the Delphi Technique.

5.2.3.1 Theme 1: Reason for the strategic decision (Round 2, Part 1)

For this theme, three group generic statements were drafted. Table 5.19 (see next page) lists the findings, presented in frequencies (how many responses chose a specific answer). The first column indicates the number of the generic statement (GS), followed by the ratings of the 7-point Likert scale, ranging from strongly not applicable to my SDM process (-3) to strongly applicable to my SDM process (3). The last column indicates the consensus percentage (C). The generic statements are also included in the table. (See Appendix G).

For all three group generic statements, 80% (8 out of 10) to 100% (10 out of 10) of the responses were within the positive side of the rating scale (applicable, most, and strongly applicable to my SDM process). With GS 3, 100% consensus was reached. Only two group statements (GS 1 and GS 2) received a “not applicable in my SDM process” with one response indicating “neither is this applicable or not”. Based on the consensus criteria, with 80% to 100% of responses falling on the positive side of the rating scale, consensus was achieved for the three group generic statements. The participants made no modifications or changes to the statements and added no additional SDM-related activity.

Table 5.19: Findings for Theme 1: Reason for the strategic decision (Round 2, Part 1)

GS	-3	2	1	0	1	2	3	Consensus
GS 1	-	-	1	1	-	4	4	80%
GS 2	-	-	1	-	-	5	4	90%
GS 3	-	-	-	-	1	5	4	100%

GS 1: I/we identified the reason for strategic decision-making which was either a problem or an opportunity (for example, the national lockdown, financial implications, high expenses, opportunity to grow the business).

GS 2: I/we identified an **internal factor** that caused my entity (enterprise) to engage in strategic decision-making (for example, high operational expenses, or the need to increase turnover, or to grow the business).

GS 3: I/we identified an **external factor** that caused my entity (enterprise) to engage in strategic decision-making (for example, national lockdown, changes in the industry, changes in the external environment).

These empirical findings indicate the extent to which the reasons for strategic decisions emanate from the external environment, and/or that SME managers/owners are more aware of, or sensitive to, their external business environment. Perhaps SME owners/managers have a more outward orientation when making strategic decisions, and are looking for opportunities in the external environment.

5.2.3.2 Theme 2: Analysis of financial information (Round 2, Part 1)

For this theme, five group generic statements were drafted. Table 5.20 (see next page) lists the findings, presented in frequencies (how many responses chose a specific answer), for the group generic statements.

For all five group generic statements, 100% (10 out of 10) of responses fell on the positive side of the rating scale (applicable, most, and strongly applicable to my SDM process). With 100% of responses falling on the positive side of the rating scale, consensus was achieved for the five group generic statements. The participants made no changes (adaptions) to these statements and no added activity was suggested.

Table 5.20: Findings for Theme 2: Analysis of financial information (Round 2, Part 1)

GS	-3	2	1	0	1	2	3	Consensus
GS 4	-	-	-	-	2	5	3	100%
GS 5	-	-	-	-	1	6	3	100%
GS 6	-	-	-	-	1	7	2	100%
GS 7	-	-	-	-	3	4	3	100%
GS 8	-	-	-	-	1	5	4	100%

GS 4: I/we analysed financial information pertaining to the problem/opportunity identified (for example, reviewing the financial implications or financial statements or the entity (enterprise)).

GS 5: I/we reviewed the financial implications that the identified issue or opportunity has on my entity (enterprise) (for example, the financial impact high expenses have on profits/cash flow, or the financial impact of the lockdown).

GS 6: I/we conducted a financial analysis considering the strategic decision that I/we decided to implement (for example, reviewing financial statements, income streams, expenses).

GS 7: I/we reviewed the current financial state of my/our entity (enterprise) (for example, reviewing the current/past financial statements and income streams).

GS 8: I/we evaluated the possible financial impact that the chosen strategic decision may have on my/our entity (enterprise) (for example, considering the costs or other financial impact of implementing the strategic decision).

These findings indicate the extent to which SMEs engage with and analyse financial information, as well as indicating the financial information that they analyse. One generic statement (GS 6: conducting a financial analysis on the strategic decision to implement) had high counts, particularly in the “mostly applicable to my SDM” (70% of the responses fell in this column). This finding highlights the activity of conducting a financial analysis related to the strategic decision to implement.

5.2.5.3 Theme 3: The strategic decision (Round 2, Part 1)

The following group generic statements were drafted for this theme. Table 5.21 lists the findings, presented in frequencies (how many responses chose a specific answer), for each generic group statement.

Table 5.21: Findings for Theme 3: The strategic decision (Round 2, Part 1)

GS	-3	2	1	0	1	2	3	C
GS 9	-	-	-	-	2	3	5	100%
GS 10	-	-	-	1	2	4	3	90%
GS 11	-	-	-	-	1	7	2	100%
GS 12	-	-	-	2	3	2	3	70%
GS 13	-	-	-	1	-	5	4	90%

GS 9: I/we decided on the solution that would address the identified issue or opportunity.
 GS 10: I/we evaluated the outcomes of more than one option/solution.
 GS 11: I/we reviewed the cost of implementing the chosen solution.
 GS 12: I/we selected the outcome/solution with the least cost route to conserve the entity (enterprise).
 GS 13: I/we do not follow specific, formal steps during my/our strategic decision-making process.

In terms of the five group generic statements, 70% (7 out of 10) to 100% (10 out of 10) of the responses fell on the positive side of the rating scale (applicable, most and strongly applicable to my SDM process). Three group statements (GS 10, GS 12, and GS 13) received ratings under the “neither is this applicable or not” response. Based on the consensus criteria with 70% to 100% of responses and more falling on the positive side of the rating scale, consensus was achieved for the five group generic statements. The participants made no changes (adaptions) to these statements and no added activity was suggested.

These findings indicate an array of considerations pertaining to a strategic decision. One generic statement (GS 11: Reviewing the cost of implementing the chosen solution) received high ratings, particularly in the “mostly applicable to my SDM” (70% of the positive responses fell in this column). The finding reiterates the central role of finances in SDM for SMEs, and that SMEs develop alternatives in their SDM processes. However, while SMEs agreed that they would consider the option with the least cost route, it may be to the lesser extent than the other considerations.

5.2.3.4 Theme 4: Gathering non-financial information (Round 2, Part 1)

The following group generic statements were drafted for this theme. Table 5.22 lists the findings, presented in frequencies (how many responses chose a specific answer), for each group statement.

Table 5.22: Findings for Theme 4: Gathering non-financial information (Round 2, Part 1)

GS	-3	2	1	0	1	2	3	C
GS 14	-	-	2	-	1	5	2	80%
GS 15	-	-	1	2	2	2	3	70%
GS 16	-	-	-	2	4	2	2	80%

GS 14: I/we gathered non-financial information pertaining to the strategic decision (for example, research the industry, customer needs, reviewed the effectiveness of the current strategy, or the purpose of the entity (enterprise)).

GS 15: I/we gathered **internal** non-financial information of my entity (enterprise) (for example, reviewing the vision/purpose of my business, evidence of current business strategy).

GS 16: I/we gathered **external** non-financial information (for example, customer needs, benchmarking, input from suppliers, trends in the industry).

In terms of the three group generic statements, 70% (7 out of 10) to 80% (8 out of 10) of the responses fell on the positive side of the rating scale (applicable, most and strongly applicable to my SDM process). Four group statements received one or two ratings under the “neither is this applicable or not” or “not applicable in my SDM process” responses. Based on the consensus criteria that 70% and 80% of responses fell on the positive side of the rating scale, consensus was achieved for the three group generic statements. The participants made no changes (adaptions) to these statements and no added activity was suggested.

These findings indicate that SMEs review non-financial information in their SDM process. In comparison to financial information, it appears that less non-financial information is gathered. In addition, two generic statements (GS 15: gathering internal non-financial information and GS 14: gathered non-financial information) had responses on the negative side of the Likert scale. It may indicate that internal non-financial information, and/or non-financial information are gathered to a lesser extent. The latter reiterates that SMEs may have a more external focus and/or more a financial focus in SDM, as highlighted in Theme 1 (Section 5.2.3.1) and in Theme 2 (Section 5.2.3.2).

5.2.3.5 Theme 5: Communication (Round 2, Part 1)

The following group generic statements were drafted for this theme. Table 5.23 lists findings, presented in frequencies (how many responses chose a specific answer), for each group statement.

Table 5.23: Findings for Theme 5: Communication (Round 2, Part 1)

GS	-3	2	1	0	1	2	3	C
GS 17	-	-	2	-	1	2	5	80%
GS 18	-	-	2	-	1	2	5	80%
GS 19	-	-	1	-	5	3	1	90%
GS 20	-	-	1	1	2	6	-	80%

GS 17: I/we communicated with shareholders regarding the strategic decision to get their input (for example, input from the management team).
 GS 18: I/we communicated with shareholders regarding the strategic decision to get their buy-in (for example, buy-in from the management team).
 GS 19: I/we communicated with other stakeholders regarding the strategic decision to get their input (for example, input from employees, suppliers, unions).
 GS 20: I/we communicated with other stakeholders regarding the strategic decision to get their buy-in (for example, buy-in from employees, suppliers, unions).

For all four group generic statements, 80% (8 out of 10) to 90% (9 out of 10) of the responses fell on the positive side of the rating scale (applicable, most and strongly applicable to my SDM process). Four group statements (GS 17 to GS 20) received one or two ratings under the “not applicable in my SDM process” and one response indicating “neither is this applicable or not”. Based on the consensus criteria with 80% and 90% of responses falling within the positive side of the rating scale, consensus was achieved for the four group generic statements. The participants made no changes (adaptions) to these statements and no added activity was suggested.

These findings indicate the important role communication plays in SDM for SMEs, to obtain buy-in and input. All the generic statements had a few responses in the negative side of the Likert scale. The extent of communication to get buy-in or input may be subjected to the enterprise (if there are no employees, or just one owner), the decision, or the situation.

5.2.3.6 Theme 6: Implementation (Round 2, Part 1)

The following group generic statements were drafted for this theme. Table 5.24 lists the findings, presented in frequencies (how many responses chose a specific answer), for each group statement.

Table 5.24: Findings for Theme 6: Implementation (Round 2, Part 1)

GS	-3	2	1	0	1	2	3	C
GS 21	-	-	-	-	2	3	5	100%
GS 21: I/we implemented the solution.								

In terms of GS 21, 100% (10 out of 10) of the responses fell on the positive side of the rating scale (applicable, most, and strongly applicable to my SDM process). Based on the consensus criteria (70% or more of the responses falling on the positive side of the Likert scale), consensus was achieved for this group generic statement. A 100% consensus rating was achieved for this group statement. The participants made no changes (adaptions) to these statements and no added activity was suggested. The findings highlight implementation as a step in SDM.

5.2.3.7 Theme 7: Evaluation of the effectiveness of the strategic decision (Round 2, Part 1)

The following group generic statements were drafted for this theme. Table 5.25 (see next page) lists the findings, presented in frequencies (how many responses chose a specific answer), for each group statement.

In terms of the three group generic statements, 90% (9 out of 10) and 100% (10 out of 10) of the responses fell on the positive side of the rating scale (applicable, most and strongly applicable to my SDM process). One group statement (GS 24) received one rating under the “not applicable in my SDM process”.

Table 5.25: Findings for Theme 7: Evaluation of the effectiveness of the strategic decision (Round 2, Part 1)

GS	-3	2	1	0	1	2	3	C
GS 22	-	-	-	-	5	4	1	100%
GS 23	-	-	-	-	3	5	2	100%
GS 24	-	-	1	-	3	4	2	90%

GS 22: I/we monitored the effectiveness of the implemented strategic decision (for example, there are regular reporting or checks in place).

GS 23: I/we reflected on the effectiveness (success or failure) of the implemented strategic decision (for example, reviewing the improvement success of failure of the implemented strategic decision)

GS 24: I/we reviewed how to improve elements in the strategic decision-making process (for example, wasted time or finances and/or adapt the current strategy to be more effective)

Based on the consensus criteria, with 90% and more of the responses falling on the positive side of the rating scale, consensus was achieved for the three group generic statements. The participants made no changes (adaptions) to these statements and no added activity was suggested.

These findings indicate that SMEs evaluate the effectiveness of their strategic decisions and elements in the SDM process. One generic statement (GS 24: improving elements in the strategic decision-making process) had a response in the negative side of the scale. This may indicate that reviewing how to improve a SDM process may occur to a lesser extent in SDM.

5.2.3.8 Summary: Round 2 – SDM process in SMEs

Based on the consensus criteria, consensus was reached for all 24 statements. Table 5.26 provides a summary and lists the percentages of consensus reached.

Table 5.26: Summary of consensus reached on SDM-related statements

Group statements (GS) regarding SDM	Consensus
I/we identified the reason for strategic decision-making which was either a problem or an opportunity (for example, the national lockdown, financial implications, high expenses, opportunity to grow the business) (GS 1).	80%
I/we identified an internal factor that caused my entity (enterprise) to engage in strategic decision-making (for example, high operational expenses, or the need to increase turnover, or to grow the business) (GS 2).	90%
I/we identified an external factor that caused my entity (enterprise) to engage in strategic decision-making (for example, national lockdown, changes in the industry, changes to the external environment) (GS 3).	100%
I/we analysed financial information pertaining to the problem/opportunity identified (for example, reviewing the financial implications or financial statements or the entity (enterprise)) (GS 4).	100%
I/we reviewed the financial implications that the identified issue or opportunity has on my entity (enterprise) (for example, the financial impact high expenses have on profits/cash flow, or the financial impact of the lockdown) (GS 5).	100%
I/we conducted a financial analysis considering the strategic decision I/we decided to implement (for example, reviewing financial statements, income streams, expenses) (GS 6).	100%
I/we reviewed the current financial state of my entity (enterprise) (for example, reviewing the current/past financial statements and income streams) (GS 7).	100%
I/we evaluated the possible financial impact the chosen strategic decision may have on my entity (enterprise) (for example, considering the costs or other financial impact of implementing the strategic decision) (GS 8).	100%
I/we decided on the solution that would address the identified issue or opportunity (GS 9).	100%
I/we evaluated the outcomes of more than one options/solutions (GS 10).	90%
I/we reviewed the cost of implementing the chosen solution (GS 11).	100%
I/we selected the outcome/solution with the least cost route to conserve the entity (enterprise) (GS 12).	70%
I/we do not follow specific, formal steps during my/our strategic decision-making process (GS 13).	90%
I/we gathered non-financial information pertaining to the strategic decision (For example, research the industry, customer needs, reviewed the effectiveness of the current strategy, or the purpose of the entity (enterprise)) (GS 14).	80%

I/we gathered internal non-financial information of my entity (enterprise) (for example, reviewing the vision/purpose of my business, evidence of current business strategy) (GS 15).	70%
I/we gathered external non-financial information (for example, customer needs, benchmarking, input from suppliers, trends in the industry) (GS 16).	80%
I/we communicated with shareholders regarding the strategic decision to get their input (for example, input from the management team) (GS 17).	80%
I/we communicated with shareholders regarding the strategic decision to get their buy-in (for example, buy in from the management team) (GS 18).	80%
I/we communicated with other stakeholders regarding the strategic decision to get their input (for example, input from employees, suppliers, unions) (GS 19).	90%
I/we communicated with other stakeholders regarding the strategic decision to get their buy-in (for example, buy-in from employees, suppliers, unions) (GS 20).	80%
I/we implemented the solution (GS 21).	100%
I/we monitored the effectiveness of the implemented strategic decision (for example, there are regular reporting or checks in place) (GS 22).	100%
I/we reflected on the effectiveness (success or failure) of the implemented strategic decision (for example, reviewing the improvement success of failure of the implemented strategic decision) (GS 23).	100%
I/we reviewed how to improve elements in the strategic decision-making process (for example, wasted time or finances and/or adapt the current strategy to become more effective) (GS 24).	90%

The overall findings of the current study coincide with that found in the literature, either implicitly or explicitly. New SDM activities not previously highlighted in the broader literature on SDM in SMEs are the implementation phase and the evaluation of effectiveness phase. The implementation phase was identified in the IDSI framework (in larger organisations) but is relatively novel to the SME context. The evaluation of effectiveness in SDM is novel to the SDM literature, and has not been explicitly identified in the literature. While control is an integral part of the general management process, the evaluation of the effectiveness of strategic decisions was not explicitly highlighted in the SDM processes identified in literature, nor in the systematic review. In the South African context, feedback was identified in a financial decision-making process. This study highlights this step in SDM outside the context of financial strategic decisions.

In addition, the SDM process of Gopaul and Rampersad (2020:1) highlights that external information is gathered. The above findings indicate that internal and external information is gathered, but the findings do indicate a relatively stronger consensus rate for external information than internal information. Implicit communication is evident across SDM literature. The findings of this study highlight this activity in SDM for SMEs and the importance of input and buy-in.

Lastly, according to the literature, mixed results were obtained in terms of SMEs developing alternative solutions in SDM (Kengne, 2015:498; Gopaul & Rampersad, 2020:1). The current study found that SMEs develop alternative solutions. The literature has shown less evidence of the development of alternatives in SMEs. For example, the SDM process of Gopaul and Rampersad (2020:1) did not find evidence of the development of alternatives, however, it was evident in the financial SDM process of Kengne (2015:498). The current study highlights this step in SDM outside the context of financial strategic decisions.

Appendix G includes the statements and questions for Round 3.

5.2.4 Round 2 (Part 2) of the Delphi Technique: Business ethics

This section reviews the business ethics part (Part 2) of Round 2. In the second round of the Delphi Technique, the group generic statements were presented to the participants who had completed the first round. These participants had access to their individual answers to review against the group's answers, however, they only had access to their own individual answers. In this round, participants were asked to indicate the extent to which a respective group statement (the elements of the definitions of business ethics) was applicable to them. The aim of this round was to reach consensus. Given the 7-point rating scale, 70% of the responses had to fall on either the positive or negative side of the Likert scale.

The business ethics part (Part 2) of Round 2 consisted of 12 group statements. The participants indicated the extent to which they agreed or disagreed with the statement's applicability to them. They were given the opportunity to make changes to the group statements.

Round 2 provided 10 total responses (out of 20). Based on the consensus criteria, consensus was reached on all the statements.

5.2.4.1 Theme 1: Doing the right thing (Round 2, Part 2)

Table 5.27 provides a summary of the findings and the group generic statements drafted for this theme, and lists the findings, presented in frequencies (how many responses chose a specific answer), for each group statement. The first column indicates the generic statement, followed by the 7-point Likert scale ratings, ranging from strongly not applicable to my SDM process (-3) to strongly applicable to my SDM process (3). The last column indicates the consensus percentage (See Appendix G for the Delphi questionnaires).

Table 5.27: Findings for Theme 1: Doing the right thing (Round 2, Part 2)

GS	-3	2	1	0	1	2	3	C
GS 1	-	-	-	-	-	4	6	100%
GS 2	-	-	-	-	2	2	6	100%
GS 1: Business ethics is about doing the right thing. GS 2: Business ethics is about being compliant with legal and industry-specific regulations (for example, financial regulations).								

For the two group generic statements, 100% (10 out of 10) of the responses fell on the positive side of the rating scale (applicable, most and strongly applicable to my SDM process). Based on the consensus criteria (70% of responses falling within the positive side of the Likert scale), consensus was achieved for these two group generic statements. A 100% consensus rating was achieved for these group statements. The participants made no changes (adaptions) to these statements and no added activity was suggested.

These findings indicate the extent to which SMEs define business ethics as “doing the right thing” and being compliant. Being compliant had a few ratings in the “applicable in my SDM”. It could be that the SMEs have few regulations (such as financial regulations) that they need to comply with.

5.2.4.2 Theme 2: Integrity (Round 2, Part 2)

Table 5.28 provides a summary of the findings and the group generic statements drafted for this theme, and lists the findings, presented in frequencies (how many responses chose a specific answer) for each group statement. The last column indicates the consensus percentage (See Appendix G for the Delphi questionnaires).

Table 5.28: Findings for Theme 2: Integrity (Round 2, Part 2)

GS	-3	2	1	0	1	2	3	C
GS 3	-	-	-	-	-	3	7	100%
GS 4	-	-	-	-	1	3	6	100%
GS 5	-	-	-	-	-	2	8	100%

GS 3: Business ethics is upholding integrity (values and honesty) while doing business.
 GS 4: Business ethics is about upholding values (for example, upholding principles, excellence, beliefs, or being professional).
 GS 5: Business ethics is about being honest.

For these three group generic statements, 100% (10 out of 10) of the responses fell on the positive side of the rating scale (applicable, most and strongly applicable to my SDM process). Based on the consensus criteria (70% of responses falling within the positive side of the Likert scale), consensus was achieved for these three group generic statements. The participants made no changes (adaptions) to these statements and no added activity was suggested.

These findings indicate the extent to which SMEs define business ethics as upholding integrity in the workplace. One generic statement (GS 5: Business ethics is about being honest) had high counts, particularly in terms of “strongly applicable to my SDM” (80% of the responses fell in this column). This finding highlights the importance of honesty for SMEs and the SDM process.

5.2.4.3 Theme 3: Transparency (Round 2, Part 2)

Table 5.29 provides a summary of the findings and the group generic statements drafted for this theme, and lists the findings, presented in frequencies (how many responses chose a specific answer), for each group statement. The last column indicates the consensus percentage (See Appendix G for the Delphi questionnaires).

Table 5.29: Findings for Theme 3: Transparency (Round 2, Part 2)

GS	-3	2	1	0	1	2	3	C
GS 6	-	-	-	-	-	4	6	100%

GS 6: Business ethics is being open and transparent while doing business

For GS 6, 100% (10 out of 10) of the responses fell on the positive side of the rating scale (applicable, most and strongly applicable to my SDM process). Based on the

consensus criteria (70% of responses falling within the positive side of the Likert scale), consensus was achieved for this group generic statements. A 100% consensus rating was achieved for this statement. The participants made no changes (adaptions) to these statements and no added activity was suggested. These findings indicate the extent to which SMEs define business ethics as being transparent, and its importance for SMEs and the SDM process.

5.2.4.4 Theme 4: Trustworthy (Round 2, Part 2)

Table 5.30 depicts the group generic statements drafted for this theme and the findings, and lists the findings, presented in frequencies (how many responses chose a specific answer), for each group statement. The last column indicates the consensus percentage (See Appendix G for the complete Delphi questionnaires).

Table 5.30: Findings for Theme 4: Trustworthy (Round 2, Part 2)

GS	-3	2	1	0	1	2	3	C
GS 7	-	-	-	-	-	2	8	100%
GS 7: Business ethics is about being trustworthy (reliable and loyal) in what we do.								

For GS 7, 100% (10 out of 10) of the responses fell on the positive side of the rating scale (applicable, most, and strongly applicable to my SDM process). Based on the consensus criteria (70% of responses falling within the positive side of the Likert scale), consensus was achieved for this group generic statement. A 100% consensus rating was achieved for this statement. The participants made no changes (adaptions) to these statements and no added activity was suggested. Trustworthy also achieved high counts, particularly in the “strongly applicable to my SDM” (80% of the responses fell in this column). These findings indicate the extent to which SMEs define business ethics as being trustworthy and its importance for SMEs, and in SDM.

5.2.4.5 Theme 5: Behaving responsibly (Round 2, Part 2)

The following group generic statements were drafted for this theme (see Table 5.31). Table 5.31 (see next page) lists the findings, presented in frequencies (how many responses chose a specific answer), for each group statement.

For the five group generic statements, 100% (10 out of 10) of the responses fell on the positive side of the rating scale (applicable, most, and strongly applicable to my SDM process). Based on the consensus criteria (70% of responses falling within the positive

side of the Likert scale), consensus was achieved for these five group generic statements. A 100% consensus rating was achieved for these group statements. The participants made no changes (adaptions) to these statements and no added activity was suggested.

Table 5.31: Findings for Theme 5: Behaving responsibly (Round 2, Part 2)

GS	-3	2	1	0	1	2	3	C
GS 8	-	-	-	-	-	2	8	100%
GS 9	-	-	-	-	-	3	7	100%
GS 10	-	-	-	-	-	3	7	100%
GS 11	-	-	-	-	1	5	4	100%
GS 12	-	-	-	-	-	2	8	100%

GS 8: Business ethics means behaving responsibly towards internal and external stakeholders/shareholders.

GS 9: Business ethics means behaving responsibly towards other members on the management team.

GS 10: Business ethics means behaving responsibly towards other stakeholders (for example, our employees, customers, and suppliers).

GS 11: Business ethics means behaving responsibly towards the planet.

GS 12: Business ethics is about delivering products and services of good quality.

These findings indicate the extent to which SMEs define business ethics as being responsible in the workplace. Two generic statements (GS 8: Business ethics means behaving responsibly towards internal and external stakeholders/shareholders and GS 12: Business ethics is about delivering products and services of good quality) achieved high counts, particularly in the “strongly applicable to my SDM” (80% of the responses fell in this column in terms of both statements). This finding highlights the importance of responsible behaviour towards stakeholders and shareholders, and the quality of products and services for SMEs and the SDM process.

5.2.4.6 Summary: Round 2 – Definition for business ethics

Based on the consensus criteria, consensus was reached on all 12 statements (as being elements for a definition of business ethics for SMEs). The elements of a working definition for business ethics include: 1) doing the right thing (which includes being compliant with legal and industry-specific regulations), 2) upholding integrity (values and honesty), 3) being trustworthy (reliable and loyal), 4) behaving responsibly

(towards shareholders, and other stakeholders and the planet and providing products of good quality).

Table 5.32 provides a summary of the consensus reached in terms of business ethics-related statements, and the percentage of consensus that was reached.

Table 5.32: Summary of consensus reached on business ethics-related statements (Round 2, Part 2)

Group statements regarding a definition for business ethics	Consensus
Business ethics is about doing the right thing (GS 1).	100%
Business ethics is about being compliant with legal and industry-specific regulations (for example, financial regulations or other industry-specific regulations) (GS 2).	100%
Business ethics is upholding integrity (values and honesty) while doing business (GS 3).	100%
Business ethics is about upholding values (for example, upholding principles, excellence, beliefs, or being professional) (GS 4).	100%
Business ethics is about being honest (GS 5).	100%
Business ethics is being open and transparent while doing business (GS 6).	100%
Business ethics is about being trustworthy (reliable and loyal) in what we do (GS 7).	100%
Business ethics is behaving responsibly towards internal and external stakeholders/shareholders (GS 8).	100%
Business ethics is behaving responsibly towards other members on the management team (GS 9).	100%
Business ethics is behaving responsibly towards other stakeholders (for example, employees, customers and suppliers) (GS 10).	100%
Business ethics is behaving responsibly towards the planet (the environment) (GS 11).	100%
Business ethics is about delivering products and/or services of good quality (GS 12).	100%

The overall findings coincide with that found in the literature, whether implicitly or explicitly. However, new perceptions on business ethics not previously highlighted in the broader literature are trustworthiness and transparency. Doing the right thing was also identified, and adds to the perceptions in the broad literature. This perception is

at the heart of business ethics, and may, in essence, be a broad element encompassing all the other elements.

In the South African context, trustworthiness, transparency, and quality are novel additions to the business ethics literature. Consistency (identified in Section 3.8) may be related to trustworthiness, however, trustworthiness extends towards loyalty and not only reliability or consistency. The above findings indicate that business ethics, in practice and among South African SMEs includes the gathering of internal and external information, but the findings indicate a relatively stronger consensus rate in terms of external information than for internal information. Implicit communication is evident across the SDM literature.

Round 3 of the Delphi Technique focused on feedback for the participants in Round 2. Appendix G includes the statements and questions for Round 3.

5.3 CONCLUSION

This chapter reported on the findings of the Delphi research phase of the current study. The aim of the Delphi research phase, in this study, was to understand the SDM process of SMEs in South Africa, and to determine a working definition of ethics for SMEs. The Delphi Technique started with 20 responses that were analysed during Round 1, with a 50% drop-out in Round 2.

Consensus was reached on seven broad themes, or activities that illustrated SDM in SMEs. These broad activities were 1) reason for the strategic decision, 2) analysis of financial information, 3) the strategic decision, 4) gathering non-financial information, 5) communication, 6) implementation, and 7) evaluation of the effectiveness of the strategic decision. However, consensus was also reach on the fact that SME managers/owners do not follow specific, formal steps during SDM. Lastly, consensus was reach on five elements that define business ethics in SMEs. These themes were: 1) doing the right thing, 2) integrity, 3) transparency, 4) trustworthiness, and 5) behaving responsibly. These elements can be viewed as principles guiding ethics in SMEs.

The next chapter reviews the findings and analysis of the IQA research phase, and the additional interview phase.

CHAPTER 6:

ANALYSIS AND FINDINGS OF INTERACTIVE QUALITATIVE ANALYSIS METHOD AND INTERVIEWS

6.1 INTRODUCTION

This chapter reviews the second and third research phases of this study. The second phase comprised of the Interactive Qualitative Analysis (IQA) phase that implemented an interactive focus group discussion session and follow-up interviews. As there were not enough VAT-registered SMEs that attended, additional interviews with VAT-registered SMEs were conducted. This chapter reports on the findings of the IQA method and subsequent interviews.

This findings discussed in this chapter are related to Research question 3, namely: *What are the factors (including the ethical factors) that influence strategic decision-making (SDM) in SMEs?* (RQ3). It was also possible to identify ethics-related influencing factors. The IQA session and data obtained from the interviews allowed the study to make findings pertaining to the SDM process and a definition for ethics, and these are briefly highlighted throughout this chapter.

6.2 IQA METHOD: FINDINGS AND ANALYSIS

This section reviews the IQA research phase of the current study.

6.2.1 Overview

The purpose of the IQA research stage was to determine the factors that influence SDM in SMEs in South Africa (RQ3). The IQA method is particularly suitable to determine the elements within a system, which are in this case, the influencing factors of SDM, and to determine how these elements influence each other.

The IQA research phase consisted of five steps (See Chapter 4, Section 4.5.2). Seven 1.1 participants attended the IQA integrative focus group session, however, only two were VAT-registered enterprises. As data was gathered during the COVID-19 pandemic, this impacted the participation in the IQA session and contact sessions. The IQA research phase was able to commence once qualitative research was allowed again during lockdown level 2.

For the IQA session, and based on the recommendations, the researcher and the participants made sure that sufficient space was provided for the participants to easily keep a two-metre distance apart from each other in a well ventilated facility. The researcher compiled a 'participant IQA session bag' with markers and index cards put in separate plastic bags (for each participant), weeks before the IQA session. Participants were asked to bring their own pens to the session, and the researcher provided masks, sanitisers, and medical gloves, and ensured that the participants' temperatures were taken and recorded on the day of the IQA session.

For the interviews, and based on the recommendations, the researcher conducted face-to-face interviews only if both the researcher and the participant were comfortable with it, and in public spaces or their workspaces. Public spaces and workplaces had to keep registers, take temperatures, and provide sanitising booths, as required by law during the COVID-19 pandemic. The researcher maintained the recommended distance (two meters) and avoided physical contact. However, most interviews were done electronically/telephonically due to the COVID-19 situation.

The session, presented as a workshop, included an introduction which took the form of a warm-up session to orient the participants' focus on strategic decisions. With the focus on SDM, the participants were asked the following: '*Tell me, what impacts or shapes your [strategic] decision-making.*' Thereafter, inductive coding and axial coding followed, and ART tables were populated.

The group was dismissed after the ART tables had been populated, and the researcher proceeded to draft the group system influence diagram (SID). The SID depicted the picture of the system (indicating how the affinities influence each other), as analysed by the participants. Thereafter, the one-on-one interview sessions with the participants and additional interviews followed. Six participants agreed to participate in follow-up IQA interviews. The seventh participant declined participating. The sections below review the findings and analyses of the IQA research phase.

6.2.2 The participants

The IQA session was presented as a workshop and invitations were distributed four weeks prior to the workshop. Initially, 12 individuals confirmed, booked and/or indicated their willingness to attend the IQA session. Of those 12 individuals, four cancelled between two to three days before the session, and four individuals who

confirmed their attendance were absent on the day. Upon receiving the cancellations, the researcher actively sought out more participants, and only three additional participants could attend at such short notice. Seven participants ultimately attended the IQA session.

The ideal group size for the IQA session is 12 to 15 participants, however, smaller group sizes of four to nine have been observed in studies that have used the technique (Le Grange & Botha, 2019:31; Karataş & Okan, 2021:1655; Tseng, 2019:152).

Table 6.1 (see next page) indicates the profiles of the IQA participants. Included in the table are the relevant service/products of the respective SMEs, and the size of the enterprise (in terms of number of employees). The last column indicates if the participant was interviewed, and the type of interview conducted.

The majority were male participants (five out of seven). Demographics pertaining to home language included English (one) and Afrikaans (six). Only three interviews were conducted face-to-face, and at public and/or workplaces, where COVID-19-related registers needed to be kept, temperatures checked by the facilities, and sanitising stations made available as required by legislation. As the numbers of persons being infected with COVID-19 increased daily, the researcher decided to continue with only online and/or telephonic interviews to ensure the safety of everyone concerned.

Table 6.1: Profiles of the IQA participants

Pseudonym (P)	Male (M) / Female (F)	Products/services	VAT-registered	Size of enterprise (number of employees)	Classification of enterprise	Interviewed and interview type
P1	F	Funeral and assurance	No	0 – 5	Micro	Face to face
P2	F	Property real estate	No	0 – 5	Micro	Face to face
P3	M	Glass and aluminium	Yes	11 - 50	Small	Face to face
P4	M	Contract drafting, Negotiation and advisory services. Labour law consulting, facilitation and advice. Commercial structuring and agreements.	No	0 – 5	Micro	Online via MS Teams
P5	M	Marketing-based business development, ranging from business strategy/planning, digital and traditional marketing, design, range of event-specific services.	No	0 – 5	Micro	Online via MS Teams
P6	M	IT Support	Yes	0 – 5	Micro	Telephonic
P7	M	Financial services	No	0 – 5	Micro	No interview

6.2.3 The standard warm-up exercises and issue statement

The IQA session, presented as a workshop on SDM, discussed the strategic decisions and the SDM process identified in Chapter 5. The short and broad descriptions used in the Delphi research phase were included in the discussions on strategic decisions. This description stipulated those strategic decisions that are concerned with: 1) how competitive advantage can be maintained or increased, 2) the future or the bigger picture, 3) how to grow or scale down, and 4) major changes in the business (scope or scale).

The standard warm-up exercise continued for about 13 minutes. After the warm-up session, the participants were asked to identify, reflect, and write down a strategic decision that they have implemented or would like to implement in the future. Directly thereafter, the participants were asked what impacted or influenced this [strategic] decision. Broad guidelines or sub-areas were given to assist their thought processes.

Figure 6.1 presents a visual illustration, taken from the presentation, of the issue statement and the sub-areas of broad guidelines given. The issue statement was kept basic, but in the context of SDM.

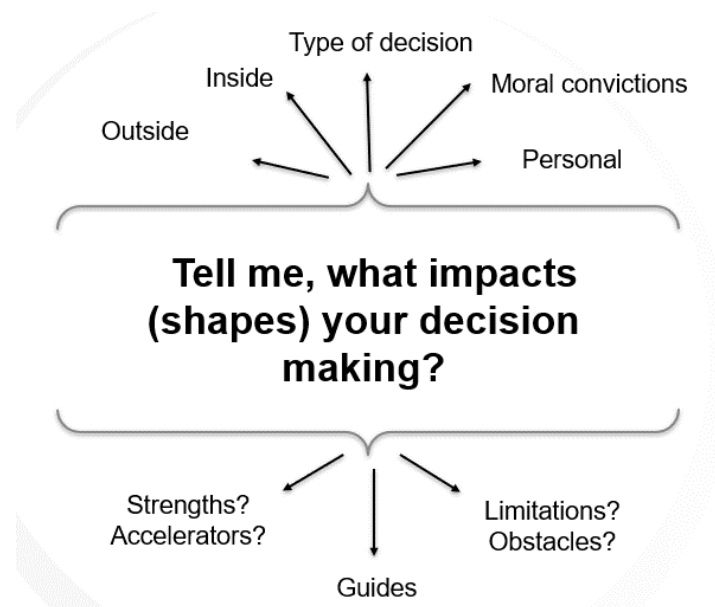


Figure 6.1: Issue statement and broad guidelines used in the IQA group session

The participants were given roughly eight minutes to answer the issue statement during silent brainstorming. They were provided with index cards and a marker sealed in a bag, and were asked to write down one thought, idea or concept per index card. This exercise yielded 78 cards, which were collected and pasted on a wall. The participants were asked to silently read through all the cards on the wall. Thereafter, the researcher read each card out loud and asked if all the cards were clear and understood. The researcher asked for clarity from the group if a card's meaning was ambiguous or not clear. Roughly 13 cards required clarification. Table 6.2 (see next page) lists all the thoughts produced by the silent brainstorming session.

Once each card's meaning was clarified, the participants were asked to silently, without discussion, group the cards into meaningful groups, and to identify duplicates. They could add new cards if they felt that an element had been overlooked, or if one card could be placed under more than one category.

Table 6.2: Participants' thoughts and reflections on elements affecting their SDM

\$ R (Money)	Engine	Long-term sustainability	Seed capital
1, 2 ,3-year plans	Evaluate cut your losses	Market limitations	Self-belief
Ability to improve:	Dump non-productive ideas	Marketing options	Skills development
- Think on feet	Experience	Moral code	Small:
Access	Familial complications	Needs of market/clients	- Key person
Age	Feasible?	New industry developments as a guide	Technical implementation challenges
Alternatives	Feeling of accomplishment	No compromise	Time
Available positions	Finances	Paying it forward	Time (limitations)
Belief	Financial reality	Person:	Time considerations
Better offering?	Freedom	- Interest	Uncertainty
Big/Small	Gut	-Passions	Value
Boredom	Human resources challenges	-Plans	Value proposition
Business canvas	Identity	Personal endorsement:	Vision and mission
Cash flow	Impact/outcome	- Will I be proud?	What worked and what didn't work
Changed platforms	Industry compliance challenges	Positive legacy	What's already out there
Commitment	Industry constraints	Possible industry trends	Will it grow:
Communication:	King IV compliance	Potential for positive overflow	- Money
- Positive	Lack of knowledge	Purpose	- Business
- Negative	Legacy	R.S.A (reality in SA)	- Happiness
Contingency	Legal vehicle		Will it matter?
- I can't clone	Legislation constraints		- Timeline of consequence
Corporate			
COVID-19			
Criticism			
Culture			
Demand dress code			

According to Northcutt and McCoy (2004:110), the ideal IQA method stipulates that this sorting process should be done silently. This part of the IQA session started in silence, however, it was not possible to reach consensus in silence with the complex cards. While the cards' meanings had been clarified earlier, once grouping commenced, the participants needed to discuss a few of the index card's meanings again to ensure that meanings were not lost, and proper grouping took place. The silence was broken as some of the concepts on the cards needed to be clarified again or had pictures drawn (as opposed to words/text). The constituent whose index card it was, would clarify and/or confirm the idea behind the thought again, and grouping

took place. One of the limitations of this technique is that no guidance is provided on what to do when agreement cannot be reached during clustering. The researcher found that silent grouping, coupled with final elaborations assisted in reaching consensus.

Another limitation of this technique is that no guidance is provided regarding power struggles in the group dynamics between the facilitator and expert participants. There were two domineering personalities in the group that had to be managed. As much as domineering personalities should and can be avoided, power struggles in this session involved the experts being much older, experienced and knowledgeable than the facilitator (in this case, the researcher). While the researcher had research power, the SME owners had experience power. Deliberate insights and feedback of other participants were continuously asked from the entire group by the researcher, to obtain the inputs of all participants, thereby minimising the impact of the two domineering personalities.

After the clusters were grouped, names were allocated to each group. Deliberations and clarifications between the participants assisted in naming and explaining the groups. The participants had to indicate if they were still satisfied with the groupings and the placements of the various index cards (clusters) after names had been allocated to the clusters. Once names had been allocated to the clusters, a few index cards were reshuffled and placed under the correct clusters. Index cards were allocated to a total of 11 groups (or clusters). Thereafter, the participants were asked if it was possible to give some of the groups collective names to create affinities. Five (5) affinities were created. During this part, the additional deliberations and clarifications between the participants further assisted in the naming and explaining of the affinities. The section below summarises the affinities.

6.2.4 IQA Affinities (themes) and their descriptions

From the 78 cards, 11 groups or clusters were created, and grouped into five affinities, or themes. The issue statement, within a strong orientation towards SDM, was the following: *Tell me, what impacts or shapes your decision-making* (the question was asked in the context and orientation of strategic decisions). Hence, these affinities were the identified influencing factors in SDM for SMEs. Figure 6.2 illustrates the affinities as captured by photos taken on the day of the workshop.

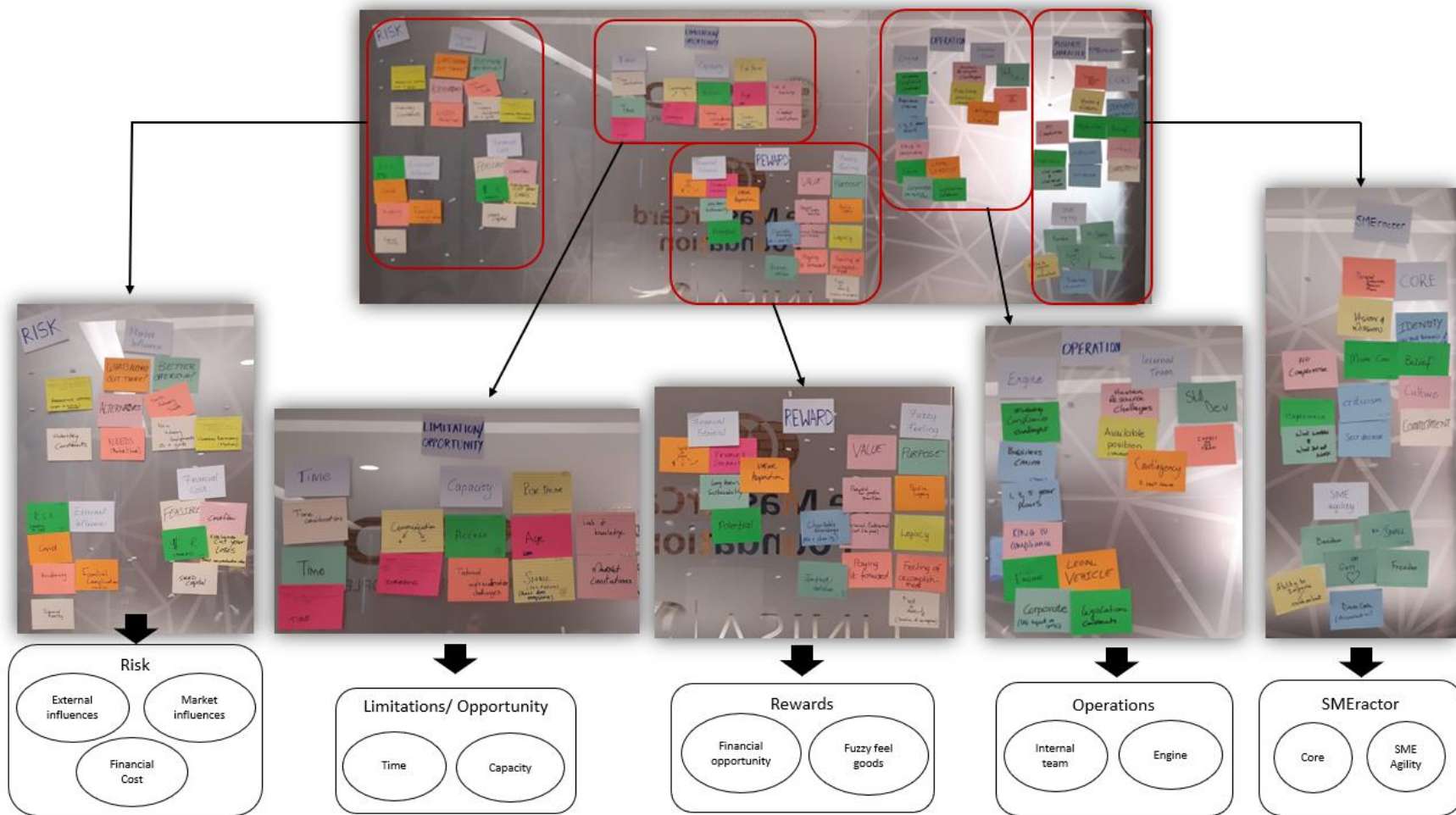


Figure 6.2: Identified IQA affinities

6.2.4.1 Limitations/opportunities

This affinity proved to be the most difficult to name and define during the IQA workshop. The participants were pondering names such as “limitations”, “opportunity”, “challenges” and “resources”, and ultimately, decided on the title “Limitations/Opportunities”. They found this title encapsulating, and in their opinion, it still reflected one idea, but could tend towards a positive (an opportunity) or a negative (a limitation).

The following verbatim transcriptions from the IQA group session guided defining this affinity. The researcher was able to identify the voices of some of the respective participants and indicated it so, for example, Participant 5. If the voices were not distinctive, or unclear, the researcher used gender as a distinction, for example, Female Participant. The English translations are provided, but it is indicated if the verbatim was originally in Afrikaans.

“Each one of those cards can be a pitfall, but also an opportunity.” (Translated from Afrikaans) (IQA session, Participant 3).

“That is also a positive, yes.” (Translated from Afrikaans) (IQA session, Female participant).

“A ceiling...” (IQA session, Male participant).

“All the challenges are opportunities if you view it the right way.” (Participant 5).

This affinity represented the limitations and opportunities of SMEs and SME owners/managers in SDM. The participants agreed that all the limitations or challenges could also be opportunities, and vice versa. Limitations were also defined as not always a negative, but where one’s “ceiling would be”. Age, for example, could be a limitation or an opportunity (a strength). It was indicated that being older means that you have a different approach to, and a different understanding of risk. Being older enhances your thought processes. The same argument applied to Time:

“...a time negative and a time positive...” (Translated from Afrikaans) (IQA session, Female participant).

“So, when I was twenty, I tried a new thing, and because I failed, tomorrow I start again. Now I’m 40, I’ve got two kids and an ex-wife and a wife to support. You must think about your, one day when I’m old.” (IQA Session, Participant 3).

When reviewing the ideas (cards) under this affinity, it is evident that limitations/opportunities are also linked to the SME owner or decision-maker, and not just the limitations and opportunities of the enterprise itself. Examples linked to the SME owner include age, small (key person), and lack of knowledge. Examples linked to the enterprise include access, demand, and market limitations.

From the group discussion and the ideas (cards) under this affinity, the following definition was drafted: Limitations/Opportunities, in this context, refers to the limitations on the enterprise/decision-maker/owner, or the ceiling, and these limitations can be positive or negative.

