SMALL, MEDIUM, AND MICRO ENTERPRISES (SMMEs) AND THE COVID-19 PANDEMIC. WHAT AIDED SURVIVORS IN UMHLATHUZE MUNICIPALITY IN TRAVERSING THE DISASTER?

by

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ABSTRACT

The purpose of this study was to explore the factors that helped small, micro, and medium enterprises (SMMEs) in uMhlathuze Municipality in KwaZulu-Natal, South Africa, to survive the COVID-19 disaster. Given that disasters are increasingly becoming the norm, the research was prompted by the need to obtain information that can mitigate SMME failure in the face of disasters like COVID-19. A qualitative research approach was adopted for the study. Pilot study was done using two purposefully sampled SMMEs from uMhlathuze Municipality to test the suitability of the interview guide and the attitude of participants towards the research. Data obtained from the pilot survey was not included in the data analysis. Data for the research was extracted from twelve purposefully sampled SMME owners and managers from uMhlathuze Municipality using semi-structured interviews. The Thematic Analysis technique and Atlas.ti software (version 23.2.3.27778) were used to analyse the collected data. Research findings revealed that SMMEs in uMhlathuze Municipality were affected by diverse COVID-19 induced challenges. However, the good state in which the SMMEs were before the pandemic, coupled with the measures the SMMEs embraced to fend off the COVID-19 challenges, aided the survival of the SMMEs. Furthermore, research evidence showed that COVID-19 offered businesses certain opportunities. These opportunities also assisted other SMMEs to survive the COVID-19 crisis. Based on the research findings, the study recommends that SMMEs need to be equipped with crisis management skills to ensure their long-term sustainability. Furthermore, the government should embrace equitable treatment of registered SMMEs to reduce SMME failure and achieve inclusive growth.

Keywords

Coronavirus-19; pandemic; virus; challenge; small, micro to medium enterprises; government; lockdown; entrepreneur; disaster; essential sector; non-essential sector.

MANWELEDZO

Ndivho ya ngudo iyi ndi u sedza kha zwivhumbi zwo thusaho mabindu maṱuku, ane a khou aluwa na o linganelaho (SMMEs) kha Masipala wa uMhlathuze ngei KwaZulu-Natal, Afrika Tshipembe, u konḓelela tshiwo tsha COVID-19. Musi zwiwo zwi khou dzulela u vha nḓowelo, ṱhoḓisiso dzo kombetshedzwa nga ṱhoḓea ya u wana mafhungo ane a nga lugisa u kundelwa ha SMME musi hu na zwiwo zwi nga ho sa COVID-19. Ṱhoḓisiso dza khwaḽithethivi dzo shumiswa kha ngudo. Ngudo thangeli dzo itwa hu khou shumiswa SMME mbili dzo nangiwaho kha Masipala wa uMhlathuze u linga u tea ha nyendedzi ya inthaviwu na vhuḓifari ha vhadzheneli kha ṱhoḓisiso. Data yo wanala u bva kha tsedzuluso dza thangeli a yo ngo katela musaukanyo wa data. Data ya ṱhoḓisiso yo bviswa kha vhaṋe vha dzi SMME vha fumimbili vho nangiwaho hu na ndivho na minidzhere dza Masipala wa uMhlathuze nga u shumisa inthaviwu dzo dzudzanywaho. Thekiniki ya Musaukanyo wa Thero na sofuthiwee ya Atlas.ti (vesheni 23.2.3.27778) zwo shumiswa u saukanya data yo kuvhanganyiwaho. Mawanwa a ṱhoḓisiso o sumbedza uri SMME dza Masipala wa uMhlathuze dzo kwamea nga khaedu khulwane dza COVID-19. Fhedzi, zwe SMME dza vha dzo imisa zwone zwavhuḓi phanḓa ha dwadze, kathihi na maga o shumiswaho nga SMME u tshila musi wa khaedu dza COVID-19, o thusaho u konḓelela ha dziSMME. Zwiṅwe hafhu, vhuṱanzi ha ṱhoḓisiso ho sumbedza uri COVID-19 yo ṋekedza mabindu zwiṅwe zwikhala. Zwikhala izwi zwi dovha zwa thusa dziṅwe SMME u tshila musi wa COVID-19. Ho sedzwa kha mawanwa a ṱhoḓisiso, ngudo dzi themendela uri SMME dzi tea u shomedzwa nga zwikili zwa ndangulo ya musi wa khombo u khwaṱhisedza u sa nyeṱha ha tshifhinga tshilapfu. Zwiṅwe hafhu, muvhuso u tea u ṱanganedza u farwa hu linganaho dza SMME dzo ṅwaliswaho u fhungudza u kundelwa ha SMME na u swikelela nyaluwo nyangaredzi.

Maipfi a ndeme

Khoronavairasi-19; dwadzetshifu; vairasi; khaedu; maṱuku; mabindu ane a khou bvelela na o linganelano; muvhuso; u valwa ha shango, ramabindu; tshiwo; sekithara ya ndeme; sekithara i si ya ndeme.

ISIFINQO

Inhloso yalolu cwaningo bekuwukuhlola izinto ezisize amabhizinisi amancane naphakathi nendawo abuye aziwe ngokuthi 'ama-small, micro, and medium enterprises' (SMMEs) kuMasipala waseMhlathuze KwaZulu-Natal, eNingizimu Afrika, ukuthi asinde enhlekeleleni yoKhuvethe. Njengoba izinhlekelele ziya ngokuya ziba yinjwayelo, ucwaningo lwagqugquzelwa isidingo sokuthola ulwazi olunganciphisa ukwehluleka kwama-SMME lapho kubhekene nezinhlekelele ezifana noKhuvethe. Kwathathwa indlela yocwaningo yesimo ocwaningweni. Ucwaningo lokuhlola lwenziwe kusetshenziswa ama-SMMEs amabili athathwe kuMasipala waseMhlathuze ukuze kuhlolwe ukufaneleka komhlahlandlela wenhlolokhono kanye nesimo sengqondo sababambe iqhaza ngocwaningo. Idatha etholwe ocwaningweni lokuhlola ayizange ifakwe ekuhlaziyweni kwedatha noma imininingwane Imininingwane yocwaningo ithathwe kubanikazi nabaphathi bama-SMME abenze amasampula ngamabomu kuMasipala waseMhlathuze kusetshenziswa inhlolokhono engaphelele noma engagcwele. Indlela yokuhlaziya isihloko kanye nesofthiwe ye-Atlas.ti (ivejini 23.2.3.27778) yasetshenziswa ukuze kuhlaziywe imininngwane eqoqiwe. Ucwaningo luveze ukuthi ama-SMMEs kuMasipala waseMhlathuze athinteke ngenxa yezinselelo ezehlukene ezidalwe yiKhuvethe. Kodwa-ke, isimo esihle lapho ama-SMME ayekuso ngaphambi kwalolu bhubhane, kuhambisana nezinyathelo ama-SMME azamukele ukuze agweme izinselelo zoKhuvethe , kusize ukusinda kwama-SMME. Ngaphezu kwalokho, ubufakazi bocwaningo buveze ukuthi uKhuvethe inika amabhizinisi amathuba athile. Lawa mathuba aphinde asize amanye ama-SMMEs ukuthi asinde enhlekeleleni yoKhuvethe. Ngokusekelwe emiphumeleni yocwaningo, ucwaningo luncoma ukuthi ama-SMME adinga ukuhlonyiswa ngamakhono okulawula izinkinga ukuze kuqinisekiswe ukusimama kwawo kwesikhathi eside. Ngaphezu kwalokho, uhulumeni kufanele amukele ukuphathwa ngokulinganayo kwama-SMME abhalisiwe ukuze kwehliswe ukwehluleka kwama-SMME futhi kuzuze ukukhula okubandakanya wonke umuntu.

Amagama abuleleki

IKhuvethe; ubhubhane; igciwane; inselele; amabhizinisi amancane naphakathi; uhulumeni; ukuvalwa thaqa kwezwe; usomabhizinisi; inhlekelele; umkhakha obalulekile; umkhakha ongabalulekile.

LIST OF ACRONYMS

BGF	Business Growth Fund
CAQDAS	Computer-Aided Qualitative Data Analysis Software
CL	Contingency Leadership
COVID-19	Coronavirus-19
DC	Dynamic Capability
DCs	Dynamic Capabilities
DSBD	Department of Small Business Development
GDP	Gross Domestic Product
HR	Human Resources
ITC	International Trade Centre
IT	Information Technology
LPC	Least Preferred Co-worker
MS	Microsoft
NGO	Non-governmental organisation
NICD	National Institute of Communicable Disease
NYDA	National Youth Development Agency
POPI Act	Protection of Personal Information Act
PPE	Personal Protective Equipment
RBV	Resource Based View
R&D	Research and Development
RO	Research Objective
RSA	Republic of South Africa
SARB	South African Reserve Bank
SBRS	Small Business Research Specialists
SEFA	Small Enterprise Finance Agency
SME	Small to medium enterprise
SMME	Small, micro to medium enterprise
Stats SA	Statistics South Africa
TRF	Tourism Relief Fund
UIF	Unemployment Insurance Fund
UK	United Kingdom
UNDPSA	United Nations Development Programme South Africa
USA	United States of America
UNISA	University of South Africa
VRINE	Valuable, Rare, Inimitable, Non-substitutable, Exploitable
WEF	World Economic Forum
ZCCI	Zululand Chamber of Commerce and Industry

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1. INTRODUCTION AND OVERVIEW

1.1 INTRODUCTION

Pandemics are devastating and whenever they occur, they leave a trail of destruction behind. However, numerous researchers believe that the coronavirus disease 19 (COVID-19) pandemic surpassed previous pandemics in many respects. It is described by Momoti and Marutha, (2021:16) as a "global pandemic of historic magnitude" that shook the world leaving economies, businesses, and societies bruised and badly scarred (Atkins, Cook & Seamans, 2021). Several businesses also believed that the pandemic was the worst disaster they had ever experienced (Statistics South Africa, 2020). National Youth Development Agency (NYDA), (2020) on the other hand assert that the COVID-19 pandemic induced a major economic shock on the global economy and also within the economies of individual countries. Donga, Ngirande and Chinyakata, (2021:51), point out that "unlike past financial crises, the COVID-19 pandemic had serious economic and psychological effects globally". Across the world, the pandemic resulted in "a sharp decline in people's incomes, rising unemployment and widespread business closures" (NYDA, 2020:3). For the first time since the inception of aeroplanes, the whole aviation industry came to a near collapse due to COVID-19 (Melas & Melasova, 2020). In South Africa, Teece, Brown, Alves, Mthombeni and Mondlwa, (2020:2) reveal that the pandemic "caused a sharp and rapid deterioration of the country's growth prospects and corresponding increases in poverty, unemployment, inequality, business profitability, investment and macroeconomic risks". To date, the full impact of this pandemic on the global economy is not yet fully quantified but available data thus far shows that COVID-19 debilitated economies enormously (Jackson, Weiss & Schwarzenberg, 2021).

Societally, an estimated 524 million people have been infected with COVID-19 so far with over 6 million having succumbed to death (World Economic Forum (WEF), 2022). As a result of the pandemic, numerous people lost their jobs permanently or temporarily and the sudden loss of income caused by both scenarios saw many suffering from various social and psychological problems (Posel, Oyenubi & Kollamparambil, 2021). Again, the pandemic "led to the closure of schools and child-care centres forcing some parents particularly women to quit employment or opt to work from home in order to care for their children" (Kalenkoski & Pabilonia, 2021:19). This kind of scenario had serious repercussions on family finances and the psychological well-being of many. To many, the pandemic is synonymous with economic and social devastation of great magnitude.

Originating in Wuhan, a city in the Republic of China, "COVID-19 was first discovered in a 55-year-old Chinese citizen on 17 November 2019" (Akinolla & Tella, 2022:589). It is caused by SARS-Cov-2 virus but different views regarding the origin of the virus have emerged so far (Hassain, 2020). Initially, the narrative was the virus came from bats but later some researchers indicated that it possibly originated from pangolins (Hassain, 2020). Furthermore, "genomic comparisons suggest that the SARS-Cov-2 virus is the result of a recombination between two different viruses indicating that the exact origin of the virus is still unknown" (Hassain, 2020). Though the virus' fatality rate is said to be low, COVID-19 killed more people around the world than any other pandemic witnessed to date because of its high transmissibility, which caused it to quickly spread to all corners of the world (Gondwe, 2020).

With regards to the absence of clear information about the origins of the virus, some researchers place the blame on China's handling of the crisis. For example, Akinola and Tella, (2022:601) affirm that "there is compelling evidence that China withheld certain information concerning the outbreak of the virus, particularly in the initial stages of discovery". Perhaps, this absence of full information about the virus coupled with its novelty and the swiftness with which it took on the world among other factors prompted and motivated conspiracy theorists to come up with plenty of outrageous, bizarre, and unsubstantiated theories on COVID-19. One such theory according to Oyekan, (2021:47) is that "the virus was engineered by Bill Gates in an effort to depopulate an overcrowded planet and that the virus is only a pretext for distributing a deadly vaccine activated by 5G radiation which will lead to mass deaths across the world". Prominent people including religious leaders and politicians propagated most of these theories. In South Africa, the former chief justice, Mogoeng Mogoeng in his controversial prayers claimed that vaccines were "meant to infuse the mark of the anti-Christ symbol, 666 in the lives of the people" (Dlamini, 2021). In Nigeria, a prominent pastor known as Pastor Chris alleged that lockdowns in Lagos and Abuja were just an ostensible reason by the government to install the 5G infrastructure (Oyekan, 2021). The seriousness of these allegations could be an indication of how frightening and deadly the pandemic was. From China, the virus travelled at an alarming speed to every part of the world (Jackson *et al*, 2021) and was striking countries in waves (Ladzani, 2022). To date, the impact of the virus has significantly waned across the globe.

In Africa, the virus made its footprints later than it did in other continents and because of resource constraints characteristic of the African continent, many expected the virus to reap havoc in the continent than anywhere else in the world (Gondwe, 2020). However, the virus did devastate Africa but of course not in the manner many anticipated and the reasons for this are yet to be established (Fymat, Romm & Kapalanga, 2022). Even if the virus arrived in Africa later than in other continents, Africa had already started to feel its impact because lockdowns and border closures in Europe, America and China were already causing a huge decline in Africa's exports (Gondwe, 2020). Besides the virulent nature and high transmissibility of COVID-19, the situation in Africa was made worse by the majority of African governments' lack of preparedness for disasters and their over-reliance on international assistance whenever disasters strike (Fymat *et al*, 2022). In South Africa, the first case of COVID-19 was detected on the 6th of March 2020 in KwaZulu-Natal province and "within a month, the figure had skyrocketed to 1800 cases" (Akinola & Tella, 2022:604).