The affinity Limitations/Opportunities consisted of two sub-groups, namely, Time and Capacity. Table 6.3 list the sub-groups and the insights (cards) collected under this affinity.

Table 6.3: Affinity 1: Limitation/Opportunity

Limitation/Opportunity	
Time	Capacity
Time	Risk factor (young SME vs settled SME)
Time (limitations)	Access (travel, knowledge, funds, international markets)
Time constraints	Age
	Communication (positive and negative)
	Small (key person)
	Demand
	Market limitations
	Technical implementation challenges
	Lack of knowledge

6.2.4.2 Reward

This affinity was easy to define and represented the rewards (returns or outcomes) for the SME and the decision-maker/owner in SDM. Rewards were the ‘gains or benefits or returns’ and included the fuzzy feel goods, or positive feelings for the decision-maker and the financial potential for the SME. The following verbatim transcriptions from the IQA group session guided defining this affinity.

“This is for me reward at the end of the day, this financial and fuzzy feel goods.”

(Translated from Afrikaans) (IQA session, Participant 5).

“Why we do this.” (IQA session, Participant 5).

“It’s what you’re looking for. It’s what you want to leave behind. It’s the reward.”
(IQA session, Female participant).

“Money, money, money.” (IQA session, Female participant).

From the group discussion and the ideas (cards) under this affinity, the following definition was drafted: Rewards, in this context, refers to the personal and financial ‘gains, benefits or returns’ for the decision-maker and the SME itself in SDM. For example, the personal rewards are the “fuzzy feel goods” such as leaving a legacy, while the financial rewards are the financial rewards, as well as growing the business. Table 6.4 lists the sub-groups of fuzzy feeling and financial potential, and the insights collected under this affinity.

Table 6.4: Affinity 2: Reward

Reward	
Fuzzy feeling	Financial potential
Value	Finances
Purpose	Potential
Potential for positive overflow	Long-term sustainability
Positive legacy	Will it grow? (money, business, happiness)
Legacy	Value proposition
Charitable advantage	
Impact/outcome	
Paying it forward	
Feeling of accomplishment	
Will it matter? (timeline of consequences)	
Personal endorsement (Will I be proud?)	

6.2.4.3 Risk

This affinity was easy to define and self-explanatory. It represented the risks, uncertainties or the challenges, that a decision-maker needs to consider when making strategic decisions. The following verbatim transcriptions from the IQA group session guided in defining this affinity.

“Challenges and pitfalls.” (IQA session, Female Participant)

“Yes, but risk is everything, from your input to the market influences to everything that could go wrong or could go right.” (Translated from Afrikaans) (IQA session, Participant 5).

“...because risk is everything that’s uncertain.” (IQA session, Participant 5).

From the group discussion and ideas (cards), the following definition was drafted: Risk is the perceived elements that impose a danger or a threat and can impact SDM, the business’ success and goals during SDM. It is everything that can go right or wrong. This affinity consisted of market influences, external influences, and financial costs. Table 6.5 lists the sub-groups and the insights collected under this affinity.

Table 6.5: Affinity 3: Risk

Risk		
Market influence	External influence	Financial costs
Marketing options	RSA	Cash flow
What’s already out there?	COVID-19	Feasibility
Better offering?	Uncertainty	\$ R (Money)
Possible industry trends	Familial complication	Evaluate cut your losses (dump non-productive ideas)
Alternatives	Financial reality	Seed capital
Industry constraints		
Needs (market/client)		
New industry developments as a guide		
Changed platforms		

6.2.4.4 SMERacter

The original name of the affinity was Business Character. One of the domineering personalities changed this name to SMERacter; combining SME with business character. The participants agreed with the change in name and found it fitting, creative and unique. This affinity was relatively easy to define and represented the business’ character or “SMERacter”. It was mentioned that it is difficult to differentiate between (or separate) the SME itself from the decision-maker (SME owner). The following verbatim transcriptions from the IQA group session guided defining this affinity.

“...remember, we talk of the core of a small... no, no not business, your indirect core, why you’re there.” *“Your business, small and medium enterprises core,*

what is your identity, what is your moral code, what is your culture, what is your vision, vision, what is your belief?” (Translated from Afrikaans) (IQA session, Participant 3).

“Core of the business.” (Translated from Afrikaans) (IQA session, Female participant).

“Business character.” (IQA session, Female participant).

During the IQA session, and during this affinity’s discussion, a comment was made that substantiates the agreement (amongst participants) that it is difficult to differentiate between (or separate) the SME itself from the decision-maker (SME owner).

“The focus is on business, but you cannot split the two from each other.” (Translated from Afrikaans) (IQA session, Participant 6).

From the group discussion and ideas (cards) under this affinity, the following definition was drafted: SMERacter represents the ‘core’ of the SME owner/decision-maker (such as experiences, identify and belief) and then enterprise-specific characteristics that relate to agility (such as having freedom in actions and decision-making and being agile). The two subgroups under this affinity were core and SME agility. Table 6.6 lists the sub-groups and the insights collected under this affinity.

Table 6.6: Affinity 4: SMERacter

SMERacter	
Core	SME Agility
Culture	Boredom
Personal interest, passions, plans	Freedom
Commitment	Dress code
Identity	Big/small
Vision and mission	Ability to improve/think on feet
Belief	Gut
Experience	
No compromise	
Self-belief	
What worked and what did not work	
Criticism	
Moral code	

6.2.4.5 Operations

This affinity was moderately easy to define and partly self-explanatory. This affinity represented the operations of functioning of the SME that they need to consider when making strategic decisions.

“Running of the thing.” (IQA session, Participant 5).

“Structure, business tools.” (IQA session, Participant 6).

“Self, people?” (IQA session, Female participant).

“People stuff [?]” (IQA session, Participant 7).

From the group discussion and ideas (cards) under this affinity, the following definition was drafted: Operations in this context referred to how, or what makes the business ‘work’ or function or that which drives the business (if looking at the concept of an engine), and subsequently assists in SDM. Table 6.7 lists the sub-groups and the insights collected under this affinity.

Table 6.7: Affinity 5: Operations

Operation	
Internal team	Engine
Human resources	Engine
Skill development	King IV compliance
Contingency (I cannot clone)	1,3,5-year plans
Impact on team	Industry compliance challenges
Available position	Legal vehicle
	Legislation constraints
	Business canvas
	Corporate

Table 6.8 differentiates between the various affinities.

Table 6.8: Differentiating between the affinities

Affinity name	Main differentiating factor/s	Sub-themes
Limitations/ opportunities	Can be positive, which creates opportunities, or negative which are limitations. The term 'Limitations' refers to the limits or the "ceiling".	Time; Capacity
Rewards	Refers to the "gains or benefits or returns" for the decision-maker and the SME itself.	Financial potential; Fuzzy feel good
Risk	Risk is perceived elements that impose a danger or a threat and can impact your SDM/ the business' success or goals. It is everything that can go right or wrong.	External influences; Market influences; Financial cost
SMEracter	The business character was defined as 'core' to the decision-maker (such as experience) and then enterprise-specific characteristics (such as having freedom in actions and decision-making and being agile).	Core; SME agility
Operations	How, or what makes the business 'work' or function or that which drives the business.	Internal team; Engine

The IQA method is particularly suitable to determine the elements within a system, which in this case are the five influencing factors influencing SDM of SMEs, and then to determine how these elements influences each other. The next section reviews these findings.

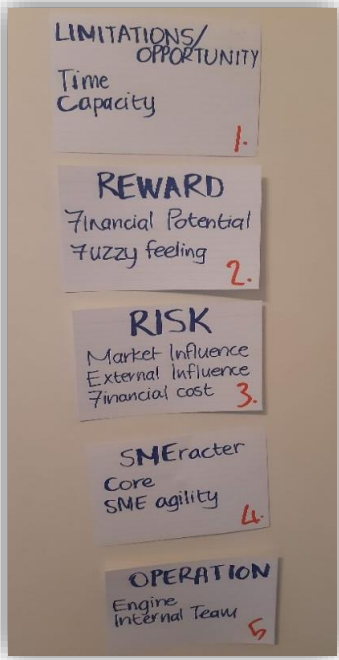
6.2.5 Affinity relationship table (ART) and frequencies

The participants recorded and analysed each possible affinity relationship on their individual Affinity relationship tables (ARTs).

The relationships were demarcated to 1 influence 2 ($1 \rightarrow 2$), 2 inference 1 ($1 \leftarrow 2$) or no relationship ($1 < > 2$).

Table 6.9 indicates the unique numbers assigned to the affinities, and a visual presentation thereof in the second column.

Table 6.9: Numbering of affinities for analyses of relationships

Affinity Name	
1. Limitations/Opportunities	
- Time	
- Capacity	
2. Rewards	
- Financial potential	
- Fuzzy feelings	
3. Risk	
- Market influences	
- External influences	
- Financial cost	
4. SMERacter	
- Core	
- SME agility	
5. Operation	
- Internal team	
- Engine	

Once the ARTs were completed; a democratic protocol was used to determine the frequencies and the relationships with the most votes. Table 6.10 summarises the frequencies of the relationships. One of the participants (Participant 1) found the relationship part of the ARTs difficult. This participant changed some of the relationships during the IQA interview session. The changes were updated and are indicated by the use of an asterisk (*) in Table 6.10.

Table 6.10: Frequencies of relationships/Democratic composite

Affinity Pair Relationship	Frequency	Affinity Pair Relationship	Frequency
1 → 2	7*	2 → 4	0*
1 ← 2	0*	2 ← 4	7*
1 → 3	2*	2 → 5	2*
1 ← 3	4*	2 ← 5	5*
1 → 4	0	3 → 4	2*
1 ← 4	7	3 ← 4	3*
1 → 5	3	3 → 5	5
1 ← 5	4	3 ← 5	2
2 → 3	2*	4 → 5	6
2 ← 3	5*	4 ← 5	1
		Total frequencies	67
Notes:			
Changes in relationships during the follow up interview updated and indicated by (*)			

6.2.6 Interrelationship diagram (IRD)

The democratic protocol is useful to determine the frequencies and the relationships with most votes, and to determine consensus. However, to populate the Interrelationship diagram (IRD), Northcutt and McCoy (2004:152) state that the Pareto principle is the most powerful tool to determine the degree of consensus in relationships. This was particularly useful, since one of the participants changed the relationships during the interview session.

The Pareto principle indicates that “20% of the variables in a system account for 80% of the total variation in outcomes” (Northcutt & McCoy, 2004:156). The Pareto principle considers close votes, and identifies conflicting relationships. The frequencies of relationships were recorded in the pre-determined Excel spreadsheet, and the number of votes per relationship was re-ordered in descending order. The cumulative percentages that were calculated for each relationship assisted in determining the optimal number of relationships to include in the system, as well as resolving ambiguous relationships. The spreadsheet provided by Northcutt and McCoy

(2004:152) added four columns next the relationship column and frequency column.

The four columns are:

- Cumulative frequency. This column indicated the running total (cumulative) frequencies.
- Cumulative percent (relation). This column indicates the number of total possible relationships, indicated as a percentage. The total number of possible relationships was 20.
- Cumulative percent (frequency). The column indicates the number of votes that were cast, indicated as a percentage. The total number of votes cast was 67 votes.
- Power. The index of the degree of optimisation of the system. This value is calculated by the difference between the cumulative percentage (frequency) and the cumulative percent (relation)

Table 6.11 summarises the affinities' pair relationships in descending order of frequency, with the cumulative percent relation and frequency, as well as power analysis.

Table 6.11: Affinities' pair relationships with the Pareto and power analysis

Affinity Pair Relationship		Frequency Sorted (Descending)	Cumulative Frequency	Cumulative Percent (Relation)	Cumulative Percent (Frequency)	Power
1	1 < 4	7	7	5,0	10,4	5,4
2	2 < 4	7	14	10,0	20,9	10,9
3	1 > 2	7	21	15,0	31,3	16,3
4	4 > 5	6	27	20,0	40,3	20,3
5	2 < 3	5	32	25,0	47,8	22,8
6	3 > 5	5	37	30,0	55,2	25,2
7	2 < 5	5	42	35,0	62,7	27,7
8	1 < 3	4	46	40,0	68,7	28,7
9	1 < 5	4	50	45,0	74,6	29,6
10	1 > 5	3	53	50,0	79,1	29,1
11	3 < 4	3	56	55,0	83,6	28,6
12	2 > 5	2	58	60,0	86,6	26,6
13	3 > 4	2	60	65,0	89,6	24,6
14	3 < 5	2	62	70,0	92,5	22,5
15	2 > 3	2	64	75,0	95,5	20,5
16	1 > 3	2	66	80,0	98,5	18,5
17	4 < 5	1	67	85,0	100,0	15,0
18	2 > 4	0	67	90,0	100,0	10,0
19	1 < 2	0	67	95,0	100,0	5,0
20	1 > 4	0	67	100,0	100,0	0,0
	Total Frequency	67	Equal Total Frequency	Equals 100%	Equals 100%	Power = E-D

Following the Pareto principle table, there were three steps to assist in determining which relationships to include and which to discard, as discussed below.

Step 1: Min/Max criterion

According to the Pareto principle, the last two columns are used to decide which relationships to include in the IRD. According to Northcutt and McCoy (2004:152), relationships with zero (0) and 1 relationship (or votes) should be excluded.

Step 2: Accounting for maximum variance

The Pareto principle highlights that relatively few of the possible 20 relationships account for most of the variances. The first six (6) relationships (30%) accounted for over half of the variances (55,2%). Eleven (11) out of the 20 relationships accounted for 83,6% of the total variation.

Step 3: Maximum variance (frequency)

Figure 6.3 illustrates the maximum variance, the fifth column in Table 6.11 (Cumulative percent (frequencies)). The maximum variance is accounted for by each succeeding relationship (Northcutt & McCoy, 2004:160).

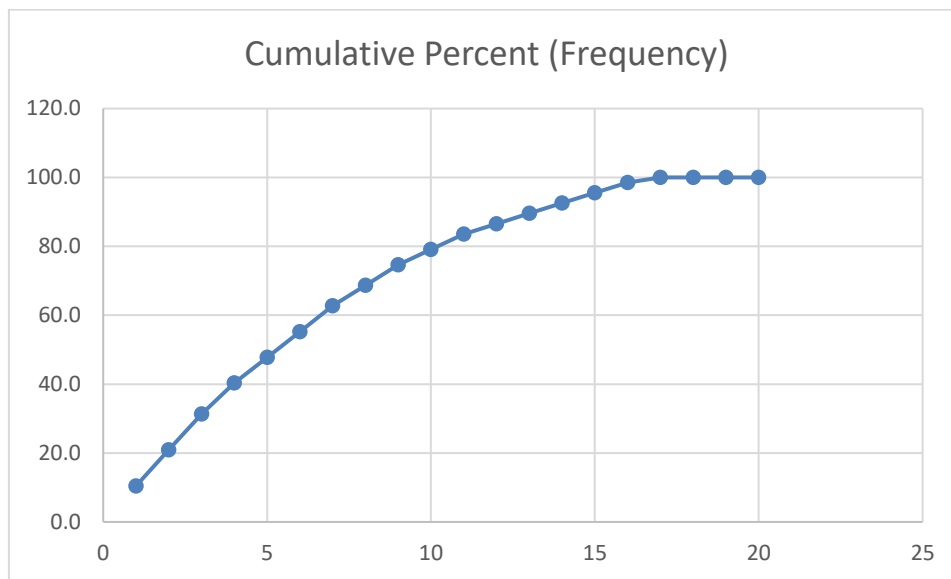


Figure 6.3: Maximum variance analysis of the focus group

Step 4: Minimising number of affinities

Figure 6.4 illustrates the power analysis. According to the power analysis, the maximum power was reached with nine relationships, with a 74,6% variance. These nine (9) relationships account for 75% of the variation in this system. Therefore, a maximum of nine (9) relationships are a defensible choice for inclusion in the group IRD, according to the min/max criterion.

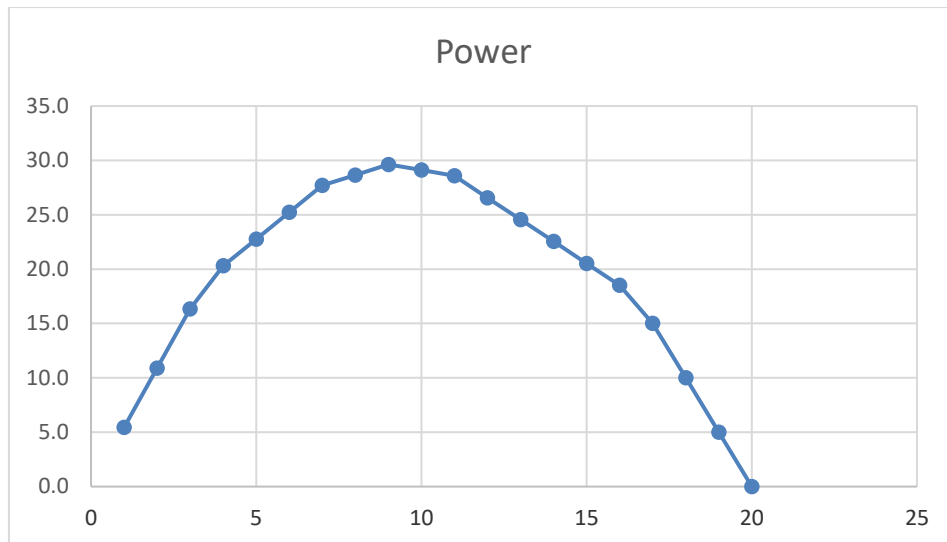


Figure 6.4: Power analysis of the focus group

The nine (9) relationships were logged in the IRD tables. The arrows indicate either a cause or an affect, and assist in identifying the driver and outcomes of the system. Table 6.12 indicates the nine (9) relationships. In the ‘OUT’ column, the number of UP arrows (↑) was determined. In the ‘IN’ column, the number of DOWN (←) arrows was determined. Delta (Δ) was calculated as the difference between the OUT and IN arrows.

Table 6.12: Tabular IRD

Tabular IRD								
	1	2	3	4	5	OUT	IN	Δ
1		↑	←	←	←	1	3	-2
2	←		←	←	←	0	4	-4
3	↑	↑		↑	↑	4	0	4
4	↑	↑	←		↑	3	1	2
5	↑	↑	←	←		2	2	0

The last three columns are calculated by 1) counting the number of up arrows or Outs (↑), 2) counting the number of left arrows or Ins (←) and 3) subtracting the *Ins* from the *Outs* to determine the Deltas (Δ) ($\Delta = \text{Out} - \text{In}$). Table 6.13 indicates the IRDs sorted in descending order of Delta (Northcutt & McCoy, 2004:175).

Table 6.13: Tabular IRD in descending order of Delta

Tabular IRD – Sorted in Descending Order of Δ								
	1	2	3	4	5	OUT	IN	Δ
3	↑	↑		↑	↑	4	0	4
4	↑	↑	←		↑	3	1	2
5	↑	↑	←	←		2	2	0
1		↑	←	←	←	1	3	-2
2	←		←	←	←	0	4	-4

From these values it was possible to determine the primary and secondary drivers, circulators and secondary and primary outcomes for the SID (Northcutt & McCoy, 2004:174) (Section 4.9.2, Table 4.3). Primary drivers have many Outs but no Ins, while secondary drivers have both Ins and Outs, but there are more Outs than Ins. Circulators have an equal number of Ins and Outs. Secondary outcomes have more Ins than Outs, while primary outcomes have many Ins but no Outs.

Table 6.14 indicates how these elements were identified.

Table 6.14: SID assignments

Tentative SID Assignments		Affinity name
3	Primary driver	Risk (3)
4	Secondary driver	SMEracter (4)
5	Circulator	Operation (5)
1	Secondary outcome	Limitations/ Opportunities (1)
2	Primary outcome	Rewards (2)

Hereafter it was possible to determine the group System Influence Diagram (SID).

6.2.7 Group System Influence Diagram (SID) and analyses

The group System Influence Diagram (SID) is a visual illustration of the system and all its influences and outcomes. To reach a 'clean' SID, a tentative and cluttered SID was first drafted. The first draft of the SID is a tentative SID. Affinities are placed in order of Delta values. Figure 6.5 illustrates the tentative group SID.

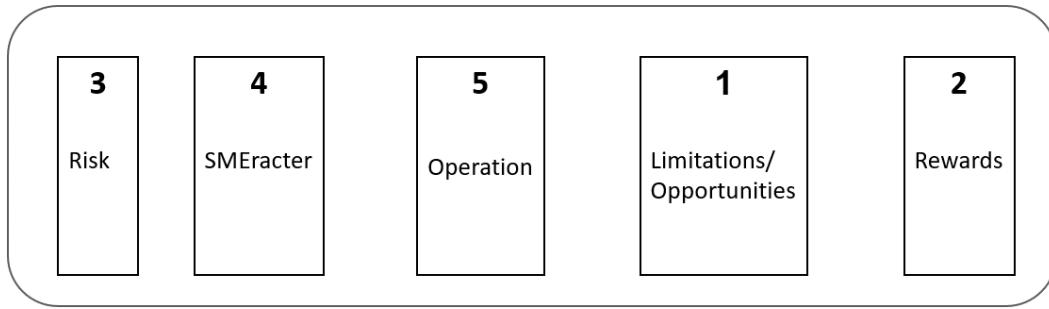


Figure 6.5: Tentative group SID

From the tentative group SID, a cluttered diagram was drafted. In the cluttered group SID, arrows were inserted to make the connections between the five affinities, indicating each relationship (Northcutt & McCoy, 2004:176). Due to the relationships being difficult to identify in the flat typological zones, the affinities were re-arranged in a circular zone. Figure 6.6 and Figure 6.7 illustrate the flat group and the circular cluster SID, respectively.

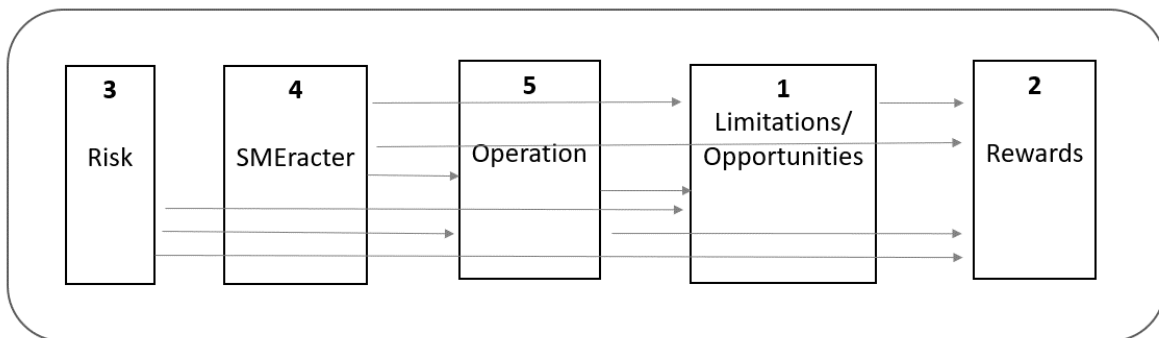


Figure 6.6: Flat cluttered group SID

The next figure illustrates the circular cluttered group SID.

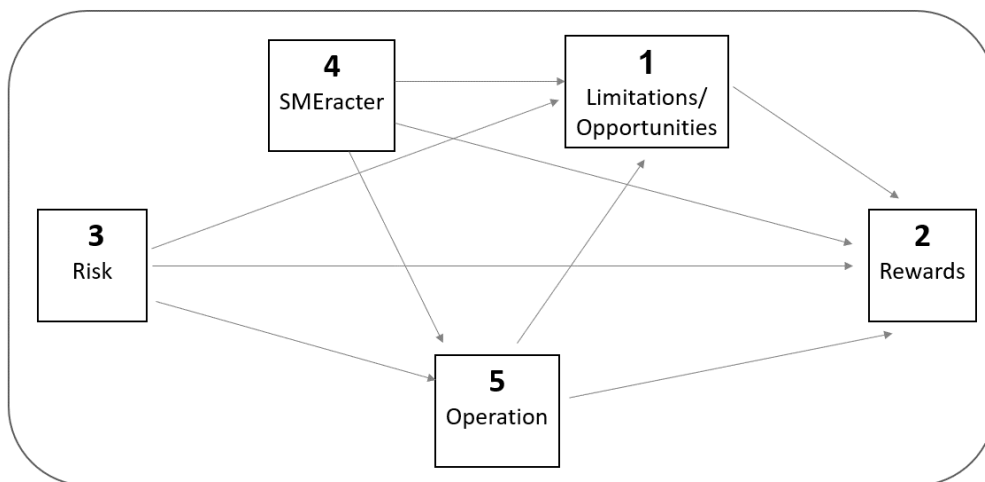


Figure 6.7: Circular cluttered group SID

The next step in the process removed the redundant links in the cluttered group SID to populate the clean SID. Redundant links are the relationships between affinities which, when removed, still indicate a path from the driver to the outcome. The path is merely achieved through the intermediary affinity and indicates a path “of least resistance” (Northcutt & McCoy, 2004:178). According to Northcutt and McCoy (2004:178), redundant links do not mean that there is no direct link in the participant’s mind. For example, participants reported a link between Risk (3) and Limitations/Opportunities (1) (Figure 6.7). However, there is a path from Risk (3) to Operations (5) to Limitations/Opportunity (1). The premise is as follows (examples of the statements of relationship are based on the ART tables of participants, but paraphrased by the researcher):

- IF Risk (3) dictates the needed structure of Operations (5) (based on ART Table, Participant 5) AND
- Team [Operations (5)] affect capacity [Limitations/Opportunity (1)] (based on ART Table, Participant 4) THEN
- Risk (3) influences Limitations/Opportunity (1)

Hence, the route Risk (3) and Limitations/Opportunities (1) can be elaborated from Risk (3) to Operations (5) to Limitations/Opportunity (1). The verbatim transcription that follows illustrates this premise: The relationships SMERacter (4) – Operations (5) – Rewards (2), and SMERacter (4) - Rewards (2) are evaluated.

“So if my core allows it, I can adjust operations and that adjustment will definitely influence the reward either positively or negatively.” (Translated from Afrikaans) (IQA Interview, Participant 3).

The path SMERacter (4) – Operations (5) – Rewards (2) was captured by the participant above. The same participant also stipulated that SMERacter (4) influences Rewards (2).

“Character influences your dream/reward.” (Translated from Afrikaans) (ART table, Participant 3).

Hence, the SMERacter (4) - Rewards (2) can be elaborated by SMERacter (4) – Operations (5) – Rewards (2). Based on Figure 6.7, Figure 6.8 provides a step-by-step illustration of how the redundant links were identified and removed.

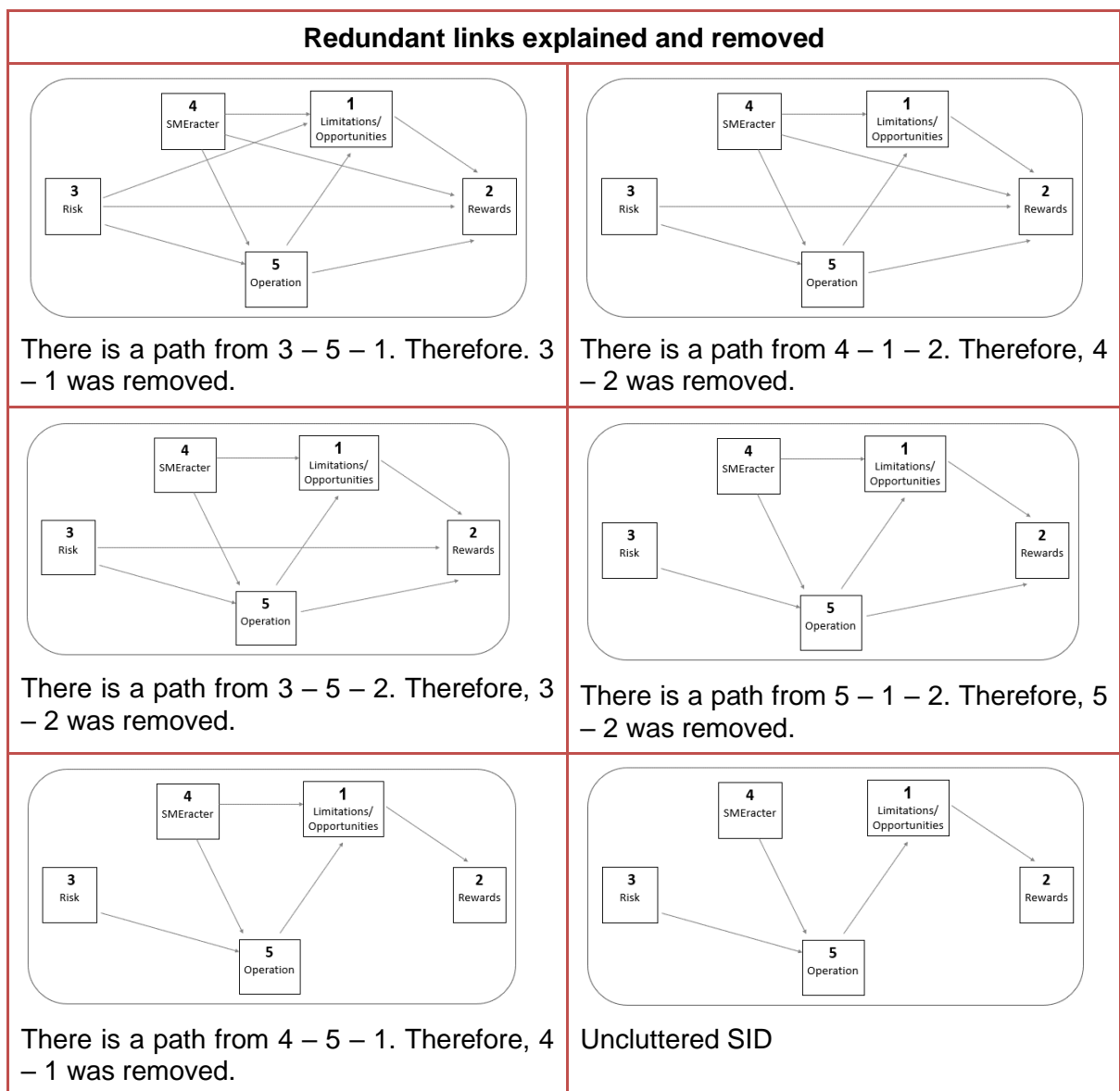


Figure 6.8: Redundant links explained

From the uncluttered SID, a clean SID can be drafted. As determined earlier, there is one primary driver, Risk (3), a secondary driver, SMEracter (4), a circular, Operations (5), a secondary outcome, Limitations/opportunities (1) and a primary outcome, Rewards (2).

Figure 6.9 illustrates the clean group SID, with the minimum links in bold, and the redundant links in a lighter colour, and the clean SID with the redundant links removed as in Figure 6.10.

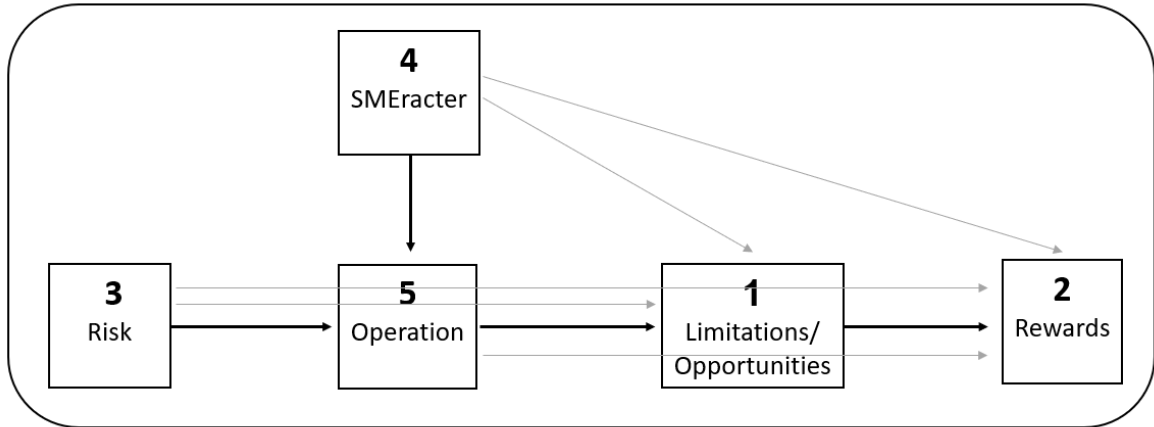


Figure 6.9: Clean group SID, with redundant links in lighter colour

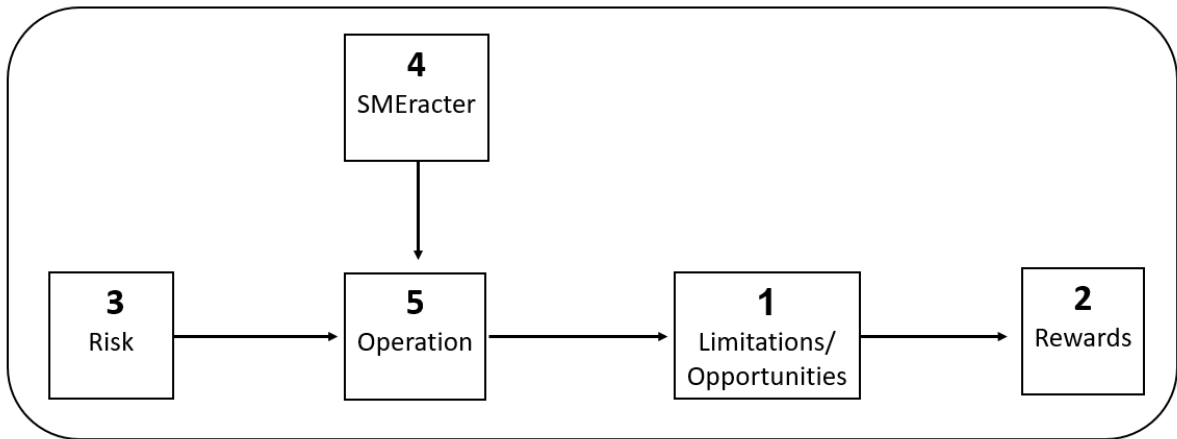


Figure 6.10: Clean group SID

From the clean group SID, the following can be highlighted. There are nine (9) affinity relationships, of which some are redundant to present a simplistic representation of all relationships. These relationships are recapped in Table 6.15. In the last column, the minimum links and redundant links are highlighted.

Table 6.15: The nine relationships amongst the affinities

Affinity Pair Relationships		Minimum links and redundant links
1	1 < 4	Redundant link. Route 1 – 4 is elaborated as 4 – 5 – 1
2	2 < 4	Redundant link. Route 4 – 2 is elaborated as 4 – 5 – 2
3	1 > 2	Minimum link
4	4 > 5	Minimum link
5	2 < 3	Redundant link. Route 3 – 2 is elaborated as 3 – 5 – 1 – 2
6	3 > 5	Minimum link
7	2 < 5	Redundant link. Route 5 – 2 is elaborated as 5 – 1 – 2
8	1 < 3	Redundant link. Route 3 – 1 is elaborated as 3 – 5 – 1
9	1 < 5	Minimum link

The findings, based on the ART tables and IQA-related interviews on the relationships, are reviewed per affinity in the following sub-sections.

6.2.7.1 Risk (3)

Risk (3) was identified as a primary driver in SDM (or the system) (see Figure 6.10). The affinity comprised of external and market-related influences and financial costs. Risk has a direct impact on three out of the five elements identified in the system, namely Limitations/opportunities (1), Rewards (2) and Operations (5). The following are examples of verbatim transcriptions from the ARTs and the follow up IQA interview sessions on risk and its relation to the other applicable elements.

Risk (3) → Limitations/opportunities (1)

Initially five participants (out of seven) agreed that Risk (3) influences Limitations/opportunities (1). During the IQA interviews, Participant 1 struggled with the relationships part and changed the direction of the influence. Ultimately, four participants indicated that Risk (3) influences Limitations/opportunities (1).

“The risk factor introduces limitations.” (ART table, Participant 5).

“External influences i.e., Covid19 lockdown could implicate on time and capacity.” (ART table, Participant 2).

“The risks, for example, the market influence, the {removed identifier} that doesn’t have money, the COVID, where you couldn’t work for three months. It absolutely had an influence on the risk limitations, on your time and capacity. Because now you have a lot of time, but the external factors mean that you can’t work.” (Translated from Afrikaans) (IQA Interview, Participant 2).

“Sure, there definitely is a relationship between the risk and your limitation or opportunity, if there was no opportunity, you would not take the risk, and if the limitation was too great then the risk you’re taking is unwise.” “... is your time can be influenced by external factors or your competition.” “And if I don’t have the time then the risk of taking on that project is too much, and so that helps me make a decision.” (IQA Interview, Participant 4).

In SDM, risks, in general, seem to restrict limitations/opportunities. It introduces the limitation or affects the limitations/opportunities available. Limitations/opportunities also refers to the SME’s ceiling, hence it is reasonable to conclude that risks could also lower ‘this ceiling’.

Risk (3) → Rewards (2)

Six out of seven participants initially indicated that Risk (3) influences Rewards (2). During the IQA interviews, Participant 1 changed the direction of the influence, hence, five participants indicated that Risk (3) influences Rewards (2).

“If cost = high, then reward = low.” (ART table, Participant 4).

“Market influences the potential financial and emotional rewards. It can also restrict the potential rewards.” (ART table, Participant 7).

“If the reward is too low, if there’s not really going to be a huge benefit in taking on this project, or for instance for me taking on a client with a, not a great reputation, the risk for me outweighs the reward, then I would rather have to say, ‘No thanks have a good day’.” (IQA Interview, Participant 4).

“I wrote here, the risks that I am willing to take determines the magnitude of my reward so what I’m actually getting, how far to that ceiling am I reaching?” “The way that I deal with these risks and the risks that I am willing to deal with determines how large my reward is going to be at the end of the day.” (IQA Interview, Participant 5).

The magnitude of the risks associated with the strategic decision appears to influence the magnitude of the reward and/or can restrict rewards. For example, the greater the costs (risk) involved, the lower the reward. In addition, the risks involved may also cause the decision-maker to either proceed with the strategic decision or not, should the risk outweigh the reward.

Risk (3) → Operation (5)

Five out of seven participants indicated that Risk (3) influences Operations (5).

“Operations/engine will be adjusted because of external influences” (Translated from Afrikaans) (ART table, Participant 3).

“Risk dictates the needed structure of operations.” (ART table, Participant 5).

“I believe that risks influence the operations, I mean the operations also takes into account say for instance you need software subscriptions, or you need to purchase hardware, or you need to purchase office space, or advertising that you pay for or those type of things, that influences, that risk, that financial risk influences how the business functions. If the risk is say I want to appoint someone into a position in the company I've got to assess whether I can afford it, or else that operational capacity I can't have it, the risk is too high. So yes I really think the risks are, determine to a large extent your operations.” (Interview, Participant 4).

“Your risk dictated your needed structure of operations, anyone that decides to set up a structure and operations before assessing the risk is, to put it mildly, stupid. That's like building a dam without figuring out how much it rains, do we need rain? Do we need water? What's the farmer farming with? Oh it's actually a plastic plant no we don't need to have a dam, whatever the case might be.” (IQA Interview, Participant 5).

Risks seem to influence operations, as well as how operations will be adjusted according to the risks. In other words, risk determines the needed structure.

6.2.7.2 SMERacter (4)

SMERacter was a secondary driver (see Figure 6.10) and had an impact on three out of the five elements, namely Limitations/opportunities (1), Rewards (2) and Operations (5). SMERacter had two sub-themes, namely, core and SME agility. The following are

examples of verbatim transcriptions from the ARTs and interview sessions on SMERacter and its relation to the other elements it influenced.

SMERacter (4) → Limitations/opportunities (1)

All seven participants indicated that SMERacter (4) influences Limitations/opportunities (1)

“The core and character will influence the capacity.” (ART table, Participant 6).

“My inner composition guides me in addressing that which needs to be addressed” (Translated from Afrikaans) (ART table, Participant 1).

“...my core and character plays such a large role around who I am and my business will be the foundation of everything your SMERacter is. And how you overcome limitations and how you use opportunities can only be determined of who your core is and how you're put together.” (Translated from Afrikaans) (IQA Interview, Participant 3).

“The question, should I go for this opportunity, should I try to place myself in this particular niche? The question is answered by whether that opportunity ties up with your core values, your SMERacter. If it doesn't then to my mind the limitation you putting on yourself for the opportunity that you're going for [unclear 14:46] you want to see it isn't worthwhile.” (IQA Interview, Participant 4).

SMERacter seems to dictate how the SME owner/manager will overcome the limitations, what limitations/opportunities should be addressed in SDM, or how to utilise opportunities. SMERacter also affects limitations/opportunity, as the SME owner can decide if the opportunity is aligned with the core of the SME and/or owner. It also influences capacity and seems to be the foundation that the SME owner/manager relies on in SDM. SMERacter could also lead to efficient SDM, since SME agility affects SDM, in that decision-making is more agile, flexible and quick. The below verbatim transcriptions substantiate this finding.

“So the ability to correct course or to move back to your culture, or because of lessons you're learning practical to adapt your core beliefs as a business, that's vital.” (IQA interview, Participant 4).

“..., but the fact that you don't have to wait for a full boardroom to make a decision also helped in the process of buying the project, because I could negotiate myself and we make our own decisions. It's also not a thought-through, months and months and months process. So that helped a lot.” (Translated from Afrikaans) (IQA interview, Participant 3).

SMEracter (4) → Rewards (2)

Six out of seven participants initially indicated that SMEracter (4) influences Rewards (2). During the IQA interviews, participant 1 changed the direction of the influence. Ultimately, seven participants indicated that SMEracter (4) influences Rewards (2).

“Reward is directly influenced by the core of your business.” (ART table, Participant 2).

“If weak core, then low rewards.” (ART table, Participant 4).

“4 influence 2, how I do things determine the nature of my reward, plain and simple. My SMEracter will always have an impact on what I'm getting out of this experience, it just boils down, so at my core I am not personally money hungry. Finance is great you know go for it we need the money to buy the cool thing. In the end you know this is a practical example again, the type of reward that I get might not be a 128 million dollar yacht but it might be my fuzzy feel goods like helping a little restaurant getting established, going out into the community to do some product photography for them because it will help someone with something, cutting your prices, build a scene around. The SMEracter will dictate the reward that I will take.” (IQA Interview, Participant 5).

“I think at the end of the day, your core that you stand for, your vision and mission, will maybe influence what you are chasing.” “If I don't get involved, or I don't feel uncomfortable it is unlikely that I won't become involved. The first time I will be [unclear 18:09], then I will turn down the reward.” (Translated from Afrikaans) (IQA Interview, Participant 6).

SMEracter influences rewards in SDM, as the enterprise or the SME owner/manager's core seems to determine what will be “chased”, or what is obtained out of the experience (either a feel-good feeling or a financial reward, or both). There is also the freedom to decide to engage in a strategic decision or not, either based on brand

reputation, if something does not feel right, or if there is a lack of values and principles. The below verbatim transcriptions substantiate this finding.

“...we have turned away clients in the past because we don't believe in the way that they deal with woman.” (IQA Interview, Participant 5).

“...that influence the reward negatively, because you won't be successful if you, for example, will pay bribes, but it still influences the success ratio of the reward.” (Translated from Afrikaans) (IQA Interview, Participant 3).

Consequently, financial potential as a reward is affected if the SME owner decides against the strategic decision. This ‘freedom’ to decide links to the agility of an SME. SMERacter, or being agile, could possibly also lead to lower overheads. As one participant said:

“And then the agility is very important in that by being agile I am able to keep my overheads quite low.” (IQA interview, Participant 4).

SMERacter (4) → Operations (5)

Six out of seven participants indicated that SMERacter (4) influences Operations (5).

“Core /character influences/determines the guidelines of your operations/engine/internal team.” (Translated from Afrikaans) (ART table, Participant 3)

“SMERacter tell me how I will execute operations.” (ART table, Participant 5)

“Who I am as a person. So the core. Who am I as a person, and who my business is in terms of the vision, mission and all those things, is influenced by... No, it influences the operations. It says to me, how am I going to act as an engine and how will my internal team function and be. So SMERacter influences operation.” (Translated from Afrikaans) (Interview, Participant 1).

“At the end of the day, your vision and the mission is about the team that you have and [unclear 15:08]. It is, one leads to the next and your core up to the end of the day leads to the engine [unclear 14:55].” (Translated from Afrikaans) (Interview, Participant 6).

SMERacter seems to determine how operations would be structured in an SME. It determines how the internal team and engine would be ‘put together’. The core of the

SME owner/manager specifically seems to be the determinant of operations, with SME agility playing less of a role.

6.2.7.3 Operations (5)

Operations was a circular element and influenced some of the affinities (see Figure 6.10), namely, Limitations/opportunities (1) and Rewards (2). Operations consisted of the two sub-themes of internal team and engine. The following are examples of verbatim transcriptions from the ARTs and interview sessions on operations and its relationships to the other elements it influenced.

Operations (5) → Limitations/opportunities (1)

Four out of the seven participants indicated that Operations (5) influences Limitations/opportunities (1).

“If the team and engine is in place, there are fewer limitations and more opportunities.” (ART table, Participant 6).

“Team affects capacity.” (ART table, Participant 4).

“Well, then I still think the internal team, which is the business’s engine, influences time and capacity and this is where I explained to you just now – you film the thing for an hour – one person works for an hour, and the other works for five days on the same job, and it, in other words, time and capacity ...” (Translated from Afrikaans) (IQA Interview, Participant 2).

“5 can definitely also change the limitations/opportunities, because remember now I can again see limitation as a result it can change my operations. And in that I can overcome that limitation. So yes, I definitely think operations can influence, overcome, or exploit limitations/opportunities.” (Translated from Afrikaans) (IQA Interview, Participant 3)

Operations seems to have the ability to ‘change’ the limitations/opportunities. It can decrease limitations and/or allow for more opportunities (both time and capacity). Operations can also be changed to overcome or exploit Limitations/opportunities.

Operations (5) → Rewards (2)

Initially four participants (out of seven) indicated that Operations (5) influences Rewards (2). During the IQA interviews, Participant 1 changed the direction of the influence. Ultimately, five participants indicated that Operations (5) influences Rewards (2).

“The potential of the team will limit the potential financial impact and satisfaction.”
(ART table, Participant 7).

“The outcome can only come from what is built.” (ART table, Participant 4).

“So if my core allows it, I can adjust operations and that adjustment will definitely influence the reward either positively or negatively.” (Translated from Afrikaans)
(IQA Interview, Participant 3).

“I think the right team, right engine, has potential for financial potential is bigger. It goes as far as your team is ready, and your ability, and your engine, then you have more confidence.” (Translated from Afrikaans) (IQA Interview, Participant 6).

How operations were implemented, seemed to determine the reward. It can either limit rewards or increase rewards, both financial and the fuzzy feel good rewards.

6.2.7.4 Limitations/opportunities (1)

Limitations/opportunities, consisting of time and capacity, was a secondary outcome, and only influenced Rewards (2) (see Figure 6.10). The following are examples of verbatim transcriptions from the ARTs and interview sessions on this affinity and its relationships to the other elements.

Limitations/opportunities (1) → Rewards (2)

Initially six participants indicated that Limitations/opportunities (1) influences Rewards (2), however, Participant 1 changed the direction of the influence originally stipulated on the ART. Ultimately, seven participants indicated that Limitations/opportunities (1) influences Rewards (2).

“Limitations are the obstacles in my way to the reward (#Necessaryevil).” (ART table, Participant 5).

“To generate more reward and get satisfaction you need to have more time and/or more capacity to achieve the rewards.” (ART table, Participant 7).

“I said 1 influences 2. And yes, it is about time and capacity. You can only do so much in a day. And the older you get, I mean, previously, I would sit for three days and three nights straight through if a story had to be out and it was a new story, in which case it has to get done. And you carry on. Age has an influence on that. I can’t go through the night like that anymore. So, if you don’t have enough time or capacity, then you must make a strate.... you must make a decision. I don’t have enough time, I must appoint someone, or take myself out of the equation and let someone else work on it or something. So 1 influences 2.” (Translated from Afrikaans) (IQA Interview, Participant 2).

“1 influences 2 – so limitations and opportunities influence at the end of the day. Okay so the strategic decision-making that I took to scale down is again the limitation that I had in terms of capacity and that caused me to re-evaluate my rewards.” (Translated from Afrikaans) (IQA Interview, Participant 6).

As with operations, the limitation/opportunity also seems to determine rewards. It can either be an obstacle, which limits rewards, or more limitations/opportunities (time and capacity) are needed to generate more rewards.

6.2.7.5 Rewards (2)

Rewards was the primary outcome of the group SID (see Figure 6.10) and was influenced by all the other affinities. Rewards (2) had two sub-themes, namely, financial potential, and fuzzy feel good, and this affinity had no influence on any of the nine identified affinity relationships. How this affinity is affected by the other affinities has already been discussed in the above sections.

The relationships were demarcated to: 1) A influences B; 2) B influences A, or 3) no relationship between affinities. However, the technique does not facilitate, or indicate how equal relations are dealt with. One participant said, for example, that

“I know I answered with one influencing the other, but I think that it's more of a duality, they equally influence each other.” (Translated from Afrikaans) (IQA interview, Participant 4).

However, due to the demarcation, the participant stated they would settle for a final relation.

6.2.8 Summary: A tour through the system (SDM in SMEs)

The above findings indicate that the SDM in SME, as a system is influenced by Risk (2), SMERacter (4), Operations (5), Limitations/opportunities (1) and Rewards (2). These elements affect each other in various ways when an SME owner/manager engages in SDM. Firstly, the SDM system is driven by Risks. Risk determines how Operations will be adjusted or structured (according to the risks). Risks also determined how Operations may be adjusted to accommodate a strategic decision.

However, SMERacter also influences Operations, in the same way as Risk. Once Operations are structured according to Risks and SMERacter, it will either decrease limitations and/or allow for more opportunities (both time and capacity). The Limitations/Opportunities, then determines the Rewards; the outcome of the system (SDM).

An interesting observation was that no feedback loops were identified in the empirical data. A feedback loop would have looped back to an affinity, for example, there could have been a loop from Rewards back to Operations or Limitations/opportunities.

The IQA method was useful to determine the influencing factors (RQ 3) of SDM, and to investigate the relationships amongst the concepts (Affinities) identified. Although every attempt was done to avoid small groups, only seven (7) individuals participated in the IQA session, of which six (6) agreed to be interviewed. The ideal group size is 12 to 15 participants. A small group can skew the data when it comes to theoretical coding (group realities and relationships of the affinities) (Northcutt & McCoy, 2004:87; Wyatt, 2010:829). However, smaller group sizes of four to nine have been observed in studies that have used the technique (Le Grange & Botha, 2019:31; Karataş & Okan, 2021:1655; Tseng, 2019:152).

The technique does not provide guidelines when the IQA participation is low. The researcher believes that additional interviews to explore the pre-determined themes, using the same interview questions and protocols, amongst additional participants may be one avenue to bridge this challenge.

The above sections reviewed the components (influencing factors) of the system, which is SDM, and how they influence each other. The section below reviews the findings related to the influencing factors on SDM specifically.

6.2.9 Affinities as influencing factors of SDM

During the IQA session, the participants identified and agreed on the themes, or affinities, which they believe influence their SDM. The previous sections mainly focused on these affinities and their relationships with each other, and within 'a system' (strategic decision-making). The next section focuses on the affinities (themes) as influencing factors of SDM. Through the IQA interviews and additional interviews, the findings indicate that the themes affect SDM in a number of ways. It was also possible to identify the ethical-related influencing factors. Additional interviews were specifically conducted to explore the same themes in VAT-registered SMEs. Table 6.16 (see next page) summarises the additional participants and interviewees. The last column indicates the type of interview (face to face or online).

The themes were explored amongst additional SME owners/managers. The length of the (axial) interviews, on average, was 51.52 minutes, and there was not enough time to conduct the theoretical interviews and to explore the relationships between the themes.

Of the six additional participants, the majority were male participants (4). Demographics pertaining to home language included English (2) and Afrikaans (4).

The additional participants who had not participated in the workshop did not have the same level of exposure and insight as the IQA participants had regarding the themes. The ease of participation in the additional interviews was a mixture between easy participation and difficult or challenging participation. The participants would also easily mention if a concept or theme was not applicable to them, although this did not occur frequently.

Table 6.16: Profiles of additional participants

Pseudonym (P)	Male (M) / Female (F)	Products/ services	VAT-registered	Enterprise size (number of employees)	Classification	Type of interview
P8	M	Financial services	Yes	40	Small	Online via MS Teams
P9	F	Window and window glazing installations	Yes	5	Micro	Online via Zoom
P10	M	Strategic brand and management (consulting)	Yes	35 – 40	Small	Online via MS Teams
P11	M	Conference organisers and consulting	Yes	7	Very small	Online via Zoom
P12	M	Electronic and engineering company	Yes	25 – 30	Small	Online via MS Teams
P13	F	Training and consultation	Yes	0 – 5	Micro	Online via MS Teams

While not the focus of this chapter, the findings discussed below substantiate the findings reviewed in Chapter 5. Activities pertaining to an SDM process or elements of a definition of business ethics are highlighted where applicable, indicated as SDM activity or element of business ethics, followed by the respective theme or subtheme. For example, SDM activity: communication

6.2.9.1 Risk

Risk comprised of external and market influences and financial costs, as discussed below.

External influencing factors

External influencing factors included RSA, COVID-19, Uncertainty, Familial complications, and Financial reality (see Table 6.5, Section 6.2.4.3). Elements such as COVID-19, a world pandemic, “RSA” which referred to the realities of the South African business setting, and uncertainties indicated the reality of the broader local

and global environment. This also included the financial realities. The following verbatim transcriptions highlight the influence of the broader local and business environment in SDM for SMEs.

“The Vaal Triangle is in financial turmoil; our municipality is the worst in Gauteng. According to the most recent census, our unemployment figure is double that of the national unemployment figure. So how much money is there still in the Vaal Triangle to spend on new developments? And new developments is where my business comes from, or a large part of my business comes from. So what is the need in the market.” (Translated from Afrikaans) (IQA interview, Participant 3).

“Yes. You know I think risk and terms... I still say risks in terms of South Africa. In my industry... not risk as such, or strategic decision-making, myself but... I found your way there so many reparative things that you have to see to, especially if it comes to, for example the decision that I took to expand my personnel. So the appointment of more personal then... The reparative requirements that you have to meet. It definitely also influenced my decision.” (Translated from Afrikaans) (IQA interview, Participant 6).

“I go back to our example of the Ethiopian market entry.” “So, all these years being very, very isolated from sort of Pan African trade and world trade. So, this particularly closed economy, so not really geared for international trade, not even geared for Pan African trade. So, super closed, highly regulated, highly protected economy, which brings in different sort of risk factors.” (Additional interview, Participant 10). **SDM activity:** Implemented the strategic decision.

“...and also, I would say legislation.” “So, that obviously influences my types of products and how I deliver it. Because if they keep on changing the goalposts, for example for our training we need to be accredited, but they change all the requirements the whole time. So, that, yes. So, the risk is if, obviously if I don’t adhere to it, then I can’t render certain products or services.” (Additional interview, Participant 13). **Element of Business ethics:** doing the right thing - being compliant.

However, also listed under external influences were “familial complications”. The following verbatim transcriptions highlight the influence of familial complications.

“For me it was more important to give this lady almost two weeks off to just be with her family and make sure that she is healing. I can’t let my company function filled with broken vessels, if I have to carry the water that is my success and I just keep putting broken parts in the mix I am definitely not going to see the fruits of my labours and the end of the day.” (IQA interview, Participant 5).

“Now I am 40, and I have an ex-wife, and a wife and three children and I take care of mothers and fathers and brothers and sisters – now I’m maybe a 3 or 4 risk taker.” (Translated from Afrikaans) (IQA interview, Participant 3).

“...and we recognise the role of the family that supports you because if trouble is brewing at home then I can’t work with people’s minds, because we’ve got a tough business and I need to have, I can utilise the strength of, if you’ve got the backing from home then it works to our advantage. It helps quite a bit.” (Additional interview, Participant 10).

“So, my core is definitely driven towards, but this is the rules. I’m a very black and white person, I’m not a grey person at all. I must say, my husband has done a very good job of making me realise that there are some grey areas, but it’s very hard for me to go between those lines.” (Additional interview, Participant 9).

Additional external influencing factors that were mentioned in the IQA and additional interviews, but not highlighted in the IQA sessions, were external social networks, and legal requirements. The below verbatim transcriptions highlight the additional influencing external factors.

- **External social networks**

“For me, because I’m really a small business, it’s sometimes the inputs of other people, because I know I’m limited. I only look at things from my perspective and because there’s not perhaps three or four other people sitting around a table, I make a point of getting input from other people, strategically.” (Additional interview, Participant 13). **SDM activity:** Communicating with stakeholders, to get input.

- **Legal requirements**

The IQA participants listed legal constraints (and industry compliance challenges) under “Engine”, which falls under operations. However, in the interviews, legal requirements or legislation were also mentioned as external influences.

“There are things that come from the top, that needs to be done, legislation, etcetera.” (Additional interview, Participant 8).

“In our case there’s a lot of legislation that we have to adhere to which changes the whole time.” (Additional interview, Participant 13).

Market influencing factors

Market influencing factors included Marketing options, for example, What’s already out there?, Better offering, Possible industry trends, Alternatives, Industry constraints, Needs (market/client), New industry developments as a guide and Changed platforms (see Table 6.5, Section 6.2.4.3). Elements such as marketing options, what is out there, offerings, needs and industry developments referred to the market trends and market demands. Changed platforms also referred to new developments (trends) in the industry. The following verbatim transcriptions explain this:

“In the TV production world and the platforms then changed to the extent that it became more online, so the broadcast part had financial losses we had to be able to absorb.” (Translated from Afrikaans) (IQA session, Female participant).

“...because training can be face-to-face or online also, so there’s been a huge shift from, especially because of last year with COVID, from face-to-face to online.” (Additional interview, Participant 13). **SDM activity:** Identified a reason for strategic decision-making, and an external factor.

The following verbatim transcriptions highlight the influence of the market trends and market demands in SDM for SMEs.

“Sure, market influence specifically in my decision-making the real question I had to answer for myself is, did I believe there would be a need for what I was trying to... the business I was trying to grow, So in that I also considered industry trends...” (IQA interview, Participant 4). **SDM activity:** Gathering external non-financial information.

“In the same field as a funeral undertaker, you don’t have a choice but to take note of who is out there that will be your competition, what they’re doing differently, how it influences what they do, and what you do. Then you have to stay up to date with trends in your field, what is happening, are there new things overseas that you can maybe implement here that someone else hasn’t thought of yet?” (Translated from Afrikaans) (IQA interview, Participant 1).

“...uncertainty in markets definitely, the uncertainty in the markets and risk off that uncertainty in the markets influences my decision-making and any changes in the markets, like new technologies, legislation, requirements in the markets. That will be like your client, the market is amongst other things your clients, prospective clients, regents. The distance to your market. That’s the risks in terms of markets.” (Additional interview, Participant 12).

“So, of course, it is an issue of cost but then it’s furthermore part of the strategic business making decision as to where do you pitch your company within the playing field of similar companies and what do you need to invest in to make that distinction to give you the leading advantage.” (Additional interview, Participant 11).

From the IQA and additional interviews, competitors and the implications of broad-based black economic empowerment (BBBEE) were identified as influencing factors.

- **Competitors**

“if you don’t take note of what others around you are doing.” (Translated from Afrikaans) (IQA interview, Participant 1). **SDM activity:** Gathering external non-financial information.

“There is competition in all the industries.” (Translated from Afrikaans) (IQA interview, Participant 2).

- **Broad-based black economic empowerment**

“About South Africa, we’re not really in demand anymore.” (IQA interview, Participant 1).

“As you know we are a small company, so black economic empowerment has a huge impact on the company and one of the challenges that we are currently

facing especially within the business environment that we are operating in is that we are not getting government support, because we are not a black owned business.” (Additional interview, Participant 11).

Financial costs

Financial costs included Cash flow, Feasibility, \$ R (Money), Evaluate cut your losses (dump non-productive ideas) and Seed capital (see Table 6.5, Section 6.2.4.3). Financial costs seem to refer to the financial considerations of the strategic decision. This included considering the financial position of the enterprise, such as looking at cash flow and seed capital, and to determine the financial feasibility of the decision. The following verbatim transcriptions highlight the influence of financial costs in SDM for SMEs. **SDM activity:** Financial considerations of the strategic decision, and financial analysis of the enterprise’s position.

“There was a strategic decision initially to buy own equipment, because in that industry, your expenses are camera hire, a camera, hiring a camera person, hiring editing facilities, and hiring an editor. My partner and I took a strategic decision to buy our own equipment for everything and we trained ourselves.” (Translated from Afrikaans) (IQA interview, Participant 2). **SDM activity:** Identified a reason for strategic decision-making, and an internal factor (financial expenses).

“To me that is very important and then also the ability financially to be able to contribute to certain projects, either financially.” (IQA interview, Participant 4).

“...about finances - obviously you had finances under... And so, I think that has played a role, but I guess it's covered under the risk thing in terms of financial costs. Just thinking about the point of view, there probably is so much more, one would do, dream of, think about, develop - but the financial implication, you know, is obviously a real consideration in the decision-making process.” (Additional interview, Participant 10).

“...coming back to the online training, so I’m not sure if that is a good example, but the financial costs, obviously to put things online is huge and so there is a risk to lose access to certain clients. So, the point is if you don’t put stuff online, then you will then run the risk of losing certain clients. [unclear 20:37] lot of money

to maybe then have access to people or not.” (Additional interview, Participant 13).

The findings also indicated that SME owners/managers have little to no control over market and external risks in SDM. However, there is some degree of control over the financial costs involved in SDM. For example, to get funds from an existing business (if more than one is owned) to fund the strategic decision. Or to consider the costs of ‘running a customer’ and deciding if it is financially worth it or not. The below verbatim transcriptions substantiate this conclusion:

“But then it goes over to financial cost. So at that stage I didn’t necessarily have the money. The bank thought it was a bad decision. So they didn’t really back me. And then, must... Then I had to make the choice and play that risk out of if I buy out of my own businesses, how much will my business be hurt financially, especially if you look at cash flow?” (Translated from Afrikaans) (IQA interview, Participant 3). **SDM activity:** Financial considerations, specifically financial impact implications of the identified issue or opportunity (in this case the opportunity to buy out a competitor).

“...not considering elements such as the literal cost of running a client from the basics. How many times a month am I traveling to them? What’s it physically going to cost me financially to just satisfy the needs of the clients and before I even start doing the actual work. So one lesson we definitely learnt is that planning around the financial possibilities is definitely a great way to mitigate the risk when it comes to taking on especially risky clients.” (IQA interview, Participant 5).

“See in our previous one in making a decision in where to invest that is exactly what happened in some years we needed to make a decision where we could invest the money, invest it in appointing someone or buying something or are we also going to put money away for a rainy day and by doing the combination of the two, it served us well when the pandemic strike or anything else.” (Additional interview, Participant 12).

Most risk factors can be classified as external moderators in SDM. The external and market influencing factors are external moderators. These moderators would determine: 1) the effectiveness of an implemented strategic decision, 2) the decision

to peruse a new strategic decision, or 3) how to best implement the strategic decision in view of the present risk. These factors may also slow down or speed up SDM.

Financial costs, as a risk factor, can be classified as an internal moderator, which would determine if the strategic decision can be funded and implemented, or not.

6.2.9.2 SMEracter

SMEracter consisted of core and SME agility.

Core

Core consisted of elements such as Culture, Personal interest, Passions, Plans, Commitment, Identity, Vision and mission, Belief, Experience, No Compromise, Self-believe, What worked and what did not work, Criticism and Moral code (see Table 6.6, Section 6.2.4.4). The notions of core, and the elements listed under core are related to the core of the SME and/or SME owner(s), and why the enterprise is there in the first place. SME owners/managers seem to want to align their SDM with their core, or the core of the SME (its DNA). The following verbatim transcriptions highlight the influence of core in SDM for SMEs.

“Then there are influences that definitely... my faith definitely has a role to play in my decision-making. I think when I was younger, something like criticism would definitely have put me off, or gotten me down where it... Thank goodness now that I’m older it doesn’t really have such a huge influence on me.” (Translated from Afrikaans) (IQA interview, Participant 1).

“I lose work because I am too honest, but it is true, you can’t separate the core from the person / people and the business.” “Because it, these types of things do damage to a business’s name when things like this happen.” (Translated from Afrikaans) (IQA interview, Participant 2).

“...we have turned away clients in the past because we don’t believe in the way that they deal with woman. We turned away clients in the past because we don’t believe in their product being beneficial to society, not to mention any specific thing but there was definitely one that would have been rather detrimental to a functional society but lastly beneficial financially, but we couldn’t get behind that.” (IQA interview, Participant 5).

“I’m fairly conservative, if I may say, my background, I used to be a Bank Manager, so I think very conservatively about money not that I don’t spend, I can spend it, but in that instance, I sleep over a decision, I don’t take impulsive decisions, impulsive decisions are very emotional, and you can’t take emotional decisions around financial stuff.” (Additional interview, Participant 8).

“My core is business driven. I want to get to a certain point at a certain time. I want to achieve this and this etc. by that time. Or in a specific time frame or something like that. He’s main core, he’s a giver and he’s a nurture and although I’m not saying that I’m not, the biggest difference is, I will make a business decision based on the facts. He will make a decision based on humanity.” (Additional interview, Participant 9).

SME Agility

The theme, SME agility consisted of Boredom, Freedom, Dress code, Big/small, Ability to improve/think on feet and Gut (see Table 6.6, Section 6.2.4.4). SME Agility seems to refer to the agility and general freedom or flexibility that SME owners/managers enjoy. Agility specifically seems to increase speed in decision-making, and indicates the freedom the SME owner has in making strategic decisions, for example, to decide to implement a strategic decision that may or may not make financial sense, or the decision to not pursue a strategic decision based on personal preferences or a gut feel. The following verbatim transcriptions highlight the influence of SME Agility in SDM for SMEs.

“And then the agility is very important in that by being agile I am able to keep my overheads quite low, I’m also able to influence the interactions both with my clients and then with others on behalf of my clients. So, the ability to correct course or to move back to your culture, or because of lessons you’re learning practical to adapt your core beliefs as a business, that’s vital.” (IQA interview, Participant 4).

“We turned away clients in the past because we don’t believe in their product being beneficial to society, not to mention any specific thing but there was definitely one that would have been rather detrimental to a functional society but lastly beneficial financially, but we couldn’t get behind that. That is part I think of

the agility to make those decisions that we get to choose who we want to work with.” (IQA interview, Participant 5).

“If I’m understanding SME agility, agility is the ability to recover. So, to change direction mostly for recovery. So, yes, it’s part of strategic decision-making and yes, it’s without saying that you do have the freedom of movement, but then you are also risking, because there’s nothing that balances it on the other side. So, it’s not one of the points that I would mention as, to take into consideration, because it’s something that goes without saying.” (Additional interview, Participant 11).

“I know the way that we have it now is not the {identifier removed} way but can we maybe not make it an exception?’ Then we determined the risk and made an exception and said, yes, you’re right it’s not the {identifier removed} way or DNA or core but we let it through.” (Additional interview, Participant 12).

“I think obviously because you’re small, you can adapt quicker to changing, a changing environment. Yes, I often look at some huge companies, and they take forever to adapt. So, yes it makes it easier for you to adapt. And also, when there are huge changes, ag yes, then it doesn’t influence you that much.” “For example, I’m not a person who likes a lot of complicated nonsense, and that I would, then when I take a decision, strategic decision, take the route where I don’t want a lot of complicated stuff to deal with.” (Additional interview, Participant 13).

It can be observed that SDM in SMEs seems to be influenced by core elements of the SME and SME owner/manager. Examples of core elements were belief, and personal convictions. A ‘driving force’ behind SDM in SMEs seems to be the core of the SME and SME owner/manager. One participant referred to core as the ‘the DNA’ of the SME. The core of the SME or the SME owner/manager seems to determine if a strategic decision would be pursued or not. If the SME owner/manager walks away from a strategic decision, it would be to preserve core beliefs and personal standards or the DNA of the enterprise.

Integrity, moral code, and beliefs were identified as ethics-related influencing factors of SDM under this subcategory. These elements are also an integral part of ethics.

While under the theme SMEracter, the following verbatim transcriptions highlight how integrity, moral code and beliefs influence SDM in SMEs.

“Then there are influences that definitely... my faith definitely has a role to play in my decision-making.” (Translated from Afrikaans) (IQA interview, Participant 1).

“...if the job isn’t honest with integrity, then I don’t want the money.” (Translated from Afrikaans) (IQA interview, Participant 2). **Element of Business ethics:** Integrity and honesty.

“For instance, if the opportunity meant you had to deceive a previous partner, or you had to completely fabricate a story, or tender for something that you don't actually have the capacity to do, your moral code would prohibit the business from tendering in that situation or making a contract.” (IQA interview, Participant 4).

“We walked away from the project. We said thanks, but no. So, I think it's a good example where I suppose that's just simple honesty. But I guess as an entrepreneurial business, you know, having to pay staff and pay bills, that can be incredibly tempting. So, it's probably one of our better examples of ethically just walking away and saying no, life's too short, that kind of thing will catch up and bite you in the back side, so don't do it.” (Additional interview, Participant 10).

From the empirical data, SME agility specifically seems to be related to the freedom, flexibility and agility in SDM. Examples included having the freedom to decide whom or what to get involved with, and the ability to be flexible or adapting as the individual or SME learns more. In addition, it also indicates quickness, or speed in SDM, with less red tape being apparent in smaller SMEs. The following verbatim transcriptions substantiate this conclusion.

“...but the fact that you don’t have to wait for a full boardroom to make a decision also helped in the process of buying the project, because I could negotiate myself and we make our own decisions. It’s also not a thought-through, months and months and months process.” (Translated from Afrikaans) (IQA interview, Participant 3).

“...because we’re obviously a smaller company we don’t have to go to a board for everything to make decisions.” (Additional interview, Participant 8)

“...you can adapt quicker to changing, a changing environment. Yes, I often look at some huge companies, and they take forever to adapt. So, yes it makes it easier for you to adapt.” (Additional interview, Participant 13).

While SME agility allows for adaptations and flexibility, it seems to not be at the expense of core beliefs. However, there seems to be less agility in terms of speed if a management team is present in the SME.

“Typically, our management meetings would be, I’d put out a challenge of what we need to achieve or what we hear the challenges are and what the business needs to do and the ways around it is obviously is we would start getting strategic ideas and what to do and how to proceed. I can’t create all the idea’s myself; I think it’s stupid if you to try and be the key of all. You can’t, you have to utilise people.” (IQA interview, Participant 5).

“Certain decisions are final when it comes to the business owner or operator but then also, we are operating as a team. So, a huge lot of consultation happens, and then the views and the principles of these individuals are also taken into consideration.” (Additional interview, Participant 11). **SDM activity:** Communicating with shareholders, to get input.

In the influencing factor, SMEracter, it is evident that individual and internal moderators are mediators in SDM. The core of the SME owners/managers can be classified as an individual moderator, while the core of the actual enterprise would be an internal moderator. These individual or internal moderators would determine if a strategic decision was aligned with the core of the enterprise or SME owner/manager. SME agility can be classified as an internal moderator which affects the speed of SDM, for example, how quickly the enterprise can adapt to changes, or if the SME wants to do business with the third party or not. Due to the central role of SME owners/managers, they can be classified as internal mediators in SMEs.

6.2.9.3 Operations

The third identified influencing factor was Operations. Operations had two sub-themes, namely, internal team, and engine. Engine was difficult to explain to participants who

were not in the IQA session. The following verbatim transcriptions highlight the findings under this theme.

Internal team

Internal team consisted of Human resources, Skill development, Contingency (I can't clone), Impact on team, and Available position (see Table 6.7, Section 6.2.4.5). Internal teams seem to refer to the collection (individuals and skills) of the team of staff. However, in some cases the SME owners/managers, or ownership team, was the internal team with no reference to the staff or employees. The internal team seemed to influence the strategic decision in such a way that the collection of the team (the staff and skills) would indicate if the SME can implement the strategic decision or not, and if the decision will be successful or not. It seems to indicate to both the skills and the capacity of the internal team. The following verbatim transcriptions substantiate this finding.

"Internal team. You must have the right person, that we know, but he, you must also know what makes them tick, understand what, how they can function optimally. So, there we decided to make the decision to buy out the opponent, we marketed and packaged and sold it to our internal staff." (Translated from Afrikaans) (IQA interview, Participant 3).

"The internal team, if there's something I can't do then I must decide do I either tell my clients that and say, "look you need to find a different service provider for this", or do I find a way to outsource something that I can then have the time to do or obtain someone else's expertise on a particular issue. So yes, I had to decide what I'm best at doing in the business and structure the whole strategic decision of what is the business and what does it do had to be based exclusively on who I am and what I can do." (IQA interview, Participant 4).

"In my perspective the client isn't always right, I trust and rely on my team to the extent that I need to be able to rely on the humans working with me and around me to ensure my personal success in my life and they need to rely on me ten times more for theirs." (IQA interview, Participant 5). **Element of Business ethics:** Reliability.

“Without people, there is no company” “So, yes, they are core and central to everything that we do.” (Additional interview, Participant 11).

“We are actually referring to teams and not divisions anymore currently so that is what we do and then in our balance score-card we have two headings which will be financial customers, second one internal process and learning and growth. In the learning and growth, we have sub points and the one is care for the employees and implement leadership and development initiatives.” (Additional interview, Participant 12).

*“It’s, your internal team obviously you look at their strengths and their weaknesses and see if they will be able to execute. But I mean, it’s possible to source things out, it’s possible to appoint other people.” “And sometimes the development of your internal team is anyway a part of their development. It’s part of the strategic decision to develop someone [unclear 07:23] inherently.” (Additional interview, Participant 13). **SDM activity:** Gathering internal non-financial information.*

The verbatim transcriptions above also show the need to have a committed internal team that is on board and motivated. To get them to buy into and execute the strategic decisions seems to be important to the success of the decision. (**SDM activity:** Communicating with stakeholders, to get buy in). However, there was one participant that indicated that the internal team was not an influencing factor in SDM.

“In all honesty no. No, we decide and then I’ve got an admin lady which is also a sound board which is usually for me.” (Additional interview, Participant 9).

However, the same verbatim transcription, highlights internal social networks, which seem fitting under internal teams. The below verbatim transcription also highlights the use of internal social networks.

“Typically, our management meetings would be, I’d put out a challenge of what we need to achieve or what we hear the challenges are and what the business needs to do and the ways around it is obviously is we would start getting strategic ideas and what to do and how to proceed. I can’t create all the idea’s myself; I think it’s stupid if you to try and be the key of all. You can’t, you have to utilise people.” (IQA interview, Participant 5).

Engine

Engine consisted of Engine, King IV compliance, 1, 3 or 5-year plans, Industry compliance challenges, Legal vehicle, Legislation constraints, Business Canvas and Corporate (see Table 6.7, Section 6.2.4.5). Engine seems to refer to the compilation of the entity, as a whole, namely, the processes, the structure and the components that were put together to 'drive' the entity. This sub-theme was better understood from the verbatim transcriptions captured in the IQA group session and interviews.

"If we think of the engine legislation and those things, I'm very strict in terms of values and the way of doing business. You do it right, or you don't do it." (Translated from Afrikaans) (IQA interview, Participant 1). **Element of Business ethics:** Doing the right thing and integrity.

"And then the engine, what is the main point of the engine? It is what I said when I... Business people must stop trying to make money. They must try to build an engine and once the engine is perfected, it will make them money, and that engine is made up of lots of components that all fall under operational. It's about the right product, the right market, the right people working for you, the right installation, the right machine, the right processes, procedure." (Translated from Afrikaans) (IQA interview, Participant 3).

"So in any strategic decision I believe it's vital to consider what the engine is going to be." "So that structure you need to think about it quite clearly when making a decision." (IQA interview, Participant 4).

"I think for the engine itself, you have to make sure you have the right structures in place to make sure that you deliver the right solutions for things, for challenges but I don't think that's the core of where our business focus is really." (Additional interview, Participant 8).

"So, strategically you have to go and sit and go through the whole planning process, the whole business plan, the whole project management thing, the whole dream board thing of this is where we are, this is where we want to be and everything in between. It's not just deciding 'oh this sounds nice, oh let's just register another company' so all the planning needs to go into everything." (Additional interview, Participant 9).

It seems that an effective engine and internal team need to be in place, otherwise, the strategic decision would not be successful. If not, then the SME owner/manager would perhaps not implement the strategic decision. The operations also seem to be the framework in which the SMEs would operate, and the internal environment in which strategic decision takes place.

“So, in a nutshell, the standards is the framework that we operate in and then secondly, the financial decisions is taken to, in such a way that it provides a capability for the company to operate. In other words, to provide the equipment, the services and the facilities to operate from. So, that definitely comes from the financial decisions that are being taken to provide for the capabilities of the company.” (Additional interview, Participant 11).

“So, ISO 9001 forces you to put it clearly out there” “So, it forces the owner of the company to be active in all the processes and procedures. So, the engine is fairly well defined in the company because of that and the processes and procedures are in place. So, it helped tremendously to manage the engine because it can become quite the animal.” (Additional interview, Participant 12).

The findings also indicate that the internal team and engine could be adjusted to be able to successfully implement the strategic decision. Therefore, there appears to be an extent of control over these elements. SME owners/managers can adapt or change the operations to best implement the strategic decision. However, the extent of the control would perhaps be within the limitations and resources of the enterprise, or within the boundaries of a framework or industry standards. Legislation is an external influencing factor, and falls within the political/legislation sphere. It was also mentioned as an external influencing factor. However, legislation and compliance seem to shape operations (structures and processes), which in turn influence SDM.

Depending on the enterprise, internal teams and engine can be classified as internal moderators or mediators in SDM. Internal teams and engine, as internal moderators, seem to determine if a strategic decision can be successfully implemented, and if there is sufficient capacity. The time it would take to make the adjustment may also affect how quickly the enterprise can implement the strategic decision. However, the operations of some SMEs may be sufficient to implement a new strategic decision. Under these conditions, operations may be internal mediators.

An interesting observation is that legislation is an external risk factor, but once the SME complies with the relevant legislations and regulations, then it became part of operations. If new laws or changes in regulations are made, legislation and regulation would be external moderators, however, if the status quo is maintained, with no adjustments needed, it is an internal mediator.

6.2.9.4 Limitations/Opportunities

The fourth influencing factor in SDM for SMEs was limitations/opportunities. This theme consisted of time and capacity, as two sub-themes.

Time

Time consisted of Time, Time (limitations) and Time constraints (see Table 6.3, Section 6.2.4.1), and it refers to the availability, timing of decisions and time-related challenges of the internal team and SME owner/manager in SDM, which ultimately leads to effectiveness. The following verbatim transcriptions substantiate this conclusion.

“But it plays a definitely role. Young people are very complacent about how they make decisions, while for me it is crucial to make the right decision at the right time.” (Translated from Afrikaans) (IQA session, Participant 1).

“If one person in my team has got the capability and decides to grow into dealing with more, fantastic but time is literally the thing that defines. Do we appoint someone? Can I say yes to a new client? Do I have enough time to deal with the client in a professional way to give them what they need me for?” (IQA interview, Participant 5).

“The one decision that I made one day was precisely about time and capacity. That is the decision that I made to either expand or to scale down. I think centrally around it is exactly the capacity that you have as a business. at that stage the capacity was naturally too small. I had to expand or scale down. You know, get rid of. We had to bring the capacity in line with how much work I have.” (Translated from Afrikaans) (IQA interview, Participant 6). **SDM activity:** Decided on the solution that would address the identified issue or opportunity and choosing between two alternatives or solutions.

“So, timing is a consideration for every decision that is being taken, time is a component. You have to add an activation and a roll-out and all of those have dates to it. So, yes, in that sense, if that is what you are referring to, it is a fact to take into consideration in strategic decision-making, yes.” (Additional interview, Participant 11).

“So, it plays a big role that is why strategic decision-makings is so, so that you are able to forecast. It is a constant, constant battle is to manage the time limitation.” (Additional interview, Participant 12).

Capacity

Capacity consisted of Risk Factor (young SME vs settled SME), Access (travel, knowledge, funds, international markets), Age, Communication (positive and negative), Small (key person), Demand, Market limitations, Technical implementation challenges, and Lack of knowledge (see Table 6.3, Section 6.2.4.1). Elements such as age, communication and knowledge seem to refer to the capacity of the SME owner/manager and that of the internal team. However, age, risk factor, knowledge, access, and technical implementation also refer to the capacity of the SME itself. The following verbatim transcriptions highlight these findings.

“So that's something you've got to, if you have an existing business and you want to start a new business, or if you want to add a particular branch or leg to your business or type of project, you have to see if you or someone in your team has the available time.” (IQA interview, Participant 4).

“Especially when you take a look at the capacity limitations in the environment and the market limitations. I can only service so many beer clients for instance then it becomes a competition in itself, where as a larger company that can appoint one hundred people to deal personally with one hundred clients, they don't really have to go for just the run of the mill job but I need to see can I service a client to its own professional level.” (IQA interview, Participant 5).

“So we slowly, from trying to conquer the world, shape the strategic direction of being a bit more focused on emerging markets. And then more recently, I sometimes wonder if that's a function of time and energy and age. You said really hone it down on the African continent. And so, in some ways it has filtered back

into our strategic decision-making. You know, things like time, things like capacity to say how much can we really do in our lifetime? And tie it in to market possibilities. So Africa has become our focus in the last probably three, four or five years. We've said there's enough going on the continent for as challenges, there are lots of opportunities. So honing in on Africa and try and prioritize that as our core geographic region.” (Additional interview, Participant 10)

“So, I think the key there is, it plays a huge role and the key is effectiveness. To make use of your time and of your capacity effectively. So, I tend to say for the first time we obviously started off as a fairly small company, you know, it started from scratch. We had one or two people working for US, now we have 30. In the last few years as you can hear with our balance score-card, process and procedures only have a better understanding of how to manage our time and resources.” (Additional interview, Participant 12). **SDM activity:** Evaluating the effectiveness of SDM process, in terms of time wasted.

It is evident from the above findings that time and capacity are relatively related. It seems that capacity would indicate what strategic decision can be accommodated. For a smaller SME, capacity could mean the difference between not implementing the decision (due to lack of capacity), or that capacity could be adjusted to accommodate the strategic decision if there are the resources to do so. Hence, there is also some degree of control, however, due to elements such as demand and market limitations, there may not be much control left.

Depending on the decision or situation, time and capacity may be classified as internal or individual moderators or mediators in SDM. In terms of the internal team, Time can be classified as an internal moderator, while in terms of the SME owner/manager, Time can be seen as an individual moderator. The same applies to capacity. These internal or individual moderators seem to determine if a strategic decision can be implemented. The time it would take to adjust time and capacity may also affect how quickly the SME can create capacity and implement the strategic decision.

However, some SMEs' capacity may be sufficient to implement a new strategic decision. Under these conditions, the time and capacity of internal staff may be internal mediators, while the time/capacity of the SME manager/owner may be individual mediators.

6.2.9.5 Rewards

Rewards included fuzzy feel goods and financial potential.

Financial potential

Financial potential consisted of Finances, Potential, Long-term sustainability, Will it grow (money, business, happiness) and Value proposition (see Table 6.4, Section 6.2.4.2). Financial potential seems to refer to the financial gains, as well as the long-term financial sustainability of the SME that can be harvested from SDM. The following verbatim transcriptions highlight these findings.

So, of course you're going to tell yourself strategic planning, like where I bought this business, listen, here we're going to make more money." (Translated from Afrikaans) (IQA interview, Participant 3).

"To me that is very important and then also the ability financially to be able to contribute to certain projects, either financially." *"The financial potential of it is for me, the finance potential long term, sustainability, is there growth, is there money, my point there was, will it grow?"* (IQA interview, Participant 4).

"But as an entrepreneur, obviously, financial reward is very much a part of it as well, something that really drives the entrepreneurial spirit." (Additional interview, Participant 10).

"That you can venture into philanthropy and all these tremendous good causes that businesses are involved in. But only if you've actually made a surplus or made a profit. Without surplus funding you can't support any of the good causes. That's the simple bottom line." (Additional interview, Participant 11).

Fuzzy feel good

Fuzzy feel goods consisted of Value, Purpose, Potential for positive overflow, Positive legacy, Legacy, Charitable advantage, Impact/outcome, Paying it forward, Feeling of accomplishment, Will it matter? (timeline of consequences) and Personal endorsement (Will I be proud) (see Table 6.4, Section 6.2.4.2). Feeling of accomplishment, will it matter, purpose and personal endorsement refers to personal satisfaction as a reward for the SME owner/manager, while impact/outcome, paying it forward, legacy, and charitable advantage seems to refer to a greater impact beyond

the 'walls' of SME, or an external impact. The following verbatim transcriptions highlight these findings.

"The legacy is quite crucial for me. Paying it forward, I think all those things come to a point where you say, I'm doing okay, I'm doing good; I'm leaving something behind. I'm not focusing inward only, I'm focusing on the external as well. So the fuzzy feeling reward is crucial for my decision-making." (Translated from Afrikaans) (IQA interview, Participant 1).

"For me, the fuzzy feeling is more important than the financial rewards." *"The legacy is very important for me"* (Translated from Afrikaans) (IQA interview, Participant 2).

"When we make our strategic decisions, yes it sounds flakey, especially to people in corporate but I need to say, am I going to feel good about what I do? Can I sit back at the end of the day and say you know what I had an advantage over people and my client can sleep tonight because he knows that he can trust me." (IQA interview, Participant 5). **Element of Business ethics:** Trustworthy, reliability and behaving responsibly towards stakeholders.

"You know we didn't break one window and it looked so much better and people complemented the fact that they could see the difference and they experienced the difference. A fuzzy feeling to me was when we got approved for heritage, by the {identifier removed} that we are approved to work on heritage sites." (Additional interview, Participant 9).

"I specifically just want to refer to legacy, paying it forward I already addressed and a sense of accomplishment and the importance of that. It is really important. If we are a team that plays in the A game of our own industry, we've achieved global recognition as 'amongst the best' in the globe for what we are doing. And we've been recognised by our own industry, by our peers in South Africa as achieving the same for our local. So, becoming part of this team certainly is a sense of accomplishment." (Additional interview, Participant 11).

Emotion was highlighted under fuzzy feel good, which highlighted an acknowledgement of emotions in SDM or the importance of not making decisions based on emotion.

“A fuzzy feel-good, doesn’t seem to be having a lasting impression. It seems like emotion has been brought into this. So, fuzzy feel-good is an emotion and that is not taken into consideration in strategic decision-making.” “And not under an emotion. Because a legacy is not an emotion. Fuzzy feel-good is an emotion.” (Additional interview, Participant 11).

“Where I was thinking a little about your point, about the fuzzy, what did you call it, the fuzzy feel good. There's also a downside to the almost emotional side of business where you build a certain thing and you're emotionally invested in it and you run the risk of that fuzzy feel good or that emotional investment keeping you in there for too long.” (Additional interview, Participant 10). **SDM activity:** Evaluating the effectiveness of a strategic decision (the emotional investment) through reflection.

“I don’t take impulsive decisions; impulsive decisions are very emotional, and you can’t take emotional decisions around financial stuff.” (Additional interview, Participant 8).

Fuzzy feel good can be classified as an individual moderator, while financial potential can be classified as an internal moderator. These internal and individual moderators seem to determine if a strategic decision will be implemented (or not), based on the good feeling it may reward, or the financial potential of the strategic decision.

Ethical-related influencing factors were evident in the data. While it was not an identified affinity or theme, the section below highlights how ethics were infused in SDM, based on the findings.

6.2.10 Ethical influencing factors

The findings indicate the ethical-related elements that are applicable in the SDM process. The sections below highlight the ethical influencing factors in SDM.

6.2.10.1 Ethics integrated in SDM through the influencing factors

Belief, legislation (obeying the law), personal endorsement (will I be proud of this) and moral codes were identified in the respective affinities, and during the IQA brainstorming session. Under the affinity SMERacter, belief and moral code was listed on the reflection cards (see Table 6.6, Section 6.2.4.4). Under Operations, compliance and legislation were mentioned, while personal endorsement was listed under

Rewards (see Table 6.4 and Table 6.7, Section 6.2.4). Personal endorsement was found to relate to 'approving' the action or decisions (will I be proud of this). While there were no ethics-related reflection cards (IQA brainstorming session) under Limitations/Opportunities, as well as Risks, the following verbatim transcriptions are applicable:

"In many ways when it comes to risks, especially when it comes to the limitation opportunity factors, where the opportunity is in line with the moral code. For instance if the opportunity meant you had to deceive a previous partner, or you had to completely fabricate a story, or tender for something that you don't actually have the capacity to do, your moral code would prohibit the business from tendering in that situation or making a contract." (IQA interview, Participant 4).

"...and also, I would say legislation." "So, that obviously influences my types of products and how I deliver it. Because if they keep on changing the goalposts, for example for our training we need to be accredited, but they change all the requirements the whole time. So, that, yes. So, the risk is if, obviously if I don't adhere to it, then I can't render certain products or services." (Additional interview, Participant 13).

The above verbatim transcriptions indicate that compliance is considered under Risks factors, and moral code dictates Limitations/opportunities.

It is evident from the findings that the personal ethical elements (belief, emotions, and moral codes) are inherent to the decision-maker. Belief, personal endorsement (will I be proud of this) and moral codes are related to the SME manager/owner's personal ethical orientation. It can be seen as what would be maintained, or the status quo in behaviour and decision-making. Therefore, personal ethical orientations can be classified as individual mediators.

However, legislation (obeying the law) refers to operations and/or external risks, and in essence, is an SME-related ethical element. This was previously classified as an external moderator, should there be any changes that would affect an SME. However, it is an internal mediator if the status quo is maintained.

6.2.10.2 Ethics integrated in SDM through the practical definition of business ethics

Elements of the practical definition of business ethics were observed in the data.

Doing the right thing

Doing the right thing was evident and highlighted in Sections 6.2.9 (Operations and mentioned by Participant 1). Being compliant with legislation was mentioned in the same section (under risk) and mentioned by Participant 13. Doing the right thing was further highlighted through the following verbatim transcriptions.

“I think if you really look at compliance, which we have to do, it’s also, you have to run your business in the sense that you need to do the right thing for your clients and make sure that you operate in a good environment.” (IQA additional interview, Participant 8).

“But to try and be good citizens, don’t be bad business people taking the money and run. You know, try and make the right choices and right decisions that you make a positive impact.” (IQA additional interview, Participant 10).

Integrity

Integrity was evident and highlighted under Section 6.2.9, and under the theme SMERacter (and mentioned by Participant 2) and Operations (and mentioned by Participant 1). Integrity includes values and honesty. The following verbatim transcriptions highlight integrity, values, and honesty in the data.

“We have turned away clients in the past because we don’t believe in the way that they deal with women.” (IQA interview, Participant 5).

“One of our values is, employee focused. So, there we believe that how we care for our employees and employers to give them the best results” (IQA additional interview, Participant 12).

Values, in the latter verbatim transcription, was included in the enterprise’s value statements. Integrity can therefore be owner-driven, or enterprise-driven, informally promoted, or then through formally drafted value statements.

Trustworthy

Trustworthiness was evident and highlighted under Section 6.2.9 and under Rewards (mentioned by Participant 5) and under operations (mentioned by Participant 5). Trustworthy included the notions of loyalty, trust, and reliability.

“We trust our people. And obviously we have different levels. We have more senior people and junior people, but a lot of freedom, a lot of freedom to be autonomous, to be independent, to make decisions that are in the interests of the business and in the interests of the client.” (IQA additional interview, Participant 10).

Reliability was also implicitly evident in decisions regarding being capable or having the time and capacity, and therefore reliable to deliver the services or products. This was noted under Operations (Section 6.2.9).

Behaving responsibly

Behaving responsibly was evident and highlighted under Section 6.2.9 and under rewards (mentioned by Participant 5). Behaving responsibly involved responsible behaviour towards the planet, stakeholders, shareholders, and providing quality services.

“As you know morals also comes in to play. If you make decisions there’s certain guidelines and either legislation, in other words, law and human rights and I guess expectations. Something I’m referring too might also fit here is your social responsibility.” (IQA additional interview, Participant 12).

“That person remains their own person. He has to retain his dignity. It has to be a privilege that you are in a position to pay someone's salary and you have to handle that with respect.” (IQA interview, Participant 3).

The same applies as before, if an SME owner/manager upholds responsible behaviour than it can be classified as an individual mediator, however, if it is an integral part of an SME’s DNA, and a value that is actively promoted, then it would be an internal mediator.

Gut feeling/Intuition/Emotions

Relying on a gut feeling, intuition or emotions to guide ethical or good decisions were evident in the overall data, as demonstrated below:

“And if it is the foundation in your life, it must also be the foundation and your business. And then you will also lie in bed at night and think, it was a good day, and in inverted commas, I don't owe anyone anything. My dues are paid for today. I didn't do anyone in. I didn't make R5 too much or R5 too little.” (IQA interview, Participant 3).