COVID-19 impacted businesses both large and small in diverse ways. Firstly, the pandemic took a heavy toll on people's physical and psychological well-being leaving over 6 million people dead globally to date (WEF, 2022). These deaths robbed businesses of their vital employees, managers, and customers among other things. Moreover, some people opted to quit employment due to fears of contracting the virus resulting in labour shortages (Kalenkoski & Pabilonia, 2021). Secondly, governments around the world adopted various measures to mitigate the spread of the deadly virus and these included lockdowns, travel restrictions, quarantine policies, frontier closures, the mandatory wearing of masks in public and the like (Ladzani, 2022; Belitski, Guentler, Kritikos & Thurik, 2021). Although these measures were adopted in good faith, they were detrimental to business. Employment from both the demand and supply sides suffered because of these measures (Kalenkoski & Pabilonia, 2021). On the supply side, many were forced to quit employment to look after children at home since schools and day-care centres had been closed (Kalenkoski & Pabilonia, 2021). "On the demand side,

government shutdowns and the implementation of other restrictions related to essential business designations reduced the demand for workers and worker hours" (Kalenkoski & Pabilonia, 2021:8). Similar sentiments are echoed by Nicola, Alsafi, Sohrabi, Kerwan, Al-Jabir, Iosifidis and Algha, (2020:187) who assert that "social distancing, self-isolation and travel restrictions led to a reduced workforce across all economic sectors and caused many jobs to be lost". When jobs are lost, poverty and other social ills set in, injuring businesses and societies even further. Furthermore, lockdowns, travel restrictions and frontier closures disrupted supply chains, production of goods and services, and access to markets, causing the demand for goods and services to drop and operating costs to soar among other things (Dorr, Licht & Murmann, 2021; Belghitar, Radii & Moro, 2021). Similarly Donga, Chinyakata and Ngirande, (2021:50) state that "lockdowns slammed business activity, with capital and household spending plunging as businesses and consumers deferred non-essential purchases". On the other hand, Bizoza and Sibomana (2020:16) allege that in Africa, "a drop in world demand and the resultant commodity price drops affected production and export performance of African countries more than did their own COVID-19 control measures". In other words, the pair seem to believe that businesses in Africa were hurt more by the global economic situation during the COVID-19 pandemic than by the measures their governments adopted to mitigate the spread of the virus. How far true these assertions are, only research can tell but is evident that COVID-19 dented economies and businesses in complicated and unprecedented ways.

Even though all businesses both large and small were negatively affected by COVID-19, small businesses suffered more than their big counterparts (Belitski *et al*, 2021; Stats SA, 2020). This conviction is echoed by Fairlie and Fossen (2021:829) who affirm that "social distancing restrictions and health and economic-driven demand shifts from COVID-19 shut down many small businesses". The NYDA (2020) also believes that resource constraints and small size made it difficult for small businesses to navigate the pandemic-related challenges. At the same time, Pedauga, Saez and Delgado-Marquez (2021:2) declare that small businesses were impacted more by the pandemic than big businesses because they "experienced a reduction in labour supply, human mobility restrictions, self-isolation, large decreases in capacity utilisation and interruptions in the supply chain" more than large businesses. The trio further posit that COVID-19 related structural changes coupled with lower incomes of small businesses resulted in severe liquidity shortages and solvency problems for these entities. These small businesses are known as small to medium enterprises (SMEs) in some parts of the world and small, medium, and micro enterprises (SMMEs) in South Africa (Department of Small Business Development (DSBD), 2019; Nieuwenhuizen, 2019). Hereafter, these small businesses will be referred to as SMMEs. In South Africa, SMMEs are defined as:

"Micro, small or medium business entities, managed by one owner or more, employing between 0-250 people, with an annual turnover of 5-220 million rands and carried out in any sector or subsector of agriculture; mining and quarrying; manufacturing; retail, motor trade and repair services; construction; electricity, gas and water; wholesale; catering, accommodation and other trade; finance and business services; and community and personal services", (DSBD, 2019:1)

The importance of these entities in South Africa and the world over cannot be overstated. "SMMEs are the backbone of Germany's economy" (Dorr et al, 2021:887). Likewise, Donga *et al*, (2021) point out that SMMEs provide employment to millions of South Africans making

them one of the biggest employers in the country. This affirmation supports the remarks of Pedauga *et al* (2021:1) that "disruptions in SMMEs produced larger reductions in demand" during the COVID-19 pandemic presumably because they constitute a greater part of economies. Donga *et al*, (2021:48) further postulate that "SMMEs dominate many important industry sectors such as retailing, service and construction and form crucial forward and backward links in the supply chain of the South African economy". Furthermore, the survey by Catalyst for Growth (2020:1) reveals that "a critical component of the South African economy and that of the African continent is largely small business".

In South Africa, the termination of the National State of Disaster on the 5th of April 2022 implied that the worst of COVID-19 was over though some cases of infections continued to be reported here and there (The Presidency, 2022). However, for 750 days the country was in a National State of Disaster (The Presidency, 2022), SMMEs were confronted with many challenges such as reduced demand for goods and services, increased operating costs, lost revenues, supply chain disruptions and the like (Ladzani, 2022; Bowman & Nair, 2020). As aforementioned, these challenges evolved around the pandemic itself as well as the measures adopted by the South African government to mitigate the spread of the virus like forced closures, travel restrictions, frontier closures, curfews, social distancing, and many more (Ladzani, 2022; Moodley & Naidoo, 2022; Mapuranga, Maziriri & Rukuni, 2021). Confronted with the COVID-19-induced challenges, SMMEs in South Africa sought ways to circumvent the problems through "changing business models, seeking financial assistance, working from home, introducing flexible working hours and the like" (Catalyst for Growth, 2020: 15). Ladzani (2022), also confirms that some businesses resorted to working online, seeking financial aid from government and other financial institutions and the like. Similarly, Donga *et al*, (2021:53), affirm that some SMMEs in South Africa were innovative during the crisis and started producing products that were in demand such as "hands-free dispensers, desk-screen dividers and stand-alone washing basins". Furthermore, the NYDA (2020) articulates that some SMMEs responded by retrenching staff and cutting salaries.

Why was it vital for businesses particularly the SMMEs to be responsive to the COVID-19-induced challenges? The answer to this is provided by Grozinger, Wolff, Ruf and Moog, (2021:2) who state that SMMEs needed to adopt some measures to survive the crisis to "secure their employees, market position, performance and ultimately their survival". Nonetheless, whether the adopted strategies were effective or feasible to many SMMEs, it remains to be seen.

The South African government and other private stakeholders on the other hand also intervened to save businesses particularly the SMMEs. According to the NYDA (2020:20), "forms of government assistance to SMMEs included the Business Growth Fund (BGF), SMME Relief Scheme, Unemployment Insurance Fund (UIF) COVID Relief, Tourism Relief Fund (TRF) as well as the Small Enterprise Finance Agency (SEFA) Debt Restructuring". The BGF was earmarked for local businesses including SMMEs that manufactured medical, or hygiene products used to fight COVID-19. The SMME Relief Scheme dispensed soft loans to other small businesses who were negatively impacted by COVID-19 while the TRF was a financial aid specifically for SMMEs in the tourism sector. The UIF COVID Relief was meant to assist employers pay their employees who had been furloughed because of COVID-19 while the SEFA Debt Restructuring enabled cash strapped SMMEs funded by SEFA to restructure their debt repayment terms. The banking sector also assisted SMMEs by offering

payment holidays as well as reduced interest rates (NYDA, 2020). Gorelik, (2020:60) supports this affirmation, pointing out that "the South African Reserve Bank (SARB) set the repurchase rate at a record low of 4.25%" during the pandemic. However, some researchers like Bowman & Nair (2020) seem to believe that some of these interventions misfired and did not address what SMMEs exactly needed to survive the pandemic. Likewise, Msomi, Olarewaju and Ngcobo (2021) propose that government assistance should include SMME 'monetary literacy'. This monetary literacy focuses on educating SMMEs on how best they can manage their finances during crises for example embracing proper budgeting techniques, prudent credit management, informed investment choices and the like. Monetary literacy also includes informing SMMEs of the sources of finance available to them and how to access them.

It is also important to note that geographically, the impact of COVID-19 varied. In South Africa. Gauteng, Western Cape and KwaZulu Natal (KZN) provinces were the hardest hit in terms of infections and fatalities (National Institute for Communicable Diseases (NICD), 2022). Even at provincial level, the way COVID-19 affected districts and municipalities also varied. UMhlathuze Municipality was one of the most affected municipalities in KZN by the deadly virus (NICD, 2022) to the extent that in December of 2020, the municipality was inundated by COVID-19 related deaths which saw a record fifty burials taking place in one week in two of the municipality's cemeteries (Singh, 2021). The municipality also suffered from economic stagnation, disruption of value chains and high unemployment because of lockdowns (uMhlathuze Social Relief Programme Report, 2022). These lockdown-related challenges left a substantial number of SMMEs closed in the municipality as well (uMhlathuze 2021 Annual Report).

However, even if some SMMEs in uMhlathuze Municipality perished because of COVID-19, there are those which survived. Taking everything into account, what could have helped those SMMEs which survived the pandemic to survive. This study therefore seeks to establish what helped SMMEs in uMhlathuze Municipality, KZN province in South Africa to circumvent the COVID-19-induced crisis. Information obtained will hopefully augment the literature on what can mitigate SMME failure in the face of crises like the COVID-19 pandemic. Below is the map of uMhlathuze Municipality with the red border line.

Figure 1.1: *Map of uMhlathuze Municipality.*

Source: Google Maps

1.2 BACKGROUND

Unlike other pandemics that have occurred in the history of humanity, the COVID-19 pandemic devasted economies and societies unprecedentedly. This occurred directly through contagion and indirectly through government adopted measures to contain the spread of the virus (Bartik, Bertrand, Cullen, Glaesar, Luca & Stanton, 2020). Businesses across the spectrum lost employees, customers, suppliers, partners, and the like to the deadly pandemic (Ladzani, 2022; Belitski *et al*, 2021, Stats SA, 2020). Measures espoused by governments to lessen the spread of the virus such as lockdowns, travel restrictions, border closures, and quarantine policies were also detrimental to business. Such measures resulted in lost revenues, reduced demand for goods and services, disruption of supply chains and many more (Ladzani, 2022; Donga *et al*, 2021; Pedauga *et al*, 2021). However, researchers believe that these setbacks did not impact businesses homogeneously. Bizoza and Sibomana (2020) allege that businesses in rich countries did not suffer as much as those in poor countries because rich nations could generously support their businesses during the crisis. This assertion is supported by Belitski *et al,* (2021), Dorr *et al*, (2021), Fairlie and Fossen, (2021) who avow that Germany and the United States of America (USA) had a record fiscal response to the pandemic to the extent that almost every small business in Germany could get some funding if it so wished. On the other hand, Fatoki, (2021) and Pedauga *et al* (2021) affirm that SMMEs suffered more than big businesses because of resource constraints, size, experience, and the like.

Even among the SMMEs themselves, it is perceived that the impact varied. NYDA (2020) points out that the worst affected SMMEs were microenterprises in the informal sectors. This implies that SMMEs in the formal sectors were not as much affected by the pandemic as those in the informal sector. Furthermore, it is also widely believed that SMMEs in the non-essential sectors like hospitality, travel and tourism, entertainment, personal services, and the like were

the hardest hit while the least affected were those in the essential sectors like food manufacturing and retailing, chemicals and pharmaceuticals, agriculture and so forth (Ladzani, 2022; Moodley & Naidoo, 2022; Belghitar *et al*, 2021; Dorr *et al*, 2021). Nevertheless, researchers like Bowman and Nair (2020) disagree with this assertion, alleging that some SMMEs even in the essential sectors like agriculture (dairying) and food processing (milling) suffered unimaginably from supply chain disruptions and access to markets caused by lockdowns and travel restrictions. In fact, what the pair seem to suggest is that SMMEs in both the essential and non-essential sectors were equally affected by the pandemic. Somewhat supporting this view, Donga *et al*, (2021) posit that hard lockdowns simply stopped SMMEs in the non-essential sector from operating from brick-and-mortar offices because they could continue with business online. Nonetheless, it is of course debatable whether all the non-essential SMMEs in their different forms and manner could easily and practically move their businesses online.

The consensus though among researchers is that the non-essential sector was strained more than the essential sector. Even so, could this 'essential and non-essential' issue be the only determinant that separated SMMEs which survived the pandemic from those that failed and liquidated? Possibly not. Numerous researchers offer valuable insights into what could sustain or break SMMEs during the pandemic regardless of sector. Donga *et al*, (2021) posit that the pandemic ushered in a 'new normal' which simply required SMMEs to be resilient, adaptive, and innovative to recover from the crisis. Similarly, Grozinger *et al*, (2021:2) argue that SMMEs needed Organisational Psychological Capital (OPC) or shared positivity which includes "resilience, hope, optimism and efficacy" to navigate the disaster. According to Grozinger *et al,* (2021), the positivity of both employees and employers is an antidote to stress and anxiety during a crisis which results in informed decision-making. This avowal is further supported by Msomi *et al*, (2021) who declare that the key to SMME survival during tumultuous times is monetary literacy, human intelligence, and an owner mindset. Donga *et al*, (2021) also propose that consumer behaviour shifted during the pandemic hence to survive the pandemic, SMMEs needed to redefine how they save their customers. Likewise, Moodley and Naidoo, (2022) suggest that businesses particularly the small ones needed some versatility and flexibility to survive the unparalleled woes of the COVID-19 pandemic. Furthermore, NYDA, (2020:21) points out that "to survive the pandemic, businesses were encouraged to restructure operations, optimize cash management, identify efficient gains and reorient activities and resources to ensure business continuity".

Realising that measures taken to curb the spread of the pandemic and the pandemic itself were reaping havoc on SMMEs, the South African government and other private players came up with initiatives to bail out the troubled SMMEs (Ladzani, 2022; NYDA, 2020; Stats SA, 2020). Such initiatives included loans, grants, tax holidays, deferred payments, and the like (Ladzani, 2022, Donga *et al*, 2021; NYDA, 2020). Could the accessibility or suitability of these initiatives have a bearing on the survival or failure of SMMEs in South Africa during the pandemic? It remains to be seen. In fact, researchers like Bowman and Nair, (2020) argue that government assistance in South Africa was mainly monetary and as such failed to address other challenges SMMEs in rural areas faced during hard lockdowns such as supply chain disruptions and access to markets. Ladzani, (2022) also affirms that bureaucratic application processes, the nationality of entrepreneurs and the legal status of an SMME prevented many SMMEs from accessing government assistance in South Africa.

Given this background, what then could have helped some SMMEs navigate the COVID-19 pandemic when others failed? This question brings to the fore the purpose of this study. Using SMMEs in uMhlathuze Municipality in KZN, South Africa, this study seeks to establish all the factors that helped surviving SMMEs in this location to traverse the COVID-19 disaster.

1.3. RESEARCH PROBLEM

So much happened in the business realm since the advent of COVID-19. Businesses faced unprecedented challenges in all their functional areas. Procurement of inputs, production and marketing of products and services, hiring of employees and the like were seriously affected by COVID-19 directly and indirectly (Dorr *et al*, 2021; Bartik *et al*, 2020.) During the pandemic, many businesses experienced a drastic decline in the demand for their goods and services, increased operating costs, reduced revenue and many more (Ladzani, 2022, Donga *et al*, 2021). SMMEs in both the essential and non-essential sectors withstood the worst of these challenges more than large businesses because of inadequate resources, lack of experience and the like (Belitski *et al*, 2021, Bartik *et al*, 2020). In uMhlathuze Municipality lockdowns caused economic stagnation, value chain disruptions, and high unemployment which were all detrimental to the sustainability of businesses particularly SMMEs (uMhlathuze Social Relief Programme Report, 2022)). Again, a significant number of SMMEs in the tourism and service sectors in the municipality closed down because of prolonged lockdowns (uMhlathuze 2021 Annual Report).