“I can't speak for everyone, but I can speak for me 100%, every single thing that I do has to sit well with my soul, I struggle to sleep enough as it is, I don't want to have a guilty conscience as well.” (IQA interview, Participant 5).

“I hate to say we were never cowboys but maybe eighteen years ago it would have been much quicker, a lot less informal, a lot more gut.” (Additional interview, Participant 10)

“Personal endorsement (will I be proud?).” (Reflection Card, IQA session).

Ethics in the context of SDM in SMEs seems to be more value driven, as opposed to rule-driven.

The above discussion reflects the personal ethical orientations of the SME owner/manager, and the entity's ethical orientation. While beliefs and personal endorsement are strongly related to the decision-maker, having integrity, behaving responsibly, and being trustworthy also have a personal element. These same principles can be maintained by the individual SME owners/managers, or could be ethical principles maintained in the SME, either through an ethical culture, the example of the leaders, or it may be ingrained in the DNA of the SME.

The personal ethical orientation of the SME owners/managers and the ethical orientation of the SME are the ethical principles that would be maintained in SDM. In such cases they would be individual and internal mediators. However, some participants did indicate that they would forfeit a client or business transactions if there are questionable or unethical dealings. In such cases, the personal ethical orientations and the SME's ethical orientations would serve as individual and internal mediators.

Through the empirical data, a few additional findings can be noted. These findings are specifically related to institutionalising ethics in SMEs, and ethical decision-making literature. These findings are presented over and above the research objectives.

6.2.11 Summary: Influencing factors of SDM in SMEs

The above findings indicate that SDM in SME are influenced by several influencing factors. In addition, the elements, or principles of a definition of business ethics were also identified, and this also influences SDM. Figure 6.11 (see next page) depicts the influencing factors. The ethical-related influencing factors and ethical principles are also indicated under the influencing factor it was identified, with gut feeling/foundations indicated as the foundation.

It is not to say that the ethical-related influencing factors are only applicable to the respective influencing factor, as indicated in Figure 6.11. It merely indicated where the ethical-related influencing factors were identified. The findings indicate where these ethical principles feature the mostly. For example, engine was one of the sub-categories of operations, and compliance was listed under this sub-theme. Compliance to regulation and legislation shapes the engine or the processes and structures of the SME. Compliance and doing the right thing would typically be more evident in operations.

The influencing factors were classified as mediators and moderators, and the findings showed the dynamic nature of some mediators. If the status quo was maintained, the mediators were present, and if there were disruptions to the status quo, then some mediators became moderators.

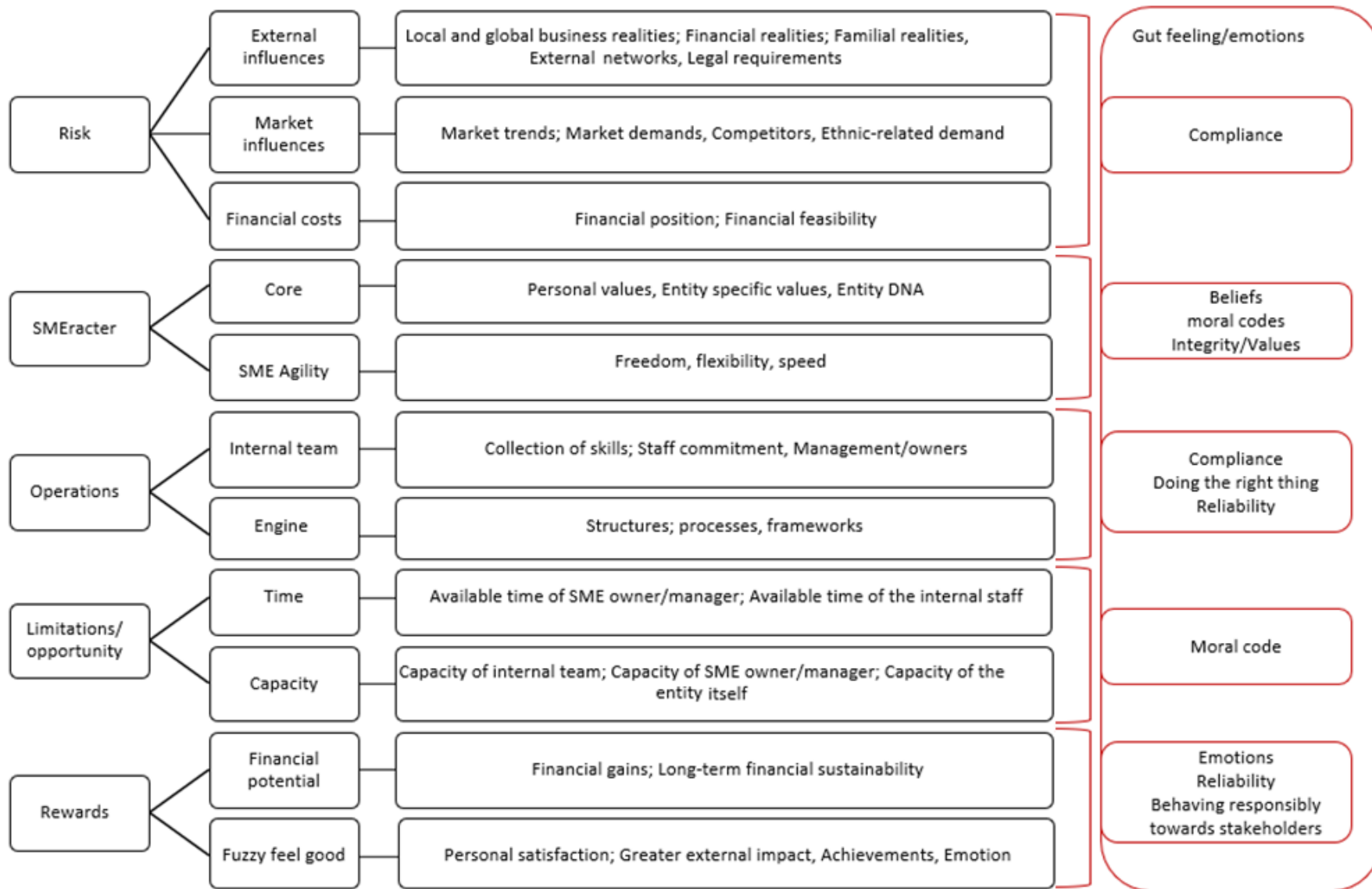


Figure 6.11: Identified influencing factors of SDM in SMEs

Figure 6.12 illustrates the identified mediators and moderators, and indicates which mediators may change to moderators should a disruption occur.

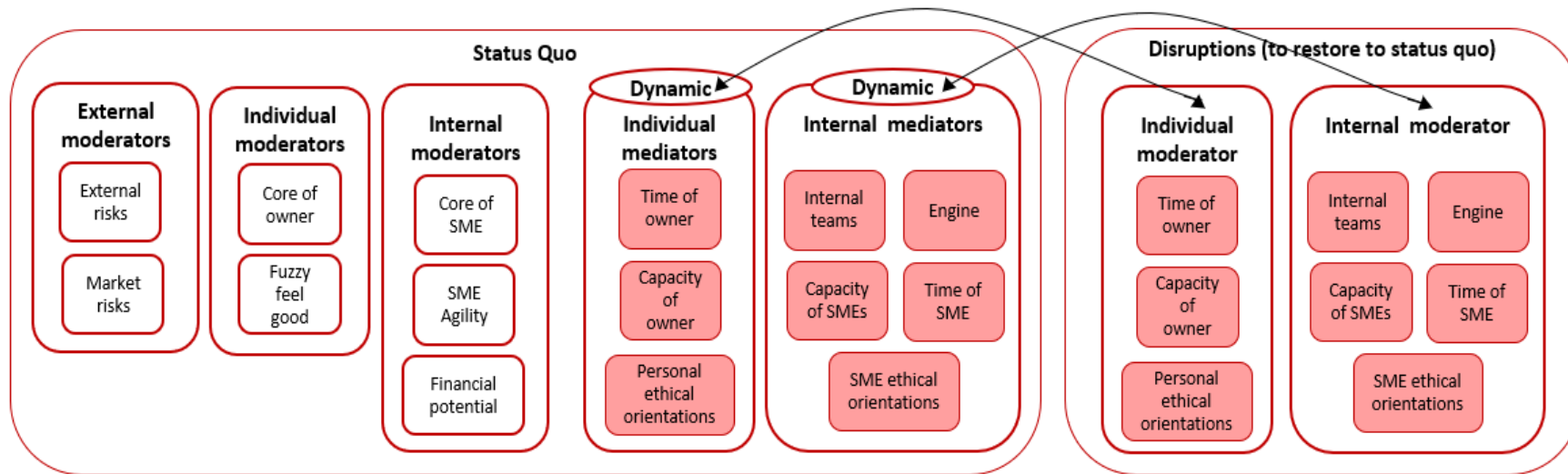


Figure 6.12: Suggested mediators and moderators in SDM for SMEs

During the IQA interviews and additional interviews, the participants were also asked what strategic decisions were implemented in their respective SMEs, and to elaborate on this concept. The next section reviews the strategic decisions identified amongst the participants.

6.3 STRATEGIC DECISIONS IDENTIFIED IN SMES

The five strategies identified in Chapter 5 were also observed amongst the participants in the IQA and additional interviews (See Appendix J). Nine (9) additional strategies were identified and mentioned in the interviews.

Table 6.17 summarises these nine additional strategies, namely, new business start-up, strategic networks, skills development, market positioning, marketing strategy, financial strategies, innovation, product development and maintaining reputations, and lists the strategic decisions identified in the empirical data. The first column lists and explains the strategic decision, followed by examples of verbatim transcriptions. The last column indicates the number of times observed (counts). Appendix J provides a detailed list of verbatim transcriptions.

Table 6.17: Strategic decisions identified in IQA findings

Strategic decisions	Example of verbatim	Counts
Market development strategies	<i>"...set up a joint venture business in the Ethiopian market."</i> (Additional interview, Participant 10).	2
Hedging against threats	<i>"...over and above what you've budgeted, and it is exceeding what you've set your targets on having to save up for dark times or whatever risk may appear, then you engage in different initiatives."</i> (Additional interview, Participant 11).	2
Restructuring (operations and personnel)	<i>"...again had to reduce a section of the business. I had to do a few retrenchments."</i> (Translated from Afrikaans) (IQA interview, Participant 3).	2
Scope of business	<i>"...a decision on a particular long-term agreement you might have with another business", "whether a client and I can come to a retainer agreement."</i> (IQA interview, Participant 4).	3
Refocusing on niche market/ Prioritising markets	<i>"I had to make a decision to be more involved in the specific sector rather than generally. So, a bit more specialised in a direction."</i> (Translated from Afrikaans) (IQA interview, Participant 6).	1

Strategic decisions	Example of verbatim	Counts
Skills development	<p><i>"You know, so the opportunity in that is obviously the grooming of the next generation, a younger tier of managers, you know, that succession plan for the business."</i> (Additional interview, Participant 10).</p> <p><i>"...was one of my staff members who I was in the process of sort of mentoring to open her own branch."</i> (Translated from Afrikaans) (IQA interview, Participant 1).</p>	3
New business start-up	<p><i>"...the possibility of starting an own business."</i> (Translated from Afrikaans) (IQA interview, Participant 1).</p>	4
Maintaining reputation	<p><i>"I need to make a quick strategic decision about which staff can I give off tonight" "and see can I cope can I still produce the quality of service."</i> (IQA interview, Participant 5).</p>	1
Strategic networks	<p><i>"Strategically that makes a lot more sense for me to be able to use a well-known place as a marketing strategy than for me to do all the legwork."</i> (Additional interview, Participant 9).</p>	1
Marketing strategy	<p><i>"How to market, like having a marketing strategy."</i> (IQA interview, Participant 4).</p>	1
Market positioning	<p><i>"So, of course, it is an issue of cost but then it's furthermore part of the strategic business making decision as to where do you pitch your company within the playing field of similar companies and what do you need to invest in to make that distinction to give you the leading advantage."</i> (Additional interview, Participant 11).</p>	2
Financial strategy	<p><i>"If we are going to invest in buying software and equipment and then on a yearly basis your big financial decisions. If we're going to invest here or there, if we're going to save or not."</i> (Additional interview, Participant 12).</p>	2
Innovation	<p><i>"... was to start exploring the digital space." "And that also, and perhaps that could be a strategic decision as well, is to venture into the understanding, and the reason why I picked on innovation specifically, is it's a buzzword at the moment, and I think it's recklessly used by people without understanding exactly what innovation is."</i> (Additional interview, Participant 11).</p>	2
Product development	<p><i>"If we are going to do a new product or invention? If we are going to patent something or not?"</i> (Additional interview, Participant 12).</p>	2

As the name suggests, new business start-up included starting a new business, with or without there being another business. One participant mentioned the importance of building and maintaining strategic networks. In the Delphi research phase, one participant highlighted the importance of good relationships with their suppliers, which can also form part of strategic networks.

“Just having a good relationship with our suppliers is a good strategy, keeping in contact, etcetera, so as to when there is a problem in the market, they will go out of their way to assist us as far as they can, also letting us know in advance of any price increase to give us a slight advantage over our competitors.” (Delphi, Participant 12)

Skills development and mentoring are closely related and were grouped under skills development. It is concerned with the development of skills and mentoring of employees, the SME owners/managers, and the next generation (succession planning). However, a few participants did mention mentoring outside the context of internal skills development.

Market positioning included where to position, and how to define the enterprise in the market, while financial strategies included where and what to invest in, savings and credit-related decisions. Marketing strategy was also identified, which included how to market. In the Delphi research phase, marketing was also listed as a strategy (Delphi participant 1), but no elaborations were provided other than “marketing”, hence it was not initially included, due to ambiguities. Perhaps it was a marketing strategy.

Innovation appeared to be a deliberate focus on how to innovate, as opposed to a reactive approach caused by disruptive situations. An example of the latter is to take offerings online due to COVID-19. As the name suggests, product development included exploring new products to add to the product line. Lastly, three participants mentioned the importance of quality, of which one participant equated it to strategy.

*“I need to make a quick strategic decision about which staff can I give off tonight”
“and see can I cope can I still produce the quality of service.”* (IQA interview, Participant 5) **Element of Business ethics:** Behaving responsibly and quality of services.

While in a different context, two participants highlighted the importance of maintaining a good reputation. Reputation is closely related to service quality, and hence, service quality and reputation were grouped and named maintaining reputation.

It was in the setting of these strategies that SDM and the respective influencing factors were explored.

6.4 SUMMARY

This chapter reviewed the findings of the Interactive Qualitative Analysis (IQA) phase and subsequent interviews. The aim was to report on the influencing factors in the SDM processes in SMEs. SDM is influenced by five themes that were identified, namely, risk, SMERacter, operations, limitations/opportunity, and rewards. Risk comprised of external and market influences and financial costs, SMERacter included core and SME agility, while Operations included internal team and engine. Limitations/opportunities consisted of time and capacity, and Rewards consisted of fuzzy feel goods and financial potential. Ethical-related elements, such as integrity, belief and moral code were identified in SMERacter.

The themes identified also influenced each other. The SDM process is driven by Risks. Risks influences SMERacter, SMERacter then influences Operations, Operations influences Limitations/Opportunities, and finally Limitation/Opportunities influences Rewards. The outcome of the system (SDM) is Rewards. No feedback loops were identified in this system.

A few of the SDM activities identified in the SDM process, and elements of a definition of business ethics in Chapter 5 were also identified in the data and highlighted. Lastly, while not part of the scope of this study, a few types of strategies that SMEs implemented and a few insights into strategic decisions were noted. These strategies included, for example, market development, innovation, skills development, and product development. The next chapter concludes this thesis by summarising the main findings according to the research objectives.

CHAPTER 7:

SUMMARY, CONCLUSION AND RECOMMENDATIONS

7.1 INTRODUCTION

This chapter concludes this thesis entitled: *An ethical strategic decision-making framework for South African Small and Medium Enterprises*. This chapter reviews each research question, and presents a summary of the broad and unique empirical findings. Suggestions for future research and practical recommendations are provided, and the chapter concludes by addressing the research limitations and discussing the contributions of this study. The next section reviews the research questions.

7.2 REVISITING THE RESEARCH QUESTIONS

The primary research question (RQ) was: *How do SME owners/managers integrate ethics into their strategic decision-making processes?* From this primary research question, four secondary research questions were formulated. Table 7.1 lists the secondary research questions. The empirical and literature findings are linked to the research questions in the last two columns.

Table 7.1: Linking the research questions to the empirical and literature findings

Research question	Empirical findings	Literature findings
How do SME managers/owners use strategic decision-making frameworks or tools to make decisions? (RQ1)	Chapter 5 Section 5.2.1 Section 5.2.3 Chapter 7; Figure 7.1	Chapter 2 Section 2.3.3 Section 2.4.2; Figure 2.2 Section 2.4 Section 2.5
How do SME owners/managers define business ethics? (RQ2)	Chapter 5 Section 5.2.4; Figure 5.2	Chapter 3 Section 3.2.1 Section 3.6.1 Section 3.7
What are the factors (including ethical factors) that influence SDM in SMEs? (RQ3)	Chapter 6 Section 6.2.4 Section 6.2.9 Section 6.2.10; Figure 6.11	Chapter 2 Section 2.3.5 Section 2.4.4 Chapter 3 Section 3.5
What would a framework for ethical strategic decision-making for South African SMEs consist of? (RQ4)	Chapter 7; Figure 7.4	To be addressed

Source: Compiled by researcher (2021)

7.3 DISCUSSION OF RESEARCH QUESTIONS, CONCLUSIONS AND RECOMMENDATIONS

The empirical data and findings are subjected to the scope of this study. Most of the participants were owners/managers of micro to small enterprises, therefore the findings and recommendations are in the context of micro, very small and small enterprises.

7.3.1 Strategic decision-making frameworks or tools to make decisions

This section discusses the findings related to Research question 1: *How do SME managers/owners use strategic decision-making frameworks or tools to make decisions? (RQ1)*. The key findings and contributions are reviewed below.

7.3.1.1 Key findings related to the SDM process in SMEs

The empirical data led to an SDM process being identified for SMEs. The findings were presented in Chapter 5 (Sections 5.2.1 and 5.2.3). The SDM process consists of seven

overarching activities, namely: 1) reason for the strategic decision, 2) analysis of financial information, 3) the strategic decision, 4) information gathering, 5) communication, 6) implementation, and 7) evaluations. The empirical findings mostly coincide with that found in the literature. However, a few additional findings and observations were identified, which are discussed below.

Reason for the strategic decision

Firstly, it became evident from the overall data that the reason for the strategic decision can be planned or proactive, such as identifying a new market to enter, or it can be unplanned, unintentional, and reactive, such as making strategic decisions to adapt operations to the demands of the COVID-19 pandemic and subsequent lockdown. However, the reason for a strategic decision is not always due to an external trigger, but it may be prompted by internal factors too. These approaches (proactive vs reactive) would require of the SME owners/managers to follow different SDM steps. For example, a reactive or unintentional approach to SDM may involve that certain steps be skipped, or the level of engagement would be less comprehensive than that found in a planned approach.

Analysis of financial information

The findings highlighted the analysis of financial information activity as a more prominent activity and key concern within SDM. What was evident from the overall data is that this activity seems to suggest general forms of financial analyses, such as reviewing financial statements, cash flow and income/expenditure streams. There was no evidence of advanced financial analytical tools and/or software in the data. This could be due to the limited resources, time, or expertise of the SME owner/manager.

The strategic decision

It was found that SMEs do not follow specific, formal steps in their SDM. Similarly, the literature highlighted inconsistent processes, and the notions that SDM in SMEs is a fuzzy and dynamic process seems to capture the inconsistent characteristics of SDM in SMEs. The findings also indicated that SMEs develop alternative solutions, which are more evident in the SDM processes of larger organisations. While there were mixed findings in the literature about the fact that developing alternatives was either common or less common amongst SMEs, the empirical data of this study indicated

that developing alternatives is a step in the SDM process of SMEs. The findings also indicated that SMEs select the outcome with the least cost route. This highlights how the limited financial resources play out in SDM.

The strategic decision taken would depend on the decision or situation. During the global COVID-19 pandemic there were lockdowns of various levels in South Africa. Initially, significant restrictions were placed on business; from closing doors to only being permitted to sell online. SMEs had no choice but to go online with their business if it was possible with their products and services. In such cases, activities such as choosing between more than one option or solution, reviewing the cost of implementing a solution, and selecting an outcome with the least cost route to conserve the enterprise were perhaps not an option, when survival was the only option. In these cases, survival and long-term sustainability were crucial.

Gathering information

The findings of this research study highlight the importance of gathering non-financial information during SDM in SMEs. There was a clear distinction between gathering financial information, and then reviewing internal and external non-financial information. In addition, the findings highlight that internal information is also gathered. One particular tool was mentioned for gathering information, and that was the SWOT analysis.

Communication

The findings of this research study highlight the importance of communication with stakeholders and shareholders in SDM for SMEs. Not only is communication used to obtain inputs, but it is needed to obtain buy-in from the applicable internal and external parties. The overall data showed the importance of communication in SDM to obtain buy-in from stakeholders and shareholders to allow for effective SDM.

Implementation

The findings of this research study highlight this step in SDM, particularly considering that there is one more phase in SDM for SMEs that has been identified after this step. What is also evident in the overall data is that the implementation of a strategic decision has implications on resources, tasks, responsibilities, and perhaps, capacity. Capacity and resources are assigned to facilitate strategic decisions. In Chapter 6 it

was identified that capacity can be adjusted to facilitate the strategic decision, and that the decision to not implement the strategy can also be determined by the available capacity.

Evaluation of the effectiveness of the strategic decision

The findings highlight this phase as a step in SDM for SMEs. Evaluations of the effectiveness of strategic decisions can be done informally, through mere reflections, or formally through monthly reports. During these activities it was found that SMEs would review where time or resources were wasted, and how to improve their SDM.

7.3.1.2 Conclusion

The primary data highlights a SDM framework or tool for SMEs. This SDM process has similar, yet distinctive phases or steps, with some activities enjoying a more prominent role in some SMEs. Direct similarities included identifying the reason for the strategic decision, the strategic decision or deliberations regarding the strategic decisions, and analysis of financial information. A few indirect similarities included gathering information and communication, however, this research finding explicitly highlights these phases in SDM for SMEs. Developing alternative solutions, implementation and analysing the effectiveness of the strategic decision are unique contributions to the SDM process for SMEs. Lastly, it can also be concluded that SDM in SMEs is fuzzy and dynamic, which highlights that it does not follow specific, formal steps. Figure 7.1 depicts the SDM process identified from the empirical data.

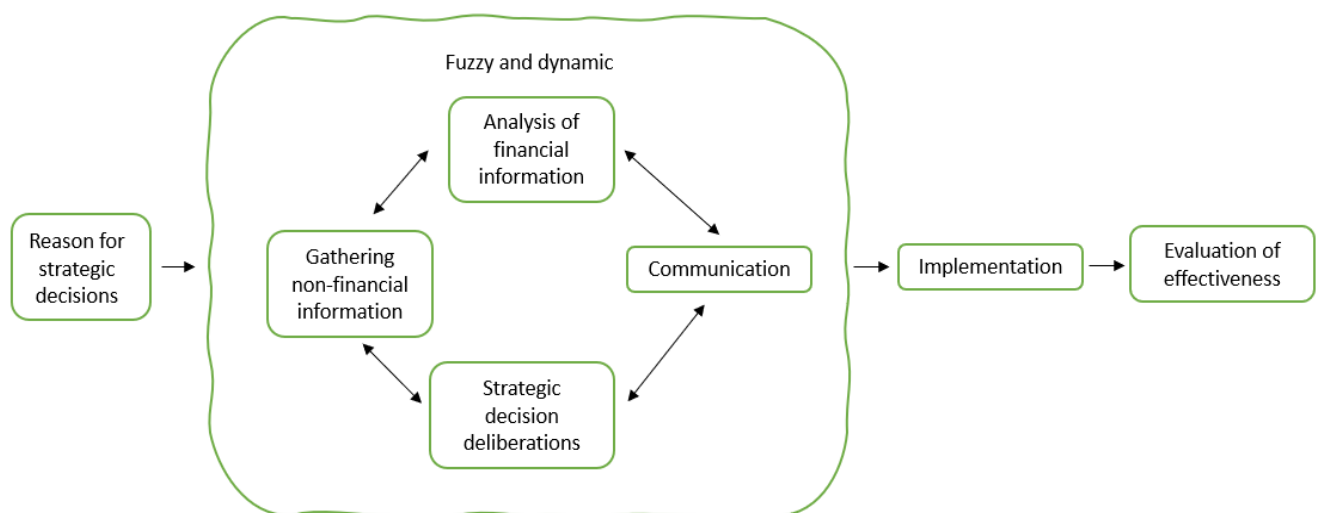


Figure 7.1: SDM process for SMEs – empirical findings

7.3.2 Defining business ethics for SMEs

This section discusses the findings related to Research question 2: *How do SME owners/managers define business ethics? (RQ2)*. The key findings and contributions are reviewed below.

7.3.2.1 Key findings related to defining business ethics

Five elements were identified regarding defining business ethics in SMEs, namely: 1) doing the right thing, 2) integrity, 3) transparency, 4) trustworthiness, and 5) being responsible. The empirical findings of the current study mostly coincide with that in the literature. However, the current study highlighted a few key findings, observations, and additional activities, as discussed below.

Doing the right thing

Doing the right thing seems to be inherent or instinctual. Doing the right thing also seems to overlap with the rest of the themes. Perhaps each of the following themes is an extension of “doing the right thing”. It is also evident from the data that being compliant extends, in this context, to being compliant with legislation. This finding is in contrast with the broad academic literature, as business ethics and the law are not equated. However, this concurs with the views on business ethics in the practical setting.

Integrity

Integrity, values, and honesty were the most frequently observed elements, indicating the importance of integrity in a business environment that is plague by corruption and social injustice. SME owners/managers, especially where there is either no managerial team or there are two co-owners, rely mostly on their personal values. Once the entity grows, the enterprise values would be formulated which will ultimately, guide decision-making.

Transparency

The findings also highlighted the importance of transparency. Having more informal approaches to business, transparency may take the form of meetings, and electronic and telephonic communications to deliberately share information with the relevant

parties. Transparency could perhaps reside at the organisational level, with honesty at an individual level.

Trustworthy

The findings of this research study highlighted trustworthy as an element of business ethics and extended the literature to include being loyal and reliable. This seems to be over and above being consistent (keeping your word). Being reliable and loyal appear to be traits that SME owners/managers must have but they are also traits sought after in business partners, stakeholders, shareholders and in business transactions.

Behaving responsibly

The empirical data suggested that the delivery of quality products and services was important. This finding is novel to the broad literature and literature in the South African context. Perhaps quality and reputation, business values or maintaining standards are related.

Additional observations and findings:

Emotion was not listed as an element of defining business ethics, but its importance was identified from the overall empirical data (see Chapter 6, Section 6.2.10). The data indicated that emotions should not be relied upon when making business and financial decisions (See Chapter 6, Section 6.2.9.5). However, when it comes to business ethics, it was found that feelings, such as a guilty conscience, feelings of pride (that nothing wrong or bad was done) guided the decision-maker (See Chapter 6, Section 6.2.9.2).

Gut feelings, or intuition, were highlighted in both SDM and business ethics literature (Chapters 2 and 3). A conclusion was drawn that doing the right thing seems to be inherent or instinctual, which could be related to feelings and emotions. Emotions may play an important, and perhaps fundamental role in SMEs and their ethical strategic decision-making. Intuition may perhaps play a central role in rational SDM, with emotions assisting the decision-maker to make ethical decisions that avoid 'guilty' feelings.

7.3.2.2 Conclusion

The primary data highlighted the elements of a working definition of business ethics for SMEs. Concurrent with the literature is doing the right thing, having integrity, being transparent, being compliant, being honest, and behaving responsibly. Empirical findings highlight elements such as being trustworthy which extend to loyalty and reliability from all parties involved and maintaining quality in products and services.

7.3.3 Factors (including ethical factors) that influence SDM in SMEs

This section discusses the findings related to Research question 3: *What are the factors (including ethical factors) that influence SDM in SMEs? (RQ3)*. The key findings and contributions are reviewed below.

7.3.3.1 Factors influencing SDM in SMEs

From the empirical data, five broad influencing factors of SDM in SMEs were identified. The findings were discussed in Chapter 6 (Section 6.2.4). The participants agreed that Risk, SMEracter, Operations, Limitations/Opportunities, and Rewards influence their SDM. The empirical findings mostly coincide with that in the literature, whether implicitly or explicitly. However, the current study identified a few key findings, observations, and additional influencing factors, as discussed below.

Risk

Under external influences, the empirical findings highlighted family influence as an influencing factor. This study identified this influencing factor in a variety of SMEs, both inside and outside the context of family entities. While not mentioned by the participants in the IQA session, the data from the interviews highlighted the influence of external networks, legal requirements and competitors. The empirical findings also highlighted BBBEE as an influencing factor for SMEs, whereby these enterprises' products and services are not in demand, and restrictions are placed on business transactions where there are black economic empowerment requirements. The latter is only applicable to white-owned SMEs.

Overall, the findings indicated that SME owners/managers have little to no control over market and external risks in SDM, but there seems to be some control over financial costs. In addition, these risks would determine if the strategic decision were worth the associated investment and/or the reward, or not.

Most risk factors can be classified as external moderators in SDM. The external and market influencing factors are external moderators. These moderators would determine: 1) the effectiveness of an implemented strategic decision, 2) the decision to pursue a new strategic decision, or 3) how to best implement the strategic decision in view of the present risk. These factors may also slow down or speed up SDM. Financial costs, as a risk factor, can be classified as an internal moderator, which would determine if the strategic decision can be funded and implemented, or not.

Limitations/Opportunities

The empirical findings highlighted that the capacity of the entity itself, and the capacity and time of the internal staff influences SDM in SMEs. It was evident from the overall findings that opportunities/limitations seemed to determine if or what strategic decision can be implemented. In addition, depending on the entity, and perhaps, the available resources, opportunities/limitations can be adjusted, indicating some degree of control. For example, capacity can be increased through outsourcing or appointing new staff members. The time and capacity of internal team was classified as an internal moderator, however, if the SME owner/manager is the sole employee of the SME, then the time and capacity of the internal team was classified as an individual moderator.

Operations

The findings indicated that the structures and processes (the engine), and the internal team, that is, the operations, have an impact on SDM. This finding reiterates the influence infrastructure has in SDM, especially in the South African context. The findings indicate that resources need to be available, and the processes and structures need to either be in place or adjusted to facilitate the implementation of the strategic decision. It could either assist in executing the strategic decision or hinder the execution thereof.

It was evident from the overall findings that SME owners/managers may have control over operations. If it is in the SME's ability, operations can be changed to suit the strategic decision that is being implemented. Depending on the capabilities of SMEs, the internal team and engine can be classified as internal moderators or internal mediators. Should the SME have the operations in place to implement the strategic decision, these factors are internal mediators.

SMEracter

The empirical findings highlighted SMEracter as an influencing factor, moreover it was deemed as the core of the entity or SME owner/manager. It was evident from the findings that the core of the SME or the SME owner/manager seems to determine if a strategic decision would be pursued or not. SME agility specifically seems to be related to freedom, flexibility, and agility in strategic decision-making, which in addition, seems to influence speed and perhaps comprehensiveness in SDM. It was also evident from the findings that smaller scale SMEs seems to have more freedom when deciding in what or with whom to get involved. They have the freedom to decide not to get involved in governmental contracts or not to be associated with a potential client in the context of SDM.

The core of the SME owner/manager and SME was classified as an individual and internal moderator, respectively. The central role of the SME owner/manager was classified as a mediator.

Rewards

The empirical findings highlight rewards as an influencing factor in SDM, and more specifically, the good feelings that accompany SDM. It was evident from the findings that there are situations where the fuzzy feel good is more important than the financial potential. However, this was observed in smaller entities, and seems to be a short-term focus, which will not be sustainable in the long run. Fuzzy feel good was classified as an individual moderator, and financial potential as an internal moderator.

Ethical influencing factors

The elements of a working definition for business ethics in SMEs were identified from across all the influencing factors. The ethical influencing factors were most prominent under SMEracter, where the core of the SME owner/manager or the business values was most evident. Ethics-related factors, based on the practical definition of business ethics, included integrity (values), doing the right thing (compliance), reliability (trustworthiness), and responsible behaviour towards stakeholders. Additional ethical-related influencing factors that were identified were beliefs, moral codes, and emotion or gut feeling.

The findings highlighted the role that emotions and gut feeling played, and it appears to be central to or act as a foundation in SME decision-making. It is evident from the overall findings that some of the elements of business ethics that were identified influence SDM, and additional influences include a moral code, beliefs, and emotions.

Due to the dynamic nature of the principles, it is a complex process to classify the ethical elements as mediators or moderators. It seems that ethical principles and emotions need to be maintained in the business, and by the decision-maker. It is a filter that maintains ethical principles in the workplace and between relationships. In such cases, the identified ethical principles are internal or individual mediators. However, in the absence of ethical principles such as trust or integrity, or when negative feelings (emotions) are provoked, these ethical principles and emotions become internal or individual moderators. The above influencing factors not only affect SDM, but also affect each other when an SME owner/manager engages in SDM.

7.3.3.2 Influencing factors: How they are related

Figure 7.2 illustrates the influencing factors and how they influence each other. The figure should be understood from a system point of view, with SDM being the system.

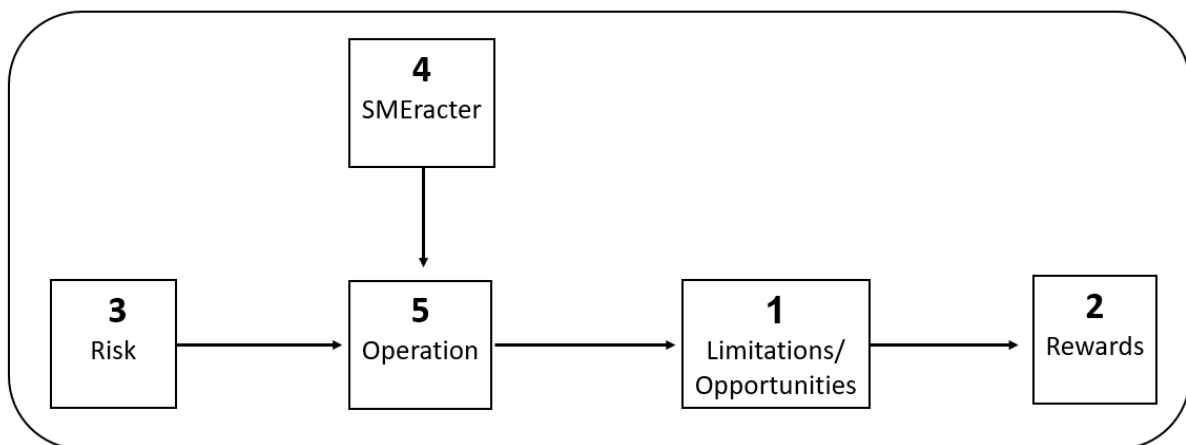


Figure 7.2: Influencing factors of SDM in SMEs – empirical findings

Although limited to a small focus group, the relationships illustrated above substantiate the identified moderators. Operations (internal team and engine) and Limitations/opportunities (time and capacity) were suggested as moderators. However, depending on the context and capabilities of the SME, they may be mediators. Within the illustrated SDM system (Figure 7.2), Risk and SMERacter are illustrated as antecedents, and precedes Operations, Limitations/opportunities and Rewards.

7.3.3.3 Conclusion

Although limited to a small group, this was the first research study that the researcher is aware of that attempted to determine how the influencing factors relate to each other in SDM. These relations are not explicitly evident in SDM literature, however, the notions of input, a transformation process, and outputs (a system) in mainstream managerial, production and/or projects management fields are well documented and can be used to understand the findings. In such cases, inputs are needed to generate outputs, and the availability of inputs will impact, or lead to different outputs.

7.3.4 Framework for ethical SDM for South African SMEs

This section discusses the findings related to the fourth and last secondary research question, namely: *What would a framework for ethical strategic decision-making for South African SMEs consist of? (RQ4)*. Firstly, the empirical findings indicated that ethics seems to be applied (and deliberated upon) as and when the factors influencing the SDM process arise. Each of these influencing factors has an ethical foundation. These elements would assist in the deliberations regarding the implementation of the strategic decision, or whether to forfeit the opportunity, and hence, not moved on to the implementation phase.

Secondly, it is evident from the findings that the ethical considerations in SDM are based on the elements that define business ethics in the workplace, such as integrity and being transparent. These elements of a definition of business ethics seems to be integrated into the very core of the SDM process, residing with the decision-maker (the owner) and/or the entity's ethics.

Thirdly, it is evident from the overall findings that ethics appears to be a foundation, as with emotions in SDM. What can be derived from the empirical findings is that an internal or external trigger event starts SDM. It is then that the SME owner/manager navigates through that which is ethical or not, as the manager/owner progresses towards a final decision.

Thereafter follows the implementation phase of an 'ethical' strategic decision. Hence, it is suggested that ethical considerations come into play during the fuzzy and dynamic part of SDM in SMEs. Based on the findings, a framework for ethical SDM for South African SMEs is illustrated in Figure 7.3.

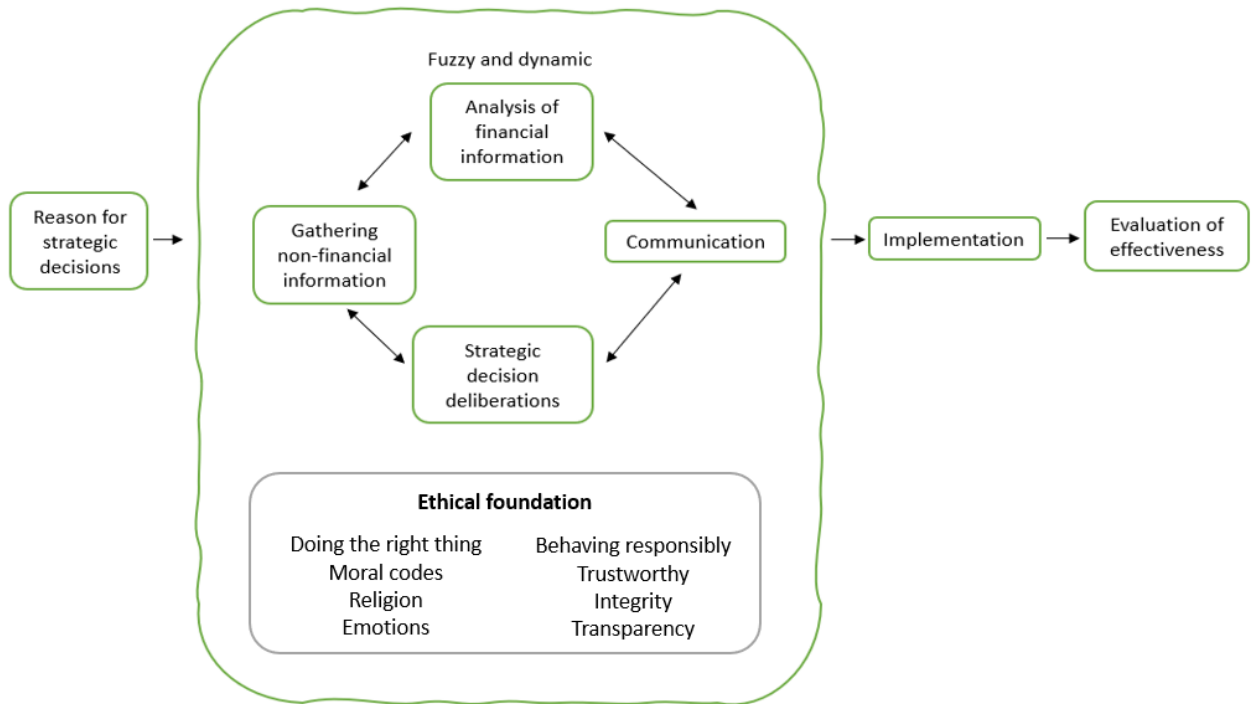


Figure 7.3: Framework for ethical strategic decision-making for South African SMEs

7.3.5 Integrating ethics in strategic decision-making

This section discusses the findings related to the primary research question: *How do SME owners/managers integrate ethics into their strategic decision-making processes?* To answer this question, it was necessary to firstly, identify how SMEs engage in SDM, and secondly, how they define business ethics. It was through investigating the influencing factors in SDM that the relation to ethics and SDM became evident. In addition, knowing how ethics could possibly be defined assisted in identifying ethical-related elements in SDM.

By combining and reflecting on the overall findings, one additional way that ethics is integrated into SDM, was found as an outcome of SDM. Reflecting on SDM as a system, and that those systems have components, inputs, mediators, moderators and outcomes, it became evident that ethics is integrated into SDM through inputs, influences, foundations, and outcomes. From these findings and the ethical strategic decision-making framework, ethics is integrated in SDM in the ways discussed below.

7.3.5.1 Ethics as mediating and moderating factors in SDM

The SME owners/managers are central to SDM. Their beliefs, moral codes and emotions, for example, are the foundation for SDM. In SMEs where ethical principles

are maintained through the SME owner/manager, or through the culture of the SME, principles such as integrity and doing the right thing on an individual or entity level serve as mediators. Decisions filter through mediating factors, and the decision-maker maintains the desired principles. If the status quo is maintained, then these ethical principles remain mediators. However, in the absence of ethical principles, they would become moderators.

A lack of integrity (external moderator) from a third party would, for example, result in the SME not following through with the strategic decision. The decision-maker would further rely on their, or the SME's core, and religion, moral codes, values, and emotions to guide ethical SDM. These factors in turn, influence SDM.

7.3.5.2 Ethics-related definition applied in the SDM process (inputs)

Elements in the definition of business ethics agreed upon by the participants were also observed and identified in SDM. Doing the right thing, integrity and trustworthiness were evident as guiding factors in SDM. It is suggested that there is an element of feelings, or an emotion related to "doing the right thing". These elements, or principles can be seen as inputs into the SDM process.

7.3.5.3 Ethics as foundation to SDM

The affinity or influencing factor 'SMEracter' was defined as the 'core' of the SME owner/decision-maker and/or entity-specific characteristics. SMEracter was a secondary driver in SDM. Beliefs, moral codes, integrity, and values were identified under this category, which indicated the central and integrated role ethics play in SDM, whether based on the decision-maker's personal approach to ethics, or through the entity.

Moreover, the elements of a definition of business ethics were also evident in the data and influencing factors. Doing the right thing, integrity and behaving responsibly were highlighted. In literature, it was highlighted that SMEs owners/managers influence the practise of ethics in their enterprises. The findings also highlight that it is difficult to separate the entity from the owner. These observations and findings indicate how ethics is integrated within the SDM process, and ethics appears to be the foundation of SDM.

7.3.5.4 Ethics as an outcome in SDM

When considering the way in which ethics is integrated into SDM, it is clear that being ethical is also an outcome, and it can be either an ethical decision or an action. In SDM it could be a strategic decision that is deemed ethical. The findings of this study indicate that this ethical outcome or ethical decision could be related to an emotional outcome, such as having a good feeling about the decision, or one that is aligned with the core of the SME and/or SME owner/manager. In the literature, moral satisfaction was identified in the EMD processes of SMEs. However, it is reasonable to assume that an ethical decision is more than just an emotional feeling. In reference to the application of the elements of business ethics, (the definition) outcomes are evident. For example, an ethical decision would be one where 'we did the right thing', or an ethical decision would be one where 'we are compliant'. In this case, the inputs to making ethical decisions become the outputs or the measurements with which to measure the ethical decision.

Based in the findings, Figure 7.4 (see next page) illustrates how owners/managers integrate ethics in SDM. The figure indicates the SDM process and the ethical foundations that are an integral part of SDM. The SDM process consists of the broad activities identifying the reason for strategic decision-making, the gathering of non-financial information, gathering financial information, communicating, and strategic decision deliberations and implementation.

Ethical principles are indicated as inputs into the SDM process, and an ethical strategic decision as the overall outcome is also highlighted. The figure includes the influencing factors as various moderators and mediators. It was concluded that certain mediators can be moderators if there is a disruption to the status quo. For example, while personal ethical orientation was identified as an internal mediator, it could be a moderator should there be a disruption.

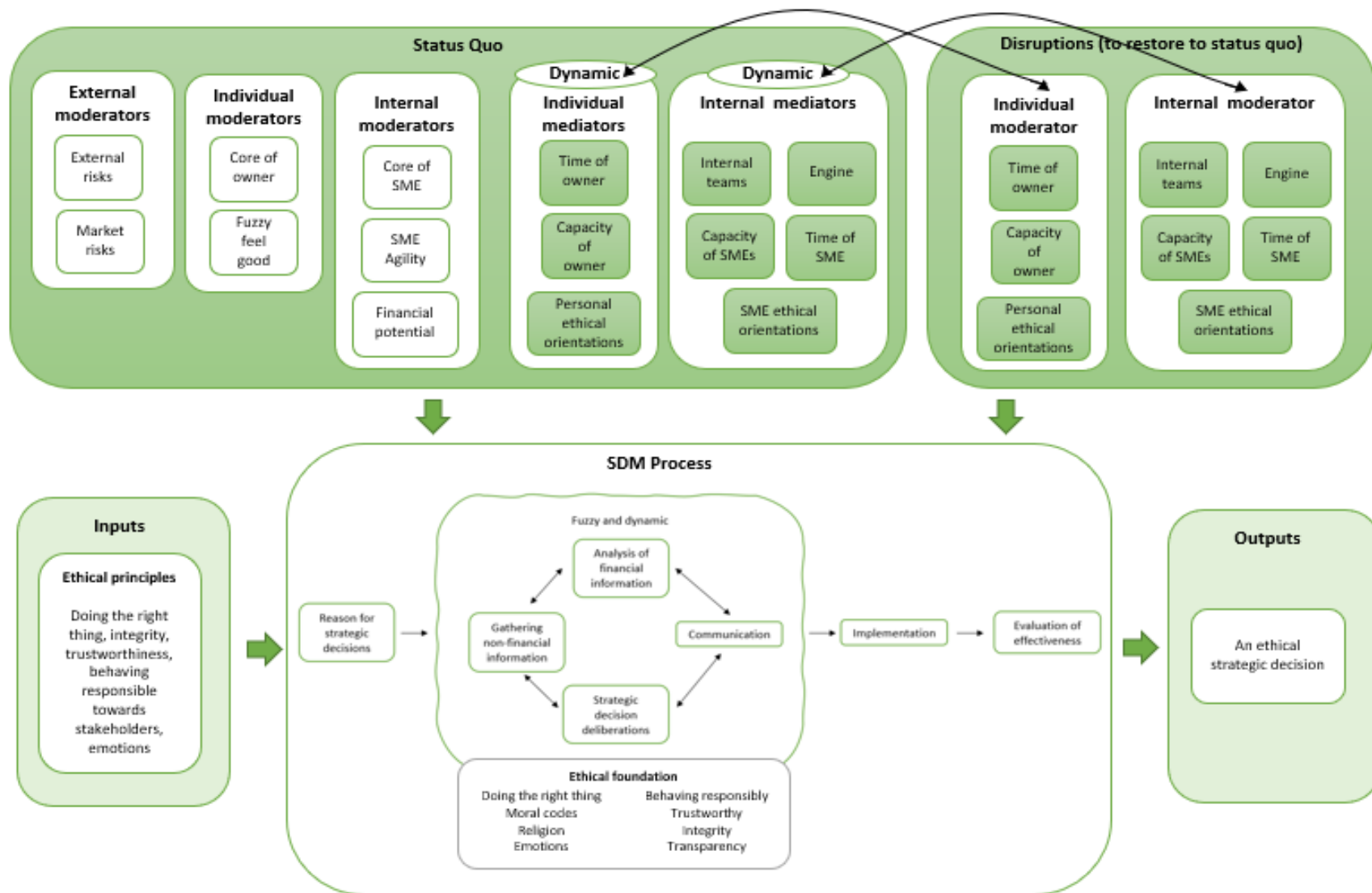


Figure 7.4: Integrating ethics in SDM for SMEs

Strategic decisions are filtered through personal ethical orientations. It is evident from the empirical data that SME owners/managers would turn a strategic decision down if the decision had an immoral component to it that was not aligned with their values or belief system. If the status quo (no breaches in personal ethical orientations) is maintained during SDM, the SME owner/manager will proceed with the decision.