While some SMMEs in uMhlathuze failed and closed doors for good, others survived. What then helped those SMMEs which survived to get through the ordeal? Is it something they possessed, did right or both? Research is hence required to obtain answers to these questions. The problem of this study is therefore to establish factors that aided SMMEs in uMhlathuze Municipality to survive COVID-19 challenges.

1.4. RESEARCH PURPOSE AND OBJECTIVES

SMMEs are crucial components of economies around the world. They immensely contribute to the growth domestic product (GDPs) of countries, provide employment to millions, contribute to the uplifting of standards of living for many, and so on (Donga et al, 2021; Dorr et al, 2021; Chimucheka & Mandipaka, 2015). At the same time, SMMEs particularly in South Africa have a high failure rate due to resource constraints, poor management, inferior and sometimes outdated business practises, and the like (Donga *et al*, 2021; Chimucheka & Mandipaka, 2015). Over and above that, when COVID-19 came, it reaped havoc on these important but vulnerable entities leaving some closed and out of business (Bowman & Nair, 2020). What is worth noting at this point is that, operating in the same neighbourhood, and sometimes in the same sector and exposed to similar external challenges, some SMMEs drown in the face of mishaps while others continue to sail.

The primary research objective (purpose) of the study is:

- To delineate factors that aided surviving SMMEs in uMhlathuze Municipality to traverse the COVID-19 disaster.

The secondary research objectives are:

- To discuss how the SMMEs fared before COVID-19
- To describe the challenges COVID-19 imposed on the SMMEs.
- To outline how the SMMEs responded to the challenges.

1.5. RESEARCH QUESTIONS

The primary research question of the study is:

- What aided surviving SMMEs in uMhlathuze Municipality to traverse the COVID-19 disaster?

The secondary research questions are:

- How did the SMMEs fare before COVID-19?
- What challenges were faced by the SMMEs because of the COVID-19 pandemic?
- How did the SMMEs respond to the challenges?

1.6. RESEASONS FOR SELECTING THE RESEARCH SUBJECT MATTER

The COVID-19 pandemic started in 2019 in Wuhan, a city in China, before spreading to the rest of the world (Jackson *et al*, 2021). Though COVID-19 reaped havoc in the business realm, it has just been around for about four years to date. Consequently, not much research has been done regarding how the pandemic impacted small businesses let alone on how SMMEs that managed to survive the disaster were able to do so. One of the motives for conducting this research therefore is to fill this void and contribute to the body of literature regarding what helped some SMMEs survive the crisis. Such knowledge will in the future help other SMMEs survive misfortunes like COVID-19.

The rate at which disasters are unfolding throughout the world is appalling. These disasters are triggered either by political factors, natural causes, or climate change (WEF, 2022). When the world is still reeling from COVID-19 and its aftereffects, the Russia- Ukraine war came in, not to mention a series of floods, heat waves, droughts, volcanic eruptions, earthquakes and the like that are relentlessly and ruthlessly bombarding the world from all angles (WEF, 2022). On a local scale, KwaZulu-Natal was hit by a string of disasters in the past few years namely the COVID-19 pandemic, the July 2021 unrest and the April 2022 floods that claimed the lives of more than 400 people (Moodley, 2022). These disasters bring incalculable challenges to businesses, particularly the SMMEs. For example, the Russia-Ukraine war gave rise to high energy and input costs, disruption of supply chains and more (WEF, 2022). However, given the issues of climate change and the increased volatility in world politics among other factors, crises will continue to occur. As such, businesses especially the SMMEs need to be equipped with ways of dealing with and surviving crises (Doern *et al*, 2019). Therefore, by conducting this research, the researcher hopes to find information that can assist and prepare SMMEs for survival during tumultuous times.

The importance of SMMEs in both the developed and the developing economies cannot be overstated. "SMMEs are the backbone of Germany's economy" (Dorr *et al*, 2021:887). Likewise, Fairlie and Fossen, (2021) assert that small businesses are disproportionately important to the USA economy. Furthermore, a survey by Catalyst for Growth (2020: 1) reveals

that "a critical component of the South African economy and that of the African continent is largely small business". SMMEs employ millions of people around the globe and contribute tremendously to the GDPs of countries in the world (Litheko, 2021; Nieuwenhuizen, 2019; Chimucheka & Mandipaka, 2015). However, these important business entities have a high failure rate (Msomi *et al*, 2021; Sitharam & Hoque, 2016) and are also vulnerable to disasters like the COVID-19 pandemic (Bartik *et al*, 2020). By conducting this research, the researcher hopes to obtain information that can help in preserving the lives of SMMEs. In so doing, the researcher could help in saving jobs and sources of livelihood for many.

In the researcher's opinion, the growth and survival of SMMEs could be a panacea for many social ills like poverty, crime, xenophobia, drug abuse and the like experienced in South Africa today. When people are jobless, they can resort to criminal activities like theft, murder, drug dealing and so forth to survive. Others may engage in antisocial tendencies like xenophobia, drug abuse and the like. When jobs are made available through saving SMMEs, most of these social ills may be put to rest. By conducting this research, the researcher hopes to contribute not only to saving SMMEs but also indirectly to reducing crime and other social ills pestering the country.

Innovative ideas, new knowledge and the like comes from research (Venter, 2014). It is through research that people have discovered new markets, products, processes and so forth. By conducting this research, the researcher hopes to discover innovative ideas on how businesses can cope and survive during turbulent times like the one ushered in by COVID-19.

1.7 LIMITATIONS OF THE STUDY
When COVID-19 reached the shores of South Africa on the 1st of March 2020, different provinces across the country were struck by the virus in varying degrees (Ladzani, 2022; Stats SA, 2020). KZN province was one of the worst affected provinces in the country (Stats SA, 2020). Even at a provincial level, differences prevailed. For example, in KZN province, some districts were severely affected while others were moderately affected. King Cetshwayo District where uMhlathuze Municipality is, was one of the worst affected districts in KZN by the COVID-19 pandemic (NICD, 2022) This might then imply that the level at which SMMEs suffered at the hands of this pandemic differed across provinces and districts across the country. As such, findings from this study may not be the same if similar research were to be conducted in another province or even another district within KwaZulu-Natal. Another limitation of this study is related to the absence of identifiable databases for small businesses in uMhlathuze Municipality. This limited accessibility and proper sampling of participants.

1.8 RESEARCH RATIONALE AND JUSTIFICATION
Literature abounds with challenges faced by SMMEs in South Africa and the world over as well as how the challenges can be alleviated. However, due to its novelty, COVID-19 brought problems never seen before in the business realm. The virus and concomitant travel restrictions, frontier closures, forced closures, social distancing and the like brought unexampled challenges to SMMEs (Ladzani, 2022, Mapuranga *et al*, 2021). Directly and indirectly, COVID-19 resulted in a dramatic increase in operating costs; an acute decline in the demand for some goods and services; loss of employees, customers, suppliers, and many

others (Belitski, *et al*, 2021; Mapuranga *et al*, 2021). Given that some SMMEs survived these unprecedented challenges implies there is a knowledge gap that needs to be filled with regards to what helped such SMMEs circumvent the novel problems. An investigation into what aided some SMMEs in uMhlathuze Municipality to navigate the coronavirus-induced crisis will contribute to the body of knowledge on what SMMEs can do to survive unparalleled disasters like COVID-19.

1.9 RESEARCH DESIGN AND METHODOLOGY

A research approach or plan "specifies the required data and the general outline of the procedures for collecting, processing and analysing the data" (Wiid & Diggines, 2013:60). Three approaches to conducting research are quantitative research, qualitative research, and mixed methods (Bekwa,Grobler, Olivier, Sadiki & Van Niekerk*,* 2019). This study adopted the qualitative research approach. Wiid and Diggines (2013:59) define qualitative research as an approach centred on "exploring issues, understanding underlying reasons and motivations". Furthermore, Bekwa *et al* (2019) assert that the qualitative research approach enables the researcher to explore deeply, probing and asking questions. Since this study sought to explore the factors that aided some SMMEs in traversing the COVID-19 pandemic, the qualitative research approach was therefore the most suitable.

A population is "a group of potential participants to a study" (Bekwa *et al*, 2019: 157). The potential participants in this study were all the formal SMMEs in uMhlathuze Municipality established before the pandemic started. Sampling on the other hand is "the process used to draw participants to a study from the population" (Wiid & Diggines, 2013: 183). There are two types of sampling methods, which are probability sampling and non-probability sampling (Bekwa *et al*, 2019; Wiid & Diggines, 2013). With regards to probability sampling, "the selection of participants is determined by chance and the probability of selecting an individual is known" (Bekwa *et al*, 2019:157). Simple random sampling, systematic sampling, stratified sampling, and cluster sampling are the available types of probability sampling (Bekwa *et al*, 2019; Wiid & Diggines, 2013). With respect to non-probability sampling on the other hand, the "probability of selecting an individual is not known" (Bekwa *et al*, 2019:161) and "the selection of a sample is based on the judgement of the researcher" (Wiid & Diggines, 2013:188). Four types of non-probability sampling exist. These are "convenience sampling, judgement or purposive sampling, snowball sampling and quota sampling" (Wiid & Diggines, 2013: 189).

Non-probability sampling methods were used to select participants from the population (formal SMMEs in uMhlathuze Municipality). The reason for adopting non-probability sampling is that interviews were used to extract data and when using interviews "participants should be carefully screened to ensure they are the appropriate persons to interview on the topic at hand" (Wiid & Diggines, 2013:95). Of the non-probability sampling methods available, the purposive sampling method was adopted. Purposive sampling "allows the researcher to select a representative of the population with the most knowledge and experience of the subject under investigation" (Wiid & Diggines, 2013: 190). Again, due to the absence of identifiable databases for small businesses in uMhlathuze Municipality, purposive sampling addressed the lack of such information. Twelve participants (12 formal SMMEs) were chosen for the research. Such a sample size was chosen because in qualitative research, "responses or opinions tend to be limited and get repeated over and over" (Cobern & Adams, 2020: 75) hence "deciding on the sample size to use is often a case of judgement rather than calculation

but the researcher must choose a sample that is big enough to represent the total population" (Wiid & Diggines, 2013: 200). Furthermore, qualitative research deals with "small sample sizes because information obtained per respondent is much" (Wiid & Diggines, 2013: 87).

The data collection methods suitable for qualitative research are "exploratory techniques such interviews, case studies, focus groups, surveys" (Bekwa *et al*, 2019: 112). Accordingly, the data collection method adopted by the researcher was interviews because they allowed the researcher to probe, ask and clarify further to find the underlying cause of the issues under investigation. An interview guide was designed, and questions were administered personally face to face. The interviews were audio-recorded using the researcher's smart phone and the Thematic Analysis technique and Atlas.ti software were used to analyse the collected data. The Thematic Analysis method was adopted because it is "capable of detecting and identifying factors or variables that influence issues generated by participants" (Alhojailan, 2012:40).

1.10 OUTLINE OF CHAPTERS

A synopsis of what chapters in this study entail is as follows:

Chapter 1- Introduction, Background, Problem, Rationale, and Limitations.

This chapter gives the introduction and background of the dissertation. The problem leading to the investigation as well as the study's purpose and objectives are spelt out in this section. Reasons for selecting the subject matter including the rationale behind the study and limitations to the study are discussed in the chapter. Finally, an abstract of the methodology that was used in the study is given as well.

Chapter 2- Literature Review

Using books, articles and other sources, this chapter lays bare the challenges as well as the positives COVID-19 brought to the business world. Determinants of SMME survival or failure in the face of COVID-19 are thoroughly delineated in this part of the dissertation. The theoretical framework underpinning the study is also discussed in this chapter.

Chapter 3- Research Methodology

This chapter provides a discussion of the suitable research methodology adopted for the study. What the study espoused with regards to research philosophies, research design, data sampling, data collection, data analysis and so forth is clearly outlined here.

Chapter 4- Data Analysis, and Interpretation

Collected data is analysed and interpreted in this chapter. This analysis is done using the Thematic analysis technique and Atlas.ti software.

Chapter 5- Research findings, Conclusions, Recommendations and Study Summary

In this chapter, the findings and conclusions from the study are clearly outlined. Furthermore, recommendations to policy makers and future research are tabulated.

1.11 CHAPTER SUMMARY

A detailed introduction and background of COVID-19 and its impact on SMMES is given. Since the study focuses on how SMMEs in uMhlathuze Municipality weathered the COVID-19 crisis,

a snapshot into factors that could enhance or threaten the survival of SMMEs during this period is provided. The problem which led to the investigation as well as its purpose and objectives are outlined. Also discussed in this chapter is the reason behind the selection of the subject, the rationale for conducting such an investigation, limitations associated with the study as well as a summary of the methodology that is used in this research. Again, a synopsis of what is to follow in the rest of the chapters is outlined in this chapter. Chapter 2 will give the theoretical framework supporting this research as well as the literature review. The methodology that was espoused for the research will be discussed in Chapter 3 while Chapters 4 and 5 will deal with the analysis of data and the research conclusions and recommendations, respectively.

2. LITERATURE REVIEW

2.1 INTRODUCTION

The effects of the COVID-19 pandemic on SMMEs were wide and far-reaching as seen in the introduction in Chapter 1. Some were positive and others negative but the consensus among researchers is that the negative outweighed the positive. Negatively impacted SMMEs needed to take measures to circumvent the challenges or else risked perishing at the hands of the unprecedented pandemic. Some SMMEs adopted various measures to survive the COVID-19 woes such as moving operations online, downsizing staff, working reduced hours, changing business models and the like (Ladzani, 2022; Beltski et al, 2021; Bartik et al, 2020). Whether these measures alone were sufficient to save the SMMEs or not is what this research seeks to establish. Using textbooks, articles, internet sources, government publications and many other sources of literature, this chapter provides a critical review of:

- the theoretical framework undergirding this research.
- the background of COVID-19 and how it impacted small businesses.
- determinants of SMME survival or failure during the pandemic.

2.2 THEORETICAL FRAMEWORK

All research is based on theories promulgated by previous research experts (Kivunja, 2018). These theories provide a basis for the researcher's arguments, propositions, presumptions, and the like (Kivunja, 2018). Definitions abound for a theoretical framework and the one adopted for this study is that it is a "reasoned statement to explain a phenomenon with evidence" (Gumbo, 2021:9). The theoretical framework that underpins this research is centred on the Resource-Based View (RBV) theory, the Dynamic Capabilities (DCs) theory and the Contingency Leadership (CL) theory. In one way or another, determinants of SMME survival during COVID-19 are an interplay of resources present in an SMME, the presence of dynamic capabilities in the SMME to exploit opportunities or thwart dangers presented by the pandemic and the ability of the SMME leadership to adopt the right leadership style for every situation at hand. Diagram 2.1 below summarises this relationship.