The changes to the status of these 'dynamic' mediators are also highlighted in Figure 7.4 under disruptions.

7.4 RECOMMENDATIONS FOR MANAGERS AND PRACTITIONERS

The empirical findings illustrate a unique SDM process for SMEs. SME owners/managers can use this process to compare, inform, and evaluate their SDM practices against the framework to improve gaps, communication in SDM, effectiveness, and to increase the rationality in the SDM process. Furthermore, while the SDM process could be used to inform their own SDM process, it can also inform workshops or training sections for SMEs on the topic of SDM. This benchmark process can further be used to develop well-informed and proactive strategies.

The empirical findings indicated that SMEs do not follow any specific steps in their SDM process. SDM in SMEs remains fuzzy and dynamic. It is recommended that SMEs adopt a SDM process that caters for the situation and the decision, implementing the most relevant phases or activities, rather than 'making decisions on the fly', or emotional decisions. For example, with financial planning, which is a key concern in SMEs, the most basic activities in SDM, consisting of merely a financial analysis could potentially be the difference between failure or not.

The empirical findings also provided unique elements in defining business ethics in SMEs. These elements allow for more practicality in defining business ethics for SMEs, as well as guidelines to create ethical enterprises. It is recommended that these elements, or principles, be reviewed to maintain ethical values in business transactions, in SDM, and in the workplace. These elements can also be used to improve their own ethics as SME owners/managers, the enterprises' ethics, and they may ultimately create ethical infrastructures or ethical cultures in the enterprise. These elements could also be consulted once vision or value statements are considered and drafted as the entity matures or grows. When faced with an ethical issue in SDM, these

elements, or principles, can also guide the decision-maker towards making ethical decisions.

The findings indicate that SMEs regard being compliant to legislation as being ethical, which differs from the broader literature, but which is consistent with South African views. However, not all moral issues are covered by the law. In the context of South Africa, and during the Apartheid regime, unethical behaviour, in the form of discrimination, was legal. In abiding by the law to 'create ethical enterprises', it is recommended that SME owners/managers think deeply and reflect on the rules they apply, and they should not follow rules 'blindly'.

The empirical findings identified factors that influence SDM in SMEs. It is recommended that SME owners/managers be aware of these factors and understand how they influence SDM in their entities. An awareness of these factors may assist with identifying how to mitigate these influences to ensure effective SDM, especially the factors that can be controlled. Being aware of these factors further can improve the gaps in their own approaches to SDM and increase rationality in SDM, which can lead to improved SDM.

In addition, knowing how these factors influence each other further assists SME owners/managers to gain a comprehensive understanding of SDM, and can be used to develop well-informed strategies. For example, this includes knowing the decision-maker or the DNA of the entity and the risks that affect operations, and how the internal team and processes are structured accordingly. Operations then either create more opportunities or present limitations, which can also affect rewards. In essence, this implies using the system and influencing factors as a critical path analysis for SDM. It is also recommended that as the decision-maker engages in SDM, the individual or decision-making team should consider the influencing factors to further analyse the strategic decisions from various perspectives. In this way a supporting and sustainable environment is created for effective SDM.

An understanding of these impacts will lead to a greater understanding of how the outcomes will be affected, and could perhaps be changed for better results. Some of the influencing factors can be exploited to increase the effectiveness of SDM, while some factors can inform SDM, and other factors could heighten awareness, such as knowing the role that emotions and the individual can play. These influencing factors

can also be used to inform workshops, training sessions and resources made available by government and/or agencies focused on the development of SMEs.

The empirical findings identified a benchmark SDM process, and the factors that influence this process in SME. The empirical findings indicated how, and where ethics feature in SDM in SMEs, whether as influencing factors, elements, or principles. It is recommended that SME owners/managers be aware of how ethics are integrated with SDM to assist them with ethical SDM. Where there are no ethical codes and industry-related ethical standards, they need to be aware of their own ethics or moral codes, and personal bias in making ethical strategic decisions. Knowing how ethics integrates with SDM may also assist them in defining the ethics applicable to their respective entities.

7.5 RECOMMENDATIONS FOR FUTURE RESEARCH

Several future research opportunities emerged from the findings of this study. Firstly, would be to repeat this research amongst a wider, broader number of SMEs, and to include a more diverse and representative sample of SMEs in South Africa. Such studies will be able to add to or expand on the SDM, the factors that influence SDM and a definition for business ethics across a wider span of South African SMEs. This research could also investigate how or when SMEs do not follow SDM processes, and under what conditions.

A need was also identified to delineate the various categories of SMEs. Therefore, secondly, it is recommended that a study should focus on specific categories of SMEs. Such a study should be able to add to or expand on SDM, its influences and how ethics is defined in these specific contexts.

Thirdly, future research opportunities could focus on the influencing factors in SDM for SMEs, and investigate the ethical influencing factors in more depth. Such studies could also add to and expand on the influencing factors and the relations between these influencing factors.

Fourthly, it is recommended that future research should refine and develop the defining elements of business ethics into a measurement tool with the intent to test ethical cultures or develop ethical infrastructure in smaller-scaled SMEs. Research

designs should consider more in-depth qualitative studies to gain additional in depth and rich text knowledge related to SDM in SMEs, and in particular, business ethics.

Lastly, it is recommended that this study's findings and the possible effects and differences of demographics (age, education, culture, gender, ethnic group, and language) within a diverse and representative sample be explored. Such studies will be able to add to or expand on the SDM literature, the factors that influence SDM and perceptions on business ethics, and especially within a diverse country like South Africa. In addition, cultural influences or elements may provide better insights into the fuzzy and dynamic nature of ethical SDM, and perhaps a better understanding on the role emotions play in SDM.

While not part of the focus of this study, the section below provides recommendations for using the IQA method. These recommendations were included to hopefully assist future research studies, especially within the business management field of study where its application has been limited.

7.6 RECOMMENDATIONS FOR THE IQA METHOD

This study experienced most of the challenges noted in Chapter 4 (Section 4.5.4.2). The anonymity of participants was less guaranteed, and it was a challenge to get participants to participate in a three to four-hour research session. The literature observed that participants may mask conflict and reach compromises. The silent nature of grouping the cards may not reveal such unresolved conflicts of meanings. During the interviews, no participant indicated that there were any conflicts, or perhaps, incorrect grouping of ideas. On rare occasions, some participants did indicate if or when a theme or sub-theme was not relevant to them. For example, internal staff did not play a significant role in SDM for one participant (Section 6.2.9.3).

In this study particularly, there was a small group size due to cancellations, and there were domineering personalities during the focus group session. The following recommendations are suggested for use of the IQA session, based on the challenges experienced in this study.

Participation

It is difficult to get participants together for the IQA session. It could be helpful if the research setting is within an institution, and the institution invites the participants, on

behalf of the researcher, to the IQA session. Alternatively, it would be beneficial to use the technique in a setting where the targeted sample is already convened for shared purposes (for example, a classroom, a networking session, workshops, or training organised by reputable agencies, or conferences).

Small group sizes

For small group sizes, it is recommended that additional data should be gathered after the IQA session. The additional interviews, covering only the axial interviews, lasted an average of 51.52 minutes. Time should be set apart to conduct axial interviews with additional participants, and then theoretical interviews with another set of additional participants.

Domineering personalities

It is recommended, from a data integrity point of view, that additional data be gathered to minimise the influence that possible domineering personalities may have during the IQA session. This would also strengthen data triangulation.

Anonymity

It is recommended that participant receive the same colour pens, and similar coloured reflection notes. This could assist with the anonymity of answers.

Power struggles

This study experienced a challenge that was not highlighted in literature, when power struggles arose. While the researcher had research power, the SME owners/managers had experience power and seniority, which created these power struggles. The protocols of the technique needed to be followed, and at one stage, the SME owners/managers disregarded the protocols during what should have been a silent sorting process during the IQA. However, the initial silent grouping, coupled with final elaborations assisted with reaching consensus.

It is recommended that, should these power struggles be experienced, that group participation still be maintained, and domineering personalities be limited. It is also recommended that consensus of the affinities be briefly explored during the interview phases in the event that power struggles are experienced.

Changes to relationships

The study experienced another challenge that was not highlighted in the literature. One participant changed the direction indicated on the respective ART during the interview phase. The technique makes no provision for which relationship to include. In severe situations, the technique indicates that interviews can be skipped, and data from the detailed ART with if-then statements can be used. It is recommended that the follow-up IQA interviews be conducted, in the event that such changes should be made. It is then recommended that the relationship as indicated, and elaborated upon, in the interviews be used for creating the IRD.

The section below reviews the limitations of this study.

7.7 LIMITATIONS OF THIS STUDY

Throughout the research study, the researcher strove to uphold quality in the research, however, there are limitations to every research study, and the respective findings. The aim of this thesis was to identify a benchmark ethical SDM process for SMEs, with a subjective approach and a pragmatism paradigm. Consequently, the findings cannot be generalised. In addition, the sample consisted of SME owners or co-owners and did not include other management or managerial levels.

The findings describe text and dialogues and did not empirically test the concepts, topics and themes identified to establish the value of the identified concepts, topics and themes. In accordance with the subjective approach, the findings reflect the practical experience of the SME owners/managers who participated. While the research techniques that were implemented limited researcher bias, bias cannot be entirely avoided with qualitative analyses.

In addition, the techniques themselves introduced limitations. Only a handful of SME owners/managers attended the IQA session, and the ideal is 12 to 15 participants. This research study could only get seven participants, despite the numerous attempts to obtain the required number of participants, and especially, VAT-registered SMEs. Low participation in the IQA method resulted in including VAT and non-VAT registered SMEs. The time required to attend an IQA session seemed to be an obstacle for SME owners/managers, and they seem to be more willing to set time aside for an interview, compared to half a day for a IQA session.

The IQA phase and interviews were conducted during level two (2) lockdown, and the researcher believes that the global COVID-19 pandemic further hindered participation. According to Hedding *et al.* (2020:1), the lockdown will influence research projects, especially when physical data gathering techniques and time frames are applicable. The result of low participation in the IQA session specifically is that the small group size skewed the group realities and relationships of the affinities. However, small group sizes are still good for affinity generation.

It was possible to include a wide array of participants from different races and genders, as well as cultural and educational backgrounds during the first research phase. However, during the last two phases, most participants were white males. Attempts were made to include more females in the interviews, however, racial diversity in the sample was not obtained, further limiting the findings specifically to western (and perhaps) male viewpoints.

Given the small group size in the IQA session, additional interviews were conducted to gain additional insight into the influencing factors that had been identified, using the same interview protocols prescribed for the IQA method. However, the structure of the IQA interviews is lengthy and the additional participants were not asked about the relationships between the themes that had been identified. The reasons were threefold, as firstly, the interviews would be too long, secondly, the additional participants had not attended the IQA session, limiting their full understanding of the identified affinities, and thirdly, due to time limitations. The average length of all 12 interviews was 53 minutes and 90 seconds. Lastly, identifying the influencing factors answers the applicable research question. Hence, the findings of the group realities and relationships of the affinities are limited to the small sample size used, but not the identified affinities (influencing factors).

7.8 RESEARCH CONTRIBUTION

This research study contributes to the fields of SMEs, SDM and business ethics in a variety of ways. Firstly, a benchmark SDM process was determined for SMEs and the influencing factors were identified. A working definition was also identified for SMEs. Ultimately, an ethical SDM process was developed from the findings, and how ethics is integrated in SDM was highlighted, which is the main contribution of this study. This study therefore contributes to the fields of business ethics and SDM and provides a

unique way to integrate ethics and SDM within a South African context. The subjective approach was used, capturing the knowledge and experiences of SME owners/managers.

New theories on SDM in SMEs, specifically within the context of South Africa and SMEs, were developed and described in Section 7.3.1. The findings indicate a benchmark SDM process of seven broad activities. The seven broad activities are: 1) identifying the reason for the strategic decision, 2) analysing financial information, 3) gathering non-financial information, 4) communication, 5) strategic decision deliberations, 6) implementing, and 7) evaluating the effectiveness of the strategic decision. The nature of this process is dynamic and fuzzy, however, it was also found that no specific SDM process is followed by SMEs. Unique contributions to the SDM literature are the important role of communication to obtain buy-in, the evaluation phase in SDM, and the fuzzy and dynamic nature of SDM in SMEs. The gathering of financial information was confirmed to be a key activity in SDM for SMEs. These findings provide South African SMEs with a framework or a tool to assist them in effective SDM.

The study also identified the influencing factors in SDM for SMEs, as described in Section 7.3.3. The five broad themes were: 1) risks, 2) limitations/opportunities, 3) operations, 4) SMEracter, and 5) rewards. These factors would restrain or accelerate SDM in SMEs, or facilitate effective SDM. Ethical-related influences were also highlighted in the various influencing categories. While it was possible to indicate the relationship between these concepts, the findings are significantly limited to a small sample. Unique contributions to the SDM literature include the influences of the internal team, the engine (operations), familial complications, fuzzy feelings, and how ethics is infused in all these influencing factors. These findings provide South African SMEs with a greater understanding of their SDM environment, and may assist them to mitigate or exploit the elements in SDM.

New theories on a working definition of business ethics were developed and described in Section 7.3.2. The findings indicated that the elements of defining business ethics in SMEs included: 1) doing the right thing, 2) having integrity, 3) being transparent, 4) being trustworthy, and 5) behaving responsibly. Unique contributions to the business ethics literature include the principle of being trustworthy and maintaining quality in products and services. These findings provide South African SMEs with a greater

understanding of ethics in their entities, and provides guiding principles to infuse ethics in their entities, and specifically, in their SDM and the creation of ethical strategic orientations.

Generally, SMEs are more informal and focus on their core functions. The suggested framework in Section 7.3.4, and understanding of how ethics is integrated into SDM (discussed in Section 7.3.5) can assist SMEs to achieve effective and ethical SDM. Knowing how to integrate ethics into SDM, and the guiding ethical principles, may also lead to the creation of ethical infrastructures in these entities.

The South African government has identified SMEs as key to addressing challenges such as poverty and unemployment (Olawale & Garwe, 2010:729; Smit & Watkins, 2012:6326). The findings of this study could inform training and workshop manuals and resources to develop the managerial skills of SMEs in SDM. It could also possibly assist in identifying additional support regarding the influencing factors. For example, considering the influence that time has on SDM, time management may be a relevant focus during SDM workshops.

Additional research in the field of business ethics calls for mixed research methods and qualitative research designs in this field. The methodological contribution of this study included implementing a multi-method qualitative research design. In addition, this research study implemented two research techniques (Delphi and IQA) which have not been used by many research studies in the field of business management specifically. These descriptions of a SDM process, its influencing factors, and a working definition of business ethics, are grounded in the realities of SME owners/managers.

7.9 CONCLUDING REMARKS

Most of the research on business ethics and SDM has been done in the context of larger organisations, limiting our understanding of the application of these two fields in SMEs. Both concepts are important as effective SDM leads to the long-term survival of SMEs and business ethics fosters trust and good working practices, which in turn, leads to long-term sustainability. There is also in general a need to increase ethics in managerial decision-making.

The aim of this thesis was to determine how ethics is integrated into SDM in SMEs by firstly, developing an SDM process specifically for SMEs, determining the factors that influence SDM in SMEs, and developing a working definition of business ethics for SMEs. This knowledge expands the body of knowledge in terms of SDM and business ethics in SMEs. The contributions are specific to SMEs within the context of South Africa, using a multimethod qualitative research design. Medium-sized SMEs and small-sized SMEs participated, and the findings fell mostly within micro and medium-sized entities and included entrepreneurial enterprises. Within these contexts, this study identified a benchmark SDM process, its influencing factors, and how business ethics is defined. Lastly, it was confirmed how ethics is integrated into SDM in SMEs.

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APPENDIX A: SME CLASSIFICATIONS PER SECTOR OR SUB-SECTORS

Table A.1: SME classifications per sector or sub-sectors

Sector	Class	Total full-time (paid) employees	Total annual turnover	Total gross asset value	Sector	Class	Total full-time (paid) employees	Total annual turnover	Total gross asset value
Agriculture	Micro	5	R 0.15 m	R 0.10 m	Mining and Quarrying	Micro	5	R 0.15 m	R 0.10 m
	Very small	10	R 0.40 m	R 0.40 m		Very small	20	R 3.00 m	R 1.80 m
	Small	50	R 2.00 m	R 4.00 m		Small	50	R 7.50 m	R 4.50 m
	Medium	100	R 4.00 m	R 2.00 m		Medium	200	R 30.00 m	R 18.00 m
Catering, Accommodation and other Trade	Micro	5	R 0.15 m	R 0.10 m	Manufacturing	Micro	5	R 0.15 m	R 0.10 m
	Very small	10	R 1.00 m	R 0.20 m		Very small	20	R 4.00 m	R 1.50 m
	Small	50	R 5.00 m	R 1.00 m		Small	50	R10.00 m	R 3.75 m
	Medium	100	R10.00 m	R 2.00 m		Medium	200	R40.00 m	R15.00 m
Construction	Micro	5	R 0.15 m	R 0.10 m	Retail and Motor Trade and Repair Services	Micro	5	R 0.15 m	R 0.10 m
	Very small	20	R 2.00 m	R 0.40 m		Very small	10	R 3.00 m	R 0.50 m
	Small	50	R 5.00 m	R 1.00 m		Small	50	R 15.00 m	R 2.50 m
	Medium	200	R 20.00 m	R 4.00 m		Medium	100	R 30.00 m	R 5.00 m
Community, Social and Personal Services	Micro	5	R 0.15 m	R 0.10 m	Transport, Storage and Communications	Micro	5	R 0.15 m	R 0.10 m
	Very small	10	R 1.00 m	R 0.50 m		Very small	10	R 2.00 m	R 0.50 m
	Small	50	R 5.00 m	R 2.50 m		Small	50	R 10.00 m	R 2.50 m
	Medium	100	R10.00 m	R 5.00 m		Medium	100	R 20.00 m	R 5.00 m
Electricity, Gas and Water	Micro	5	R 0.15 m	R 0.10 m	Wholesale Trade, Commercial Agents and	Micro	5	R 0.15 m	R 0.10 m
	Very small	20	R 4.00 m	R 1.50 m		Very small	10	R 5.00 m	R 0.50 m
	Small	50	R10.00 m	R 3.75 m		Small	50	R25.00 m	R 4.00 m

	Medium	200	R40.00 m	R15.00 m	Allied Services	Medium	100	R50.00 m	R 8.00 m
Finance and Business Service	Micro	5	R 0.15 m	R 0.10 m					
	Very small	10	R 2.00 m	R 0.40 m					
	Small	50	R 5.00 m	R 2.00 m					
	Medium	100	R 20.00 m	R 4.00 m					

Source: Dtic (1996:16)

APPENDIX B: SYSTEMATIC REVIEW FILTER CHECKLIST

The systematic review checklist for Chapter 2

Table B.1: Checklist for systematic review – Chapter 2

Journal: Date/s review was conducted: VIA (Database): (NB Use database that cover the period)	CHECK		
Search string 01 "small and medium enterprises" AND [title search] "strategic decision-making" OR "SDM" OR "strategic decisions"	1998-2018	2018-2020	Journal articles
Search string 02 "small and medium-sized enterprises" AND [title search] "strategic decision-making" OR "SDM" OR "strategic decisions"	1998-2018	2018-2020	Journal articles
Search string 03 "small and medium-sized companies" AND [title search] "strategic decision-making" OR "SDM" OR "strategic decisions"	1998-2018	2018-2020	Journal articles
Search string 04 "SME" AND [title search] "strategic decision-making" OR "SDM" OR "strategic decisions"	1998-2018	2018-2020	Journal articles
Search string 05 "Small, Medium and Micro Enterprises" AND [title search] "strategic decision-making" OR "SDM" OR "strategic decisions"	1998-2018	2018-2020	Journal articles
Search string 06 "SMME" AND [title search] "strategic decision-making" OR "SDM" OR "strategic decisions"	1998-2018	2018-2020	Journal articles
Search string 07 "small business" AND [title search] "strategic decision-making" OR "SDM" OR "strategic decisions"	1998-2018	2018-2020	Journal articles

Search string 08 "small firm" AND [title search] "strategic decision-making" OR "SDM" OR "strategic decisions"	1998-2018	2018-2020	Journal articles
Search string 09 "entrepreneur" AND [title search] "strategic decision-making" OR "SDM" OR "strategic decisions"	1998-2018	2018-2020	Journal articles
Search string 10 "family business" AND [title search] "strategic decision-making" OR "SDM" OR "strategic decisions"	1998-2018	2018-2020	Journal articles
Search string 11 "family enterprise" AND [title search] "strategic decision-making" OR "SDM" OR "strategic decisions"	1998-2018	2018-2020	Journal articles
Search string 12 "small family business" AND [title search] "strategic decision-making" OR "SDM" OR "strategic decisions"	1998-2018	2018-2020	Journal articles

The systematic review checklist for Chapter 3

Table B.2: Checklist for systematic review – Chapter 3

Journal: Date/s review was conducted? VIA (Database)? (NB Use database that cover the period)	CHECK		
Ethics-related literature within the field SDM and SMEs			
Search string 01 “small and medium enterprises” AND [TITLE SEARCH] “strategic decision-making” OR “SDM” OR “strategic decisions” AND “ethical decision” OR “ethical decision-making” OR “ethics” OR “business ethics” OR “formal measurements” OR “ethics programme” OR “formal systems” OR “explicit component” OR “formal ethics programme” OR “ethics compliance mechanism” OR “ethical infrastructure” OR “ethical culture” OR “informal context” OR “informal organisational context” OR “informal measures” OR “implicit component”.	1998-2018	2018-2020	Journal articles
Search string 02 “small and medium-sized enterprises” AND [TITLE SEARCH] “strategic decision-making OR “SDM” OR “strategic decisions” AND “ethical decision” OR “ethical decision-making” OR “ethics” OR “business ethics” OR “formal measurements” OR “ethics programme” OR “formal systems” OR “explicit component” OR “formal ethics programme” OR “ethics compliance mechanism” OR “ethical infrastructure” OR “ethical culture” OR “informal context” OR “informal organisational context” OR “informal measures” OR “implicit component”.	1998-2018	2018-2020	Journal articles
Search string 03 “small and medium-sized companies” AND [TITLE SEARCH] “strategic decision-making OR “SDM” OR “strategic decisions” AND “ethical decision” OR “ethical decision-making” OR “ethics” OR “business ethics” OR “formal measurements” OR “ethics programme” OR “formal systems” OR “explicit component” OR “formal ethics programme” OR “ethics compliance mechanism” OR “ethical infrastructure” OR “ethical culture” OR “informal context” OR “informal organisational context” OR “informal measures” OR “implicit component”.	1998-2018	2018-2020	Journal articles
Search string 04 “SME” AND [TITLE SEARCH] “strategic decision-making OR “SDM” OR “strategic decisions” AND “ethical decision” OR “ethical decision-making” OR “ethics” OR “business ethics” OR “formal measurements” OR “ethics programme” OR “formal systems” OR “explicit component” OR “formal ethics programme” OR “ethics compliance mechanism” OR “ethical infrastructure” OR “ethical culture” OR “informal context” OR “informal organisational context” OR “informal measures” OR “implicit component”.	1998-2018	2018-2020	Journal articles
Search string 05	1998-2018	2018-2020	Journal articles

<p>"Small, Medium and Micro Enterprises" AND [TITLE SEARCH] "strategic decision-making OR "SDM" OR "strategic decisions" AND "ethical decision" OR "ethical decision-making" OR "ethics" OR "business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component".</p>			
<p>Search string 06 "SMME" AND [TITLE SEARCH] "strategic decision-making OR "SDM" OR "strategic decisions" AND "ethical decision" OR "ethical decision-making" OR "ethics" OR "business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component".</p>	1998-2018	2018-2020	Journal articles
<p>Search string 07 "small business," AND [TITLE SEARCH] "strategic decision-making OR "SDM" OR "strategic decisions" AND "ethical decision" OR "ethical decision-making" OR "ethics" OR "business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component".</p>	1998-2018	2018-2020	Journal articles
<p>Search string 08 "small firm" AND [TITLE SEARCH] "strategic decision-making OR "SDM" OR "strategic decisions" AND "ethical decision" OR "ethical decision-making" OR "ethics" OR "business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component".</p>	1998-2018	2018-2020	Journal articles
<p>Search string 09 "entrepreneur" AND [TITLE SEARCH] "strategic decision-making OR "SDM" OR "strategic decisions" AND "ethical decision" OR "ethical decision-making" OR "ethics" OR "business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component".</p>	1998-2018	2018-2020	Journal articles
<p>Search string 10 "family business" AND [TITLE SEARCH] "strategic decision-making OR "SDM" OR "strategic decisions" AND "ethical decision" OR "ethical decision-making" OR "ethics" OR "business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component".</p>	1998-2018	2018-2020	Journal articles

Search string 11 "family enterprise" AND [TITLE SEARCH] "strategic decision-making OR "SDM" OR "strategic decisions" AND "ethical decision" OR "ethical decision-making" OR "ethics" OR "business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component".	1998-2018	2018-2020	Journal articles
Search string 12 "small family business" AND [TITLE SEARCH] "strategic decision-making OR "SDM" OR "strategic decisions" AND "ethical decision" OR "ethical decision-making" OR "ethics" OR "business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component".	1998-2018	2018-2020	Journal articles
Ethics-related (formal and informal components to manage ethics and EDM) literature within SMEs			
Search string 13 "small and medium enterprises" AND [TITLE SEARCH] "ethical decision" OR "ethical decision-making" OR "ethics business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component"	1998-2018	2018-2020	Journal articles
Search string 14 "small and medium-sized enterprises" AND [TITLE SEARCH] "ethical decision" OR "ethical decision-making" OR "ethics business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component"	1998-2018	2018-2020	Journal articles
Search string 15 "small and medium-sized companies" AND [TITLE SEARCH] "ethical decision" OR "ethical decision-making" OR "ethics business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component"	1998-2018	2018-2020	Journal articles
Search string 16 "SME" AND [TITLE SEARCH] "ethical decision" OR "ethical decision-making" OR "ethics business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component"	1998-2018	2018-2020	Journal articles

Search string 17 "Small, Medium and Micro Enterprises" AND [TITLE SEARCH] "ethical decision" OR "ethical decision-making" OR "ethics business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component"	1998-2018	2018-2020	Journal articles
Search string 18 "SMME" AND [TITLE SEARCH] "ethical decision" OR "ethical decision-making" OR "ethics business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component"	1998-2018	2018-2020	Journal articles
Search string 19 "small business" AND [TITLE SEARCH] "ethical decision" OR "ethical decision-making" OR "ethics business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component"	1998-2018	2018-2020	Journal articles
Search string 20 "small firm" AND [TITLE SEARCH] "ethical decision" OR "ethical decision-making" OR "ethics business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component"	1998-2018	2018-2020	Journal articles
Search string 21 "entrepreneur" AND [TITLE SEARCH] "ethical decision" OR "ethical decision-making" OR "ethics business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component"	1998-2018	2018-2020	Journal articles
Search string 22 "family business" AND [TITLE SEARCH] "ethical decision" OR "ethical decision-making" OR "ethics business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component"	1998-2018	2018-2020	Journal articles
Search string 23 "family enterprise" AND [TITLE SEARCH] "ethical decision" OR "ethical decision-making" OR "ethics business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component"	1998-2018	2018-2020	Journal articles

programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component"			
Search string 24 "small family business" AND [TITLE SEARCH] "ethical decision" OR "ethical decision-making" OR "ethics business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component"	1998-2018	2018-2020	Journal articles

APPENDIX C: SEARCH RESULTS PER DATABASE

Search results for the systematic review implemented in Chapter 2

The initial study was conducted in the beginning of 2018. The year parameters were set from 1998 to 2018. The systematic review was updated in February 2021, and the year parameters were updated from 2018 to 2020.

Table C.1: Field: SME-related Journals

Field: SME-related Journals													
Search strings	Data-base	Search hits	Dupli-cations	Discar-ded (based in title and Abstract	Initial set of papers	Discar-ded (based on further review)	Included papers	Total discar-ded	Reasons	Not SDM focussed	Inc large organisati- ons	size not specified	No SDM implicatio- ns
<i>SME-related Journal. SME-related search terms omitted in search strings.</i>													
Search stings 01 – 12* (year 1998 – 2018)	Entrepreneurship theory and practice	44	3	19	22	18	4	37	6	1	9	21	
	Journal of business venturing	2	0	0	2	1	1	1	1	0	0	0	
"small and medium enterprises" AND	Strategic entrepreneurship journal	1	0	0	1	1	0	1	0	0	0	1	
"small and medium sized enterprises" AND	Entrepreneurship and regional development	0	0	0	0	0	0	0	0	0	0	0	
"small and medium sized companies" AND	Family business review	2	0	0	2	1	1	1	0	1	0	0	
"SME" AND	Journal of small business management	3	1	0	2	0	2	0	0	0	0	0	
"Small, Medium and Micro Enterprises" AND	Small business economics	1	0	0	1	0	1	0	0	0	0	0	
"SMME" AND	International small business journal	3	1	1	1	0	1	1	1	0	0	0	
"small business" AND													
"small firm" AND													
"entrepreneurship" AND													
"family business" AND													
"family enterprise" AND													
"small family business" AND													
"strategic decision-making" OR "SDM" OR "strategic decisions"													

Search stings 01 – 12 (year 2018 –2020)												
Entrepreneurship theory and practice	0	0	0	0	0	0	0	0	0	0	0	0
Journal of business venturing	0	0	0	0	0	0	0	0	0	0	0	0
Strategic entrepreneurship journal	0	0	0	0	0	0	0	0	0	0	0	0
Entrepreneurship and regional development	0	0	0	0	0	0	0	0	0	0	0	0
Family business review	0	0	0	0	0	0	0	0	0	0	0	0
Journal of small business management	0	0	0	0	0	0	0	0	0	0	0	0
Small business economics	1	0	0	1	0	1	0	0	0	0	0	0
International small business journal	0	0	0	0	0	0	0	0	0	0	0	0
Totals	57	5	20	32	21	11		41	8	2	9	22

Table C.2: Field: Strategic Management-related journals

Field: Strategic Management-related journals												
Search strings	Journal	Search hits	Duplications	Discarded (based in title and Abstract)	Initial set of papers	Discarded (based on further review)	Included papers	Total discarded	Not SDM focussed	Inc large organisations	Size not specified	No SDM implications
								Reasons				
Search string 01 – 12 (1998 – 2018)	Strategic management journal	15	13	0	2	1	1	1	0	0	1	0
	Global strategy journal	0	0	0	0	0	0	0	0	0	0	0
	Long range planning	25	4	2	19	17	2	19	5	9	5	0
	Strategic organisation	0	0	0	0	0	0	0	0	0	0	0
Search string 01 – 12 (year 2018 –2020)	Strategic management journal	3	0	3	0	0	0	3	0	0	3	0
	Global strategy journal	0	0	0	0	0	0	0	0	0	0	0
	Long range planning	11	6	4	1	1	0	5	1	3	1	0
	Strategic organisation	2	0	1	1	0	1	1	0	1	0	0
Totals		56	23	10	23	19	4	29	6	13	10	0

Table C.3: Field: Management-related journals

Field: Management-related journals													
Search strings	Journal	Search hits	Dupli-cations	Discar-ded (based in title and Abstract	Initial set of papers	Discar-ded (based on further review)	Included papers		Total discar-ded	Not SDM focussed	Inc large organisations	Size not specified	No SDM implicatio ns
									Reasons				
Search string 01 – 12 (1998 – 2018)	Academy of management journal	1	0	1	0	0	0		1	0	1	0	0
	Academy of Management Review	0	0	0	0	0	0		0	0	0	0	0
	Administrative Science Quarterly	0	0	0	0	0	0		0	0	0	0	0
	Journal of Management	1	0	0	1	1	0		1	0	0	1	0
	Academy of Management Annals	0	0	0	0	0	0		0	0	0	0	0
	British Journal of Management	0	0	0	0	0	0		0	0	0	0	0
	Journal of Management Studies	0	0	0	0	0	0		0	0	0	0	0
	Academy of Management Perspectives	0	0	0	0	0	0		0	0	0	0	0
	Business and Society	0	0	0	0	0	0		0	0	0	0	0
	California Management Review	0	0	0	0	0	0		0	0	0	0	0
	European Management Review	0	0	0	0	0	0		0	0	0	0	0
	Gender and Society	0	0	0	0	0	0		0	0	0	0	0
	Gender, work and organization	0	0	0	0	0	0		0	0	0	0	0
	Harvard Business Review	0	0	0	0	0	0		0	0	0	0	0
	International Journal of Management Reviews	0	0	0	0	0	0		0	0	0	0	0
	Journal of Business Research	1	0	1	0	0	0		1	1	0	0	0
	Journal of Management Inquiry	0	0	0	0	0	0		0	0	0	0	0
	MIT Sloan Management Review	0	0	0	0	0	0		0	0	0	0	0
	Business Ethics quarterly	0	0	0	0	0	0		0	0	0	0	0
	Journal of business Ethics	0	0	0	0	0	0		0	0	0	0	0

Search string 01 – 12 (2018 - 2020)	Academy of management journal	0	0	0	0	0	0	0	0	0	0	0	0
	Academy of Management Review	1	0	0	1	1	0	1	0	0	1	0	0
	Administrative Science Quarterly	0	0	0	0	0	0	0	0	0	0	0	0
	Journal of Management	1	0	1	0	0	0	1	0	0	1	0	0
	Academy of Management Annals	0	0	0	0	0	0	0	0	0	0	0	0
	British Journal of Management	0	0	0	0	0	0	0	0	0	0	0	0
	Journal of Management Studies	0	0	0	0	0	0	0	0	0	0	0	0
	Academy of Management Perspectives	0	0	0	0	0	0	0	0	0	0	0	0
	Business and Society	0	0	0	0	0	0	0	0	0	0	0	0
	California Management Review	0	0	0	0	0	0	0	0	0	0	0	0
	European Management Review	0	0	0	0	0	0	0	0	0	0	0	0
	Gender and Society	0	0	0	0	0	0	0	0	0	0	0	0
	Gender, work and organization	0	0	0	0	0	0	0	0	0	0	0	0
	Harvard Business Review	0	0	0	0	0	0	0	0	0	0	0	0
	International Journal of Management Reviews	0	0	0	0	0	0	0	0	0	0	0	0
	Journal of Business Research	0	0	0	0	0	0	0	0	0	0	0	0
	Journal of Management Inquiry	0	0	0	0	0	0	0	0	0	0	0	0
	MIT Sloan Management Review	1	0	1	0	0	0	1	1	0	0	0	0
	Business Ethics quarterly	0	0	0	0	0	0	0	0	0	0	0	0
	Journal of business Ethics	0	0	0	0	0	0	0	0	0	0	0	0
	Totals	6	0	4	2	2	0	6	2	1	3	0	

Table C.4: Total counts for all journals

Totals	Search hits	Dupli-cations	Discarded 1st round	Initial papers	Discarded 2nd round	Papers included	Total Dis-carded	Reasons			
								Not SDM focussed	Inc large organis-ations	Size not specified	No SDM impli-cations
	119	28	34	57	42	15	76	16	16	22	22

Search results for the systematic review implemented in Chapter 3

Table C.5: Field: SME-related Journals - Search strings 1 – 12

Field: SME-related Journals											
Search strings	Data-base	Search hits	Duplications	Discarded (based in title and	Initial set of papers	Discarded (based on further	Included papers	Total discarded Reasons	Not ethics/ EDM focussed	Not SME focussed	size not specified
<i>SME-related Journal. SME-related search terms omitted in search strings.</i>											
Search strings 01 – 12* (year 1998 – 2018)	Entrepreneurship theory and practice	2	0	1	1	1	0	2	1	1	0
	Journal of business venturing	25	11	4	10	10	0	14	6	2	6
"small and medium enterprises" AND-	Strategic entrepreneurship journal	0	0	0	0	0	0	0	0	0	0
"small and medium sized enterprises" AND-	Entrepreneurship and regional development	0	0	0	0	0	0	0	0	0	0
"small and medium sized companies" AND-	Family business review	0	0	0	0	0	0	0	0	0	0
"SME" AND-	Journal of small business management	0	0	0	0	0	0	0	0	0	0
"Small, Medium and Micro Enterprises" AND	Small business economics	0	0	0	0	0	0	0	0	0	0
"SMME" AND	International small business journal	0	0	0	0	0	0	0	0	0	0
"small business" AND-											
"small firm" AND-											
"entrepreneurship" AND											
"family business" AND-											
"family enterprise" AND											
"small family business" AND											
"strategic decision-making" OR "SDM" OR "strategic decisions"											
AND "ethical decision" OR "ethical decision making" OR "ethics" OR "business ethics" OR "formal measurements" OR "ethics programme" OR "formal systems" OR "explicit component" OR "formal ethics programme" OR "ethics compliance mechanism" OR "ethical infrastructure" OR "ethical culture" OR "informal context" OR "informal organisational context" OR "informal measures" OR "implicit component".											

Search strings 01 – 12 (year 2018 –2020)	Entrepreneurship theory and practice	0	0	0	0	0	0	0	0	0	0	0
	Journal of business venturing	0	0	0	0	0	0	0	0	0	0	0
	Strategic entrepreneurship journal	0	0	0	0	0	0	0	0	0	0	0
	Entrepreneurship and regional development	0	0	0	0	0	0	0	0	0	0	0
	Family business review	0	0	0	0	0	0	0	0	0	0	0
	Journal of small business management	0	0	0	0	0	0	0	0	0	0	0
	Small business economics	0	0	0	0	0	0	0	0	0	0	0
	International small business journal	0	0	0	0	0	0	0	0	0	0	0
Totals		27	11	5	11	11	0		16	7	3	6

Table C.6: Field: Strategic Management-related journals Search strings 1 – 12

Field: Strategic Management-related journals												
Search strings	Journal	Search hits	Duplications	Discarded (based in title)	Initial set of papers	Discarded (based on)	Included papers		Total discarded	Not ethics/EDM	Not SME focussed	size not specified
									Reasons	focussed		
Search string 01 – 12 (1998 – 2018)	Strategic management journal	0	0	0	0	0	0	0	0	0	0	0
	Global strategy journal	0	0	0	0	0	0	0	0	0	0	0
	Long range planning	33	28	3	2	2	0	5	3	1	1	
	Strategic organisation	0	0	0	0	0	0	0	0	0	0	
Search string 01 – 12 (year 2018 –2020)	Strategic management journal	0	0	0	0	0	0	0	0	0	0	0
	Global strategy journal	0	0	0	0	0	0	0	0	0	0	0
	Long range planning	8	4	0	4	4		4	1	2	1	
	Strategic organisation	0	0	0	0	0	0	0	0	0	0	
Totals		41	32	3	6	6	0		9	4	3	2

Table C.7: Field: General Management, ethics, and social responsibility Search strings 1 – 12

Field: Management-related journals												
Search strings	Journal	Search hits	Dupli- cations	Discar- ded (based in title and Abstract	Initial set of papers	Discar- ded (based on further review)	Included papers		Total discar- ded	Not SDM focussed	Inc large organisati ons	Size not specified
									Reasons			
Search string 01 – 12 (1998 – 2018)	Academy of management journal	0	0	0	0	0	0		0	0	0	0
	Academy of Management Review	0	0	0	0	0	0		0	0	0	0
	Administrative Science Quarterly	0	0	0	0	0	0		0	0	0	0
	Journal of Management	0	0	0	0	0	0		0	0	0	0
	Academy of Management Annals	0	0	0	0	0	0		0	0	0	0
	British Journal of Management	0	0	0	0	0	0		0	0	0	0
	Journal of Management Studies	0	0	0	0	0	0		0	0	0	0
	Academy of Management Perspectives	0	0	0	0	0	0		0	0	0	0
	Business and Society	0	0	0	0	0	0		0	0	0	0
	California Management Review	0	0	0	0	0	0		0	0	0	0
	European Management Review	0	0	0	0	0	0		0	0	0	0
	Gender and Society	0	0	0	0	0	0		0	0	0	0
	Gender, work and organization	0	0	0	0	0	0		0	0	0	0
	Harvard Business Review	0	0	0	0	0	0		0	0	0	0
	International Journal of Management Reviews	0	0	0	0	0	0		0	0	0	0
	Journal of Business Research	32	18	7	7	5	2		12	3	7	2
	Journal of Management Inquiry	0	0	0	0	0	0		0	0	0	0
	MIT Sloan Management Review	0	0	0	0	0	0		0	0	0	0
	Business Ethics quarterly	0	0	0	0	0	0		0	0	0	0
	Journal of business Ethics	0	0	0	0	0	0		0	0	0	0

Search string 01 – 12 (2018 - 2020)	Academy of management journal	0	0	0	0	0	0	0	0	0	0	0	0	0
	Academy of Management Review	0	0	0	0	0	0	0	0	0	0	0	0	0
	Administrative Science Quarterly	0	0	0	0	0	0	0	0	0	0	0	0	0
	Journal of Management	0	0	0	0	0	0	0	0	0	0	0	0	0
	Academy of Management Annals	0	0	0	0	0	0	0	0	0	0	0	0	0
	British Journal of Management	0	0	0	0	0	0	0	0	0	0	0	0	0
	Journal of Management Studies	0	0	0	0	0	0	0	0	0	0	0	0	0
	Academy of Management Perspectives	0	0	0	0	0	0	0	0	0	0	0	0	0
	Business and Society	0	0	0	0	0	0	0	0	0	0	0	0	0
	California Management Review	0	0	0	0	0	0	0	0	0	0	0	0	0
	European Management Review	0	0	0	0	0	0	0	0	0	0	0	0	0
	Gender and Society													
	Gender, work and organization													
	Harvard Business Review	0	0	0	0	0	0	0	0	0	0	0	0	0
	International Journal of Management Reviews	0	0	0	0	0	0	0	0	0	0	0	0	0
	Journal of Business Research	0	0	0	0	0	0	0	0	0	0	0	0	0
	Journal of Management Inquiry	0	0	0	0	0	0	0	0	0	0	0	0	0
	MIT Sloan Management Review	0	0	0	0	0	0	0	0	0	0	0	0	0
	Business Ethics quarterly	0	0	0	0	0	0	0	0	0	0	0	0	0
	Journal of business Ethics	0	0	0	0	0	0	0	0	0	0	0	0	0
	Totals	32	18	7	7	5	2	12	3	7	2	0		

Table C.8: Total counts for Search strings 1 – 12

Totals	Search hits	Dupli-cations	Discarded	Initial papers	Discarded	Papers	Total discarded	Reasons		
			1st round		2nd round	included		Not SDM focussed	Inc large organisati	Size not specified
	100	61	15	24	22	2	37	14	13	10

Table C.9: Field: SME-related Journals - Search strings 13 – 24

Field: SME-related Journals												
Search strings	Data-base	Search hits	Duplications	Discarded (based in title and	Initial set of papers	Discarded (based on further	Included papers		Total discarded Reasons	Not ethics/ EDM focussed	Not SME focussed	size not specified
<i>SME-related Journal. SME-related search terms omitted in search strings.</i>												
Search stings 13 - 24* (year 1998 – 2018)	Entrepreneurship theory and practice	2	2	0	0	0	0		0	0	0	0
	Journal of business venturing	8	8	0	0	0	0		0	0	0	0
"small and medium enterprises" AND	Strategic entrepreneurship journal	0	0	0	0	0	0		0	0	0	0
"small and medium sized enterprises" AND	Entrepreneurship and regional development	0	0	0	0	0	0		0	0	0	0
"small and medium sized companies" AND	Family business review	0	0	0	0	0	0		0	0	0	0
"SME" AND	Journal of small business management	0	0	0	0	0	0		0	0	0	0
"Small, Medium and Micro Enterprises" AND	Small business economics	1	0	0	1	0	1		0	0	0	0
"SMME" AND	International small business journal	0	0	0	0	0	0		0	0	0	0
"small business" AND												
"small firm" AND												
"entrepreneurship" AND												
"family business" AND												
"family enterprise" AND												
"small family business" AND												
"strategic decision-making" OR "SDM" OR "strategic decisions"												
Search stings 13 - 24 (year 2018 –2020)	Entrepreneurship theory and practice	0	0	0	0	0	0		0	0	0	0
	Journal of business venturing	0	0	0	0	0	0		0	0	0	0
	Strategic entrepreneurship journal	0	0	0	0	0	0		0	0	0	0
	Entrepreneurship and regional development	0	0	0	0	0	0		0	0	0	0
	Family business review	0	0	0	0	0	0		0	0	0	0
	Journal of small business management	0	0	0	0	0	0		0	0	0	0
	Small business economics	0	0	0	0	0	0		0	0	0	0
	International small business journal	0	0	0	0	0	0		0	0	0	0
	Totals	11	10	0	1	0	1		0	0	0	0