Figure 2.1: *Theoretical framework.*
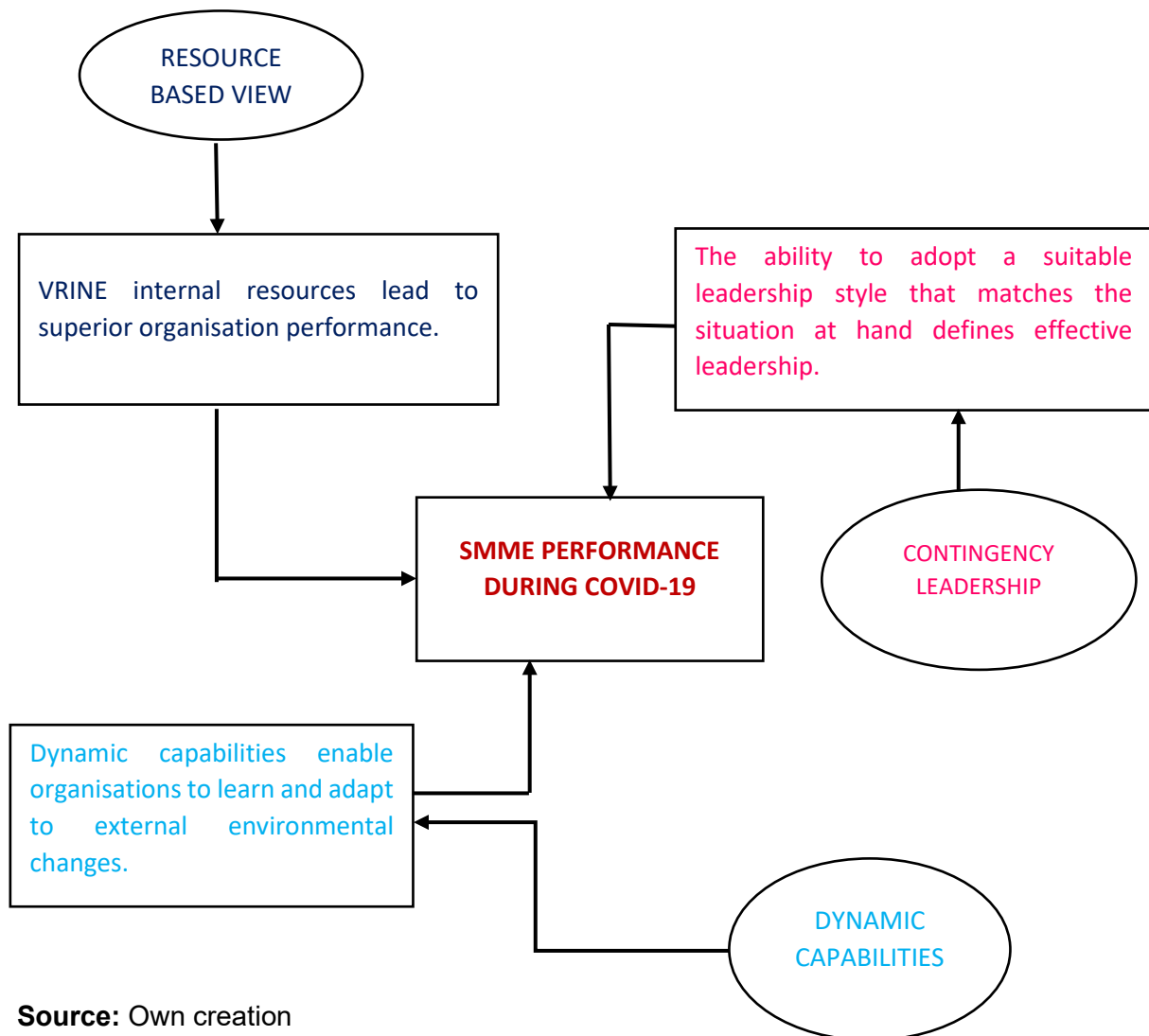
Source: Own creation

2.2.1 The Resource-Based View (RBV) theory.

The Resource-Based View (RBV) theory was coined by Wernerfelt in 1984 and later refined by other researchers (Jurevicius, 2022). According to the RBV theory, "an organisation's internal resources and capabilities are the most important sources of its profit and competitive advantage" (Venter, 2014, 2014:3). Put differently, resources and capabilities are the heart and soul of the organisation because, without them, an organisation would cease to exist. The three premises which undergird the RBV theory according to Louw and Venter, (2013:238) are:

"resources determine the strategic direction of the organisation since they dictate what the organisation can or cannot do, resources are sources of profit in organisations and resources also explain differences in organisational performance between organisations with similar products in the same industry".

Similarly, Salazar, (2017:30) affirms that The RBV theory is "possibly one of the most promising approaches to understanding differences in firm performance". Furthermore, Louw and Venter (2013:238) assert that the RBV theory "springs from the strategic importance of understanding why organisations differ from each other and why certain organisations are more profitable than others". Thus far, it cannot be wrong to say that the RBV theory explains why some SMMEs survived the COVID-19 pandemic when others failed.

The resources of an organisation are central to the RBV theory. These resources are divided into three categories which are physical or tangible resources, intangible resources and human resources or capabilities (Louw & Venter, 2013). Table 2.1 below gives a summary of these groups of resources.

Table 2-1: Categories of resources.

RESOURCES		
Physical resources	**Intangible resources**	**Human resources**
Financial (cash, securities, borrowing capacity). Physical (plant, equipment, land, mineral reserves).	Technology (patents, copyrights, trade secrets). Reputation (brands, relationships). Culture.	Individual skills/ know-how (leadership, efficient routines). Capacity for communication and collaboration. Motivation

Source: UNISA, (2019:98).

Tangible resources "are the physical, observable and quantifiable assets of the organisation while intangible and human resources are not easy to identify but are usually much more valuable and superior to tangible resources" (Venter, 2014:118). The intangible resources and capabilities are ordinarily the source of an organisation's competitive advantage (Jurevicius, 2022). During the pandemic, differences in resource endowment between SMMEs played a part in their survival or failure.

The RBV theory posits that resources need to be valuable to benefit an organisation. Valuable resources give organisations the edge to leverage opportunities or thwart threats confronting an organisation (Venter, 2014). Furthermore, "a resource is valuable if it can meet customer needs better than the resources of competitors" (Louw & Venter, 2013:108). Considering what has been stated earlier about the nature of physical resources versus the rest of the resources, intangible, and human resources give organisations more value than physical resources (Jurevicius, 2022). However, individual resources alone may not lead to an organisation's competitive advantage. Instead, a combination of tangible, intangible as well as human resources does the trick (Venter, 2014). This assertion is further supported by Salazar (2017:35) who affirms that according to the RBV theory, "value is embedded in a configuration of resources as a result of their interaction". Likewise, Jurevicius (2022:2), states that "in order for an organisation to capture value from its resources and capabilities, an organisation must organise and align its management systems, processes, policies, organisational structure and culture". Put differently, the ability to combine resources makes it possible for organisations to reap superior value from them. Relating this to the COVID-19 situation, the ability of some

SMMEs to effectively combine resources and capabilities would see those SMMEs better positioned to circumvent the pandemic challenges than others.

According to the RBV theory, resources in an organisation need to be evaluated to get a fair view of their worth because only valuable resources give an organisation a competitive edge. The VRINE framework as well as the determinants of resource value (competitive superiority, appropriability, substitutability and exploitability) given by Louw and Venter (2013) reveal what it takes for a resource to be deemed worthy. These two methods of appraising resources are remarkably similar and intertwined. The "VRINE acronym stands for valuable, rare, inimitable, non-substitutable and exploitable" (UNISA, 2019:109). The main characteristic of all these attributes is value (Salazar, 2017) because valuable resources are durable (ability to last for a long time), not easy to acquire, inimitable (not easy to copy) and replicable (ability to be used in other situations or settings) (Venter, 2014). Valuable resources also differentiate an organisation's products and or decrease an organisation's production costs (Jurevicius, 2022). Rare resources are owned by one or a few organisations and inimitable resources are difficult or costly to copy (Jurevicius, 2022). Non-substitutable resources are those that cannot be replaced by a substitute while exploitable resources are resources within an organisation's capacity to leverage (Louw & Venter, 2013).

As mentioned hereinabove, the determinants of resource value as given by Louw and Venter (2013) include a resource's competitive superiority, appropriability, substitutability and exploitability. Table 2.2 below gives a summary of these attributes.

Table 2-2: The determinants of resource value.

What makes a resource valuable?			
Competitive superiority	**Appropriability**	**Sustainability**	**Exploitability**
Distinctiveness. Scarcity. *-physically unique* *-path dependency* *-causal ambiguity* *-economic deterrence* Relevance.	Protection of intellectual capital. Relative bargaining power. Embeddedness. Resource exploitation.	Durability. Replicability. Transferability. *-geographical immobility* *-imperfect information* *-resource complementarity* *-resource dependency*	Concentrating resources. Accumulating resources. Complementing resources. Conserving resources

Source: Louw and Venter (2013:239).

A competitive superior resource is unique or distinct from those of competitors and thus enables an organisation to satisfy customer needs better than rivals (venter, 2014). Apart from being distinct, superior resources are also characterised by scarcity (not common because

they are difficult to acquire) and are "relevant to key success factors in the market" (Louw & Venter, 2013:240). In fact, one of the major suppositions of the RBV theory is that an organisation's resources ought to be heterogeneous because "a situation where the same mix of resources is available to all firms would cause the firms to out-compete each other and non would have a competitive advantage over the other" (Jurevicius, 2022:3). Scarcity is an interplay of physical uniqueness, path dependency (built over time in ways that cannot be replicated), causal ambiguity (difficult to pinpoint exactly what the valuable resource is and how to duplicate it) and economic deterrence (uneconomical for rivals to invest in the same resources) (Louw & Venter, 2013). Scarcity also corresponds with the inimitable and non-substitutable characteristics of resources according to the VRINE framework because resources that are hard to imitate may be so due to "historical conditions, causal ambiguity and social complexity" (Jurevicius, 2022:3). During COVID-19, SMMEs that had superior resources could out-compete their rivals in finding ways of dealing with the pandemic challenges.

The appropriability attribute is defined by "whether an organisation is able to capture value generated by its resources" (Louw & Venter, 2013:240). Resources that are locally generated and not borrowed or copied from elsewhere are easy to appropriate and hence more valuable to an organisation. Appropriability is defined by the protection of intellectual capital, the relative bargaining power the resource confers on the organisation, the extent to which the resource is embedded in the organisation as well as the organisation's capability to exploit the resource (Louw & Venter, 2013).

Sustainability is another characteristic of a valuable resource. If a resource is sustainable, its value on the organisation is lasting and prolonged. Sustainability is determined by resource scarcity, durability, and the ability of an organisation to "replicate the resources and capabilities in other markets or products" (Louw & Venter, 2013:240). Sustainability is also informed by a resource's low transferability due to "the geographical immobility of the resource, imperfect information on the resource, resource dependency and resource complementarity" (Louw & Venter, 2013:240). The immobility of resources at least in the short run is one of the core assumptions of the RBV theory because immobility makes it hard for rivals to replicate the same resources and in the process gives a competitive advantage to the organisation in possession of the resource (Jurevicius, 2022). Furthermore, intangible resources are usually immobile for example brands, culture, intellectual property and the like and these give an organisation more value than tangible resources (Jurevicius, 2022). During the COVID-19 pandemic, an SMME's possession of sustainable resources gave it the vantage to survive the pandemic better than SMMEs not in possession of such.

Exploitability as a determinant of resource value is explained by the extent to which an organisation is able to leverage its resources for competitiveness or survival (Louw & Venter, 2013). Resources are exploited through "concentrating, accumulating, complementing and conserving them" (Louw & Venter, 2013:242). The ability to exploit available resources during the pandemic was essential for SMME survival since the pandemic in one way or another induced resource shortages. Resource concentration is "the principle of selective allocation of resources through 'converging' the resources on a few strategic goals, 'focusing' the efforts of each organisational unit on single priorities sequentially and/or 'targeting' those activities that have the highest impact on customer perception of value" (Louw & Venter, 2013:242). Converging, targeting, and focusing resources assisted SMMEs that wanted to change

business models or take their business online during hard lockdowns. Such a selective allocation of resources helped SMMEs to concentrate their resources on what could make them survive the pandemic hardships.

"Accumulating resources refers to the principle of building up resources quickly using 'mine experience' to learn as quickly as possible and to borrow from other organisations through alliances, networks, and the like" (Louw & Venter, 2013:242). The unprecedented challenges SMMEs faced during the pandemic required the capacity to quickly generate resources that were absent or in short supply in the organisation but were necessary to circumvent the pandemic challenges. Resources that could be accumulated easily during the pandemic were valuable to the survival of many SMMEs.

"The process of increasing the value of resources by linking them to complementary resources and capabilities through blending and balancing is known as complementing resources" (Louw & Venter, 2013:242). Blending involves "linking technical or R&D capabilities to the marketing capabilities required to market the product" while balancing "ensures that limited resources and capabilities in one area do not limit the value of resources in other areas" (Louw & Venter, 2013:242). Conserving resources is a process of making maximum use of resources through recycling or co-opting. The ability of resources to be complemented or conserved increases their exploitability and their value in an organisation. During the pandemic, a decline in the demand for products, social distancing regulations and lockdowns meant a decrease or in some instances, a shortage of financial resources for some SMMEs. Again, the disruption of supply chains, employees quitting out of fear of contracting the virus, and others succumbing to the virus also meant a shortage of human resources and other vital inputs for SMMEs. As such resources that could be complemented and/or conserved were vital for survival.

Having seen what makes a resource valuable from the discussion above, what then does it take to capture value from a resource according to the RBV theory? Resource value is captured through resource replication and hidden resource adaptation (Louw & Venter, 2013). Resource replication entails "replicating or repeating a successful formula in new situations or markets" (Louw & Venter, 2013:244). Put differently, valuable experience or past successes sometimes inform an organisation on how to deploy resources in ways that enable the organisation to capture more value from the resources. COVID-19 brought unexampled challenges to SMMEs which necessitated resource replication. Resource replication was manifested in situations where SMMEs used existing resources to venture into a business that was considered 'essential' to remain operational during hard lockdowns. Capturing resource value is also done when "hidden resources or assets are adapted to new environments and in the process create value that was not previously recognised" (Louw & Venter, 2013:244).

2.2.2 The Dynamic Capabilities (DCs) theory

Another theoretical framework undergirding this study is the Dynamic Capabilities (DCs) theory proposed by Teece, Pisano and Shuen (1997). This theory "was derived from the Resource Based View (RBV) theory and compensated for the RBV's shortcomings in explaining the development and redevelopment of resources and capabilities to address rapidly changing environments" (Bleady, Ali & Ibrahim, 2018:2). The DCs theory explicates how organisations acquire sustenance and retain competitiveness in a dynamic environment through the redeployment of existing resources, creation of untapped resources and more to

take advantage of emerging opportunities (Ferreira, Gimenez & Rese, 2017; Teece *et al*, 1997). At the heart of the DCs theory are the capabilities of an organisation. Capabilities are routines, processes, systems and the like that enable an organisation to perform exceptionally well and "dynamic capabilities are those capabilities that help organisations to learn new capabilities they require to adapt to environmental changes" (Venter, 2014:121). DCs are "critical in industries undergoing change or facing deep unforecastable uncertainty because they enable a firm to detect opportunities, to be effective and to be resilient" (Teece, *et al*, 2020:4). COVID-19 brought that period of 'unforecastable uncertainty' throughout the world's business environment and businesses particularly SMMEs needed DCs to survive the pandemic. Echoing similar sentiments, (Dyduch, Chudzinski, Cyfert & Zastempowski, 2021:3) assert that "DCs play a crucial role in the functioning of SMMEs during turbulent times since their limited resources and or limited access to credit makes them more sensitive to crises than large companies".