Table C.10: Field: Strategic Management-related journals Search strings 13 – 24

Field: Strategic Management-related journals														
Search strings	Journal	Search hits	Duplications	Discarded (based in title)	Initial set of papers	Discarded (based on)	Included papers	Total discarded	Not ethics/EDM focussed	Not SME focussed	size not specified	Reasons		
												Reasons	Reasons	
Search string 13 - 24 (1998 – 2018)	Strategic management journal	0	0	0	0	0	0	0	0	0	0	0		
	Global strategy journal	0	0	0	0	0	0	0	0	0	0	0		
	Long range planning	4	3	1	0	0	0	1	0	1	0	0		
	Strategic organisation	0	0	0	0	0	0	0	0	0	0	0		
Search stings 13 - 24 (year 2018 –2020)	Strategic management journal	0	0	0	0	0	0	0	0	0	0	0		
	Global strategy journal	0	0	0	0	0	0	0	0	0	0	0		
	Long range planning	0	0	0	0	0	0	0	0	0	0	0		
	Strategic organisation	0	0	0	0	0	0	0	0	0	0	0		
Totals		4	3	1	0	0	0	1	0	1	0			

Table C.11: Field: General Management, ethics, and social responsibility Search strings 13 – 24

Field: Management-related journals														
Search strings	Journal	Search hits	Duplications	Discarded (based in title and Abstract)	Initial set of papers	Discarded (based on further review)	Included papers	Total discarded	Not ethics/EDM focussed	Not SME focussed	size not specified	Reasons		
												Reasons	Reasons	
Search stings 13 - 24 (year 2018 –2020)	Academy of management journal	0	0	0	0	0	0	0	0	0	0	0		
	Academy of Management Review	0	0	0	0	0	0	0	0	0	0	0		
	Administrative Science Quarterly	0	0	0	0	0	0	0	0	0	0	0		
	Journal of Management	0	0	0	0	0	0	0	0	0	0	0		
	Academy of Management Annals	1	0	1	0	0	0	1	0	1	0	0		
	British Journal of Management	0	0	0	0	0	0	0	0	0	0	0		
	Journal of Management Studies	0	0	0	0	0	0	0	0	0	0	0		
	Academy of Management Perspectives	0	0	0	0	0	0	0	0	0	0	0		
	Business and Society	1	0	1	0	0	0	1	0	1	0	0		
	California Management Review	0	0	0	0	0	0	0	0	0	0	0		
	European Management Review	0	0	0	0	0	0	0	0	0	0	0		
	Business and Society	0	0	0	0	0	0	0	0	0	0	0		
	Gender, work and organization													
	Harvard Business Review	0	0	0	0	0	0	0	0	0	0	0		
	International Journal of Management Reviews	0	0	0	0	0	0	0	0	0	0	0		
	Journal of Business Research	14	12	0	2	2	0	2	0	0	0	0		
	Journal of Management Inquiry	0	0	0	0	0	0	0	0	0	0	0		
	MIT Sloan Management Review	0	0	0	0	0	0	0	0	0	0	0		
	Business Ethics quarterly	4	0	0	4	4	0	4	1	2	1	0		
	Journal of business Ethics	68	18	4	46	30	17	34	0	26	8	0		

Search strings 13 - 24 (year 2018 –2020)	Academy of management journal	0	0	0	0	0	0	0	0	0	0	0	0
	Academy of Management Review	0	0	0	0	0	0	0	0	0	0	0	0
	Administrative Science Quarterly	0	0	0	0	0	0	0	0	0	0	0	0
	Journal of Management	0	0	0	0	0	0	0	0	0	0	0	0
	Academy of Management Annals	0	0	0	0	0	0	0	0	0	0	0	0
	British Journal of Management	0	0	0	0	0	0	0	0	0	0	0	0
	Journal of Management Studies	0	0	0	0	0	0	0	0	0	0	0	0
	Academy of Management Perspectives	0	0	0	0	0	0	0	0	0	0	0	0
	Business and Society	0	0	0	0	0	0	0	0	0	0	0	0
	California Management Review	0	0	0	0	0	0	0	0	0	0	0	0
	European Management Review	0	0	0	0	0	0	0	0	0	0	0	0
	Gender and Society	0	0	0	0	0	0	0	0	0	0	0	0
	Gender, work and organization	0	0	0	0	0	0	0	0	0	0	0	0
	Harvard Business Review	0	0	0	0	0	0	0	0	0	0	0	0
	International Journal of Management Reviews	0	0	0	0	0	0	0	0	0	0	0	0
	Journal of Business Research	2	0	2	0	0	0	2	0	1	1		
	Journal of Management Inquiry	0	0	0	0	0	0	0	0	0	0	0	0
	MIT Sloan Management Review	0	0	0	0	0	0	0	0	0	0	0	0
	Business Ethics quarterly	0	0	0	0	0	0	0	0	0	0	0	0
	Journal of business Ethics	0	0	0	0	0	0	0	0	0	0	0	0
	Totals	90	30	8	52	36	17	44	1	31	10		

Table C.12: Total counts for Search strings 13 – 24

Totals	Search hits	Duplications	Discarded 1st	Initial papers	Discarded 2nd	Papers included	Total Discarded	Not SDM focussed	Inc large organis-	Size not specified
	105	43	9	53	36	18	45	1	32	10

Table C.13: Total counts for ALL Journals

Totals	Search hits	Duplications	Discarded 1st round	Initial papers	Discarded 2nd round	Papers included	Total discarded	Not SDM focussed	Inc large organisati ons	Size not specified
	205	104	24	77	58	20	82	15	45	20

APPENDIX D: SYSTEMATIC REVIEW FINDINGS

The findings for the systematic review implemented in Chapter 2

The following table summarises the SDM literature in SMEs as identified from the articles included for the systematic review. The focus was on identifying the SDM processes in SMEs, characteristics of SDM in SMEs, influencing factors and gaps

Author: Liberman-Yaconi et al. (2010)	Article title Towards a model of understanding strategic decision-making in Micro-Firms: Exploring the Australian information Technology Sector		
Journal: Journal of Small Business Management	Focus on Micro-Enterprises (IT service industry)	Country Australia	Research design Qualitative, multi-purpose design
Purpose of the study Investigating SDM in micro enterprises			
SDM process - SDM process (depicted as a cycle) of micro enterprise:1) Informing, 2) Option Generating, 3) Deliberating and 4) Strategic Decision. (Empirical findings).			
Characteristics of SDM process - Rational-bounded SDM can be identified in small business and micro-enterprises literature (Literature findings). - One study identified rational SDM, while other studies found minimum evidence of goal maximising, objectivity and rational SDM. (Literature findings). - There are deviations to DM in SMEs (Literature findings). - Intuition to be more a characteristic of SMEs, as well as an integrated approach, combining the rational bounded and intuition approach (more relevant to micro enterprises). (Literature findings). - Bounded-rational and intuition more evident in findings (empirical findings) - Intuition SDM more dominant in findings (empirical findings) - Integrated approach also evident (empirical findings). - Other SDM integrated/overlapping approaches also identified, namely the iterative non-sequential process, and the Garbage can model (empirical findings).			
Influencing factor/s - Gathering (<i>how/methods</i>) and interpreting information (Literature findings) (Literature findings).			

- Resources of the firm (Literature findings and empirical findings).
- Internal/external sources (Literature findings).
- Formal/informal relationships (Literature findings).
- Size of the firm (Literature findings).
- Top management/locus of control (Literature findings).
- Top management's personal characteristics (values experiences, demographics, management skills, cognitive biases, decision-making heuristics, preferences) (Literature and empirical findings).
- Dependant/independency in making decisions (use of advisors or not) (Literature findings).
- Purposeful/proactive searching for information is evident (which ultimately influence SDM)
- SME owners/managers reply mostly on personal experience (Empirical findings)
- Some SME owners/managers dependant on an external party (Empirical findings)
- Findings indicate that customers influence SDM in SMEs (the most influential factor) (Empirical findings)
- Internal appointment of staff, as well as Customers and technology changes **triggered** SDM (Empirical findings)

Gaps in SDM literature

- Strategic management practices in SMEs have received insufficient attention
- Most SDM theory founded on large organisations; therefore inadequate for SMEs
- The limited research focusing on strategy in SMEs concentrated mainly on manufacturing SMEs. (Decision-making characteristics said to be different in manufacturing and servicing enterprises).
- Research on SDM in SMEs need to be delineated to SMEs only, and studies independently from entrepreneurship
- Further lack studies delineating a focus on micro enterprises
- Need to assess if the SDM process identified, is suitable for micro enterprises, considering their resource constraints and environments.

Author: Brouters <i>et al.</i> (1998)	Article title Driving blind: Strategic decisions in Small companies		
Journal: Long Range Planning	Focus on SMEs (no indication of industries included)	Country Netherlands	Research design Questionnaire

Purpose of the study

Investigating SDM in SMEs (process, characteristics, and influencing factors; type of strategy pursuing).

SDM process (Empirical findings)

SDM process depicted in three steps, namely:

- Information search – SMEs gather information (similar to larger enterprises) – process is rational
- Information analysis – SMEs moderately analyse information gathered – process is rational
- Selection phase – process is intuitive (Empirical findings)

Characteristics of SDM process

- Evidence of extensive search for information (rational approach), as well as not extensive searches (Empirical findings).
- Significant difference in the extent for information searches between service enterprises (extensive searches, more rational) and manufacturing enterprises (less extensive, less rational) (Empirical findings).
- Resource limitation allows for analysis techniques such as probability analysis or net present values (financial analysis) (Empirical findings).
- SMEs tend to be less rational; they tend to perceive qualitative analysis (Delphi Technique or scenario analysis) as less important.
- SMEs tend to use intuition in SDM (Empirical findings).
- SMEs tend to be neither extremely rational or irrational in SDM (Empirical findings); larger SMEs tend to be more rational (Empirical findings).
- The number of participants (in the SDM process) does not seem to have an effect on the rationality of SDM. (Empirical findings). (SMEs make **moderately rational decisions**)
- No significant differences between service and manufacturing enterprises regarding rational or irrational SDM. (Empirical findings).
- In same stages in SDM, small enterprises would not be **rational**, and when it comes to making the final decision, apply **intuition**. (Empirical findings).
- Managerial personal characteristics plays a role in apply rationality. (Empirical findings).

Influencing factor/s

- **Power and politics** appear not to influence SMEs significantly. (Empirical findings)
- Managerial personal characteristics plays a role in apply rationality. (Empirical findings).

Gaps in SDM literature

- Few research studies on SDM in SMEs

Author: Jansen <i>et al.</i> (2011)	Article title Information processing and strategic decision-making in small and medium-sized enterprises: The role of human and social capital in attaining decision effectiveness.		
Journal: International small business Journal	Focus on SMEs (cross industry)	Country Netherlands	Research design Survey, Quantitative

Purpose of the study

Effect of human and social capital of the entrepreneur on decision effectiveness.

SDM process

- No mention

Characteristics of SDM process

- SDM in SMEs takes place under bounded conditions (Literature)

Influencing factor/s

- Micro-foundations and micro-complexities influence, in SDM, strategic choice (Literature)

- MEANING: Consequences of the decision-maker, consistency in decision procedures, the inputs and outputs at play in SDM (micro foundations), are determined by the decision-specific, environmental and enterprise characteristics (micro-level). (Literature)
- Levels of expertise and education (volume of information) = inputs in the SDM process. (Literature)
- Human capital and social capital (social ties of executives and senior management teams) = inputs in the SDM process. (Literature)
- Input form social capital (ties) influences SDM (decision effectiveness). (Empirical)
- Information processing explains decision effectiveness. (Empirical)
- There is a trade-off between the level of experience of the individual and the breadth of social network and capital (both are assets and/or liabilities. (Empirical)

Gaps in SDM literature

- To understand the effectiveness of human and social capital as inputs in SDM.
-
- Cognitive approaches to SDM in SMEs.
- To explore the configurational ways and approaches to SDM in small businesses.

Author: Croonon & Brand (2009)*	Article title Dutch Druggists in Distress: Franchisees Facing the Complex Decision of How to React to Their Franchisor's Strategic Plans		
Journal: Entrepreneurship Theory and Practice	Focus on Small family business (pharmaceutical)	Country Netherlands	Research design Case study

Purpose of the study

Determining the effect of significant changes (a new strategic plan) in the franchise influences the strategic decisions of the franchisee, a small family business

SDM process

- No mention

Characteristics of SDM process

- No mention

Characteristics of SDM process

- No mention

Influencing factor/s

- Strategic plans of the franchise (new contracts with franchisee). (Case study/Empirical findings)

Gaps in SDM literature

- None on SDM specifically

*Full paper not available

Author: Roundy <i>et al.</i> (2017)	Article title Entrepreneurial alertness as a pathway to strategic decisions and organizational performance		
Journal: Strategic Organization	Focus on Small entrepreneurial enterprises (entertainment, retail, and services industries)	Country Arlington, Texas, USA	Research design Interviews and survey, Mixed method design
Purpose of the study Exploring entrepreneurial alertness influencing competitive advantage related decisions.			
SDM process - No mention			
Characteristics of SDM process - Not mentioned			
Characteristics of SDM process - Not mentioned			
Influencing factor/s - Major disruptions in the external environment (Literature) - Cognitive characteristics/ entrepreneurial alertness influences the decision in SDM (Empirical) - MEANING: entrepreneurial alertness could predict strategic change decisions (Empirical)			
Gaps in SDM literature - Entrepreneurial alertness's effect on enacted strategic decisions.			
Author: Hauser <i>et al.</i> (2019)	Article title Strategic decision-making in SMEs: effectuation, causation, and the absence of strategy		
Journal: Small Business Economics	Focus on SMEs (cross industry)	Country Switzerland	Research design Case study/semi-structured interviews Qualitative
Purpose of the study Determining the SMEs SDM approaches and distinguish between casual, effectual and absence-of-strategy reasoning			
SDM process - Only a few SMEs "write down" their strategies (absence) (literature review) - Absence of [decision without consistency] (literature review) - Lack of strategy planning (literature review)			

- Causation vs effectuation (literature review)

Characteristics of SDM process

- No mention

Influencing factors

- Entrepreneurial logic/orientation affects reasoning in SDM or strategic contexts. (Empirical)

Gaps in SDM literature

- Strategy absence and how it effects SDM

Author: Sirmon <i>et al.</i> (2008)	Article title The Role of Family Influence in Firms' Strategic Responses to Threat of Imitation		
Journal: Entrepreneurship Theory and Practice	Focus on Family business/ SMEs (manufacturing industry)	Country France	Research design Survey – Quantitative

Purpose of the study

Understanding the role of family influence on strategic responses

SDM process

- No mention

Characteristics of SDM process

- In the face of threats, information search is often reduced and pre-existing knowledge schemas are relied on in SDM. (Literature findings). This could indicate **intuitive** or **bounded-rational**.

Influencing factor/s

- The unique characteristics of **family ownership** influences strategic decisions (Literature findings)
- **Family influence** influences SDM since family interests are preserved (Literature findings)
- **Influential families** govern decision-makers in the enterprise (Literature findings)
- **Family influence** influences the enterprise's strategic response to the threat of imitation (Empirical findings)

Gaps in SDM literature

Family involvement in strategic actions

Author: Fiegener (2005)	Article title Determinants of Board Participation in the Strategic Decisions of Small Corporations		
Journal: Entrepreneurship Theory and Practice	Focus on Small enterprises (cross industry)	Country US	Research design Questionnaires – Quantitative
<p>Purpose of the study</p> <ul style="list-style-type: none"> - Investigating the reasons why boards may be institutionalised as forums for strategic decisions. <p>SDM process</p> <ul style="list-style-type: none"> - No mention <p>Characteristics of SDM process</p> <ul style="list-style-type: none"> - No mention <p>Influencing factor/s</p> <ul style="list-style-type: none"> - Board of directors through the control activities (decision control) which includes monitoring and evaluation of past decision activities, and/or through management activities (decision management) which includes activities such as ratifying strategic responses, formulating, assessing and deciding upon strategic alternatives. (Literature findings) - Greater environmental uncertainty requires additional coordination between board of directors and top management. (Literature findings) - Development pressure (that come from aging with aging and growing), may lead to boards and top management to (jointly) formalise SDM. (Literature findings) - Context of the decision would require the board of directors to be involved in the strategic decisions (or to step in at a given point). - Board strategic participation most likely to happen in large small enterprises - (Empirical findings) - Board with outside directors, less involved in strategic decisions that boards with no outside directors. (Empirical findings) - Board get involve at certain decision points (decision context). (Empirical findings) <p>Gaps in SDM literature</p> <ul style="list-style-type: none"> - Board participation (strategic involvement) in developing and executing strategy. 			

Author: Talaucar <i>et al.</i> (2002)	Article title Strategic decision-making in start-ups: the effect of top management team organization and processes on speed and comprehensiveness		
Journal: Journal of Business Venturing	Focus on Start-ups (maximum of 232 employees).	Country Germany	Research design Survey
Purpose of the study To investigate the influence the top management team's (TMT) characteristics have on the comprehensives and speed of SDM in start-ups.			
SDM process - No mention			
Characteristics of SDM process - No mention			
Influencing factor/s - TMT's demographic heterogeneity indicates the available cognitive variety (in terms of insights, and viewpoints) (Literature findings) - Decentralised decision-making by TMT (in respective departments) influences the comprehensiveness and speed of decision-making. (Empirical findings) - Effects of centralised decision-making by TMT, are only observable when interactions regarding trust are considered (high trust = higher degrees of decision comprehensiveness and speed). (Empirical findings) - Decision comprehensiveness and debate are positively associated, but there is a lack of relation to decision speed. (Empirical findings)			
Gaps in SDM literature What conditions would lead to more comprehensive and faster decision-making in the context of top management teams (TMT)			
Author: Sonfield <i>et al.</i> (2001)	Article title Gender-comparisons in strategic decision- making: An empirical analysis of the entrepreneurial strategy matrix		
Journal: Journal of Small Business Management	Focus on SMEs, cross industry	Country USA	Research design Mail survey
Purpose of the study Testing the SDM of male and female SME owners/managers using the Entrepreneurial Strategy Matrix			
SDM process - No mention			

Characteristics of SDM process

- No mention

Influencing factor/s

- Results of gender comparisons in previous research are mixed. (Literature)
- No clear gender differences (in terms of the strategies chosen to employ). (Empirical findings)

Gaps in SDM literature

- SDM values, style and strategic behaviour amongst women and men, for similarities and differences.

Author:Kroon *et al.* (2013)**Article title**

High performance work practices in small firms: a resource-poverty and strategic decision-making perspective

Journal:

Small Business Economics

**Focus on
SMEs****Country**

Dutch enterprises

Research design

Survey – quantitative

Purpose of the study

Investigating if the implementation of high-performance work practices (HPWP) is dependable on the scarcity of resources and on SDM in SMEs in relation with the attitude and expertise of owner/manager.

SDM process

- No mention

Characteristics of SDM process

- No mention

Influencing factor/s

- Entrepreneur's knowledge and attitude affects SDM (Literature findings).
- In some situations, consultation of Human Resources (HR) practices, or in need of HR interventions (when HR element is relevant). (Literature findings).
- Characteristics of decision-makers interfere with rational decision-making. (Literature findings).
- Individual differences among owners/managers affect SDM (Literature findings).
- Entrepreneurial orientation/enterprise orientation (Literature findings).

Gaps in SDM literature

- Limitations of resources (resource poverty) in SDM and in the HRM context

Author: Mitchell <i>et al.</i> 2011	Article title Erratic strategic decisions: When and why managers are inconsistent in Strategic decision-making		
Journal: Strategic Management Journal	Focus on SMEs	Country Midwestern city, USA.	Research design Field experiment
Purpose of the study Understanding the process of erratic SDM in SMEs (when and why).			
SDM process - No mention			
Characteristics of SDM process - No mention			
Influencing factor/s - Knowledge and experiences of managers (Literature findings). - Managers with more metacognitive experiences and perceptions, make less erratic strategic decisions. (Empirical findings) - Organisational context (Literature findings). - Nature of the environment (Literature findings). - Environment is a moderator to decision-level factors (Literature findings). - The environment has an impact on the consistency of decisions; dynamism lead to less erratic strategic decisions/hostile environment, more likely will lead to erratic decisions (Empirical findings)			
Gaps in SDM literature - Further investigation into metacognition, specifically the process managers/owners can follow to promote strategic thinking, to develop such cognitive experiences.			
Author: Hayward <i>et al.</i> (2017)	Article title Entrepreneurs' Capital Budgeting Orientations and Innovation Outputs: Evidence From Australian Biotechnology Firms		
Journal: Long range planning	Focus on Entrepreneurs; 1 - 20 employees, biotechnology firms	Country Australia	Research design Survey, Quantitative
Purpose of the study How capital budgeting orientations influence innovation outputs, offer implications for the literature on strategic decision-making.			

SDM process

- No mention

Characteristics of SDM process

- No mention

Influencing factor/s

- Entrepreneurs with a strong real option reasoning orientation and a weak net profit value have a different approach to strategy (Empirical)

Gaps in SDM literature

- None on SDM specifically

Author:
Forbes (2005)

Article title
The Effects of Strategic Decision Making on Entrepreneurial Self-Efficacy

Journal:
Entrepreneurship Theory and Practice

Focus on
Entrepreneurs

Country
New York, US

Research design
Quantitative

Purpose of the study

How strategic decision processes influences entrepreneurial levels of self-efficacy.

SDM process

- No mention

Characteristics of SDM process

- No mention

Influencing factor/s

- Entrepreneurial authority influences the way the enterprise makes decisions (literature)
- External advisors influence SDM (literature)
- Information sources (literature)

Gaps in SDM literature

- Differences in entrepreneurial cognitive characteristics

Author: Bjuggren & Sund (2001)	Article title Strategic Decision Making in Intergenerational Successions of Small- and Medium-Size Family-Owned Businesses		
Journal: Family Business Review	Focus on Family business	Country N/a	Research design Decision Tree, conceptual paper
Purpose of the study Investigating intergenerational successions of SME family business.			
SDM process - No mention			
Characteristics of SDM process - No mention			
Influencing factor/s - Succession procedures affect business relations and results in ownership and management uncertainty (literature). It may be reasonable to believe that this could have an effect on SDM?			
Gaps in SDM literature - None on SDM specifically			

The findings for the systematic review implemented in Chapter 3.

The following table summarises the Business ethics literature s identified from the articles included for the systematic review. The focus was on identifying the definition of business ethics, the formal and informal components, the EDM process and the influencing factors, as well as the normative theories.

Author: Dickel & Graeff (2018)	Article title Entrepreneurs' propensity for corruption: A vignette-based factorial survey		
Journal: Journal of Business Research	Focus on SMEs, Multiple industries (Energy, mechanical engineering, industrial technologies and sustainable water management and recycling industries)	Country Germany	Research design Online survey, quantitative
Purpose of the study Evaluating the cost-benefit considerations, and its influence on an entrepreneur’s propensity to engage in acts of corruption			
Definition of business ethics - None			
Identified formal/informal components - Deliberations on costs (i.e. punishments and sanctions) (empirical findings)			
Identified process or identified “phases” - Deliberation (literature) - Self-justification (literature)			
Identified factors that influences the EDM process - Expected economic gains encourages the propensity to engage in acts of corruption (empirical findings) - High probability that an action (corruption) will be successful ultimately encourages the propensity to engage in such unethical behaviour (empirical findings) - For entrepreneurs – high risk probabilities do not deter the propensity to engage in acts of corruption (empirical findings) - In small enterprises, social ties (close stakeholder relations) influences EDM (empirical findings)			
Identified normative theories - None			

Author: Abdelzaher & Abdelzaher (2017)	Article title Beyond Environmental Regulations: Exploring the Potential of “Eco-Islam” in Boosting Environmental Ethics Within SMEs in Arab Markets		
Journal: Journal of Business Ethics	Focus on SMEs	Country Arab/Middle East	Research design Interview, Qualitative research design
Purpose of the study Investigating how the Eco-Islam phenomenon influences the development of environmental ethics in organisational cultures.			
Definition of business ethics - None - Mentions that religion is a foundation for ethics (literature)			
Identified formal/informal components - “Green” organisational culture (Literature) - Environmental ethics (Literature) (environmental problems include mismanagement of resources and a single regulatory policy) - Eco-Islam (religion) – personal matter (empirical findings) - Explore less formal approach to environmental ethics (empirical findings) - Cultural norms (empirical findings) No identified process or identified “phases”, factors that influences the EDM process of normative theories			
Author: Fernández & Camacho (2016)	Article title Effective Elements to Establish an Ethical Infrastructure: An Exploratory Study of SMEs in the Madrid Region		
Journal: Journal of Business Ethics	Focus on SMEs; variety of industries	Country Madrid region; Spain	Research design Interviews and focus groups, qualitative
Purpose of the study To identify the components (or elements) that SMEs can implement to develop an ethical infrastructure.			
Definition of business ethics - The values adopted by an enterprise that guides conduct in the workplace and towards external parties. (empirical findings)			
Identified formal/informal components - Ethics-focused dynamic capabilities (the skills and resources enterprises need to achieve synergies between ethics and enterprise performance) (Literature)			

- Should a enterprise want to increase ethical performance, then they ought to focus on ethics-focused dynamic capabilities (empirical findings)
- Ethical values and “ethics evolve” as the enterprise grows (founder being replaced with a management team) (empirical findings)

The following elements were observed through research work (empirical investigations) and literature reviews:

- Formal components: Specific ethics content, welcome manual, codes, reviews and reports, adherence to bodies or standards
- Informal components: Conversations between employee, socialisation process /day to day learning, Verbal and non-verbal behaviours, informal performance rules
- Leadership: Setting the example as well as clear expectations and criteria, attending at conferences and training sessions, selection process and promoting amongst staff the responsibility of their actions

The following elements were observed through research work (empirical investigations) found in the findings, but not elsewhere:

- Formal components: Transparency of information, Integrate ethics into review and selection process, Meetings and formal committees
- Informal components: Comparative conversations, Flexibility and conciliations, frequent informal meetings, employee participation norms (non-written)
- Leadership: Accessibility, responsible goal setting, realistic expectations, interests of employees

The following elements were observed through literature reviews:

- Formal components: Values, Mission, Vision, Ethical channel, sanctions, self-evaluations, ethics in the selection process
- Informal components: Stories, myths, language, informal leaders
- Leadership: avoiding moral silence, rewarding behaviours

Identified gaps

- Additional research in ethics in SMEs

Author: Arend (2013)	Article title Ethics-focused dynamic capabilities: A small business perspective		
Journal: Small Business Economics	Focus on Small Business	Country United States	Research design Online survey, quantitative

Purpose of the study

Investigating if SMEs have dynamic capabilities that change their ethics-focused operational capabilities

Definition of business ethics

- None

Identified formal/informal components

- Ethics-focused dynamic capabilities (the skills and resources enterprises need to achieve synergies between ethics and enterprise performance) (Literature)

- Should an enterprise want to increase ethical performance, then they ought to focus on ethics-focused dynamic capabilities (empirical findings)
- Ethical values and “ethics evolve” as the enterprise grows (founder being replaced with a management team) (empirical findings)

No identified process or identified “phases”, factors that influences the EDM process of normative theories

Identified gaps

- Ethics in entrepreneurship

Author: Spence & Rutherford (2003)	Article title Small Business and Empirical Perspectives in Business Ethics: Editorial		
Journal: Journal of Business Ethics	Focus on Small business (papers from the Institute of Small Business Affairs Conference; Brighton)	Country UK	Research design Editorial/conceptual

Purpose of the study

Examining a collection of articles on ethics in SMEs, to highlight the need for high quality empirical research.

Definition of business ethics

- Business ethics concerns social relationships and the exchanges, reciprocity, and goodwill it entails. (Literature)
- Includes the ethical business enterprise, and how conduct ought to be in relation to work and society (Literature)

Identified formal/informal components

- Social relationship and dialog (social capital) (Literature)
- Practices of exchange, reciprocity, and goodwill (social capital/social relationships) (Literature)
- The individual (its moral stance and relation to ethics and the workplace) Literature)
- Owner-manager – influences ethical infrastructure (Literature)
- Individual affects the business practices (including ethics)
- Social relationships and networks affect the business practices (including ethics) (Literature)

Identified process or identified “phases”

- None

Identified factors that influences the EDM process

- Social relationship and dialog (social capita) (Literature)
- Practices of exchange, reciprocity and goodwill (social capital/social relationships) (Literature)
- The individual’s moral stance and relation to ethics and the workplace (Literature)
- Individual affects the business practices (including ethics) (Literature)
- Social relationships and networks affect the business practices (including ethics) (Literature)

Identified normative theories

<ul style="list-style-type: none"> - None <p>Identified gaps</p> <ul style="list-style-type: none"> - Need for high quality of research in the fields business ethics and small business - Need for empirical evidence around ethical dilemmas that assist in understanding the way of life of SME owners/managers. - Need to investigate the moral perspective in social relationships (in the context of SMEs) - A call exists for more interdisciplinary in business ethics research - Need to address small business ethics 			
Author: Fassin <i>et al.</i> (2011)		Article title Small-Business Owner-Managers' Perceptions of Business Ethics and CSR-Related Concepts	
Journal: Journal of Business Ethics	Focus on SMEs	Country Belgium	Research design Interviews, Qualitative
<p>Purpose of the study</p> <p>Investigating a new cognitive perception of SME owners/managers on corporate social responsibility and business ethics.</p> <p>Definition of business ethics</p> <ul style="list-style-type: none"> - Business ethics has a micro focus (empirical) - Business ethics is associated with actions and behaviour (empirical findings) - (CRS includes the border context) (empirical findings) - Code of ethics was identified as a tool for business ethics <p>Identified formal/informal components</p> <ul style="list-style-type: none"> - SME owners/managers can influence corporate culture (Literature) - Informal approach to business ethics (empirical findings) - Ethics code is perceived as close business ethics in SMEs (empirical findings) <p>Identified gaps</p> <p>Examining the differences in these related concepts in other countries</p>			
Author: Cambra-Fierro <i>et al.</i> (2008)		Article title Environmental Respect: Ethics or Simply Business? A Study in the Small and Medium Enterprise (SME) Context	

Journal: Journal of Business Ethics	Focus on SMEs	Country Spain	Research design Case study (two case studies)
Purpose of the study			
Highlight the reasons why SMEs implement environmentally friendly systems			
Definition of business ethics			
<ul style="list-style-type: none"> - Notions of doing the right thing/acceptable behaviour was noted (literature) - Context specific values (literature) 			
Identified formal/informal components			
<ul style="list-style-type: none"> - Management value system (leadership/ role modelling) (literature) - Respect for the environment (environmental sustainability) is guided by legislation, rather than corporate value system (literature/case study) - The market (customer demands) also regulate a company's environmental activities (literature/case study) 			
Identified process or identified "phases"			
<ul style="list-style-type: none"> - None 			
Identified factors that influences the EDM process			
<ul style="list-style-type: none"> - Management value system (leadership/ role modelling) (literature). Self-regulation (adoption of ISO 14000, and discontinued certification, but still continuing with waste management) (literature/case study) - Respect for the environment (environmental sustainability) is guided by legislation, rather than corporate value system (literature/case study) - The market (customer demands) also regulates a company's environmental activities (and "ethically correct management systems" (literature/case study). - Legal context (empirical findings) - Managerial personal values (empirical findings) - Sociocultural context (empirical findings) - Market forces (empirical findings) - Ownership/management structure (empirical findings) - Industry/sector characteristics (empirical findings) 			
Identified gaps			
<ul style="list-style-type: none"> - There is little research done on analysing the ethical profiles of SMEs (literature). 			

Author: Karakas <i>et al.</i> (2015)	Article title Discourses of Collective Spirituality and Turkish Islamic Ethics: An Inquiry into Transcendence, Connectedness, and Virtuousness in Anatolian Tigers		
Journal: Journal of Business Ethics	Focus on SMEs	Country Turkey	Research design Interviews, qualitative research design
Purpose of the study Investigating collective, spiritual, and Turkish Islamic business ethics, and how these factors shape organisational values			
Definition of business ethics - Ethical principles and values (based in the context of religion and Islam)			
Identified formal/informal components - Pursuit of greater good and wellbeing (collective) (empirical findings) - Creating an organisational climate through connectedness (relationships). Such a climate is characterised by trust, friendship, and belonging. (empirical findings) - Upholding ethical values (empirical findings)			
Identified process or identified “phases” - None			
Identified factors that influences the EDM process - Religion (Islamic) (empirical findings)			
Identified normative theories - An individual choosing the greater good and collective wellbeing over self-interest (utilitarianism) (empirical findings) - Individuals collectively seeking to maintain connectedness in terms of interpersonal relationships, trust, friendship, belonging and interpersonal sensitivity (feminism ethics) (empirical findings) - Virtuousness; leaving a good legacy behind (virtue of ethics) (empirical findings)			
Identified gaps - Further research on Islamic business ethics in SMEs, specifically to elaborate on complexities in diverse geo-political or socio-cultural contexts.			

Author: Tlaiss (2015)	Article title How Islamic Business Ethics Impact Women Entrepreneurs: Insights from Four Arab Middle Eastern Countries		
Journal: Journal of Business Ethics	Focus on Woman entrepreneurs of small start-ups	Country Arab Middle East region	Research design Survey/Quantitative research design
Purpose of the study To determine how Islamic business ethics impact the business operations of woman entrepreneurs.			
Definition of business ethics			
<ul style="list-style-type: none"> - Morality, values, and ethics are promoted through religion (Islamic) (Literature) - Ethical values being promoted by the religion are hard work honesty, integrity, fairness, justice, truthfulness, and trustworthiness. (Literature) - Giving back to the community (benevolence) is also listed (Literature) 			
Identified formal/informal components			
<ul style="list-style-type: none"> - Religion (Islamic); obligations that also affects the workplace (literature and empirical findings) 			
Identified process or identified “phases”			
<ul style="list-style-type: none"> - None 			
Identified factors that influence the EDM process			
<ul style="list-style-type: none"> - Hard work is an ethical value and honesty, integrity, truthfulness and upholding ethical values (in the workplace) is important. (Religion) (literature and empirical findings) - Fairness and justice are encouraged in this religion (literature and empirical findings) 			
Identified normative theories			
<ul style="list-style-type: none"> - Fairness and justice are encouraged in this religion (literature and empirical findings) 			
Identified gaps			
<ul style="list-style-type: none"> - Research on woman entrepreneurship in non-western context, specifically the impact of Islamic business ethics and the impact thereof on Muslim Women entrepreneurship. 			

Author: Spence & Lozano (2000)	Article title Communicating about Ethics with Small Firms: Experiences from the U.K. and Spain		
Journal: Journal of Business Ethics	Focus on Small enterprises	Country U.K and Spain	Research design Mixed method research design (Qualitative & Quantitative)
Purpose of the study Determining how to communicate to SMEs regarding business ethics			
Definition of business ethics			
<ul style="list-style-type: none"> - Values, way of behaving (Literature) - Adhering to rules (Literature) - Understanding of what is right and wrong (Literature) - Trust, believe, faith, open, doing the right thing, kindness, honesty, responsibility - Feelings/emotions such as pleasure and embarrassment 			
Identified formal/informal components			
<ul style="list-style-type: none"> - One example was found of a formal mission statement (industry related – a marketing enterprise and the mission statement was for marketing purposes, rather than internal use) (empirical findings) - Informal methods of control (empirical findings) - Leadership provides for guidelines and being the example (when it comes to social and ethical standards) (empirical findings) - Workshop on management values (empirical findings) - Knowing and believing in the ethical integrity if the business, is more important than drafting a code of ethics (empirical findings) 			
Interesting: the appropriate “tools” is dependable on the individual owner or manager			
Identified gaps			
To investigate the thinking and behavioural styles of SME owners/managers and how these variables relate to ethics.			
Author: Courrent & Gundolf (2009)	Article title Proximity and Micro-Enterprise Manager’s Ethics: A French Empirical Study of Responsible Business Attitudes		
Journal: Journal of Business Ethics	Focus on Micro Enterprises (ME)	Country France	Research design Survey/Quantitative research design
Purpose of the study Investigating how SME owners/managers’ perception of their relationship to the (social) environment shape the nature of their ethics			

Definition of business ethics

- Varies or rules that governs behaviour (Literature)
- Good and moral behaviour (Literature)
- Individual and relationship elements (Literature)
- Value: respect for others (Literature)
- Distribution of justice (Literature)

Identified formal/informal components

- Entrepreneurial network (which include guidelines on behaviour, values to instil and ethics) (literature)
- Codes of ethics are extremely rare in SMEs (empirical findings)
- Informal decision-making (empirical findings)

Identified process or identified “phases”

- To be moral requires an act of deliberation and disinterested (a process that requires one to evaluate the interest of others, and not one’s own interest) (literature)
- Moral judgement (evaluation and comparison of competing interests) (literature)
- Moral qualification (justification) of acts (literature)

Identified factors that influences the EDM process

- Manager of an ME (to better understand decision-making in the enterprise as a whole, is to understand the ME manager) (individual factors, personal factors, ownership). An entrepreneur’s network (social ties) and ethics are strongly tied. (literature)
- Three obstacles: the actor, the different shareholders and their decision (literature)
- Proximity of the decision-maker involved (the closer to the decision, the greater the sensitivity towards self-interest) (literature)
- Moral judgement: starting from oneself vs starting from alterocentricity (relation to others) (literature)
- “Imitating ethics” – do what other do (aligning their behaviour with that of others, for example, competitors) (empirical findings)
- Social proximity (friends as colleagues) and inter-organisational proximity (the presence of other managers) seems to influence ethics in management decisions (empirical findings)

Identified normative theories

- Decision-makers may rely on teleological concepts of ethics (literature)
- A few ME managers consider the interest of other in decision-making; while the majority of ME managers act “as others” do in decision-making (“imitating ethics”) (empirical findings)

Identified gaps

- The French context, literature on SMEs and responsible business practices is understudied
- Micro enterprises are under-explored in research

Author: Wu (2002)	Article title The Relationship of Ethical Decision-Making to Business Ethics and Performance in Taiwan		
Journal: Journal of Business Ethics	Focus on SMEs, Outstanding SMEs Larger enterprises (SMEs)	Country Taiwan	Research design Questionnaires/ quantitative
Purpose of the study			
Examining the relations between individual EDM, corporate business ethics and organisational performance			
Definition of business ethics			
- None			
Identified formal/informal components			
<ul style="list-style-type: none"> - Code of conduct (literature) – focus on larger organisations - Ethics committee (literature) – focus on larger organisations - Public affairs (literature) – focus on larger organisations - Ethical perspectives in outstanding SMEs (for example to think deeply about customer responses to quality, vision statements, communications and professional training) (empirical findings) 			
Noted: Western literature (literature). Influencing factors (of above) (business size, individual, customers, competitive factors, profitability) (literature)			
Identified process or identified “phases”			
- None			
Identified factors that influences the EDM process			
<ul style="list-style-type: none"> - Individuality influence business ethics (ethical behaviour) (literature) - Individual EDM influences corporate EDM (literature) - Community behaviours (literature) - External competitive pressures (literature) - Profitability (it being the first priority) (literature) - Customer satisfaction (responsible towards customers) (literature) - There is a relation between an educational programme (ethics training?) and individual EDM (literature) 			
Identified normative theories			
- Ethics training deals altruistically with ethical issues (suggestion/literature)			
An interesting note: there are compelling parallels between West and Eastern countries			
Identified gaps			
<ul style="list-style-type: none"> - Examining the effect of mandatory ethics training in SMEs - Examining the effect of setting a code of ethics in SMEs 			

Author: Carr (2003)	Article title Revisiting the Protestant Ethic and the Spirit of Capitalism: Understanding the Relationship between Ethics and Enterprise		
Journal: Journal of Business Ethics	Focus on SMEs	Country N/a	Research design Conceptual
Purpose of the study The aim is to propose an alternative solution to prescriptive approach to business ethics for SMEs			
Definition of business ethics - Good behaviour in the relationships between the enterprise and business activities			
Identified formal/informal components - Code of ethics (literature)			
Identified process or identified “phases” - None			
Identified factors that influences the EDM process - None			
Identified normative theories - A different approach is suggestion. The prescriptive approach is criticised, and a sociological approach is suggested. - The sociological approach maintains that there is no separation between the work life and social life. How one can lead your own life, can have significant influence on how work life is conducted. The alternative approach takes into account how ethics can differ between contexts.			
Identified gaps None			
Author: Cater <i>et al.</i> (2017)	Article title Ethics, Faith, and Profit: Exploring the Motives of the U.S. Fair Trade Social Entrepreneurs		
Journal: Journal of Business Ethics	Focus on Small US enterprises	Country US	Research design Qualitative/case study approach
Purpose of the study			

Investigating the reasons why US small enterprises participate in fair trade (where there are transparency and respect, with the aim to achieve greater equity in global markets)

Definition of business ethics

- None

Identified process or identified “phases”

- None

Identified formal/informal components

- None

Identified factors that influences the EDM process

- Individual values (including faith, ethical believes and business values) (literature/case study)
- Individual philosophy (literature/case study)
- Motivators identified were direct relationships, preserving craftsmanship, supporting social cause, and sharing aesthetic products) (literature/case study)
- Facilitators identified were family involvement, business knowledge, faith community, as well as fairness in business trade (literature/case study)
- A trigger/critical event (a visit to a developing country; divine intervention) encouraged engagement with fair trade (literature/case study)

Identified normative theories

- Motivation for fairness and justice (helping others in need) (literature/case study) (altruism) (literature/case study)

Identified gaps

- Further analysis of the types of social entrepreneurs (ethics first, faith first, business first) in terms of value systems, behaviour, overlaps.

Author: Lahdesmaki (2005)	Article title When Ethics Matters – Interpreting the Ethical Discourse of Small Nature-Based Entrepreneurs		
Journal: Journal of Business Ethics	Focus on Small entrepreneurs	Country Central Finland	Research design Qualitative research design

Purpose of the study

Determine the ethical challenges faced by small entrepreneurs

Definition of business ethics

- Concerns moral standards (and how they are applied in the business environment).

Identified formal/informal components

- None

Identified process or identified “phases”

- Moral reasoning considering suppliers (empirical findings)
- Moral consideration (lack of time vs good quality products) (empirical findings)
- Deliberation on price setting, and taking ethics into consideration (empirical findings)
- Ethical consideration pertaining to employment (empirical findings)

Identified factors that influences the EDM process

- Lack of resources trade-off against ethical considerations (empirical findings)
- Competitors did NOT pose ethical challenges (they are collaborators) (empirical findings)
- Internal stakeholders (employees and family) (empirical findings)
- External stakeholders (customers, local community, nature, family) (empirical findings)
- Individual values (empirical findings)

Identified normative theories

- Utilitarianism and egoistic arguments (empirical findings)
- Deontological, virtue ethical and utilitarian features in considering the quality of products (empirical findings)
- Deontological and utilitarianism considerations pertaining to marketing of products or services (empirical findings)
- Rights and duties within employer-employee relationships (deontological) (empirical findings)

Identified gaps

The ethical challenges pertaining to business decisions are under researched in small business entrepreneurs.

Author: Ede <i>et al.</i> (2000)	Article title Ethics in Small Minority Businesses		
Journal: Journal of Business Ethics	Focus on Small businesses	Country minority USA	Research design Quantitate research design

Purpose of the study

Issues of ethics in small minority businesses

Definition of business ethics

- None

Identified process or identified “phases”

- None

Identified formal/informal components

- None

Identified factors that influences the EDM process

- Demographics (gender, age, and education) had mixed effects on the level of ethics in small minority businesses. Only age had a significant effect. (empirical findings)
- Company related variables (position of the enterprise, primary business of the enterprise and region) also had mixed effects on the level of ethics. (empirical findings)

No identified definition of business ethics, process or identified “phases”, formal/informal components and normative theories

Identified gaps

- Analysing the differences between different ethnic groups, and the possible influences therefore on decision-making.

Author: Solymossy & Masters (2002)	Article title Ethics Through an Entrepreneurial Lens: Theory and Observation		
Journal: Journal of Business Ethics	Focus on Entrepreneurs and small businesses	Country N/a	Research design Conceptual paper

Purpose of the study

Relating general influences (drawn from previous research and presented in a conceptual model) on business ethics and related them to the findings of entrepreneurial and small business ethics

Definition of business ethics

- None

Identified formal/informal components

- None

Identified factors that influences the EDM process

- Individual characteristics (literature)
- Situational factors (literature)
- Social relationship with others (literature)
- SMEs identify different moral issues and different factors that influences their judgement and intent, compared to other individuals in business (literature)
- Entrepreneurs might operate at a higher level of cognitive moral development compared to other business individuals (literature)
- Characteristics of the identified issue (the moral intensity of the issue) (literature)
- Moral intensity (literature)
- Level of cognitive moral development (literature)

Identified process or identified “phases”

- Identify the ethical issue (literature)
- Making an ethical judgement (regarding the moral course of action; based on ethical screening) (literature)
- Determine the possible moral action (literature)
- Make the final decision (decide to act on the determination or not) (literature)

Identified normative theories

- Utilitarianism (evaluating consequences), deontological or justice perspectives (literature)

Identified gaps

- Exploring the various elements of the presented model in entrepreneurial and small businesses.

Author: Singhapakdi <i>et al.</i> (2010)	Article title Is small business better than big business for marketing managers ?		
Journal: Journal of Business Research	Focus on SMEs vs “Big business”	Country US	Research design Web-based survey, Quantitative

Purpose of the study

Compares explicit and implicit ethical measures, job satisfaction, organisational commitment as well as spirit de corps and quality of work life in SMEs and larger organisations.

Identified formal/informal components

- Implicit institutionalization of ethics (integrating ethics into decision-making) is evident in both SMEs and larger organisations. (empirical findings)
 - o Legacy of integrity
 - o Ethical and legal behaviour is vital of success
 - o Shared value system
- Lower degrees of explicit measures (or an ethics system) were observed in SMEs. (empirical findings)

No identified definition of business ethics, process or identified “phases”, factors that influences the EDM process and normative theories

Ethics-related theory in SDM for SMEs

- There is perhaps some link to SDM. Implicit institutionalization of ethics was observed in SMEs. Institutionalization of ethics is the extent to which an organisation or manager implicitly or explicitly integrates ethics into decision-making processes. It is reasonable to believe that this would be the same for operational, general, and SDM processes.

Identified gaps

- Literature in ethics in SMEs are limited
- Resource limitations might affect the implementation of explicit ethics measures.