The concept of DCs is still under considerable research hence variations in definitions of DCs have emerged over the years resulting in various conceptualisations (Dejardin *et al*, 2022). Despite the variations, "many definitions of DCs point to the importance of innovation, change, and organisational learning which all result in the accumulation, pioneering, coordination and deployment of resources" (Giniueniene & Jurksiene, 2015:986). DCs are defined by Teece *et al* (1997:516) as a "firm's ability to integrate, build, and reconfigure internal and external resources or competences to address and shape rapidly changing environments". Dejardin *et al* (2022:3) also define DCs as "organisation processes that consume resources, specifically the processes for integrating, reconfiguring, obtaining and releasing resources to keep up with changes in the marketplace". Furthermore, Venter (2014:121) defines them as "those capabilities that help organisations to learn new capabilities they require to adapt to environmental changes". Central to all these definitions of DCs is how organisations modify their existing resource bases, create new ones, and deploy them to suit prevailing circumstances and keep their competitive advantage. With regards to SMMEs, managers are the ones responsible for "combining scarce resources which constitute DCs that this type of organisation has" (Ferreira *et al*, 2017:78).

Change from the external environment can render an organisation's processes, products, systems and the like obsolete, less competitive, and ineffective, and threatens the survival of the organisation in the process (Venter, 2014). Similarly, Dejardin *et al* (2022:3) affirm that environmental instabilities "normally trigger profound industrial changes such as volatile demand". Sources of change can be high-technological changes, pandemics like the COVID-19 pandemic or even a combination of factors (Teece *et al*, 1997). The COVID-19 pandemic and concomitant government responses aimed at mollifying the spread and impact of the pandemic ushered in a period of profound turbulence in the business environment and resulted in increased operating costs, reduced demand for goods and services, supply chain disruptions, labour shortages and the like (Belitski *et al*, 2021; Bartik *et al*, 2020). Teece *et al* (2020:2) also note that the COVID-19 pandemic "caused a sharp and rapid deterioration in South Africa's growth prospects and corresponding increases in poverty, unemployment, inequality, business profitability, investment and macroeconomic risks" To survive such catastrophic periods, businesses particularly SMMEs require DCs to adapt to the prevailing environment and remain competitive through the identification of new business opportunities, modification of existing resources and or creation of new resource bases and the like (Teece, 2007). These sentiments are reiterated by Dyduch *et al* (2021:3) who asset that DCs "are seen

as one of the key drivers of performance in changing environments since they continuously change operational capabilities in response to changes in the environment".

There are differing views with regard to the existence of DCs in organisations with some researchers believing that "DCs are unique to a firm while others propound that they are relatively similar across firms (so-called 'best practices') and manifest through routines such as ways of communicating in the organisation, managing, research and development (R&D), performing acquisitions and the like" (Laaksonen & Peltoniemi, 2018:186). To marry the two views, "some researchers explain the nature of DCs through a contingency model which states that in high-velocity markets, DCs may best be conceptualised as rules and processes unique to an organisation while in moderate-velocity markets, they may be manifest in best practices" (Laaksonen & Peltoniemi, 2018:186). If the terms 'high-velocity' and 'moderate-velocity' denote extreme and moderate environmental changes respectively, then it is possible to assume that DCs that are unique to firms, and those that are similar across firms can both simultaneously exist in one organisation. Depending on the prevailing circumstances, organisations resort to any of the two to identify opportunities, modify and or create resources and adapt. Factoring in COVID-19, one can presume that SMMEs that were severely affected by the pandemic could resort to 'unique' DCs to adapt while those moderately affected would use their 'best practices' to navigate the situation. In a similar observation, Dejardin *et al* (2022:2) affirm that "instability arises in different ways in market environments, with the meaning and relevance of DCs varying in accordance with the respective prevailing instabilities".

DCs are inherent in individuals, firms, and nations (Teece *et al*, 2020). With regards to individuals, "DCs develop through experience, personal networks and a mental frame for assessing the business environment" (Teece *et al*, 2020:4). With respect to firms, DCs are likely to prevail in "those that are engaged in international trade which involve global value chains as well as those that invest in R&D" (Teece *et al,* 2020:4). Again, both large and small businesses can possess DCs "even as small as a roadside fruit vendor" (Teece *et al*, 2020:8). Therefore, during the COVID-19 pandemic, SMME responses to the crisis could vary depending on the availability of DCs in the SMME. DCs enable SMMEs to thrive in changing environments and help one to understand why some small businesses survive difficult periods and achieve success in changing environments (Ferreira *et al*, 2017).

As aforementioned, organisational learning, innovation, and change are central to the DCs theory (Dyduch *et al*, 2021; Giniueniene & Jurksiene, 2015; Venter, 2014; Teece, 2007). Organisational learning takes place when individuals within the organisation acquire new knowledge and information, share it, and use it to improve or maintain a firm's competitiveness (Ferreira *et al*, 2017; Venter, 2014). It is essential for the success and survival of businesses during periods of instability because it underpins innovation and change (Venter, 2014). "Organisational learning might also be seen as the way to incorporate DCs into the internal processes of the firm" (Giniuniene & Jurksiene, 2015: 987). The changes brought about by COVID-19, economically and socially required SMMEs to learn and adapt in order to survive.

Learning in organisations usually takes place through experiments. During the process, organisations "conduct an experiment, study the successes and failures and eventually transfer the lessons throughout the organisation" (Venter, 2014:244). The "DC that drives organisational learning and change in organisations is absorptive capacity" (Venter, 2014: 121). "Absorptive capacity refers to the ability of an organisation to recognise the value of new,

external information, to assimilate it and to use it to address business problems" (Venter, 2014:101). In other words, without absorptive capacity, it will be difficult for organisations to learn from the external environment because some opportunities are not obvious and require individuals with high capabilities (absorptive capacity) to discern or even create (Teece, 2007). Moreover, "absorptive capacity differs from organisation to organisation, so that some have a higher absorptive capacity than others and accordingly are able to learn and adapt more quickly to their environments or to innovate" (Venter, 2014:101). Furthermore, though all organisations seek to exploit opportunities to some extent, "some cope with and respond to uncertainty more effectively than others, ride out disruptions and thrive in their aftermath" Teece *et al* (2020:2). COVID-19 brought several changes to the business environment because of frontier closures, movement restrictions, quarantine policies, social distancing policies and the like (Ladzani, 2022; Belitski, 2021, Bartik, 2020). Thus, SMMEs needed the ability to learn how they could take advantage of opportunities accompanying these changes as well as how they could thwart challenges presented by the same changes. To some degree, therefore, SMMEs' response to the COVID-19 crisis was influenced by whether an SMME possesses DCs to drive learning and change or not.

Innovation on the other hand is "a process of activities which are aimed at finding new ways, new products or services, new brands, new management systems and the like" (Giniuniene & Jurksiene, 2015:987). Teece *et al*, (2020) affirm that strong DCs enable an organisation to be continuously innovative. Organisations need to be innovative to cope with external changes and remain competitive. As mentioned here before, COVID-19 brought unprecedented changes to the business environment ushering in a 'new normal' which made it mandatory for SMMEs to be innovative to stay afloat.

Change in organisations occurs when new innovations in the form of methods, processes, systems, products, and the like are adopted by an organisation (Venter, 2014). Relating these three tenets of DCs, (learning, innovation, and change), learning is a precursor to both innovation and change because current ideas and knowledge should be garnered first before any innovation materialises and innovation precedes change. Absorptive capacity (a dynamic capability) underpins learning, innovation, and change (Giniuniene & Jurksiene, 2015). Figure 2.2 below depicts the relationship between DCs, learning, innovation, and change.

Figure 2.2: *DCs, Learning, Innovation and Change.*
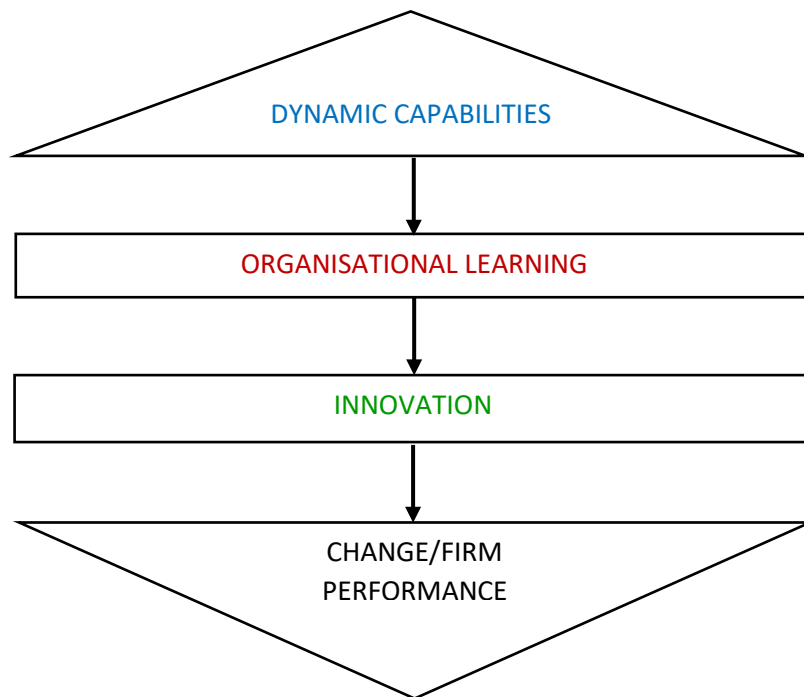
Source: Giniuniene and Jurksiene, (2015:988)

In an organisation, capabilities exist at two levels (Dyduch *et al*, 2021). The first level consists of operational or ordinary capabilities which enable an organisation to conduct its day-to-day activities (Dyduch *et al*, 2021). The second level consists of DCs which are also divided into first level DCs that "aid managerial decision-making during periods of uncertainty" and second level DCs which "facilitate the sensing and seizing of new or changed opportunities" (Dyduch *et al*, 2021:2). Therefore, during COVID-19, decisions by SMMEs regarding whether to change the business model, to operate online, to lay off workers and the like would be guided by the 'first level' DCs while the 'second level' DCs would guide the detection of opportunities and threats that came with COVID-19. It also makes sense to assume that 'first level' DCs are informed by 'second level' DCs because the knowledge of external opportunities and threats guides managers' decision-making. DCs change ordinary capabilities (firm's broader resource base) and ordinary capabilities in turn affect an organisation's performance (Laaksonen & Peltoniemi, 2018). Therefore, ordinary capabilities directly affect organisational performance while DCs indirectly affect organisational performance through giving an organisation the edge to adapt and change during dynamic periods such as the one ushered in by COVID-19.

The 'second level' of DCs mentioned above is also divided into three categories which are sensing, seizing, and transforming (Teece *et al*, 2020; Ferreira *et al*, 2017; Teece, 2007; Teece *et al*, 1997). Sensing DCs are responsible for the identification of opportunities in the external environment and scenario planning as well as gathering feedback from clients (Teece *et al*, 2020; Ferreira *et al*, 2017; Teece, 2007). The "six influential factors in opportunity recognition are prior knowledge, social capital, cognition/personality traits, environmental conditions, alertness and systematic search" (Ferreira *et al* 2017:81). Teece, (2007:1323) also reveals that "opportunity or threat detection involves interpreting available information in whatever

form it appears such as news, conversations at trade shows, angst expressed by frustrated customers and the like". The ability of SMMEs to detect opportunities and threats during the pandemic could have been influenced by all these mentioned factors and only those SMMEs that possessed these abilities or factors stood high a chance of sensing both opportunities and threats presented by COVID-19 and ultimate survival.

Seizing DCs' responsibility is the creation of different business models as well as the utilization of available resources to create new processes, systems, products, services, and the like that satisfy the prevailing opportunities (Teece, *et al*, 2020; Teece, 2007). Put differently, seizing involves the deployment and redeployment of resources to transform opportunities detected in the external environment into reality (Ferreira *et al*, 2017).

Transforming DCs ensure "continuous renewal and periodic strategic shifts which involve redesigning the organisation to increase its effectiveness and its alignment with strategy" (Teece *et al*, 2020:8). It involves transforming the whole organisation to suit the prevailing opportunities or threats detected in the external environment. In conclusion, SMME's survival during the COVID-19 pandemic was to some extent underpinned by the possession of DCs and the ability to utilize them to sense and seize opportunities, and to transform its strategies, business models and the like.

2.2.3 The Contingency Leadership (CL) Theory

Challenges brought by COVID-19 to the business world were profound and hence required effective leadership to successfully see firms through the pandemic. Effective leadership "plays a determining role in ensuring that the organisation adapts to changing environments in order to succeed and survive" (UNISA, 2019:152). Talking of leadership effectiveness takes us to the Contingency Leadership (CL) theory which is another theoretical framework that underpins this study (Sethuraman & Suresh, 2014). Proposed by Fielder in 1964, CL theory is centred upon the conviction that leadership effectiveness depends not only on the leader's traits and behaviours but also on the consideration of the prevailing circumstances. (Seyranian, 2012). A disregard for the situation at hand by leaders when executing their roles may result in them failing to deliver on their mandates. Moreover, "the number of catastrophes and major disasters in the world proves that the response of a leader to a crisis that is considered successful is one that can adapt to the context and circumstances" (Suharyanto & Lestari, 2020:479). In the face of COVID-19, the CL theory has gained relevance in trying to explain the role of leadership in handling crises of high magnitude like the COVID-19 pandemic (Suharyanto & Lestari, 2020).

Fielder's CT theory led to the development of other 'variants' of the contingency theory namely the 'Path-Goal theory' by Evans, the 'Normative Decision Model' by Vroom and Yetton and the Situational Leadership Theory by Hersey and Blanchard. Though some researchers treat these 'variants' of the CL theory as separate independent theories, this study will treat them as parts of one big CL theory because they all "account for both the leader and situational variables" (Seyranian, 2012:4). The diagram below shows all the CL theories.

Figure 2.3: *Contingency leadership theories.*
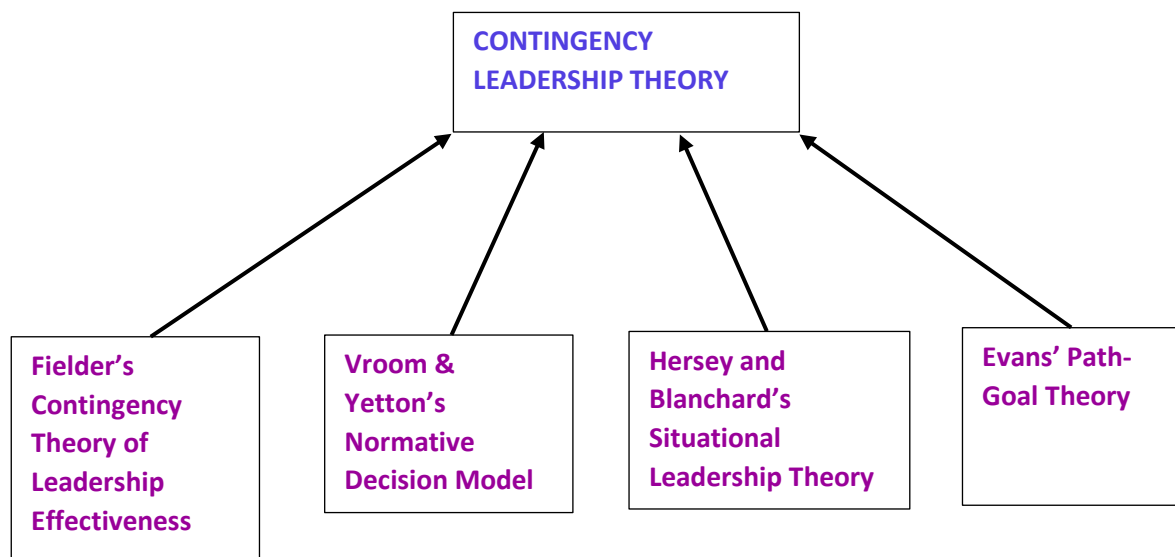
Source: Own creation

A discussion of each of these sub-components of the CL theory follows to unpack how the theory underpins this research.

2.2.3.1The Contingency Theory of Leadership Effectiveness – by Fielder.

This theory affirms that, "leadership effectiveness (in terms of group performance) depends on the interaction of the leader's task or relations motivations and aspects of the situation" (Seyranian, 2012:1). Task motivations relate to the "leader's behaviour that provides structure for example role assignment, planning, scheduling and the like to ensure task completion and goal attainment" (Seyranian, 2012:1). On the other hand, relation motivations are "leader behaviours that include building good rapport and interpersonal relations and showing concern and support for subordinates" (Seyranian, 2012:1). However, these two aspects alone are inadequate for the execution of effective leadership because effectiveness is also contingency upon situations at hand (Suharyanto & Lestari, 2020).

Fielder used what he called the 'least preferred co-worker' (LPC) to group leaders into two categories. High LPC leaders are those that speak well of their LPC and low LPC leaders are those that speak less favourably of their LPC (Seyranian, 2012). These two types of leaders are effective in different situations or environments. "High LPC leaders are most effective in influencing group performance in 'intermediate situations' and low LPC leaders are most effective in 'favourable or unfavourable' situations" (Seyranian, 2012:2). To adapt to prevailing circumstances, Fielder argues that high or low LPC leaders should be matched to situations they are good at handling. One of the conditions of a favourable situation is "whether the task at hand is highly structured with standardised procedures and measures of adequate performance" (Seyranian, 2012:2). COVID-19 brought challenges to the business world which gave rise to a 'new normal' which rendered existing structures, procedures, systems and more ineffective and in so doing created an 'unfavourable situation'. The 'unfavourable situation' was created when "businesses were encouraged to restructure operations, optimize cash

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management, identify efficient gains and reorient activities and resources to ensure continuity and to survive the pandemic" (NYDA, 2020:21). At the same time, some business opportunities emerged because of the pandemic, and these created favourable situations. According to Fielder's contingency theory, low LPC leaders hence were required by businesses to provide effective leadership to businesses during the pandemic by virtue of them being more effective in influencing performance in favourable or unfavourable situations. Failure to match the COVID-19 situation with the proper leadership style would see a business failing.

2.2.3.2 The Path-Goal Theory- by Evans

The path-goal is a CL theory that "takes into consideration the flexibility needed by the leader as the situation evolves and is often based on two variables which are the environment and the employees to be managed" (Amiri *et al*, 2010:3). The theory posits that the path to achieving the goals of an organisation depends on adapting leadership styles to the situation at hand (Fabac, Kokot & Bubalo, 2022). The four types of leadership styles that are identified are directive, supportive, participative and achievement oriented (Fabac *et al*, 2022; Amiri *et al*, 2010). Depending on the prevailing situation or the environment, leaders can adopt any of these leadership styles to achieve effective leadership and eventually goals of the organisation. In the context of this theory, the environment includes characteristics of a workgroup (skills, competency, experience, qualifications, and the like), task structure, and formal authority systems (Fabac *et al*, 2022). Workers or subordinates on the other hand are "motivated if they think that they are able to manage the task, that their efforts will result in certain successes and that compensation is in line with their effort" (Fabac *et al*, 2022:350). Unpacking the identified four leadership styles will reveal how effective leadership could prevail during the COVID-19 pandemic.

"Supportive leadership includes a great concern for the welfare of subordinates and organisational climate, and the style accomplishes great results when subordinates are unsatisfied or frustrated" (Fabac *et al*, 2022:350). This leadership style is also appropriate "in situations where the task is dull or taxing hence the leadership behaviours may increase followers' expectations of a successful outcome" (Seyranian, 2012:2). The fear of contracting COVID-19, the pain and trauma of suffering from the virus and losing loved ones through COVID-19-related deaths necessitated supportive leadership to keep organisations going during the pandemic. Again, the pandemic ushered in a 'new normal' which resulted in changes in the way business is conducted. Working from home away from colleagues, changing business models, shifting operations online and the like meant effective leadership would only prevail if among other things, subordinates' needs were taken care of through all these changes.

Participative leadership enables subordinates to contribute or make suggestions regarding matters affecting the organisation and this type of leadership is "appropriate for subordinates who require control" (Fabac *et al*, 2022:350). The pandemic brought novel challenges to the business realm hence effective leaders would use this style to brainstorm ways of circumventing the challenges while at the same time making subordinates feel that they have control over the way things are unfolding. Directive leadership on the other hand "includes specific guidelines for subordinates, explanations about employee expectations and attempts to reduce role ambiguity among subordinates when tasks are unclear and problems are

unstructured" (Fabac *et al*, 2022:350). Task or situation clarification among others are roles synonymous with directive leadership (Seyranian, 2012). The changes and challenges that came to the business world because of COVID-19 would require directive leadership in situations where new work environments emerged such as working from home or online, social distancing at workplaces and the like to direct subordinates on how they should go about their day-to-day activities. This would also serve to relieve pressure and anxiety in subordinates who had to deal with so many changes. Finally, "achievement-oriented leadership focuses on defining challenges, aims and searching for higher quality results as well as tracking that subordinates are able to achieve the aims" (Fabac *et al*, 2022:350). During the pandemic, this leadership style was necessitated by the need for leaders to communicate challenges facing the organisation, new business models, new goals and other procedures that had to be changed to adapt to the situation.

Realising when to apply each leadership style was hence essential for the survival of many SMMEs during the pandemic. Again, during the pandemic, "different styles of leadership could also be simultaneously implemented" (Fabac *et al*, 2022:352).

2.2.3.3 Normative Decision Model- by Vroom and Yetton
The normative decision model is a CL theory that "emphasises situational factors more than leadership behaviours and focuses on providing prescriptions to optimise the leader's decision-making process" (Seyranian, 2012:3). The model seeks to aid quality decision-making in different situations by giving "five different decision-making strategies that range on a continuum from directive to participative decision making" (Seyranian, 2012:3). The kind of situations that are considered in whether the decision should be directive or participative "include the importance of decision quality, the likelihood that followers' would accept and implement the decision and the amount of information available" (Seyranian, 2012:3). The novelty of COVID-19 and the concomitant unprecedented challenges the pandemic brought to the business fraternity meant the amount of information at the leaders' disposal to make decisions was limited and that quality decisions were crucial to circumvent the challenges. This situation prompted the adoption of participative decision-making to acquire ideas from subordinates as well. At the same time, many leaders did not have the luxury of waiting for long before taking decisive action, and this kind of situation attracted directive decision-making. In the end effective leadership was required to make crucial decisions that would save the organisation and the adoption of both directive and participative was essential in determining the survival of SMMEs during the pandemic.

2.2.3.4 Situational Leadership Theory- by Hersey and Blanchard
This CL theory contends that "leadership effectiveness depends on the leader's ability to tailor his or her behaviour to the demands of the situation, namely the subordinates' level of maturity" (Seyranian, 2012:3). The maturity level of subordinates includes their ability to perform a given task and to complete the task successfully (Seyranian, 2012). The role that leaders should play according to this theory is either to direct or support subordinates after taking into consideration their level of maturity. For example, "when a subordinate has lower maturity, it prescribes that the leader should tell the subordinate how to get the job done and when the subordinate is more mature, focus should be on supporting the subordinate on how

to accomplish the task" (Seyranian, 2012:3). The directing and supporting roles can further be split into "telling (S1-high directive, low supportive), selling (S2-high directive, high supportive), participating (S3-low directive, high supportive) and delegating (S4-low directive, low supportive)" (Sethuraman & Suresh, 2014:167). All these combinations are effective in different situations as aforementioned but what matters the most is the ability of the leader to perceive when each is suitable as that would spell the difference between organisation survival or failure. The COVID-19 pandemic presented challenges of different magnitudes to employees with different capabilities and needs hence situational leadership would allow effective leadership to prevail in various situations confronting an organisation.

2.3 THEORETICAL BACKGROUND

Described by Belitski *et al* (2021:1) as "an existential threat to small businesses", the COVID-19 virus "spread faster, was more complex and virulent than was thought" (Naude and Cameron, 2020:225). In a short space of time after its detection, the entire world was in a crisis. Doern *et al*, (2019:1) explicitly state that "crises are complex and their effects far-reaching to many different sectors of the economy". Indeed, the COVID-19 pandemic was a crisis and a complex one. Unlike previous crises like the Great Depression of the 1930s and the 2008 Global monetary crisis that affected the demand side of the economy first, the COVID-19 crisis took a different turn by denting the supply side of economies first (Braunerhjelm, 2021). Global supply chains were stalled during the preliminary stages of the pandemic due to travel and trade restrictions imposed by several countries to control the spread of the pandemic. Demand was only later impacted by decreases in income and loss of employment which emanated from lockdowns, curfews, social distancing regulations and the like (Braunerhjelm, 2021; Nicola *et al*, 2020). This novel scenario made it exceedingly difficult for governments and businesses alike to respond to the COVID-19 challenges. The complexity of COVID-19 was also revealed by the swiftness with which it conquered the world, striking countries in waves and mutating resulting in the proliferation of COVID-19 variants across the globe (Akinola & Tella, 2022; Ladzani, 2022; Braunerhjelm, 2021).

The devastation of the pandemic on businesses particularly the small ones was swift and unprecedented, thereby threatening the survival of these entities (Bowman & Nair, 2020; Dorr *et al*, 2021; Fairlie & Fossen,2021;). Many SMMEs struggled to keep their operations afloat because the pandemic caused the demand for many products and services to plummet and disrupted crucial supply chains for these entities (Dorr, Licht & Murman, 2021). In support of this view, Brown *et al*, (2020) posit that COVID-19 increased the risk and uncertainty of doing business. This uncertainty had serious repercussions on the welfare of SMMEs. Uncertainty increases the cost of borrowing funds and reduces the propensity of investors, banks, and the like to invest in businesses (Doshi, Kumar & Yerramilli, 2017). In China for example, the uncertainty ushered in by COVID-19 caused investors to reduce or cancel the financing of small businesses particularly the nascent ones (Liu, Zhang, Fang & Chen, 2021). In some cases, uncertainty forces "financially constrained firms during unstable times to cut their capital investment because of their inability to raise sufficient debt capital" (Doshi *et al*, 2017:5). A reduction in capital investment by a firm might not augur well for its survival eventually.

Besides increasing uncertainty in doing business, Nicola *et al*, (2020) assert that the demand for agricultural products particularly perishables like meat and milk suffered because of hotel closures due to COVID-19. Several SMMEs in the agriculture sector took a strain from this.

Bowman and Nair (2020), likewise affirm that lockdowns "disrupted routes to markets, led to price volatility, resulted in difficulties in the securing of spare parts, disrupted supply chains, reduced the demand for goods and services" among other things. These problems and the need to keep up with hygiene regulations during the pandemic increased operating costs, disrupted operations, and threatened the survival of SMMEs. Again, Fymat *et al*, (2022) argue that many businesses adopted IT technologies during the pandemic and such a development could increase unemployment because what one person aided by technology can do is much more than what many people without the help of technology can do. How far true this view is, only research can tell. COVID-19 also resulted in the loss of employees, clients, suppliers, managers and the like through death, burnout and so forth (Torres, Benzari, Fisch, Mukerjee, Swalhi & Thurik, 2021).

However, not all was bad and gloomy with regards to COVID-19. Crises have a cleansing effect on the economy because they flush out unviable and unprofitable businesses from the system so that resources freed from such can be directed towards the economically viable ones (Dorr *et al*, 2021). With regards to COVID-19, it implies that SMMEs and other businesses that failed and liquidated because of the pandemic have always been performing badly hence their failure should not be regretted because it creates space in the economy for viable businesses. This is debatable of course but in the researcher's opinion, the view carries some merit. Belitski *et al* (2021) also posit that the COVID-19 situation gave rise to efficient and productive managers, new ways of doing business as well as new products and services. Put differently, COVID-19 was a learning curve for many because it ushered in a lot of new inventions in business. This view is supported by Doern *et al* (2019) who postulate that during a crisis, resourceful entrepreneurs invent new ways of doing business through utilising their human and social capital. Likewise, Braunerhjelm (2021:16), asserts that many times, "crises initiate a restructuring process, open up new ways of running firms and organising production and penetrating markets".

COVID-19 indeed fostered positives in the business fraternity. Donga *et al*, (2021), indicate that the pandemic allowed businesses to display their innovativeness, creativity, resilience, and more. "True, it was catastrophic but disguisedly laid a good opportunity for business to invest in 'unusual' business practices to survive the economic shocks imposed by COVID-19 and other future pandemics" (Donga *et al*, 2021:48). Zhang Gerlowski and Acs (2021:13) support this view, premising that "although COVID-19 resulted in a human health and economic disaster, the crisis may result in some new adaptations, innovations and creative ways of better utilising technology and the very nature of work". Echoing similar sentiments, Moodley and Naidoo (2022) affirm that though the use of technology in marketing has been on the increase prior to the pandemic, COVID-19 accelerated the rate of technological adoption particularly in social media marketing. Furthermore, because of lessons learnt from the pandemic, "small businesses will be more agile and responsive to change in future" (NYDA, 2020:24). All these observations, assertions, presumptions, and the like indicate that the COVID-19 pandemic cloud indeed had a silver lining.