Author: Chakrabarty & Bass (2014)	Article title Institutionalizing Ethics in Institutional Voids: Building Positive Ethical Strength to Serve Women Microfinance Borrowers in Negative Contexts		
Journal: Journal of Business Ethics	Focus on Relatively small Micro finance institutions	Country US	Research design Web-based survey, Quantitative
Purpose of the study To determine Positive Organizational Ethics (POE) can assist in serving women borrowers.			
Definition of business ethics - None			
Identified formal/informal components - Positive Organizational Ethics (POE) (Suggestions/literature) <ul style="list-style-type: none"> o Explicit or implicitly o Values that increase ethics in the workplace - Building ethical values or virtues (Suggestions/literature)			
No identified process or identified “phases”, factors that influences the EDM process, normative theories and ethics-related theory in SDM for SMEs			
Identified gaps - No gaps pertaining to business ethics and SDM.			
Author: Chakrabarty & Bass (2015)	Article title Comparing Virtue, Consequentialist, and Deontological Ethics-Based Corporate Social Responsibility: Mitigating Microfinance Risk in Institutional Voids		
Journal: Journal of Business Ethics	Focus on Relatively small Micro finance institutions	Country US	Research design Web-based survey, Quantitative
Purpose of the study Investigating how a virtue ethics based CSR can mitigate risks			
Definition of business ethics - Moral principles and values that governs behaviour in the workplace, and society			
Identified normative theories - The three ethical theories where investigated: virtue, consequentialist, and deontological (empirical findings)			

No identified process or identified “phases”, formal/informal components, factors that influences the EDM process, and ethics-related theory in SDM for SMEs

Identified gaps

No gaps pertaining to business ethics and SDM.

APPENDIX E: COMPONENTS OF AN ETHICAL INFRASTRUCTURE

Formal components

Vision statement

Primarily, a vision statement states the desired future state of organisations (what they are aspiring towards), and drives strategic plans (Macleod, 2016:18). Included this statement of a future state, organisations can include ethical principles or values (Anderson & Jamison, 2015:2; Macleod, 2016:18).

Mission statement

A mission statement states the purpose and the focus of the organisation and describes how the organisation will reach its vision (Macleod, 2016:20). It provides direction, the allocation of resources, serves as a communication guide and describes the values underpinned in its directions (Desmidt *et al.*, 2011:469). This management tool can include organisational values and philosophy about how it does business and treats its employees. It is the organisation's conscience created, artificially, in the form of a mission statement, portraying an ethical stance (Belak & Milfelner, 2011:110).

(Core) Value statements

Fostering the desired values amongst employees is necessary, as it will become embedded in the ethical assumptions of organisations (Pearce, 2013:499). The value statement stipulates the core values or principles of organisations and drives employee behaviour (Macleod, 2016:19). A value statement is a clear, concise meaning of core beliefs, values, priorities, and direction that is developed and adopted by the organisation. This value statement is shared within the organisation and employees can understand and contribute to it. These statements sometimes do not exclusively include ethics, but make reference to quality, customer safety and employee issues (Belak & Milfelner, 2011:110; Rampersad, 2006:456).

Ambitious statement

This statement explains the personal and shared ambitions of the organisation, and includes ethical principles, standards, values, or norms (such as integrity and fairness) (Rampersad, 2006:454).

Personal balanced scorecard

An activity that requires of employees (and especially top managers) to formulate an individual balanced scorecard. The aim is to align individual personal behaviour with employees' personal ambitions, and to remind employees of their values, and not to act in conflict with their conscience – at work or at home (Rampersad, 2006:455).

Code of ethics or code of conduct

A written document containing a set of predetermined prescriptions, expectations, or formally defined standards, developed by and for organisations. Hoover and Pepper (2015:607) refer to this formal document as an “ethics statement”. According Beerli, Dayan, Vigoda-Gadot and Werner (2013:62), it is the focal point on an ethics programme.

The aim of this document is to guide current and future behaviour of employees regarding multiple issues; covering multiple relations (between managers, employees, other stakeholders, and society). In addition, it is a practical guide for employees and facilitates decision-making (Kaptein, 2015:419; Majluf & Navarrete, 2011:568). In addition, a code of ethics ought to communicate the values, principles and norms that govern organisations and other professional issues such as teamwork and confidentiality (García-Sánchez *et al.*, 2015:682).

Comprehensive codes of ethics should be aligned with the organisation's values, and (applicable) legislation. In addition, it ought to cover a full range of possible ethical issues or dilemmas employees might encounter in the workplace. Consequently, these codes need to be updated as and when new ethical challenges emerge (Bonime-blanc & Coyne, 2014:74; Rampersad, 2006:456).

Compliance manual

Some organisations adopt a compliance manual that stipulates organisation's rules and emphasises important policies. These manuals make policies more understandable. These manuals are more evident in large organisations (Belak & Milfelner, 2011:110).

Pledge to be honest

A pledge is placed before a certain activity (such as an employee reporting on its targets, or odometer readings). The pledge is found to be effective, and cheating (or breaking the pledge) is lower, if it is placed at the beginning of a form or application to be completed (De Bruin, 2016:26).

Ethics report line (Whistleblowing line, hotline and/or helpline)

A website or app, telephonic line, and/or email address available to employees to report and share unethical conduct, as well as get ethics-related advice. These report lines are generally anonymous (Kaptein, 2015:416; Rampersad, 2006:456).

Employee selection or ethical screening

Assessing and evaluating the ethics, integrity, actions and attitudes of applicants or candidates prior to employment (Adam & Rachman-Moore, 2004:232; Kaptein, 2015:417).

Ethics training

Training aimed at qualifying employees to identify and define ethical issues and dilemmas in the workplace. A framework and tools are provided to assist in ethical decisions. Such training enables ethical judgement, raises ethical consciousness, shapes employee perceptions on ethical culture and generally covers the organisation's values and ethics-related policies. In addition, ethical training assists in communicating the codes of ethics of organisations and can be tailored to cover the specific risks prone to the organisation (Gaitanaru, 2013; Majluf & Navarrete, 2011:568; Young, 2005:12).

Communication channels

Integrating ethics into all communication channels or programmes, enforcing organisational ethics. It includes publishing reports on citizenship, sustainability performance and ethics initiatives. The aim is to inform and motivating employees and other stakeholders on ethical matters. In addition, organisations can use this tool to make it clear that ethics is an integral part of the day-to-day activities and decision-making (Rampersad, 2006:455; Weaver *et al.*, 1999:291).

Ethical behaviour evaluation or ethics-oriented performance appraisal

This component of an ethics programme includes ethical-based performance appraisals, which promotes ethical decision-making. There ought to be an awarding aspect and when (ethical) procedures are enforced. This component can potentially assist in integrating ethics into daily activities and decisions, since it is an element or task they need to perform in. This practice and its relation to ethical decision-making is rarely examined in research studies (Bonime-blanc & Coyne, 2014:75; Park & Blenkinsopp, 2013:521; Ruiz *et al.*, 2015:728).

Rewarding and recognition

Rewarding and recognising ethical behaviour amongst employees foster and reinforce the ethical expectations of organisations (Han *et al.*, 2013:557). Rewards and recognitions are incentives for ethical behaviour; possibly built into compensation systems (Rampersad, 2006:457). It should be aligned with the ethical standard the organisations aim to foster. Rewards (and punishment) are known to influence employee behaviour (Han *et al.*, 2013:557).

Ethics audit or evaluation programme

This is an internal monitoring system, aimed at evaluating the way the principles are respected by employees – or the assessment of the ethics of the organisation. This should at least be done annually to ensure compliance. It includes follow up training sessions and monitoring the components of an ethics programme such as the effectiveness of codes of ethics, line reports and ethical training (Kaptein, 2015:421; Rampersad, 2006:457).

Sanctions or disciplinary measures

As with rewards, disciplinary measures are known to influence employee behaviour, and should be aligned with the ethical standards of organisations (Han *et al.*, 2013:557). Sanctions or disciplinary measures are measures to effectively, and perhaps, an unconstructive procedure to demote unethical behaviour. Includes policies on management and employee accountability for unethical behaviour as well as discipline and/or dismissal for violations (depending on the offence). Employees respond to these measures through fear, and the probability of being caught versus the severity of the measures work as deterrents (Kaptein, 2015:420; Majluf & Navarrete, 2011:568; Park & Blenkinsopp, 2013:521; Rampersad, 2006:457; Weaver *et al.*, 1999:42).

Ethics standards and indexes

To measure the performance of organisations on ethical matters, various indexes have emerged. The Dow Jones Sustainability World Index is such an example. These indexes give a framework for reporting on social initiatives. These indexes are yet to be considered when examining the organisation's ethical behaviour, as well as used as guidance or initiative to consider for ethical standards in the workplace (Belak & Milfelner, 2011:110).

In-house ethics officer; Compliance officer; Ombudsman, ethics advocate or manager responsible for ethics in the workplace (Could also be hosted within an office)

An individual (or office) dedicated to ethical matter in the organisation, normally in-house. This individual or office has "ethics information and expertise". The basic functions of an ethics

office include identification and reviewing of corporate values, coordinating policies, development of codes of ethics, ethical training and providing ethical counselling and guidance. The individual or office will also investigate allegations (Belak, 2013:106; Kaptein, 2015:420; Rampersad, 2006:456; Weaver *et al.*, 1999:42).

Ethical committee

The ethics committee is responsible for developing policies, evaluating individual and organisational actions, and investigating policy violations (Weaver *et al.*, 1999:41).

Employee orientation

To include training on ethics for all newly appointed employees. The purpose is to communicate the ethical orientation to all new employees (Bonime-blanc & Coyne, 2014:75; Valentine & Johnson, 2005:46).

Due diligence and on-boarding

Ensuring due diligence and implementing an on boarding programme to ensure that all third-party business partners and suppliers comply with the ethics programme (Bonime-blanc & Coyne, 2014:75).

Ethics consultation

External parties or individuals that facilitate ethical matters, such as giving advice (consultation) or ethical training (Van Wyk, 2016b:234).

(Ethical) Risk management

Includes identifying, assessing, and minimising ethical risks that can occur in the workplace. Ethical risks include non-compliance to legislation, pollution, product liability and violations to human rights (Van Wyk, 2016b:234).

Other formal components

Ethical work designs or ethical considerations in work, which means that works are designed in meaningful ways that focus on physical welfare, wellbeing at the workplace, opportunities to grow, self-expression, emotional engagement and financial security (May *et al.*, 2014:652). Other components listed, but not explained in literature, include ethics in job descriptions (Belak, 2013:530).

Informal components

Ethics programme

In Section 3.3, the explicit components of an ethical programme were reviewed. However, there is also an implicit component, which is “behind” the components of the explicit components (Majluf & Navarrete, 2011:569). Smith-Crowe *et al.* (2015:793) explain this implicit component, or informal system, as something that is felt by employees, or seen and heard through socialisation and unofficial messages in the workplace.

Organisational culture

Organisations’ cultures encompass the values, beliefs, and assumptions. It is individual (employee) social settings and an evolution of patterns over a period (Treviño *et al.*, 1998).

Ethical culture and ethical climate

Ethical culture and ethical climate are closely associated or overlapping concepts. Both concepts relate to unethical behaviour, but are still two distinctive concepts (Kangas *et al.*, 2017:132; Kaptein, 2011b:846).

According to Kaptein (2011b:846), ethical climate is the perceptions of employees regarding what are ethical and unethical behaviour in the workplace. It relates to attitudes within the workplace. For example, the level of desire managers would have to serve the interest of stakeholders. Ethical climate is substantive; relating to the content of ethical (and unethical) behaviour (Kaptein, 2011b:846). Kangas *et al.* (2017:132) provide a similar definition of ethical climate. Ethical climate refers to the atmosphere (attitude) in the workplace regarding ethical and unethical behaviour.

Ethical culture is defined by the conditions (instilled by organisations) to comply with the ethical expectations of the organisation. It relates to that which influences employee behaviour and the conditions for ethical or unethical behaviour. According to Kangas *et al.* (2017:132), ethical culture is deeper than ethical climate; encompassing the factors and conditions that promotes ethical behaviour. Ethical culture is viewed at the most important component in the organisational setting that can promote ethical (or unethical) behaviour (Kaptein, 2011b:844). Managers are the representatives of ethical standards in the workplace and represent the organisational moral values (Majluf & Navarrete, 2011:569).

Both ethical culture and ethical climate affect employee behaviour in the workplace – promoting ethical or unethical behaviour (Majluf & Navarrete, 2011:569).

Open communication

The ethical expectations of organisations need to be openly, clearly, and persistently communicated in the workplace. In addition, the ethical expectations of the workplace (what is allowed and what not; what is ethical and what not) need to be understood by employees (Kaptein, 2015:417; Majluf & Navarrete, 2011:569). For ethics to start at the top, and to make sure that “it is done” in organisations, requires communications of ethics and values to flow down to all levels in order to close the gap between what managers say they would do and what they actually do (Belak & Milfelner, 2011:109).

Communication is also important between employees. Open discussions about ethical dilemmas and alleged unethical behaviour between employers and employees to managers encourage employees to feel more comfortable talking about ethical issues (Kaptein, 2015:418). According to Belak and Milfelner (2011:109), discussions amongst employees play a key role (ethics positive or negative) in the ethical life of organisations.

Rewards systems and punishments

It is important for ethical behaviour to be reinforced and to reward and punish ethical and/or unethical behaviour (Belak & Milfelner, 2011:109; Kaptein, 2015:418). According to Majluf and Navarrete (2011:569), positive reinforcements are more effective than punishments, when encouraging the ethical desires and expectations of the workplace.

Ethical leadership/ Management concern/ role modelling

Managers affect, to some extent, whether employees embrace organisational ethical values (Meinert, 2014:25). It is important for managers to demonstrate the ethical behaviour promoted in the workplace. Managers need to demonstrate and reinforce ethical behaviour and decision-making, and in doing so, act as role models (Belak & Milfelner, 2011:108; Majluf & Navarrete, 2011:569). When a manager’s behaviour and decisions are congruent with the ethical expectations of the organisation, it encourages ethical behaviour amongst employees (Han *et al.*, 2013:558; Kaptein, 2015:417; Majluf & Navarrete, 2011:569).

Ethics resources

Organisations need to provide employees with adequate time, and enable them with the appropriate resources to be able to perform their operational requirements, within reason. Unethical behaviour is encouraged if an employee does not have adequate time and, for example, the equipment or budget needed to perform a job. In such cases, the employee might look for loopholes to conduct their work. By providing employees with adequate time

and resources, organisations are enabling them to choose an ethical course of action (Kaptein, 2015:417).

Employee commitment to ethical standards

According to Kaptein (2015:417), it is important for employees to be committed to the ethical expectations and standards of organisations. One way to achieve this is to involve employees early in the development of programmes to gain their input and the subsequent implementation of the ethics programmes.

Transparency and visibility

Transparency and visibility refer to the extent that unethical and/or ethical behaviour and its consequences are transparent and visible to others (manager to employee; and vice versa; and employee to employee) (Kaptein, 2008:926). Being able to observe unethical behaviour might lead to exposure and can therefore serve as a deterrent (as the chances of being caught increases) (Kaptein, 2015:418).

Mission-and Value Driven

The mission and values are clear and reflected in ethical guidelines and in employee behaviour (meaning ethics is institutionalised). There is a strong ethical culture, trust and respect is fostered within relationships and such values and missions are sustainable over the long term (Ardichvili *et al.*, 2009:448).

Stakeholder balance

Stakeholder concerns are consistently considered in all decisions, and stakeholders are dealt with in a constant and ethical way. This includes the fair treatment and fair compensation for employees, being a good corporate citizen as well as balancing customer value and (Ardichvili *et al.*, 2009:448).

Process integrity

There is a dedication to fairness in processes, people, and products, as well as transparency in all decision-making. In addition, values are reinforced in performance appraisals, promotions, and everyday activities. Corporate governance processes are excellent and supported by top managements (Ardichvili *et al.*, 2009:448).

Long-term perspective

There is a long-term focus, where the mission of the organisation is placed above profits (and long-term gains over short-term gains). This includes acting in the best interest of customers

over the long run, and managing stakeholder values with a long-term perspective in mind. In addition, environmental sustainability, profit and social responsibility are connected in the organisation (Ardichvili *et al.*, 2009:448).

APPENDIX F: COVER LETTERS

Delphi Research stage

Researcher: Ireze van Wyk

Contact details: vanwyki@unisa.ac.za

Supervisor: Prof Peet Venter

Contact details: Ventep@unisa.ac.za.

Research Ref #:2018_CRERC_015(FA)

Research Title: An ethical strategic decision-making framework for South African SMEs

Invitation to participate

You are invited to participate in a few rounds of questions conducted by Ireze van Wyk under the supervision of Prof. Peet Venter, a Professor at the Graduate School of Business Leadership at the University of South Africa. Ireze van Wyk, a student at the Department of Business Management, is studying towards a PhD at the University of South Africa. The primary researcher, Ireze van Wyk, can be contacted during office hours at vanwyki@unisa.ac.za. The study leader, Professor Peet Venter, can be contacted during office hours at ventep@unisa.ac.za.

Purpose of the research

The aim of the study is to investigate the strategic decision-making process evident in Small and Medium Entities (SME). In addition, this study aims to determine a definition of business ethics in SMEs. The study contributes to the body of knowledge of Strategic Decision-Making and SMEs in the South African context.

Procedures of the questions

The questions you will receive have been designed to study the strategic decision-making processes of small and medium enterprises, and to identify a working definition of business ethics. There are two, or maximum three, surveys in total that will require you to take an estimated 15 to 20 minutes to complete.

Permission to conduct the study

The research was reviewed and approved by the CEMS research ethics committee, at the University of South Africa and an ethical clearance certificate was granted. Should you have any questions regarding the ethical aspects of the study, you can contact the chairperson of the CEMS research committee, Marianne Engelbrecht, on engelm1@unisa.ac.za. Alternatively, you can report any serious unethical behaviour at the University's Toll Free Hotline 0800 86 96 93.

Participants' rights

Your participation is voluntary. You are free to withdraw from the study at any time prior to clicking the send button. However, you will not be able to withdraw from the study once all the rounds are completed and you've submitted your answers.

Estimated time required

The questionnaire will take approximately 15 to 20 minutes to complete.

Risks involved

There are no known risks for participating in this study. It is not anticipated that participating in the study will harm you in any way. However, should you require further information or have any concerns please feel free to contact the researcher at the above contact details.

Benefits

You will not be reimbursed or receive any incentives for your participation in rounds of questions. However, your contribution will provide important insights in the field of strategic decision-making in Small and Medium sized entities within the South African context. Being a participant exposes you to the findings of this study, which can assist you better understand effective strategic decision-making in your entity and the processes being involved.

Privacy, confidentiality, and anonymity

Your right to privacy will be respected and confidentiality and anonymity are honoured at all times. This includes prior and post the research process and the PhD. The responses will be dealt with collectively and ethically, and your personal information will not be recorded anywhere, and no-one will be able to connect you with your

answers provided. All data is protected and the information you provided will be used for academic purposes only.

The records will be kept for five years for audit purposes where after it will be permanently destroyed. Hard copies will be shredded and electronic versions, and documents will be permanently deleted from the hard drive of the computer and cloud storage space.

Academic purposes

The findings may be used for research purposes, including dissemination through peer-reviewed publications and conference proceedings. Where applicable, the information will be presented at best practice sharing platforms within the business setting.

Enquiries

If you have any queries about the questionnaire or the research in general, do not hesitate to me, Ireze van Wyk, on vanwyki@unisa.ac.za.

Kind regards

Ireze van Wyk

IQA focus group session

Researcher: Ireze van Wyk

Contact details: vanwyki@unisa.ac.za

Supervisor: Prof Peet Venter

Contact details: Ventep@unisa.ac.za.

Research Ref #:2018_CRERC_015(FA)

Research Provisional Title: An ethical strategic decision-making framework for South African SMEs

Invitation to participate

You are invited to participate in a research study conducted by Ireze van Wyk under the supervision of Professor Peet Venter, a Professor at the Graduate School of Business Leadership at the University of South Africa. Ireze van Wyk, a student at the Department of Business Management, is studying towards a PhD at the University of South Africa. The primary researcher, Ireze van Wyk, can be contacted during office hours at vanwyki@unisa.ac.za. The study leader, Professor Peet Venter, can be contacted during office hours at Ventep@unisa.ac.za.

Purpose of the research (the PhD)

The aim of the study is to determine a strategic decision-making framework of small and medium entities (SMEs) and investigate the elements or factors that influence strategic decision-making in SMEs. The study contributes to the body of knowledge of Strategic decision-making and SMEs in the South African context.

Procedures of the question in the workshop

The (one) question you will receive has been designed to make you reflect on the elements or factors that could possibly affect your strategic decision-making as a manager/owner of a small and medium entities. The question will be presented to you in the practical part of the workshop.

Permission to conduct the study

The research was reviewed and approved by the CEMS research ethics committee, at the University of South Africa and an ethical clearance certificate was granted.

Should you have any questions regarding the ethical aspects of the study, you can contact the chairperson of the CEMS research committee, Marianne Engelbrecht, on engelm1@unisa.ac.za. Alternatively, you can report any serious unethical behaviour at the University's Toll Free Hotline 0800 86 96 93.

Participants' rights

Your participation is voluntary. You are free to withdraw from the study at any time prior to the practical part of the workshop. However, you will not be able to withdraw from the study once the workshop is dismissed and the researcher leaves the premises.

Estimated time required

The workshop is scheduled from 08:30 until 12:00.

Risks involved

There are no known risks for participating in this study. It is not anticipated that participating in the study will harm you in any way. However, should you require further information or have any concerns please feel free to contact the researcher at the above contact details.

Benefits

You will not be reimbursed or receive any incentives for your participation in rounds of questions. However, your contribution will provide important insights in the field of strategic decision-making in Small and Medium sized entities within the South African context. Being a participant exposes you to the findings of this study, which can assist you better understand effective strategic decision-making in your entity and the processes being involved.

Privacy, confidentiality, and anonymity

Your right to privacy will be respected and confidentiality and anonymity are honoured at all times. This includes prior and post the research process and the PhD. The responses will be dealt with collectively and ethically, and your personal information will not be recorded anywhere, and no-one will be able to connect you with your answers provided. All data is protected and the information you provided will be used for academic purposes only.

The records will be kept for five years for audit purposes where after it will be permanently destroyed. Hard copies will be shredded and electronic versions, and documents will be permanently deleted from the hard drive of the computer and cloud storage space.

Academic purposes

The findings may be used for research purposes, including dissemination through peer-reviewed publications and conference proceedings. Where applicable, the information will be presented at best-practice sharing platforms within the business setting.

Enquiries

If you have any queries about the questionnaire or the research in general, do not hesitate to me, Ireze van Wyk, on vanwyki@unisa.ac.za.

Kind regards

Ireze van Wyk

APPENDIX G: THE DELPHI TECHNIQUE QUESTIONS AND ROUNDS

ROUND 1

Emails were forwarded to the list of SMEs at the relevant institutions and the multinational, of which they forwarded the email with the appropriate attachments to their SME members or SME vendors. The cover letter was attached to the emails. The following suggested email was recommended to the intermediaries.

Dear <<<SME Owner/Manager/Vendor>>>

We are assisting a PhD student, Ms Ireze van Wyk, at the University of South Africa (Unisa) to conduct a research study amongst our Small and Medium Enterprises (SMEs). The purpose of the study is two-fold. Firstly, it is to determine how SMEs do strategic decision-making, and secondly, to develop a definition for business ethics that is applicable to SMEs. The study will help <<<insert business's name>>> to determine how SMEs do strategic decision-making and how they define ethics in their enterprises to determine a benchmark of best practices for our SMEs.

You are one of the participants who have been selected to participate in the online surveys. There is a maximum of three rounds of questionnaires, which will be distributed over a couple of weeks (one questionnaire every two to three weeks). We would greatly appreciate your assistance in completing the three respective online questionnaires which should not take any longer than 15 to 20 minutes per questionnaire.

Included in the online questionnaires are a few questions on demographics, your business, strategic decision-making, and business ethics. You merely need answer the questions in a short text block provided online. Attached to this email are the questions that are available online for you to familiarise yourself with the questions prior to taking the online survey, would you wish to do so. Since only a few participants were selected to participate, your contribution is vital to the success of the survey.

Your individual responses will be anonymous and treated as highly confidential. The responses will be dealt with collectively and ethically. Your participation in this study

is voluntary and all the all information you provide will only be utilised for academic purposes and will be treated confidentially and anonymously (the responses will not be individualised).

Your willingness to complete all three questionnaires will be greatly appreciated. The link is provided below. Please complete the survey by 31 March 2020. For more details pertaining to the research study, please see the attached documentation. Please contact the researcher (see attached word document) should you experience any problems.

Yours faithfully

<<<Name and surname>>>

By clicking on the link below, you accept the following:

Your participation in this study is voluntary.

All information you provide will only be utilised for academic purposes

Your information will be treated collectively, ethically, confidentially, and anonymously (the responses will not be individualised).

Once you have filled in your responses, you can click on the “submit” button. Your willingness to complete the questionnaire is greatly appreciated, and we look forward to receiving your responses. Please complete the survey by 31 March 2020.

<<< URL link provided >>>

LANDING PAGE ONCE URL LINK TAKES USER TO WEB BROWSER

Dear Participant

You are being invited to participate in a two-phase study that forms part of a research study conducted by Mrs Ireze van Wyk, a student doing her PhD in the Department of Business Management at the University of South Africa (Unisa). The objective of this thesis, the first phase, is to investigate how SME owners/managers use strategic decision-making frameworks or tools and to develop a working definition for ethics.

During this phase (the first phase), a minimum of three (not more than four) rounds of questions will take place. During each round, you are asked to complete a few questions that will take 10 - 15 minutes to complete.

Procedures for each round of questionnaires

The procedure requires you to take an estimated 15 to 20 minutes to complete the online survey. The study will involve the completion of three sections (A, B and C).

Section A: Demographical Questionnaire

Section B: Business information Questionnaire

Section C: Strategic decision-making Questionnaire

ROUND 1 QUESTIONS

An ethical strategic decision-making framework for South African SME's

Please answer the following questions by filling in the block provided or ticking the correct option/s. Personal and business-related information will not be recorded, and no-one will be able to connect an individual to the answers provided. The responses will be dealt with collectively and ethically. Confidentiality and anonymity are honoured at all times. Thank you for your participation.

*By continuing with the survey you acknowledge that:
You have read and understood the information provided above.
You give your consent to participate in the study on a voluntary basis.
If you do not want to participate in this survey, please exit the page.*

There are 17 questions in this survey.

Demographic information

1. I am ...

❶ Choose one of the following answers
Please choose **only one** of the following:

- Female
- Male
- Other

2. My age is ...

❶ Only numbers may be entered in this field.
Please write your answer here:

3. My country of origin is ...

Please write your answer here:

4. My highest qualification is ...

❶ Choose one of the following answers
Please choose **only one** of the following:

- Primary school
- Secondary school
- Matric
- Certificate
- Diploma
- Degree
- Honours
- MCom/MBA/MBL
- PhD/DCom/DBL

5. My home language is ...

Please write your answer here:

6. What is the age of your business?

● Choose one of the following answers
Please choose **only one** of the following:

- Less than a year
- Between 1 – 3 years
- Between 4 – 10 years
- More than 10 years

7. Does your business have a VAT number?

● Choose one of the following answers
Please choose **only one** of the following:

- Yes
- No

8. What products/services do you offer?

Please write your answer here:

9. How many years of experience do you have managing a business as a top manager/owner?

● Only numbers may be entered in this field.
Please write your answer here:

10. How many employees do you have?

● Choose one of the following answers
Please choose **only one** of the following:

- 0 – 5 employees
- 6 – 10 employees
- 11 – 20 employees
- 21 – 50 employees
- 51 – 100 employees
- 101 – 200 employees
- 200 and more employees

11. Please tick the regions where your business is operational.

● Check all that apply
Please choose **all** that apply:

- Western Cape
- Eastern Cape
- Northern Cape
- North West
- Free State
- Kwazulu Natal
- Gauteng
- Limpopo
- Mpumalanga

Strategic Decision Making

Please read the definition for *Strategic Decisions* and answer the questions that follow.

Definition:

Strategic decisions are decisions that concern:
how competitive advantage can be maintained or increased
the future or the bigger picture
how to grow or scale down
major changes in the business (scope or scale)

12. Think of an example of a recent strategic decision you have made. In the space below, briefly tell me about this strategic decision.

Please write your answer here:

13. Reflect on the actions you would typically engage in when making strategic decisions. In the space below, briefly explain the actions, or processes, or steps you follow to make good strategic decisions. Take your strategic decision explained above as an example to guide me through this process – from how the need to make this strategic decision originated, the actions that followed thereafter, to the final result.

Please write your answer here:

14. How would you define business ethics, in your workplace?

Please write your answer here:

15. Has business ethics ever affected your strategic decisions? If so, please explain?

Please write your answer here:

Please provide us with your email address so that the second round of questions can be emailed to you. The email address will ONLY be used to forward you the next round of questions.

Please write your answer here:

**Thank you for completing round 1.
Round 2 will follow in due time.**

Submit your survey.

Thank you for completing this survey.

ROUND 2

To keep confidentiality and anonymity of the participant and the answers, the researcher facilitated the second and third round of emails. The following email was forwarded to each participant. Included in the emails were their individual answers.

Dear participant,

Thank you for your valuable inputs during round 1. The aim of round 2 and 3 is to reach consensus on the findings of round 1 and move towards a best practice strategic decision-making (SDM) process and definition for business ethics for Small and Medium Sizes Enterprises (SMEs).

You are receiving this email directly from me, the researcher, to ensure your anonymity and confidentiality in the research process. I have consolidated the findings of round 1 and have identified generic actions pertaining to Strategic Decision-Making (SDM) and generic elements for a definition for business ethics that occurred the most often in the findings of round 1. In round 2, these actions are presented as generic statements for you to determine the applicability of the findings to 1) your generic strategic decision-making process and 2) a generic definition of business ethics that is applicable to you.

There are two sections in this round of questions and will take approximately 10 - 15 minutes to complete.

Section A: Rating type questions (24) pertaining to the findings on a strategic decision-making process (the opportunity to make changes to the findings are provided)

Section B: Rating type questions (12) pertaining to the findings on a definition of business ethics (the opportunity to make changes to the findings are provided)

Attached to this email is your individual answers (only you can view this), should you wish to refresh your memory and review your answers. You will identify findings in the group responses that were not evident in your answer – please consider those findings and decide if they are still applicable (but perhaps omitted in your answer) or not applicable at all. Also attached to this email were the basic information pertaining to this research study.

Your individual responses are treated as highly confidential. The responses will be dealt with collectively and ethically. Your participation in this study is voluntary and all the all information you provide will only be utilised for academic purposes and will be treated confidentially and anonymously (the responses will not be individualised).

The link is provided below. Please complete the survey by 12 May 2020.

By clicking on the link below, you accept the following:

Your participation in this study is voluntary.

All information you provide will only be utilised for academic purposes

Your information will be treated collectively, ethically, confidentially, and anonymously (the responses will not be individualised).

Once you have filled in your responses, you can click on the “submit” button.

Survey URL: <<< URL link provided >>>

Kind regards

Ireze van Wyk

ROUND 2 QUESTIONS

An ethical strategic decision-making framework for South African SME's

There are 19 questions in this survey.

Dear participant,

Please indicate the extent to which you feel the findings of round 1 apply to your 1) generic strategic decision-making process (SDM) (examples provided below) and 2) elements that should be in a definition of business ethics for Small and Medium Entities (SMEs). No-one will be able to connect an individual to the answers provided. The responses will be dealt with collectively and ethically. Confidentiality and anonymity are honoured at all times.

If you are not sure what is meant with "generic statements", please refer to the examples below.

Examples of generic statements

Column A indicates a fictional answer, and column B represents the answer re-written as a generic statement.

Example of a statement in a practical setting	Generic statements
I reviewed financial statements, and the current income streams	I/we reviewed the current financial state of my entity (for example, reviewing the current/past financial statements and income streams)
I researched the industry We analysed the needs of our customers	I/we gathered non-financial information pertaining to the strategic decision (For example, research the industry, customer needs, reviewed the effectiveness of the current strategy, or the purpose of the entity)

By continuing with the survey you acknowledge that:

You have read and understood the information provided above.

You give your consent to participate in the study on a voluntary basis.

If you do not want to participate in this survey, please exit the page.

Seven (7) generic themes were identified, and subsequent actions based on frequencies during round 1. Please indicate the extent to which you feel you have applied a statement in your strategic decision-making process.

Reason for strategic decision

Please choose the appropriate response for each item:

	Strongly not applicable to my SDM process	Mostly not applicable to my SDM process	Not applicable in my SDM process	Neither is this applicable or not	Applicable in my SDM process	Mostly applicable in my SDM process	Strongly applicable to my SDM process
1. I/we identified the reason for strategic decision-making as either a problem or an opportunity (for example: the national lockdown or opportunity to grow the business)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. I/we identify an internal factor that caused my entity to engage in strategic decision-making (for example high operational expenses, or the need to grow the business)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. I/we identified an external factor that caused my entity to engage in strategic decision-making (for example: lockdown, changes in the industry, changes in the external environment)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Analysis of financial information

Please choose the appropriate response for each item:

	Strongly not applicable to my SDM process	Mostly not applicable to my SDM process	Not applicable in my SDM process	Neither is this applicable or not	Applicable in my SDM process	Mostly applicable in my SDM process	Strongly applicable to my SDM process
4. I/we analysed financial information pertaining to the problem/opportunity identified (for example, reviewing the financial implications or financial statements or the entity)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. I/we reviewed the financial implications the identified issue or opportunity has on my entity (for example, the financial impact high expenses have on profits/cash flow, or the financial impact of the lockdown)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. I/we conducted a financial analysis considering the strategic decision I/we decided to implement (for example, reviewing financial statements, income streams, expenses)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. I/we reviewed the current financial state of my entity (for example, reviewing the current/past financial statements and income streams)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly not applicable to my SDM process	Mostly not applicable to my SDM process	Not applicable in my SDM process	Neither is this applicable or not	Applicable in my SDM process	Mostly applicable in my SDM process	Strongly applicable to my SDM process
8. I/we evaluated the possible financial impact the chosen strategic decision may have on my entity (for example: considering the costs or other financial impact of implementing the strategic decision)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. I/we evaluated the outcomes of the different options/solutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
11. I/we reviewed the cost of implementing the strategic decision	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
12. I/we selected the outcome/solution with the least cost route to conserve the entity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
13. I/we do not follow specific, formal steps during my/our strategic decision-making process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Strategic decision

Please choose the appropriate response for each item:

	Strongly not applicable to my SDM process	Mostly not applicable to my SDM process	Not applicable in my SDM process	Neither is this applicable or not	Applicable in my SDM process	Mostly applicable in my SDM process	Strongly applicable to my SDM process
9. I/we decided on the solution that would best address the identified issue or opportunity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Gathering non-financial information

Please choose the appropriate response for each item:

	Strongly not applicable to my SDM process	Mostly not applicable to my SDM process	Not applicable to my SDM process	Neither is this applicable or not	Applicable in my SDM process	Mostly applicable to my SDM process	Strongly applicable to my SDM process
14. I/we gathered non-financial information pertaining to the strategic decision (for example, research the industry, customer needs, reviewed the effectiveness of the current strategy, or the purpose of the entity)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
15. I/we gathered internal non-financial information of my entity (for example: reviewing the vision/purpose of my business, evidence of current business strategy)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
16. I/we gathered external non-financial information (for example, customer needs, benchmarking, input from suppliers, trends in the industry)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Communication

Please choose the appropriate response for each item:

	Strongly not applicable to my SDM process	Mostly not applicable to my SDM process	Not applicable to my SDM process	Neither is this applicable or not	Applicable in my SDM process	Mostly applicable to my SDM process	Strongly applicable to my SDM process
17. I/we communicated with shareholders regarding the strategic decision to get their input (for example: input from the management team)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
18. I/we communicated with shareholders regarding the strategic decision to get their buy-in (for example: buy in from the management team)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
19. I/we communicated with other stakeholders regarding the strategic decision to get their input (for example, input from with employees, suppliers, unions)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

20. I/we communicated with other stakeholders regarding the strategic decision to get their buy-in (for example, buy-in from employees, suppliers, unions)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
--	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

Implementation

Please choose the appropriate response for each item:

	Strongly not applicable to my SDM process	Mostly not applicable to my SDM process	Not applicable to my SDM process	Neither is this applicable or not	Applicable in my SDM process	Mostly applicable to my SDM process	Strongly applicable to my SDM process
21. I/we implemented the strategic decision	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Evaluation of the effectiveness of the strategic decision

Please choose the appropriate response for each item:

	Strongly not applicable to my SDM process	Mostly not applicable to my SDM process	Not applicable to my SDM process	Neither is this applicable or not	Applicable in my SDM process	Mostly applicable to my SDM process	Strongly applicable to my SDM process
22. I/we monitored the effectiveness of the implemented strategic decision (for example, there are regular reporting or checks in place)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

23. I/we reflected on the effectiveness (success or failure) of the implemented strategic decision (for example, reviewing the improvement success or failure of the implemented strategic decision)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
24. I/we reviewed how to improve elements in the strategic decision-making process (for example, wasted time or finances and/or adapt the current strategy so that it is more effective)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you feel that you want to add another step that must be part of a best practice SDM process?

Please choose **only one** of the following:

- Yes
 No

Please add the step/s in the following text blocks provided.

Only answer this question if the following conditions are met:

Answer was 'Yes' at question '9 [MoreSteps1]' (Do you feel that you want to add another step that must be part of a best practice SDM process?)

Do you want to make any modifications to the generic statements provided?

Please choose **only one** of the following:

- Yes
 No

Scroll to the statement you want to change. Please make your changes to the statement in the text block next to the statement.

Only answer this question if the following conditions are met:

Answer was 'Yes' at question '11 [Modifications1]' (Do you want to make any modifications to the generic statements provided?)

Do you feel that you want to add another step that must be part of a best practice SDM process?

Please choose **only one** of the following:

- Yes
 No

Please add the step/s in the following text blocks provided.

Only answer this question if the following conditions are met:

Answer was 'Yes' at question '9 [MoreSteps1]' (Do you feel that you want to add another step that must be part of a best practice SDM process?)

Do you want to make any modifications to the generic statements provided?

Please choose **only one** of the following:

- Yes
 No

Scroll to the statement you want to change. Please make your changes to the statement in the text block next to the statement.

Only answer this question if the following conditions are met:

Answer was 'Yes' at question '11 [Modifications1]' (Do you want to make any modifications to the generic statements provided?)

Five (5) generic themes were identified (indicated in bold), and subsequent elements based on frequencies. Please indicate the extent to which you feel the statements apply to a generic definition of business ethics for SMEs.

Business ethics is...

Please choose the appropriate response for each item:

	Strongly not applicable to my SDM process	Mostly not applicable to my SDM process	Not applicable In my SDM process	Neither is this applicable or not	Applicable In my SDM process	Mostly applicable In my SDM process	Strongly applicable to my SDM process
1. about doing the right thing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. about being compliant to legal and industry-specific regulations (for example, financial regulations or other industry-specific regulations)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. upholding integrity (values and honesty) while doing business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. about upholding values (for example, upholding principles, excellence, beliefs, or being professional)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. about being honest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. being open and transparent while doing business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. about being trustworthy (reliable and loyal) in what we do	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. behaving responsibly towards internal and external stakeholders/shareholders	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9. behaving responsibly towards other members on the management team	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10. behaving responsibly towards other stakeholder (for example, employees, customers and suppliers)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
11. behaving responsibly towards the planet (the environment)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
12. about delivering products and/or services of good quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you feel that you want to add other elements to the generic working definition of business ethics?

Please choose **only one** of the following:

- Yes
 No

Please add the step/s in the following text blocks and indicate the extent to which you agree (or disagree) to your added step/s.

Only answer this question if the following conditions are met:
 Answer was 'Yes' at question '14 [MoreSteps3]' (Do you feel that you want to add other elements to the generic working definition of business ethics?)

Do you want to make any modifications to the generic statements provided?

Please choose **only one** of the following:

- Yes
 No

Scroll to the statement you want to change. Please make your changes to the statement in the text block next to the statement.

Only answer this question if the following conditions are met:
 Answer was 'Yes' at question '16 [Modifications3]' (Do you want to make any modifications to the generic statements provided?)

Please provide us with your email address so that the third round of questions can be emailed to you. The email address will **ONLY** be used to forward you the next round of questions.

Please write your answer here:

Submit your survey.
Thank you for completing this survey.

**Thank you for completing round 2.
Round 3 will follow in due time.**

ROUND 3 FEEDBACK

Good day,

A heartfelt thank you to all that have participated.

Consensus was reached during round two. The link below merely shares the findings of round two and indicate consensus (in percentages). There are no research-related surveys, but at the end a few questions are asked for feedback-purposes (such as did you enjoy participating).

The survey has two sections:

Section A – findings on strategic decision-making in SMEs

Section B – findings on elements for a definition for business ethics for SMEs

By clicking on the link below, you accept the following:

Your participation in this study is voluntary.

All information you provide will only be utilised for academic purposes

Your information will be treated collectively, ethically, confidentially, and anonymously (the responses will not be individualised).

Survey URL: <<< URL link provided >>>

Once again, thank you very much!

Kind regards

Ireze van Wyk

ROUND 3 FEEDBACK

An ethical strategic decision-making framework for South African SME's - Feedback

There are 7 questions in this survey.

FINDINGS

Dear participant,

Thank you for your valuable contributions in round 1 and 2. Consensus was reached during round 2, and this round provides you with the feedback, and contains two sections.

Section A: Feedback on the strategic decision-making process (SDM) for Small and Medium Entities (SMEs)

Section B: Feedback on a working definition for business ethics for SMEs'

Below the findings of round 2. Consensus was determined if 70% (or more) of responses fell within the positive or negative side of the seven-point Likert scale used.

Section A: The findings regarding strategic decision making (SDM) in SMEs

Group statements (GS) regarding SDM	Consensus (in percentage)
GS 1 I/we identified the reason for strategic decision making which was either a problem or an opportunity (for example, the national lockdown, financial implications, high expenses, the opportunity to growth the business)	80% Consensus
GS 2 I/we identify an internal factor that caused my entity to engage in strategic decision making (for example, high operational expenses, or the need to increase turn-over, or to grow the business)	90% Consensus
GS 3 I/we identified an external factor that caused my entity to engage in strategic decision making (for example, national lockdown, changes in the industry, changes in the external environment)	100% Consensus

GS 4	I/we analysed financial information pertaining to the problem/opportunity identified (for example, reviewing the financial implications or financial statements of the entity)	100% Consensus
GS 5	I/we reviewed the financial implications the identified issue or opportunity has on my entity (for example, the financial impact high expenses have on profits/cash flow, or the financial impact of the lockdown)	100% Consensus
GS 6	I/we conducted a financial analysis considering the strategic decision I/we decided to implement (for example, reviewing financial statements, income streams, expenses)	100% Consensus
GS 7	I/we reviewed the current financial state of my entity (for example, reviewing the current/past financial statements and income streams)	100% Consensus

GS 8	I/we evaluated the possible financial impact the chosen strategic decision may have on my entity (for example: considering the costs or other financial impact of implementing the strategic decision)	100% Consensus
GS 9	I/we decided on the solution that would address the identified issue or opportunity	100% Consensus
GS 10	I/we evaluated the outcomes of more than one options/solutions	90% Consensus
GS 11	I/we reviewed the cost of implementing the chosen solution	100% Consensus
GS 12	I/we selected the outcome/solution with the least cost route to conserve the entity	70% Consensus
GS 13	I/we do not follow specific, formal steps during my/our strategic decision-making process	90% Consensus

GS 14	I/we gathered non-financial information pertaining to the strategic decision (For example, research the industry, customer needs, reviewed the effectiveness of the current strategy, or the purpose of the entity)	80% Consensus
GS 15	I/we gathered internal non-financial information of my entity (for example: reviewing the vision/purpose of my business, evidence of current business strategy)	70% Consensus
GS 16	I/we gathered external non-financial information (for example, customer needs, benchmarking, input from suppliers, trends in the industry)	80% Consensus
GS 17	I/we communicated with shareholders regarding the strategic decision to <i>get their input*</i> (for example: input from the management team)	80% Consensus
GS 18	I/we communicated with shareholders regarding the strategic decision to <i>get their buy-in*</i> (for example: buy in from the management team)	80% Consensus
GS 19	I/we communicated with other stakeholders regarding the strategic decision to <i>get their input*</i> (for example, input from employees, suppliers, unions)	90% Consensus
GS 20	I/we communicated with other stakeholders regarding the strategic decision to <i>get their buy-in*</i> (for example, buy-in from employees, suppliers, unions)	80% Consensus
GS 21	I/we implemented the solution	100% Consensus
GS 22	I/we monitored the effectiveness of the implemented strategic decision (for example, there are regular reporting or checks in place)	100% Consensus
GS 23	I/we reflected on the effectiveness (success or failure) of the implemented strategic decision (for example, reviewing the improvement success of failure of the implemented strategic decision)	100% Consensus
GS 24	I/we reviewed how to improve elements in the strategic decision-making process (for example, wasted time or finances and/or adapt the current strategy to be more effective)	90% Consensus

Section B: The findings regarding Business ethics in SMEs

Group statements regarding a definition for business ethics		Consensus
GS 1	Business ethics is about doing the right thing	100% Consensus
GS 2	Business ethics is about being compliant to legal and industry-specific regulations (for example, financial regulations or other industry-specific regulations)	100% Consensus
GS 3	Business ethics is upholding integrity (values and honesty) while doing business	100% Consensus
GS 4	Business ethics is about upholding values (for example, upholding principles, excellence, beliefs, or being professional)	100% Consensus
GS 5	Business ethics is about being honest	100% Consensus
GS 6	Business ethics is being open and transparent while doing business	100% Consensus

GS 7	Business ethics is about being trustworthy (reliable and loyal) in what we do	100% Consensus
GS 8	Business ethics is behaving responsible towards internal and external stakeholders/shareholders	100% Consensus
GS 9	Business ethics is behaving responsibly towards other members on the management team	100% Consensus
GS 10	Business ethics is behaving responsibly towards other stakeholder (for example, employees, customers and suppliers)	100% Consensus
GS 11	Business ethics is behaving responsibly towards the planet (the environment)	100% Consensus
GS 12	Business ethics is about delivering products and/or services of good quality	100% Consensus

Thank you for your participation in this research study.

You do not have to answer the following questions, but out of interest I would like feedback.

Did you enjoy taking part in this research process?

Please choose **only one** of the following:

- Yes
 No

Did you learn about your SDM process from the group responses?

Please choose **only one** of the following:

- Yes
 No

Did you learn about business ethics from the group responses?

Please choose **only one** of the following:

- Yes
 No

Would you like to take part in the future research studies of this PhD?

Please choose **only one** of the following:

- Yes
 No

Did you enjoy taking part in this research process?