Despite the positives noted above, many researchers agree though that the impact of COVID-19 on SMMES was more negative than positive. SMMEs were devastated by the pandemic in numerous ways stated before and for a wide variety of reasons. With regards to why SMMEs were more vulnerable to the crisis, Bartik et al (2020:176) reveal that "small businesses are financially fragile". Similarly, Braunerhjelm (2021:5) postulates that "SMMEs have a weaker

financial position and modest cash reserves, are less digitized and generally have a lower technical know-how than larger firms". With respect to the weak financial position of SMMEs, many researchers maintain that some action plan was required for SMMEs to weather the COVID-19 storm. Such action plans included digitizing, going online, changing business models, and forming collaborations with other businesses to share ideas, resources, and the like (Ladzani, 2022; Bartik, 2020; NYDA, 2020). However, most of these plans required a sound financial base to implement, hence with limited financial resources that characterised many SMMEs right from the onset of the pandemic, trouble for these entities was almost inevitable. Fatoki, (2021) also argues that SMMEs are labour intensive. Labour is one of the business components that was severely affected by the pandemic. It was lost permanently or temporarily due to deaths, infection with the virus, burnout, resignations due to fear of contracting the virus and so forth (Belitski *et al*, 2021; Torres *et al*, 2021; Bartik *et al*, 2020). Again, replacing labour that had been lost was constrained by travel restrictions that were in existence as well as inadequate financial resources many SMMEs were experiencing because of the pandemic. Putting all this into consideration, any business entity that is labour-intensive was bound to suffer a great deal.

Without dwelling more on why SMMEs were vulnerable to the pandemic, extant literature reveals the importance of these entities at both the national and global levels. SMMEs contribute immensely to building world economies, creating employment, and uplifting standards of living the world over (Atkins *et al*, 2021; Dorr *et al*, 2021). In South Africa, SMMEs provide services and jobs in rural areas and other marginalised areas (Ladzani, 2022; Fatoki, 2021; Chimucheka & Mandipaka, 2015). Similarly, Bowman and Nair (2020) affirm that "SMMEs help reduce concentration by big players, service localised underserviced markets and provide rural employment". For instance, in food retailing, small, isolated villages or settlements which are regarded as unprofitable niches by big players are usually serviced by SMMEs. In addition, "SMMEs dominate many important industry sectors such as retailing, service and construction, and form crucial forward and backward links in the supply chain of the South African economy" (Donga *et al*, 2021:48). Furthermore, NYDA (2020:8) posits that "SMMEs are regarded as productive drivers of inclusive economic and development in South Africa and around the world". Inclusive growth ensures that all people across societal divides have an equal chance of participating in business and the economy and SMMEs play a vital role in that regard (NYDA, 2020). Again, as the Small Business Research Specialist (SBRS) (2020) succinctly put it, SMMEs are major drivers of innovation, employment creation and poverty reduction. Without elaborating further, the fact that most government COVID-19 financial aid packages were targeted at SMMEs signals the utmost importance of these entities to economies and societies.

Due to the importance of SMMEs discussed above combined with the novelty and severity of the COVID-19 pandemic, governments across the world adopted measures to mitigate the spread of the deadly virus (Ladzani, 2022; Lastauskas, 2021; Bartik *et al,* 2020; Bowman & Nair, 2020; Gorelik, 2020). Key measures embraced by governments included "an unparalleled number of experimentally implemented policy measures" (Braunerhjelm, 2021:2) because the pandemic was novel, comprehensive and a threat to human existence and civilisation (Nicola *et al*, 2020). Such measures included frontier closers, curfews, full or partial lockdowns, quarantine, and social distance policies, massive testing, the mandatory wearing of masks and the like (Ladzani, 2022; Bartik *et al*, 2020; Gondwe, 2020). In South Africa, national borders were closed, economic lockdowns were adopted, travel restrictions and night

curfews were imposed, the wearing of masks in public places was made mandatory, social distance regulations were spelt out and so forth (Ladzani, 2022, Gorelik, 2020). Similar measures to those taken by the South African government were also embraced by the USA though the degree of enforcement of the regulations differed from state to state (Bartik *et al* 2020)

In Africa including South Africa, compliance with these restrictions was difficult due to poverty, economic hardships, religious and cultural factors, and the like (Fymat *et al*, 2022). Partly to ensure compliance and partly in reaction to non-compliance with the COVID-19 regulations, the South African government deployed both the police and the army across the country (Ladzani, 2022; Mapuranga, Maziriri & Rukuni, 2021). This move, together with other containment measures adopted resulted in mixed reactions towards the South African government's handling of the crisis. Researchers like Gorelik (2020) commend the South African government for the generous COVID-19 financial aid package it rolled out and the enforcement of lockdowns alleging both saved many businesses and thwarted the exponential increase of COVID-19 cases that had been predicted. On the other hand, Naude and Cameron (2020:227) believe that the "blanket Western- style lockdown" adopted by the South African government across provinces as well as its failure to curb the looting of funds earmarked for business rescue and other COVID-19 programs were detrimental to the economy and people's livelihoods. Echoing similar sentiments, Braunerhjelm (2021:3) posits that "since crises tend to be characterised by different phases, policies need to adapt over time". Elsewhere in Africa, Iwuoha and Aniche (2021) allege that in Nigeria, containment measures espoused by the government were to a considerable extent intended to benefit the minority namely government officials and their few acquaintances. A lot of literature though does confirm that all governments across the world came up with some measures in trying to contain the pandemic.

Though conducted with the best of intentions, evidence abounds that some of the measures embraced by governments had devastating consequences on businesses particularly SMMEs. Belitski *et al* (2021:4) outline what they thought could be potential threats to businesses emanating from these measures including "reduced operating hours, job cuts, supply chain disruptions, jeopardization of research and development (R&D) processes, cessation of operations, business model changes, loss of key customers and reduced demand of products and services". Supporting this perception, Brown *et al* (2020) posit that problems SMMEs faced in the wake of COVID-19 were cashflow problems, maintaining staff levels and bankruptcy. In fact, different containment measures impacted business in diverse ways. Curfews, lockdowns, social distancing regulations and the like attacked the demand side of economies and resulted in decreases in income and loss of employment (Braunerhjelm, 2021). In a similar observation, Dorr *et al* (2021) reveal that lockdowns slowed down business and caused the demand and supply of goods and services to decline resulting in SMME revenue losses and liquidity problems. Again, Fairlie and Fossen, (2021:829) assert that "social distancing restrictions, health and economic driven demand shifts from COVID-19 shut down many small businesses" while Ladzani (2022) confirms that people lost jobs as a result of lockdowns. However, Naude and Cameron, (2020), argue that the belief that lockdowns were the main culprits in job losses and the languishing of economies during COVID-19 is not fully accurate because countries that imposed strict lockdowns and those that imposed lighter lockdowns experienced the same degree of economic hardships during the pandemic. Research in this respect is hence required.

Regarding travel and trade restrictions, Braunerhjelm (2021) argues that such measures devasted global supply chains, particularly in the initial stages of the pandemic. Similar sentiments are echoed by Gondwe (2020) who believes that frontier closures could severely disrupt global supply chains, and this would devastate Africa more than any place in the world because of Africa's reliance on the export of raw commodities like oil, minerals, agriculture products and so forth to the rest of the world. Nevertheless, Nicola *et al* (2020) assert that uncoordinated responses to the pandemic by governments across the world disrupted supply chains more than the measures taken to lessen the spread of the virus such as travel restrictions and frontier closures. Again, the extent to which this view is true or not can only be ascertained by research. The lack of coordination by governments was influenced by the fact that the pandemic struck countries across the world at different times and in varying degrees of severity (Gondwe, 2020). Availability of resources as well as the political landscape of a country also played a role in the way governments responded to the pandemic (Catalyst for Growth, 2020; Gorelik, 2020). Another observation made by Lastauskas (2021:919) is that "the novelty of stringent measures governments adopted particularly the strict lockdowns made it difficult for firms to come up with the best response". At the same time, Bartik *et al* (2020) maintain that SMMEs were not only impacted by the containment measures alone but also by the pandemic itself. SMMEs lost managers, employees, customers, suppliers, and more to COVID-19 through deaths, infection with the virus and resignations prompted by fears of contracting the virus.

Whether directly or indirectly, literature has thus far confirmed that COVID-19 devasted SMMEs in diverse ways. Given the importance of SMMEs discussed herein before as well as the realisation that the containment measures were hurting economies and societies, governments across the world brought about support initiatives to remedy the situation (Ladzani, 2022; Dorr *et al*, 2021; Bartik *et al*, 2020). Such initiatives were administrative, fiscal, and monetary (Belitski *et al*, 2021) and their scale and intensity differed from country to country (Atkins *et al*, 2021; Dorr et al, 2021). For example, a study conducted by Dorr *et al* (2021) reveals that fiscal instruments used in Germany included loans, labour cost subsidies, tax payment deferrals, changes in insolvency laws and the like. Somewhat similar to those of Germany, Ladzani, (2022) contends that the South African government used tax payment deferrals, COVID-19 grants, Unemployment Insurance Fund (UIF), and others to cushion businesses and the economy. Elaborating further, Gorelik (2020:60) posits that in South Africa, "SMMEs could apply for direct subsidies and tax deferrals and the SARB pegged the repurchase rate at a record low of 4.25%". To show their resolve to rescue SMMEs and economies alike, countries including the USA, Germany and even South Africa rolled out very generous support packages (Bartik *et al*, 2020; Gorelik, 2020). In line with this, countries like the USA had loans which were forgivable when "used for payroll costs, interest on mortgages, rents and utilities" (Bartik *et al*, 17663).

Nonetheless, the effectiveness of these government support initiatives has been questioned or discredited by other people. In South Africa for example, Bowman and Nair (2020) argue that government support initiatives were largely monetary and as such failed to address other non-monetary challenges SMMEs were facing such as disruptions of routes to markets and supply chains. According to the pair, the South African government support initiatives should have also included programmes aimed at offering alternative routes to markets, developing SMME digital capabilities and the like (Bowman & Nair, 2020). Similarly, Msomi, Olarewaju and Ngcobo (2021) propose that conscientizing SMMEs on how to raise own finances instead

of relying on borrowing or government aid should have been part of the South African government support initiatives during COVID-19.

In another observation related to the suitability or effectiveness of government support programmes, Braunerhjelm, (2021:963) affirms that though COVID-19 depressed economies, "the traditional fiscal responses of lowering interest rates and increasing government expenditure to stimulate demand" which many governments adopted were just unsuitable for solving the novel COVID-19 challenges. The COVID-19 pandemic affected the supply side of economies first (through travel and trade restrictions) before affecting demand (via lockdowns, curfews, social distancing and more) hence the move by many governments especially at the onset of the pandemic to continuously lower interest rates in a bid to stimulate demand has been questioned by many (Braunerhjelm, 2021). Moreover, the COVID-19 crisis created a 'new' normal which required a different approach to do business (Bartik *et al*, 2020), hence government initiatives should then have been targeted more towards knowledge upgrading, innovation, and the like (Braunerhjelm, 2021). From a slightly different perspective, Dorr *et al* (2021:889) argue that "the bailing of SMMEs during COVID-19 prolonged the life of many unproductive SMMEs" and as far as that is concerned, support initiatives could have cost economies instead of benefitting them. This is debatable of course, but the researcher finds the sentiments quite interesting and worthy of attention. Furthermore, whether the money reached those who deserved it and used for the right purpose by the beneficiaries, is a concern for many people (Belitski *et al,* 2021; Braunerhjelm, 2021). Research is hence required to establish how suitable and effective government support initiatives were.

However, though other people were critical of government support initiatives, it does not mean they were not necessary or a complete waste of resources. Justifying government involvement, Belghitar, *et al* (2021:4) point out that "without government support, many small businesses would fail". Echoing similar sentiments, Bartik et al, (2020) postulate that a number SMMEs struggled financially during the pandemic to the extent that many of them declared that in the absence of any financial assistance, failure was almost inevitable. Bowman and Nair, (2020) rightly point out that in South Africa, the UIF assisted SMMEs to a considerable extent, enabling many of them to pay workers during hard lockdowns when they were not operating. To sum it all up, Braunerhjelm (2021:2) clearly articulates that "the COVID-19 crisis was comprehensive and such comprehensive crises can generate long-lasting negative effects on the economy if not mitigated through active policies and support measures".

Government efforts alone were not enough to offset the negative effects of COVID-19 on business, especially the SMMEs. As such it was also morally right if not imperative for other stakeholders and SMMEs themselves to assist in the fight against the COVID-19-induced crisis. The private sector made up of banks, nongovernmental organisations (NGOs), Faith-based organisations and the like responded by "organising virtual conferences, small business colloquiums, raising relief funds for SMMEs and many more" (Ladzani, 2022:4). With respect to SMMEs, it was essential for them to act in order "to secure their employees, market position, performance and ultimately survival" (Grozinger *et al*, 2021:2). Extant literature lays bare how SMMEs responded or could potentially respond to the crisis. For instance, some SMMEs resorted to cutting salaries, reducing operating hours, and retrenching staff (Ladzani,2022; Bowman & Nair, 2020). Belitski *et al*, (2021) also reveal that others redeployed employees, started working from home online, developed new business models and sought psychological support to cope with the stress associated with the virus and concomitant challenges.

Regarding 'working from home', Zhang *et al* (2021) posit that many small businesses found it difficult to adopt the practice due to a lack of digital skills and resource constraints to acquire the required infrastructure. Additionally, working from home was also unworkable in sectors like construction, agriculture, health service, accommodation, food service and more (Zhang *et al*, 2021).

There are also potential responses SMMEs could adopt to alleviate the challenges they encountered in the face of COVID-19. Kwong, Cheung, Manzoor and Rashid, (2018) posit that in a crisis that makes it difficult for businesses to access resources, some SMMEs resort to what is called the 'bricolage strategy' to survive. This strategy involves scavenging and using any resource at one's disposal to make ends meet. In this respect, given that the COVID-19-induced crisis disrupted supply chains and caused liquidity problems, one or two SMMEs probably resorted to this 'bricolage strategy' to survive the pandemic. Another response that SMMEs could embrace to counter the COVID-19 woes is what Block, Fisch, and Hirschman, (2020) call 'bootstrap financing'. The bootstrapping strategy involves preserving the liquidity of the business not by borrowing from financial institutions or investors but through reducing expenses, collecting receivables, delaying payments, selling assets, borrowing from family or friends and so forth (Block *et al*, 2020). Given that COVID-19 affected the liquidity of SMMEs, it is possible that some SMMEs resorted to bootstrap financing to remain operating.

Thus far, literature has disclosed how COVID-19 impacted SMMEs and how governments, the private sector and SMMEs responded or could have responded to the COVID-19 challenges. However, confronted with the same challenges and even operating in the same sector, some SMMEs survived the COVID-19 crisis when others failed. What then are the determinants of survival and failure that saw other SMMEs traverse the pandemic when others failed and drowned? A discussion of these factors follows, and the researcher groups them into those internal to the SMME and those external to the SMME. The theoretical framework that will anchor the discussion of these factors is based on the RBV theory, the DCs theory and the CL theory discussed hereinabove.

2.4 DETERMINANTS OF SMMEs SURVIVAL OR FAILURE DURING COVID-19
Extant literature unpacks a wide variety of factors that contributed to or could have contributed to the survival or failure of SMMEs during COVID-19. The table below gives a summary of these factors grouped into internal and external factors.

Table 2-3: Determinants of SMME survival or failure during the pandemic.

Internal factors	External factors
• Gender and cultural issues. • Essential and non-essential business • SMME crisis management skills and resilience. • Clusters, networks, and online communities. • SMME response to COVID-19 challenges. • SMME size, ownership, and formality. • Entrepreneur skills and capabilities. • Challenges before COVID-19. • Race and nationality of entrepreneurs.	• Access to COVID-19 relief aid. • Geographical location of an SMME. • Scale and scope of government assistance.