Please choose **only one** of the following:

- Yes
 No

Did you learn about your SDM process from the group responses?

Please choose **only one** of the following:

- Yes
 No

Did you learn about business ethics from the group responses?

Please choose **only one** of the following:

- Yes
 No

Would you like to take part in the future research studies of this PhD?

Please choose **only one** of the following:

- Yes
 No

Please provide us with your email address for future research communications regarding this PhD.

Only answer this question if the following conditions are met:

Answer was 'Yes' at question '6 [Q4]' (Would you like to take part in the future research studies of this PhD?)

Please write your answer here:

Submit your survey.
Thank you for completing this survey.

APPENDIX H: IQA TEMPLATES

ART tables

Affinity Name
1.
2.
3.
4.

Possible Relationships
$A \rightarrow B$
$A \leftarrow B$
$A \leftrightarrow B$ (No Relationship)

Focus Group	
Affinity Relationship Table	
Affinity Pair Relationship	Example of the relationship either in natural language or in the form of an IF/THEN statement of relationship
1 2	
1 3	
1 4	
2 3	
2 4	
3 4	

Pareto Tables

The screenshot displays the Microsoft Excel interface with the following elements:

- Ribbon:** File, Home, Insert, Page Layout, Formulas, Data, Review, View, Help, Search.
- Home Ribbon:**
 - Clipboard:** Paste, Cut, Copy, Format Painter.
 - Font:** Times New Roman, 14, Bold (B), Italic (I), Underline (U), Color, Background Color, Font Color (A).
 - Alignment:** Wrap Text, Merge & Center, Text Alignment (left, center, right, justified), Orientation (horizontal, vertical), Indentation (left, right, top, bottom).
 - Number:** General, Currency (\$), Percentage (%).
- Formula Bar:** B2, [X], [Checkmark], [fx].
- Worksheet Grid:**
 - Columns:** A, B, C, D, E, F, G, I, J.
 - Rows:** 1 through 25.
 - Table Structure:**
 - Row 1:** Affinity Pair Relationship (A), Frequency (B).
 - Row 2:** 1 > 2 (A), [] (B), [] (C).
 - Row 3:** 1 < 2 (A), [] (B), [] (C).
 - Row 4:** 1 > 3 (A), [] (B), [] (C).
 - Row 5:** 1 < 3 (A), [] (B), [] (C).
 - Row 6:** 1 > 4 (A), [] (B), [] (C).
 - Row 7:** 1 < 4 (A), [] (B), [] (C).
 - Row 8:** 2 > 3 (A), [] (B), [] (C).
 - Row 9:** 2 < 3 (A), [] (B), [] (C).
 - Row 10:** 2 > 4 (A), [] (B), [] (C).
 - Row 11:** 2 < 4 (A), [] (B), [] (C).
 - Row 12:** 3 > 4 (A), [] (B), [] (C).
 - Row 13:** 3 < 4 (A), [] (B), [] (C).
 - Row 14:** Frequency (A), 0 (B), [] (C).
 - Rows 15-25:** Empty.
 - Instructions:** Record the frequency of each relationship in the space provided. (located in column D, rows 2-13).
 - Status Bar:** Ready, Relationships, Frequency Ordered, Conflict, (+).

File Home Insert Page Layout Formulas Data Review View Help Search

Cut Copy Paste Format Painter Clipboard Font Alignment Number Styles

Times New Roman 14 A A Wrap Text Merge & Center

General Conditional Formatting Table

Normal Bad Good Neutral

M13

	A	B	C	D	E	F	G	H	I	J	K	L
	Affinity Pair Relationship	Frequency Sorted (Descending)	Cumulative Frequency	Cumulative Percent (Relation)	Cumulative Percent (Frequency)	Power						
1								<p>Instructions: Select columns A & B (lines 2 thru 13) and sort by descending order.</p> <p>Examine Column E, the Cumulative Percent (Frequency). When the percentage reaches 80% note the Frequency number in Column B. This is the cutoff for acceptable affinity relationships. If the same frequency number continues beyond 80% the cutoff is where the next frequency number value changes.</p> <p>Copy columns A & B to the cutoff point and paste them in the conflict sheet.</p>				
2	1 > 2	0	0	8.3	#DIV/0!	#DIV/0!						
3	1 < 2	0	0	16.7	#DIV/0!	#DIV/0!						
4	1 > 3	0	0	25.0	#DIV/0!	#DIV/0!						
5	1 < 3	0	0	33.3	#DIV/0!	#DIV/0!						
6	1 > 4	0	0	41.7	#DIV/0!	#DIV/0!						
7	1 < 4	0	0	50.0	#DIV/0!	#DIV/0!						
8	2 > 3	0	0	58.3	#DIV/0!	#DIV/0!						
9	2 < 3	0	0	66.7	#DIV/0!	#DIV/0!						
10	2 > 4	0	0	75.0	#DIV/0!	#DIV/0!						
11	2 < 4	0	0	83.3	#DIV/0!	#DIV/0!						
12	3 > 4	0	0	91.7	#DIV/0!	#DIV/0!						
13	3 < 4	0	0	100.0	#DIV/0!	#DIV/0!						
14	Total Frequency	0	Equal Total Frequency	Equals 100%	Equals 100%	Power = E-D						
15												
16												
17												
18												
19												
20												

Relationships Frequency Ordered Conflict

File Home Insert Page Layout Formulas Data Review View Help Search

Cut Copy Paste Format Painter Clipboard

Times New Roman 14 Font

Wrap Text Merge & Center Alignment Number

A2

	A	B	C	D	E	F	G	J	K
1	Affinity Pair Relationship p	Frequenc y	Conflict?						
2					Instructions: Paste the two columns (A&B) from the Frequency Ordered sheet in the first two columns. Select columns A & B and sort Affinity Pair Relationship by ascending order.				
3									
4									
5									
6									
7									
8									
9					Examine the affinity pair relationships for conflict. If both affinity pairs (ex. 1>2 and 1<2) are present, place a question mark in the conflict box.				
10									
11									
12									
13									
14					Use all non-conflicting relationships to create your IRD. For conflicting relationships, use the highest frequency. Note the affinity pair and reconcile conflicting relationships in the SID				
15									
16									
17									
18									
19									
20									
21									
22									
23									

Relationships Frequency Ordered **Conflict**

IRD Table

Affinity Name
- 1.
- 2.
- 3.
- 4.

Tabular IRD							
	1	2	3	4	OUT	IN	Δ
1							
2							
3							
4							

Count the number of up arrows (\uparrow) or *Outs*

Count the number of left arrows (\leftarrow) or *In*s

Subtract the number of *In*s from the *Outs* to determine the (Δ) *Deltas*

$$\Delta = \text{Out} - \text{In}$$

Tabular IRD – Sorted in Descending Order of Δ							
	1	2	3	4	OUT	IN	Δ
1							
2							
3							
4							

Tentative SID Assignments	
1	
2	
3	
4	

APPENDIX I: INTERVIEW PROTOCOLS

Below the interview protocol used in the IQA interview session and the additional interview sessions.

IQA session

Interview protocols:

Thank you

Recording

Please introduce yourself and give some background about yourself?

What the study is about. (SDM in SMEs)

Two parts of the interview (explore the themes I more detail, and then explore the relationships)

During the workshop, five elements were identified that the group believed influences SDM in SMEs. We're about to discuss each of them, but firstly,

1. Tell me about a strategic decision you've implemented in your business? (Or want to implement going forward)

Thank you. Let us look at the individual themes identified in the workshop.

PART 1 AXIAL QUESTIONS

Objective: record a CLEAR statement of the interviewee' experience with the affinity and its cause or results?

The first one was Risk and it consisted of Market influences, External influences, and Financial costs. [Brief definition, and the sub-themes of theme provided]

2. What are your experiences with **Market influences? External influences? Financial costs** as risks in SDM?

Listen for causes and effects and results

Listen how did Risk play out in SDM?

3. Let us look at **SMEracter**. It consisted of **Core** and **SME agility**. [Brief definition, and the sub-themes of theme provided]

Tell me about your experience with **Core** and **SME agility** in SDM?

Listen for causes and effects and results?

Listen to how did **SMEracter** plays out in SDM

4. **Operation** and its two themes were **Internal Team** and **Engine**. [Brief definition, and the sub-themes of theme provided]

What are your experiences with **Internal team** and **Engine** in SDM?

Listen for causes and effects and results?

Listen for how did this affinity play out in SDM?

5. **Limitations/opportunities**. The components under limitations/opportunities were **Time** and **Capacity**. [Brief definition, and the sub-themes of theme provided]

Tell me about your experiences with each of these **two components** in your SDM.

Listen for causes and effects and results?

Listen for how did this **limitations/opportunity** play out in SDM?

6. The last one was **Rewards**. Rewards included the **fuzzy feel goods** and the **financial potential** for the SME.

Tell me about your experiences with **fuzzy feel goods** and **financial potential** as rewards in your SDM?

Listen for causes and effects and results?

Listen for how rewards play out in SDM?

PART 2 THEORETICAL QUESTIONS

Objective: record the relations between the affinities

Now that we have talked about these topics, I would like to explore the relationships you see between them. In most cases, one topic affects the other. Tell me about the relationship (the direction of the relationship) based on your experiences and please give some examples of how the relationships affected your SDM.

Let's look at Risk and Limitations/Opportunities? Practical example?

And what about Risk and Reward? Practical example?

Risk and SMERacter? Practical example?

And what about Risk and Operations? Practical example?

Let's look at Limitations/Opportunities and Reward? Practical example?

Limitations/Opportunities and SMERacter? Practical example?

What about Limitations/Opportunities and Operations? Practical example?

Let's look at Reward and SMERacter? Practical example?

And what about Reward and Operations? Practical example?

SMERacter and Operations? Practical example?

ADDITIONAL INTERVIEWS

Interview protocols:

Thank you

Recording

Please introduce yourself and give some background about yourself?

What the study is about. (SDM in SMEs)

Objective: record a clear statement of the interviewee' experience with the affinity and it's cause or results?

During a workshop held in 2020, five elements were identified that the group believed influences SDM in SMEs. I would like to get your input on these themes and in your SDM, for additional input and information on these themes. Before I ask questions around these themes, firstly...

- Tell me about a strategic decision you have implemented in your business? (Or want to implement going forward)
- What is a strategic decision to you? (Define)

Thank you. Let us look at the individual themes identified.

The first one was **Risk** and it consisted of **Market influences, External influences and Financial costs**. [Brief definition, and the sub-themes of theme provided]

What are your experiences with Market influences and how does that play out in your SDM?

What are your experiences with External influences and how does that play out in your SDM?

And your experiences with Financial costs in your SDM?

Let's look at **SMEracter**. It consisted of **Core** and **SME agility**. [Brief definition, and the sub-themes of theme provided]

Tell me about your experience with Core and how does that influence your SDM?

And what about SME agility?

Listen for ethical related influencing factors.

Operation and its two themes were **Internal Team** and **Engine**. [Brief definition, and the sub-themes of theme provided]

What are your experiences with **Internal team** and its impact in your SDM?

And what about your experiences with **Engine** in your SDM?

Limitations/opportunities. The components under limitations/opportunities were **Time** and **Capacity**. [Brief definition, and the sub-themes of theme provided]

Tell me about the role Time plays in your SDM.

Capacity? How does a concept like capacity play out in your SDM?

The last one was **Rewards**. Rewards included the **fuzzy feel goods** and the **financial potential** for the SME.

Tell me about your experiences with **fuzzy feel goods** and **financial potential** as rewards in your SDM?

Do you feel that there is an important influencing factor that we did not discuss?

If there were any ethical related matters:

Ask about the ethics related matters, and the influence that had on SDM.

The next one was **SMEracter**. SMEracter referred to the business' character and core. It was also mentioned that it is difficult to sperate the two. The business character was linked to the "core" of the manager/owner (such as experiences, culture, or identity) and then there are also entity specific characteristics (such as having freedom in actions and decision-making and thinking on your feet). This theme consisted of **Core** and **SME agility**.

Tell me about your experience with **Core** and how does that influences your SDM?

And what about **SME agility**?

Operations were also identified to have an impact on strategic decisions. Operations in this context refers to how, or what makes the business “work” or function or what drives the business and decisions (structures and processes). The two themes under operations were **Internal Team** and **Engine**.

Tell me about the role of your **Internal team** and its impact in your SDM?

And what about your experiences with **Engine** in your SDM?

Limitations/opportunities. Limitations/ Opportunities, in this context, referred to the limitations on the entity/decision-maker (or the ceiling), and these limitations can be positive or negative (hence limitations/opportunities). The components under limitations/opportunities were **Time** and **Capacity**.

Tell me about the role **Time** plays in your SDM.

Capacity? How does a concept like capacity play out in your SDM?

The last one was **Rewards**. Rewards are the “gains or benefits or returns” and included the **fuzzy feel goods** for the decision-maker and the **financial potential** for the SME.

Tell me about your experiences with **fuzzy feel goods** and **financial potential** and the role they play in your SDM?

Do you feel that there is an important influencing factor that we didn’t discuss?

APPENDIX J: STRATEGIC DECISIONS IN SMES

In chapter 5, five categories of strategic decision were identified during the Delphi technique. These strategies were market/customer related, purposeful restructuring, forward buying and transactions. These strategies were 1) Market development, 2) Restructuring, 3) Hedging against threats strategies, 4) Scope of business and 5) Refocusing on niche market

Market development

“we’re busy expanding internationally you know” (IQA interview, Participant 5)

“We had to from time to time amalgamate but not amalgamate, but we had to bring in different resources from other companies or other companies that we took over, that’s a bad word, but the people we brought into our arena to strengthen the business to make sure we had the right people to run specific departments, specific areas.” (Additional interview, Participant 8)

One participant mentioned that through as joint venture, they could access a different market.

“set up a joint venture business in the Ethiopian market” (Additional interview, Participant 10)

Restructuring (operations and personnel)

“My partner and I took a strategic decision to buy our own equipment for everything and we trained ourselves” (Translated from Afrikaans) (IQA interview, Participant 2)

“from a strategic point of view we created what we call a hub where everything is centralised for the upload of cases, for the servicing of clients etc. so I take that out the hands of the financial advisors to make sure that they spend more time in front of clients so those are the kinds of things we do to look at the market place and where we can have a better benefit and then a better opportunity for the people.” (Additional interview, Participant 8)

“...again had to reduce a section of the business. I had to do a few retrenchments.” (Translated from Afrikaans) (IQA interview, Participant 3)

Hedging against threats

Hedging against threats were not directly evident in the findings of the IQA and interview phases. However, a few participants did indicate the necessity of saving. One participant indicated that it is needed to save to absorb risk, a form of hedging against threats.

“If we’re going to invest here or there, if we’re going to save or not.” (Additional interview, Participant 12)

“...over and above what you’ve budgeted, and it is exceeding what you’ve set your targets on having to save up for dark times or whatever risk may appear, then you engage in different initiatives” (Additional interview, Participant 11)

Scope of business

“So it was an absolutely strategic decision to say, okay, we’re not going to do this project ourselves, but we will manage it.” “Every time I have an idea, every time I have an idea, the idea has an impact. It’s a massive strategic decision because it costs a lot of money.” (Translated from Afrikaans) (IQA interview, Participant 2)

“a decision on a particular long-term agreement you might have with another business” “whether a client and I can come to a retainer agreement” (IQA interview, Participant 4)

“We did a project for {identifier removed} and because we do it the way that we do it, because my husband works with the team like he does, he’s a much better people’s person than I am, so he works with the teams. We actually got interest from nationwide {identifier removed} because of the way he handled himself. That was a strategic decision, we not just going to do this, you know how many branches is there? Where can we go with this? Can we go inter-provincial? Can we go nationwide with this? Can we go over the borders with this? So, that was also part of the planning as to why to get involved with certain projects.” (Additional interview, Participant 9)

Refocusing on niche market/Prioritising markets

“I had to make a decision to be more involved in the specific sector rather than generally. So, a bit more specialised in a direction.” (Translated from Afrikaans) (IQA interview, Participant 6)

There were nine (9) additional strategies identified and mentioned in the interviews. The additional strategies identified were new business start-up, maintaining quality, strategic networks, skills development or scope of business, market positioning, financial strategies, innovation, and product development.

New business start-up

New business start-up was either starting up a business due to the drive to own a small business, or in two cases, the need to step out of a current business, make a career change, and start a new business.

“it was a strategic decision to leave a partnership of nineteen years.” “and decide to make a career change” (Translated from Afrikaans) (IQA interview, Participant 2)

“biggest strategic decision I had to make was leaving the hospitality industry, which in itself wasn’t the biggest decision, going from 18 -20-hour work days, to really putting all your effort into working for yourself.”

“We are now in the process of registering a third company” (Additional interview, Participant 9)

Strategic networks

“Strategically that makes a lot more sense for me to be able to use a well-known place as a marketing strategy than for me to do all the legwork.” (Additional interview, Participant 9)

Marketing strategy

“how to market, like having a marketing strategy,” (IQA interview, Participant 4)

Skills development

Skills development and mentoring are closely related and were grouped under skills development. Mentoring was specified as a strategic decision by one participant. However, this was not in the context of succession planning, but to assist someone

else to be successful in their own career path. Another participant also indicted the importance of mentoring but did not indicate it a strategic decision per say and linked it to “paying it forward” which is a fuzzy feel-good reward. The participant said:

“It is also important to mentor people.” “...but paying it forward is also to mentor someone.” (Translated from Afrikaans) (IQA interview, Participant 2)

Skills development

“Without the competency and the skills development and the willingness of the team to venture into that field, we would not have been successful. So, that in my mind is the most important strategic decision that was taken in the last five years, for this company.” (Additional interview, Participant 10)

“Building your personal level of knowledge whether it's something you are interested in or something you are suffering with part of a problem solution session, I don't care where or when or how you fit it in if you are not expanding your knowledge base you are not contributing knowledge wise to the company. I have learned things from the youngest member in our company, I have taught things to everyone in the company as long as people keep improving themselves and improving their knowledge. The general knowledge of the company grows and we can increase our capacity to do things.” (IQA interview, Participant 5)

Mentoring

“You know, so the opportunity in that is obviously the grooming of the next generation, a younger tier of managers, you know, that succession plan for the business.” (Additional interview, Participant 10)

Mentoring strategies are related to succession planning. However, highlighted in the data was that the initiative to develop new leaders could be with or without the intention to replace the current leader. The below verbatim transcriptions are cases in point:

“...was one of my staff members who I was in the process of sort of mentoring to open her own branch” (Translated from Afrikaans) (IQA interview, Participant 1)

Although related to fizzy feelings, one participant also mentioned mentoring:

“paying it forward is also to mentor someone. I mentored {identifier removed} who I coincidentally met at a function, and now he is in the television industry,

and this is amazing to me that I could help somebody that wanted to make stories about water.” (IQA interview, Participant 2)

Market positioning

“So, of course, it is an issue of cost but then it’s furthermore part of the strategic business making decision as to where do you pitch your company within the playing field of similar companies and what do you need to invest in to make that distinction to give you the leading advantage.” (Additional interview, Participant 11)

“where do I take up offices” “how to define a business” (IQA interview, Participant 4)

Financial strategies

“and then financial decisions, do we take out a loan, do we invest in this,” (IQA interview, Participant 4)

“If we are going to invest in buying software and equipment and then on a yearly basis your big financial decisions. If we’re going to invest here or there, if we’re going to save or not.” (Additional interview, Participant 12)

Innovation

“was to start exploring the digital space.” “And that also, and perhaps that could be a strategic decision as well, is to venture into the understanding, and the reason why I picked on innovation specifically, is it’s a buzzword at the moment, and I think it’s recklessly used by people without understanding exactly what innovation is.” (Additional interview, Participant 11)

“If we are going to do a new product or invention? If we are going to patent something or not?” (Additional interview, Participant 12)

Product development

“If we are going to do a new product or invention? If we are going to patent something or not?” (Additional interview, Participant 12)

Maintaining reputation

*“I need to make a quick strategic decision about which staff can I give off tonight”
“and see can I cope can I still produce the quality of service” (IQA interview,
Participant 5)*

Although in different contexts, the importance of quality was also highlighted by two other participants:

“...a simple example in our industry, for example, use substandard aluminium or my designer told me I must use a certain strong aluminium and I used a cheaper or weaker quality because I can get it cheaper once I've got the job. So it is very, very important in business and that is why it is extremely important decision-making” (Translated from Afrikaans) (IQA interview, Participant 3)

“So there I took a strategic decision to appoint an office manager at great cost, to give that bit of distance, but it didn't influence the quality of the work” (Translated from Afrikaans) (IQA interview, Participant 2)

APPENDIX K: UNIQUE ACTIONS NOT CAPTURED BY THE GENERIC GROUP RESPONSES

Q1: Think of an example of a recent strategic decision you have made. In the space below, briefly tell me about this strategic decision.

Q2: Reflect on the actions you would typically engage in when making strategic decisions. In the space below, briefly explain the actions, or processes, or steps you follow to make good strategic decisions. Take your strategic decision explained above as an example to guide me through this process – from how the need to make this strategic decision originated, the actions that followed thereafter, to the final result.

Partici- pant	Statements	Unique actions not captured by the generic group responses	Action/decision taken by researcher and rationale
1	Marketing None	I/we do not follow steps during our strategic decision-making process.	SDM processes in SMEs are not well documented in SDM literature. Two respondents indicated that they did not follow, or follow through with a SDM process. The researcher decided to include this statement in Round 2. This statement was incorporated under theme 3 (Deciding on a strategic decision).
2	We decided to start producing only from KZN facility and transporting the product instead of opening manufacturing facility in Gauteng too. This will follow once volume justify.	I/we evaluated the outcomes of the different options/solutions I/we reviewed the cost of implementing the strategic decision	These generic actions were included as these steps are evident in broader SDM literature. In chapter 2 of this thesis actions such as “solution refinement, evaluating alternatives and assigning decision criteria and

Partici- pant	Statements	Unique actions not captured by the generic group responses	Action/decision taken by researcher and rationale
	Strategic decision is almost like navigating through many different options with probably similar outcome but choosing at the least cost route especially to conserve the cash flow while growing.	I/we selected the outcome/solution with the least cost route to conserve the entity	weights” were recording in Section 2.3.2.3 of Chapter 2. The researcher decided to include these statements in round 2. These statements were incorporated under theme 3 (Deciding on a strategic decision).
3	The size of transactions to be considered for the business Linked to long-term vision, how to achieve it.	I/we determined how to achieve it	The researcher believes that the current group statements captures the essence of “how to achieve it” (the long-term vision) under theme 4, namely gathering of non-financial information. It is reasonable to assume that revising and linking a strategic decision to a vision is part of gathering non-financial (internal) information. It can also reasonably be assumed that this action will be undertaken when the decision-maker considers the outcomes of different solutions (how to achieve it). The participant will have the opportunity to add this step in round two if the person feels is it an important generic step in the SDM process.

Partici- pant	Statements	Unique actions not captured by the generic group responses	Action/decision taken by researcher and rationale
4	<p>Deciding the venture into property development business as the construction business was the primary business objective.</p> <p>The most careless things done by us was not to follow steps when the process are considered and done and</p>	I/we do not follow steps during our strategic decision-making process	Already addressed
5	<p>To sell part of the business.</p> <p>Review financial statements of the business unit review income streams and input costs Review the cost of selling the business.</p>	I/we reviewed the cost of implementing the strategic decision	Already addressed
6	<p>Is to include construction on my service and reduce on supply and delivery due to financial implications of supply and delivery which sometimes you are paid later or make no profit.</p> <p>I analysed my 2019 performance and I identified areas which I wasted time and finances. I researched construction industry and got a mentor in this field, and partnerships. Currently i am learning and aligning my business to be ready for construction opportunities, my mentor and partnerships have vast experience in this field and i have personal gain a lot as to know which areas one can make good profits in construction.</p>	<p>I/we reviewed how to improve (for example, where is time and finances wasted)</p> <p>I/we appointed a mentor</p> <p>I/we looked for a suitable business partner</p>	<p>The researcher combined this statement with another one to formulate the following statement:</p> <p>I/we reviewed how to improve elements in the strategic decision-making process (for example, reduces wasted time or finances and/or adapt current strategies so that they are more effective). This statement was included under theme 3, namely the strategic decision.</p> <p>The researcher believes that appointing a business partner and mentor were situation or decision</p>

Partici- pant	Statements	Unique actions not captured by the generic group responses	Action/decision taken by researcher and rationale
		I/we aligned our entity with the industry at hand	<p>specific actions taken in this strategic decision-making process. The same applies for “aligning the entity with the industry” under theme 6, namely implementation. This specific action, in context of the strategic decision made is decision-specific (entering a new market).</p> <p>The participant will have the opportunity to add these steps to round two if the person feels is it an important generic step in the SDM process.</p>
8	<p>Selling 51% of our Business to be aligned with Government Regulations</p> <p>Looking for the correct partner as this is a marriage and not an engagement does have the same values and ethics</p>	<p>I/we looked for a suitable for a business partner</p> <p>I/we evaluated the values and ethics or the business partner to make sure it is the same</p> <p>I/we ensure that we are aligned with regulations and/or legislation and/or standards</p>	<p>The researcher believes that appointing a business partner and mentor (and reviewing their ethics), as well as to aligning to Government regulation were situation or decision specific actions taken in this strategic decision-making process.</p> <p>The participant will have the opportunity to add this step to round two if the person feels is it an important generic step in the SDM process.</p>

Participant	Statements	Unique actions not captured by the generic group responses	Action/decision taken by researcher and rationale
9	<p>Getting {identifier removed} ISO 9001 certified.</p> <p>Defining the purpose of {identifier removed} existence > identifying customers needs > benchmarking > redefining our services > resource insourcing > implementation</p>	<p>I/we ensure that we are aligned with regulations and/or legislation and/or standard</p>	<p>The researcher believes that aligning to Government regulation were situation or decision specific action taken in this strategic decision-making process.</p> <p>The participant will have the opportunity to add this step to round two if the person feels is it an important generic step in the SDM process.</p>
10	<p>Post the Marikana massacre, political uncertainty in South Africa & the economic downturn in the commodity cycle, mining has all but come to a halt. Major miners like {identifier removed} have sold off all their South African operations others have mothballed unprofitable shafts. This the backdrop as described above for our strategic decision and its effect on mining supply companies like ourselves. The strategic decision being to retrench our entire workforce & mothball our own operation essentially putting ourselves into business rescue and on care & maintenance. In other words on life support!</p> <p>Its origin was financial we started to become cash flow negative. The lower demand for our products resulted in us being unable to meet our monthly cash flow requirements despite not</p>	<p>I/we reviewed the impact of the strategic decision on other stakeholders (employees)</p>	<p>The researcher believes that reviewing the impact of the strategic decision on stakeholder, in this context, was a situation or decision specific action taken in this strategic decision-making process. This statement occurred twice in the data, and both strategic decisions entailed reducing the workforce (retrenchments). This has a direct implication on employees.</p> <p>The participant will have the opportunity to add this step to round two if the person feels is it an important generic step in the SDM process.</p>

Partici- pant	Statements	Unique actions not captured by the generic group responses	Action/decision taken by researcher and rationale
	<p>having debt or having rent to pay. Our biggest single cost to company was the wage bill. Our think tank was called together we deliberated and two days later i started the negotiating process to retrench the entire workforce through a process of consultation with all stakeholders including unions which took two months to complete. It was a win-win outcome three years later we still operational and {information not relevant}</p>		
11	<p>With the closing down of {removed identifier} we had to re-evaluate our future services and personnel composition</p> <p>I follow the swot analysis as a guideline, taking into effect the financial impact, keeping in mind the effect of decisions on personnel and the local community.</p> <p>The closing down of {removed identifier} is a major threat to any local business. It affected all businesses (our clients), which filters through to our turnover.</p> <p>We adjusted our personnel numbers (as we are a 100% service industry) to make our business "mean and lean" and keeping the best employees. This was done keeping in mind the effect on the households of people that could be retrenched. Retrenchments were kept to an absolute minimum.</p>	<p>I/we reviewed the impact of the strategic decision on stakeholders (the community or employees)</p>	<p>Already addressed</p>

Participant	Statements	Unique actions not captured by the generic group responses	Action/decision taken by researcher and rationale
13	<p>Approximately 60% of our Cost of Goods are imported. I recently decided to buy forward cover to for all outstanding foreign creditors at R14.20 (which was considered high at the time), but due to the anticipated volatility of the exchange rate it was decided prudent to rather fix. This helped the company maintain a competitive advance for the next 6 months as the current exchange rate is at R17.30 (a 22% improvement)</p> <p>Experience has shown that when there is a sudden bout of volatility, it is better to limit your exposure and rather stick to what you know, as the future trends can be very unpredictable in the short term. The exchange rate deteriorated from r13.80 to about r15 and then improved again to r14.20. This was due to the then emerging corona pandemic in china, which led to uncertainty in international markets. Due to the uncertainty it was decided to rather take it at R14.20 seeing that there was a risk of it going back over R15 again.</p>	I/we limited our exposure and “sticked” to what we knew	<p>The researcher believes that this statement was a situation or decision specific action taken in this strategic decision-making process. This statement was a one-of a kind and was difficult to interpret within SDM or the situation.</p> <p>The participant will have the opportunity to add this step to round two if the person feels is it an important generic step in the SDM process.</p>
16	The one thing that stands out except from our challenges during the Covid-19 lockdown would be alternative marketing and service providing. We have a serious challenge involving our parking at our centre. From the centre management's side there is no plan or solution. So online ordering and deliveries will be our next avenue off business in order to expand our sales	I/we identified the need to adjust or adapt the implemented strategic decision	Already addressed

Partici- pant	Statements	Unique actions not captured by the generic group responses	Action/decision taken by researcher and rationale
	<p>as we cannot accommodate more customers due to our parking limitations.</p> <p>Well this limitation on our business growth has always been a concern. We decided to expand our services and supply to wholesale. Supplying restaurants and other businesses for resell. We soon realized that selling product at a discounted price whilst paying prime retail rent and service fees that went up much quicker than inflation and price increases, we cannot focus on wholesale as a supplementary income source. Our main focus have always been quality products. To be the best in our trade of business, so our focus should rather be to reach out to customers that values what we stand for and try to achieve and are willing to pay the price we need to sell our products at, rather to sell a top product at a discounted price.</p>		
20	<p>I need to go digital on some of my products</p> <p>Proactive planning, and being creative</p>	<p>I/we engaged with proactive planning I/we were creative</p>	<p>The researcher believes that these statements are captured in the broader overall SDM roses identified.</p> <p>The participant will have the opportunity to add this step to round two if the person feels is it an important generic step in the SDM process.</p>

APPENDIX L: THE RESEARCH JOURNEY AND REPORT

The research journey and report

<p>20/06/2019</p>	<p>Got a list of SMEs from CoT. The list of 29 excel spreadsheets, were consolidated into one document, and it was possible to classify the data into name and surname, identification number and contact number. In exceptional cases, the name of the business, sector, email address and area were included. The most important details are omitted, namely the size of the business, and if they are registered. The researcher needed to call individuals to determine if they could be possible respondents for the research study.</p>
<p>21/06/2019</p>	<p>Identified possible SMEs owners/managers to call. From the consolidated list of SMEs, the researcher started with the SMEs whose Business Name was provided. The number of SMEs from the list totalled 449, and after removing SMEs with incomplete details (no business name, contact numbers, or incorrect contact numbers) and duplications, the total remaining number of SMEs was 296.</p> <p><i>Draft dialogue when phoning.</i> <i>Hi, Is this _____ speaking?</i> <i>Hi, good day. I am Ireze van Wyk, calling from UNISA and I am a researching Small and Medium Entities.</i> <i>May I ask you a few questions about your business? Your answers, your details, and your company's name are always kept confidential, and the information you provide will only be used for research and will remain anonymous.</i> <i>Thank you.</i> <i>How many employees to you have?</i> <i>Are you the manager or owner of this business?</i> <i>For how long have you been managing/the owner of this business?</i> <i>Is your business a registered business? Meaning, do you have a VAT number?</i> <i>Thank you very much! You have been very helpful! I wish you a lovely day.</i> OR <i>Sir OR mam, Thank you very much! You have been very helpful! You are the ideal small business owner that I would love to work with and gain expert knowledge on how you do decision-making in your business. If you are willing to participate, may I please have your email address? _____</i> <i>Thank you very much! I will forward you an email shortly.</i></p>
<p>24/06/2019 – 26/06/2019</p>	<p>Attended sustainability week and networked to recruit possible participants.</p>

27/06/2019	<p>Refined the message above (draft email). <i>Draft email – after phone call.</i> <i>Good day,</i> <i>Thank you so much for your time over the phone, and your willingness to possibly participate in my research study. The research study involves a series of questions that you can fill in confidently.</i> <i>I want to remind you that the information you provide will be kept confidential and will only be used for research purposes.</i> <i>I will forward more details regarding the study in due time, as well as the dates you can expect to receive an email and link to the online questionnaire.</i> <i>Kind regards</i> <i>Ireze</i></p>
01/07/2019	<p>Muckleneuk campus closed 1 July to 12 July – no water nor electricity. Will continue calling SMEs once I have access to a phone again. Searched for more IQA articles for references.</p>
22/07/2019 – 25/07/2019	<p>Phone calls. During this time it was decided that “cold calling” will not be sufficient. Researcher needs an institution who is willing to be the intermediary between the researcher and the SMEs. Actively searching for respondents. Meetings with possible candidates</p>
14/10/2019	<p>First MOA was signed. Waiting for the second company who responded positively to the call for assistance.</p>
30/01/2020	<p>Key person at the MNE resigned, and I had to meet with a new person to update re the studies and re-gain their willingness to get assisted with my PhD. Lime survey expert cannot access (UNISA) LimeSurvey software. Process was delayed due to strike action at main campus, as well as the person falling ill (on sick leave).</p>
28/02/2020	<p>The second company that responded positively to the call for assistance signed the MOA.</p>
09/03/2020	<p>Lime survey expert could still not access (UNISA) LimeSurvey software. On 09 March 2020 we decided to take the online survey to a different platform so that I could continue with my research. We created three online survey links: For the MNE: ID 74252 was used For the institution: ID 28279 was used For privately approached SMEs: ID 889513 was used</p>
11/03/2020	<p>Two links were forwarded to the two institutions who signed the MOA. I asked for the emails to be forwarded to the SMEs by/on 16 March 2020 (due date for completion of round on 31 March 2020).</p>

<p>12/03/2020 13/03/2020</p>	<p>The third link was forwarded to the privately approached SMEs (due date for completion of round on 31 March 2020). 16 SMEs were emailed. Only the MNE confirmed that the emails were forwarded to their SMEs by/on 13/03/2020. A total of 46 SMEs were emailed. No communication from the other institution so far.</p>
<p>19/03/2020</p>	<p>An additional SMEs was identified who might be willing to participate. An email was forwarded. Update on SMEs that were contacted MNE:46 SMEs Institution: No indication Private:17 SMEs</p>
<p>20/03/2020</p>	<p>A reminder email was drafted and forwarded to the MNE, Institution and privately approached SMEs. For the first time the Institution replied and acknowledged that the emails are forwarded. Still waiting for them to say how many SMEs are emailed.</p> <p>At this point an additional institution came on board to assist with IQA session invites for later the year. They agreed that I can be a speaker at one of their events, and then do the IQA session during the same morning.</p>
<p>23/03/2020</p>	<p>Announcement of lock down due to COVID-19 Virus (2020/03/23 21:25) total filled in surveys: An ethical strategic decision-making framework for South African SMEs (ID 28279) = 7 An ethical strategic decision-making framework for South African SMEs (ID 74252) = 3 An ethical strategic decision-making framework for South African SMEs (ID 889513) = 3</p>
<p>26/03/2020</p>	<p>A reminder email was drafted and forwarded to the MNE, Institution. It was asked that the reminder email be forwarded to their SMEs tomorrow or then by Monday (30 March 2020).</p> <p>(2020/03/26 13:49) total filled in surveys: An ethical strategic decision-making framework for South African SMEs (ID 28279) = 9 An ethical strategic decision-making framework for South African SMEs (ID 74252) = 5 An ethical strategic decision-making framework for South African SMEs (ID 889513) = 5</p>
<p>27/03/2020</p>	<p>A reminder email was drafted and forwarded to the private SMEs. Update on SMEs that were contacted MNE:46 SMEs Institution: No indication Private:17 SMEs</p>

09/04/2020	Lockdown due to the COVID-19 Virus extended to end of April
17/04/2020	Finalised draft survey for round 2 It was decided that each participant's email will have attached their individual answer. The implication is that an individual email needs to go out to each respondent. Emailed the two institutions and informed them that I will be facilitating the remaining rounds due to confidentiality and anonymity issues.
17/04/2020 - 28/04/2020	Round 2 completed Got feedback form institution. To date: MNE:46 SMEs Institution:250 SMEs Private:17 SMEs Total of 313 SMEs; responses for round 1 = 20 completed responses
23/04/2020	Lock down will be relieved in levels. Level 4 to be implemented on 1 May 2020. Restrictions on how many people to gather at once (physical gathering) remains; People are requested to work from home where possible. Spoke to my supervisor (re IQA research phase) we agreed to wait until 1 May to hear more details pertaining to level 4.
28/04/2020	Emails were sent out to participants 20 participants were emailed.
04/05/2020	Reminder emails were sent out to participants To date:4 completed surveys
11/05/2020	Reminder emails were sent out to participants To date:5 completed surveys
01/06/2020	Level 3 was implemented on 1 June 2020. Still not allowed to gather (conferences) Spoke to my supervisor (re IQA research phase) we agreed to wait until 1 July to hear more details pertaining to level 2.
11/06/2020	Round 3 was forwarded to participants – feedback round only.

15/06/2020	Meeting with Professor Ruth Albertyn re issue statement (issue statement too complex and should rather do ONE session with ONE broad issue statement). Back to the drawing board re issue statement, research questions and IQA orientation
15/06/2020 – 02/10/2020	Research was halted due to COVID-19 and restrictions placed on face-to-face contact. Was in in contact with the one institution re contact sessions. They took all their contact sessions online. The IQA method cannot be facilitated online.
02/10/2020 – 07/10/2020	Communications started with the one institution regarding contact sessions. We arranged a workshop for 13 November for the IQA session. Lime survey invitations were drafted. Prepping work for stationary and COVID-related things (gloved, sanitisers, etc.)
14/10//2020	Lime survey invites were forwarded to the MNE, and two Institutions. Only one of the institutions and the MNE responded, and emails were forwarded to their list of SMEs. Venue bookings and process to find caterers commenced
02/11 2020	Reminder emails were forwarded to the list of SMEs. Venue bookings and process to find caterers continued
10/11/2020	Confirmation emails went out to participant who indicated they wanted to attend. The details pertaining to the study and consent forms were attached in the email.
10/11/2020 – 11/11/2020	Venue bookings and caterers confirmed Practice the presentation and IQA method
11/11/2020 – 12/11/2020	Practice the presentation and IQA method
13/11/2020	IQA session Session went well. Notes: Time constraints (keeping the group within the time set out for the task) Researcher was pressed for time to make sure that time is adhered to (respect for participant's time). Difficult to coordinate the focus of the group. Some participants would be focusing on different affinities (naming of it), while the researcher is still busy finalising another affinity. Difficult to transcribe group discussions. Especially when more than one person talking.

	<p>While there are many “ways” to reach a point, the facilitator was “stuck” on following the protocol as practices and suggested. This is a flaw on the researcher’s character – I prefer structure.</p> <p>The IQA method may work well, with participant following instructions where there is an instructor/student relationship, or when there is a definitive authoritarian facilitator figure. Author and instructions are difficult to reinforce when the participants and facilitator are equals.</p> <p>Above may indicate power-issues were observed in interviews.</p> <p>There were roughly two domineering personalities. Regardless, the group were all still participating, and if one participant gave too many answers or input, the Author asked for other input.</p> <p>One domineering personality changed one name of the affinities from business character to SMEracter. The rest of the group liked the name change, and the meaning of the name is still intact.</p>
17/11/2020	<p>Confidentiality agreement with transcriber.</p> <p>Recording forwarded to transcriber</p>
25/11/2020 – 04/11/2020	<p>Six interviews were conducted at a day/time/place that was convenient for the participants</p> <p>25/11/2020 – One interview. Face-to-face. A local restaurant</p> <p>27/11/2020 – Two interviews. Face-to-face. Back-to-back. Both were done at the premises of the one participant’s business premises (they know each other well).</p> <p>03/12/2020 - One interview. Telephonic.</p> <p>04/12/2020. Two interviews. Back-to-back. Ms Teams.</p> <p>Recordings were made available to transcriber after each interview was completed.</p> <p>Very supportive feedback from all participants.</p>
04/12/2020	<p>IQA session recording was made available</p>
05/12/2020 and 07/12/2020	<p>Listened and verified the transcribed document (IQA session)</p> <p>Verified that the transcribed document reflects the conversations relatively well and captures all the meaningful information.</p>
08/12/2020	<p>Listened and verified the transcribed document (P2 interview)</p> <p>Verified that the transcribed document reflects the conversations relatively well and captures all the meaningful information.</p>
11/12/2020 – 10/01/2021	<p>Holiday</p>

11/01/2021	<p>Listened and verified the transcribed document (P1 interview)</p> <p>Verified that the transcribed document reflects the conversations relatively well and captures all the meaningful information.</p> <p>Participant found it difficult to participate in the discussions.</p>
12/01/2021 13/01/2021	<p>– Listened and verified the transcribed document (P4 interview)</p> <p>Verified that the transcribed document reflects the conversations relatively well and captures all the meaningful information.</p> <p>Listened and verified the transcribed document (P5 interview)</p> <p>Verified that the transcribed document reflects the conversations relatively well and captures all the meaningful information.</p>
13/01/2021 15/01/2021	<p>– Atlas.ti analysis (P1, P2, P4, P5)</p>
18/01/2021	<p>Listened and verified the transcribed document (P3 interview)</p> <p>Verified that the transcribed document reflects the conversations relatively well and captures all the meaningful information.</p> <p>Listened and verified the transcribed document (P6 interview)</p> <p>Verified that the transcribed document reflects the conversations relatively well and captures all the meaningful information.</p>
27/01/2021 - 10/02/2021	<p>Six interviews were conducted at a day/time/place that was convenient for the participants. These interviews were over MS teams or Zoom, depending what the participant felt comfortable with/preferred.</p> <p>27/01/2021. Ms Teams 29/01/2021. Zoom 01/02/2021. Ms Teams. 03/02/2021. Zoom 05/02/2021. Ms Teams 10/02/2021. Ms Teams. Line was bad.</p> <p>Recordings were made available to transcriber after each interview was completed.</p>
02/03/2021	<p>Listened and verified the transcribed document (P9 interview and interview 10)</p>

	Verified that the transcribed document reflects the conversations relatively well and captures all the meaningful information.
03/03/2021	Listened and verified the transcribed document (P11 interview and interview 12) Verified that the transcribed document reflects the conversations relatively well and captures all the meaningful information. Transcriber informed me that she fell ill and that there will be a delay in the remaining transcriptions
12/03/2021	Listened and verified the transcribed document (P13)
13/03/2021	Verified that the transcribed document reflects the conversations relatively well and captures all the meaningful information.
15/03/2021 - 19/04/2021	Coding and analysis of data

APPENDIX M: ETHICAL CLEARANCE CERTIFICATE



UNISA COLLEGE ETHICS REVIEW COMMITTEE

Date: 29 October 2018

2018_CRERC_015(FA)

Dear Ms Ireze van Wyk

NHREC Registration # : (if applicable)
ERC Reference # :
Name :
Student # :
Staff # :

**Decision: Ethics Approval from
19 October 2018 to 30
September 2022**

Researcher(s): Ms Ireze van Wyk

vanwyki@unisa.ac.za

072 375 1566

Supervisor (s): Prof Peet Venter

Ventep@unisa.ac.za

Working title of research:

An ethical strategic decision-making framework for South African SMEs

Qualification: PhD

Thank you for the application for research ethics clearance by the Unisa College Ethics Review Committee for the above mentioned research. Ethics approval is granted for 5 years.

*The **low risk application** was **reviewed** by the CEMS College Ethics Review Committee on 29 October 2018 in compliance with the Unisa Policy on Research Ethics and the Standard Operating Procedure on Research Ethics Risk Assessment.*



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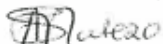
The proposed research may now commence with the provisions that:

1. The researcher(s) will ensure that the research project adheres to the values and principles expressed in the UNISA Policy on Research Ethics.
2. Any adverse circumstance arising in the undertaking of the research project that is relevant to the ethicality of the study should be communicated in writing to the Committee.
3. The researcher(s) will conduct the study according to the methods and procedures set out in the approved application.
4. Any changes that can affect the study-related risks for the research participants, particularly in terms of assurances made with regards to the protection of participants' privacy and the confidentiality of the data, should be reported to the Committee in writing, accompanied by a progress report.
5. The researcher will ensure that the research project adheres to any applicable national legislation, professional codes of conduct, institutional guidelines and scientific standards relevant to the specific field of study. Adherence to the following South African legislation is important, if applicable: Protection of Personal Information Act, no 4 of 2013; Children's act no 38 of 2005 and the National Health Act, no 61 of 2003.
6. Only de-identified research data may be used for secondary research purposes in future on condition that the research objectives are similar to those of the original research. Secondary use of identifiable human research data require additional ethics clearance.
7. No field work activities may continue after the expiry date. Submission of a completed research ethics progress report will constitute an application for renewal of Ethics Research Committee approval.

Note:

*The reference number **2018_CRERC_015(FA)** should be clearly indicated on all forms of communication with the intended research participants, as well as with the Committee.*

Yours sincerely,



Signature

Chair of CRERC

29/10/2018

Signature

Executive Dean :

APPENDIX N: DECLARATION OF PROFESSIONAL EDIT



Retha Burger
S.A.(P.L.D.)

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Independent Skills Development Facilitator

Dear Ms van Wyk

This letter is to record that I have completed a language edit of your thesis entitled, "AN ETHICAL STRATEGIC DECISION-MAKING FRAMEWORK FOR SOUTH AFRICAN SMALL AND MEDIUM ENTERPRISES".

The edit that I carried out included the following:

- Spelling
- Grammar
- Vocabulary
- Punctuation
- Pronoun matches
- Word usage
- Sentence structure
- Correct acronyms (matching your supplied list)
- Captions and labels for figures and tables
- Spot checking of 10 references

The edit that I carried out excluded the following:

- Content
- Correctness or truth of information (unless obvious)
- Correctness/spelling of specific technical terms and words (unless obvious)
- Correctness/spelling of unfamiliar names and proper nouns (unless obvious)
- Correctness of specific formulae or symbols, or illustrations.

Yours sincerely

Retha Burger

13 January 2022