Source: Own creation

2.4.1 Internal factors

As the name implies, these are factors that are internal to the business such as SMME skills and capabilities, gender and culture of entrepreneurs, nature of business venture, SMME size and ownership, SMME response to the COVID-19 woes, challenges experienced by the SMME before COVID-19, and more.

2.4.1.1 Gender and cultural issues

The gender and culture of entrepreneurs played a role in the survival or failure of SMMEs during the COVID-19 pandemic. Though participation in entrepreneurship is open to both men and women in societies, the challenges faced by women in this sector place great constrains on the growth and survival of their ventures (Jaim, 2020). Women entrepreneurs face difficulties rooted in gender and cultural issues that define many societies. Bullough, Guelich, Manolov and Schjoedt, (2020:1) affirm that "gender and culture dynamically interact, shaping gender role expectations and identities, and the economic and social environment in which women entrepreneurship is embedded". Due to gender stereotypes, men are perceived as better leaders and entrepreneurial competent than females (Martiarena, 2020). This 'biased' evaluation or perception of women results on the one hand in investors lowly evaluating and not very keen on investing in female businesses and on the other hand in reducing women's confidence in business (Martiarena, 2020). Women are also perceived as homemakers whose duty is to take care of the family while men are viewed as providers whose duty is to go out into the world and fend for the family (Linan, Jaen & Martin, 2020). These gender roles, cultural expectations and resultant misconceptions about women could have seen women businesses suffer more during the COVID-19 pandemic when lockdowns disrupted several aspects of life and business.

As alluded to earlier, "the COVID-19 pandemic led to severe disruptions in work, schooling and family life around the world" (Kalenkoski & Pabilonia, 2021:1). For instance, lockdowns

and stay-at-home regulations coupled with the closure of normal schooling and the adoption of online schooling meant children were full time at home and needed adult supervision (Kalenkoski & Pabilonia, 2021; Jaim, 2020). The issue of social distancing also meant that parents could not make use of the services of housemaids and caregivers anymore (Jaim, 2020). Due to gender roles and cultural norms and values, women especially those in business withstood the worst of these developments more than males (Kalenkoski & Pabilonia, 2021; Jaim, 2020). This situation compelled some women to leave their businesses to take care of their families. For example, Kalenkoski and Pabilonia, (2021:1) establish that in the USA, "self-employed mothers were forced out of labour force to care for children as prescribed by gender norms and division and specialisation of labour within households". Similar sentiments are echoed by Jaim (2020:211) who affirms that "in patriarchal societies like Bangladesh, women were faced with a challenge of having additional family responsibilities during lockdowns because school closures meant it was mainly the mother's duty of taking care of the children at home". Though some people would argue that these women had the option of working from home, this option was made difficult by the need to supervise children's online schooling as well as the impracticality of doing certain businesses online such as those in the service sector, which require contact or face to face interactions (Kalenkoski & Pabilonia, 2021). What this means is that during COVID-19, more women businesses than men suffered due to family obligations. This observation is echoed by Jaim, (2020:211) who affirms that "though the general scenario of the business sector demonstrated an alarming condition, women business owners were likely to face additional patriarchal problems during the pandemic".

Gender and culture also affect the kind of entrepreneurial ventures men and women undertake (Martiarena, 2020). In the USA for example, "more females operate as self-employed in unincorporated businesses such as sole proprietorships, partnerships and family trusts than males" (Kalenkoski & Pabilonia, 2021:3). During the pandemic, these "unincorporated self-employed experienced the largest reductions in employment and working hours and were also not eligible for social insurance programmes such as unemployment insurance" (Kalenkoski and Pabilonia, 2021:3). This situation likely translated to shortage of financial resources to keep such businesses alive and functional. Mapuranga *et al* (2021) confirm that in South Africa, many women are into survivalist (necessity) entrepreneurship which is usually engaged by poor and less educated people out of desperation and the sheer need to survive. Survivalist women entrepreneurs were devasted by the pandemic and the challenges they faced included "lack of government financial support for their informal businesses, a decline in demand for their products resulting in stocks getting rotten, battle for strategic selling points and confrontations with police as a result of failing to adhere to COVID-19 regulations" (Mapuranga *et al*, 2021:128). These challenges limited the survivability of these businesses during the pandemic.

In another observation, Jaim, (2020) articulates that women entrepreneurs were more disadvantaged during COVID-19 since they largely venture into retail and hospitality businesses which were among the worst impacted by the pandemic. Likewise, United Nations Development Programme South Africa (UNDP SA), (2021) affirms that globally, female-owned businesses were likely to temporarily or permanently close during the pandemic since they are more concentrated in sectors that were severely affected by lockdowns such as education; catering; hairdressing; tourism and hospitality; arts and culture and the like. Again, gender stereotypes drive women to participate in these sectors more than men. Due to gender stereotypes, women are viewed as people who lack innovative and other entrepreneurial

competencies required for success in male dominated sectors such as engineering and technology (Martiarena, 2020) hence end up concentrated in sectors which have just been mentioned. In fact, these generalisations about women reduce women's self-efficacy to the point that women become less confident and reluctant to venture into 'masculine' sectors like engineering (Feldman, Lukes & Uhlaner, 2020).

Because of the way female entrepreneurs are viewed, they have challenges in accessing resources particularly financial resources for their businesses (Linan, Jaen & Domingo, 2020). Bullough *et al*, (2020:5) posit that "due to gender-biased capital funding, women have been found to face gender-based barriers in securing capital for their businesses and hence end up securing smaller amounts of investments and bank loans". Financial resources are very essential for SMME survival and growth because they are required to secure other resources such as labour, machinery, equipment, premises, and the like. Shortage of financial resources therefore has serious implications for the survival of SMMEs especially during grim times spawned by COVID-19. The RBV theory attests to these views. According to the RBV theory, resources define the strategic direction of an organisation, give it the ability to exploit opportunities and counter threats from the external environment and are also a source of its profits (Louw & Venter, 2013). Without adequate financial and other resources, female SMMEs would find it difficult to take advantage of opportunities that came with COVID-19 let alone to thwart challenges that were presented by the same pandemic. All this would spell disaster for the survival of these SMMEs.

However, "in practice, some women do enter into entrepreneurship and become successful entrepreneurs which is at odds with the general and encompassing negative effects of culture on women's entrepreneurship" (Linan, *et al* 2020:1052). Even when confronted with COVID-19 challenges, some female SMMEs survived the catastrophe. This scenario is attributable to a variety of factors. Firstly, governments and other organisations across the globe are embarking on gender egalitarian programmes in a bid to promote the well-being of women in the world (Bullough *et al*, 2020). In South Africa during COVID-19, the government "prioritised the advancement of businesses owned by women and youth through various initiatives which included preferential funding schemes and targeted support" (NYDA, 2020:13). Secondly, Jaim, (2020:220) asserts that women entrepreneurs who did not fail during COVID-19 "received support from family to overcome public patriarchal issues and to manage domestic chores". Similarly, Feldman *et al*, (2020) posit that a supportive family exert a stronger influence on the success of women's entrepreneurship than societally defined gender and cultural issues. Bullough *et al*, (2020:5) on the other hand affirm that "networking helps women overcome gender-based limitations by helping them access resources and financial information as well as identifying new business opportunities". Furthermore, Linan *et al* (2020) postulate that some women are naturally smart and very gifted in entrepreneurship to the extent that they are highly creative, innovative, analytic, and more. All these factors and more could have made it possible for female entrepreneurs to survive the pandemic.

In conclusion, even though other women entrepreneurs managed to survive the COVID-19 pandemic, gender and cultural issues reduced the survivability of many female entrepreneurs during the COVID-19 crisis.

2.4.1.2 Essential and non-essential business

Lockdowns the world over came in different degrees of strictness or completeness. The terms 'hard', 'complete' or 'full' were used to denote extremely strict lockdowns which only permitted the operation of a few sectors of the economy while the term 'partial' indicated less strict lockdowns which permitted many sectors of the economy to operate (Ladzani, 2022; Belitski *et al*, 2021; Stats SA, 2020). In South Africa for example, lockdowns ranged on a scale of between one and five with level one being the least strict and level five the strictest (Ladzani, 2022, NICD, 2022). During lockdowns, SMMEs in the essential sectors such as food retailing and manufacturing, agriculture, pharmaceuticals, and the like were eligible to operate at all levels of the lockdowns while those in the non-essential sectors such as travel and tourism, hospitality, personal services, creative and entertainment, accommodation and the like, were only permitted to operate in certain levels (Ladzani, 2022; Belitski *et al*, 2021; Bartik *et al*, 2020; Bowman & Nair, 2020). Beyond any reasonable doubt, this therefore proves that the impact of lockdowns was not homogeneous across sectors of SMMEs. It is common knowledge that SMMEs operating in the non-essential sectors were adversely affected by lockdowns more than those in the essential sector (Ladzani, 2022; Belitski *et al*, 2021; Bartik *et al*, 2020). Concurring to this, Dorr *et al* (2021: 900) contend that "anecdotal and empirical evidence reveals that different sectors of business were asymmetrically affected by COVID-19 because lockdown measures, as well as supply and demand effects, differed between sectors". Furthermore, valuable resources are leveraged by businesses for competitiveness or survival according to the RBV theory (Louw & Venter, 2013). In the researcher's opinion, being in essential business to a high degree is an intangible valuable resource that gave some SMMEs the impetus to survive the COVID-19 pandemic.

However, Bowman and Nair, (2020) believe that even other SMMEs in the essential sectors such as agriculture (dairy) and food processing (milling) were also equally affected by lockdowns due to disruptions in supply-chains and access to markets causing some to close. In line with this, Nicola *et al* (2020) assert that lockdowns, travel restrictions, quarantine policies and the like caused a decline in the demand for agricultural products with perishables such as meat and milk suffering the most. This implies that even though agriculture is the essential sector, SMMEs in this sector were equally affected by the pandemic woes. Again, other researchers reveal that the essential and non-essential issues cannot solely explain the unequal exposure of SMMEs to COVID-19 woes. Belitski *et al*, (2021) articulate that social distancing guidelines affected the service sector more because it is a sector that usually requires physical contact. Similarly, Lastauskas, (2021) concedes that the heterogeneous impact of COVID-19 on SMMEs also emanated from the fact that some sectors of business such as Information and Technology (IT) and banking could move their services online while other sectors such as accommodation, personal services, hospitality, and manufacturing could not feasibly do so.

However, many researchers believe that the non-essential sector was impacted by the pandemic more than the essential sector. In this respect, one can presume that those SMMEs in the non-essential sector and those even in the essential sector whose supply chains and routes to markets were severely disrupted as well as those whose services were not flexible enough to be offered online faced higher chances of closing than the rest of their counterparts.

2.4.1.3 SMMEs crisis management skills and resilience

"Crises are complex and their effects far-reaching to many stakeholders of the economy" (Doern *et al*, 2019:400). The COVID-19 pandemic was a crisis of great magnitude which required SMMEs to possess crisis management skills and resilience to weather the storm. Crisis management is defined by Doern *et al*, (2019) as those efforts directed at mitigating the negative impact of a crisis on a business such as business failure, contraction and resource loses, and is a function of entrepreneurial preparedness and entrepreneurial orientation. Entrepreneurial preparedness refers to how good an individual is for entrepreneurship in terms of experience, innovative capability, skills, ability to recognise opportunities and threats and so forth (Doern *et al*, 2019). Entrepreneurial orientation is also closely related to entrepreneurial preparedness, and it is defined by foresightedness, the ability to take risks and being innovative (Doern *et al*, 2019). The DCs theory explicates that DCs "enable a firm to detect opportunities, to be effective, and to be resilient (Teece *et al*, 2020:4). In this respect, both entrepreneurial preparedness and entrepreneurial orientation are in a way dynamic capabilities of a firm. The COVID-19 pandemic brought unprecedented challenges to business which required entrepreneurs with entrepreneurial preparedness and entrepreneurial orientation to defeat the unparalleled challenges as well as to identify and use any opportunities presented by the pandemic. For example, the pandemic brought a new normal (Donga *et al*, 2021) which required brand new ways of doing business, reaching out to customers and the like. To accomplish all this an entrepreneur needed to be innovative, foresighted, capable of recognising and taking advantage of opportunities and so forth (Donga *et al*, 2021). Finally, entrepreneurs who lacked these crisis management skills or DCs risked perishing to the pandemic.

Resilience on the other hand is defined as "the ability to maintain reliable functioning throughout a crisis and allows organisations to recover quickly" (Doern *et al*, 2019:6). Crises just like the COVID-19 crisis are devastating and have knock-on effects on the personal, emotional, and psychological well-being of an entrepreneur (Torres *et al*, 2020) hence require some resilience to circumnavigate. Closely related to the concept of resilience is an SMME's organisational psychological capital (OPC) which is defined in short as "shared positive thinking" (Grozinger *et al*, 2021:1). The "four dimensions of OPC are hope, optimism, efficacy and resilience" (Grozinger *et al*, 2021:2). OPC should be pervasive in organisations hence should be embraced by both employees and managers (Grozinger *et al*, 2021). The COVID-19 pandemic was characterised by psychological stress, anxiety and the like due to a lot of factors such as fear of contracting the virus; loss of income due to lockdowns; deaths of employees, friends, family, and the like (Bartik *et al*, 2020; Belghitar *et al*, 2021; Nicola *et al*, 2020). OPC would help SMMEs during COVID-19 to "stay positive, come up with innovative ideas, cope with the effects of the crisis and ultimately increase their performance and survival rate" (Grozinger *et al*, 2021:1). OPC is an intangible human resource (Grozinger *et al*, 2021) hence the whole idea is connected to the RBV theory which states that intangible resources give organisations superior performance and the ability to adapt (Louw & Venter, 2013).

Even so, some entrepreneurs do not attempt to do any crisis management when caught up in a crisis and may instead choose to give up (Doern *et al*, 2019). Relating this to the COVID-19 crisis, one would presume that those SMMEs that did not do any crisis management and were not resilient enough most likely succumbed to the disaster, and those who did, probably survived.

2.4.1.4 Clusters, networks, and online communities

Business clusters are "a group of interconnected businesses coming together through a unity of purpose" (Dasayanaka and Sardana, 2015:84). Among other things, business clusters encourage a "high degree of networking between businesses thereby enhancing productivity, ability to diversify and to acquire the capacity to develop new products when the demand for existing ones falls" (Dasayanaka & Sardana, 2015:84). The COVID-19 pandemic brought a new normal (Donga *et al*, 2021), which necessitated new ways of doing business, restructuring of processes, adjustments of business models, reorienting activities, and the like (Belitski *et al*, 2021; NYDA, 2020). For example, during the pandemic, economic hardships and low incomes which stemmed from furloughs, salary cuts, and layoffs resulted in a decrease in demand for goods such as luxury products and manufactured goods (Bartik, *et al*, 2020; Nicola *et al*, 2020; NYDA, 2020). Likewise, "the demand for medical supplies and food products soared partly due to ill health, panic buying and other reasons" (Nicola *et al*, 2020:187). The pandemic also resulted in disruptions of supply chains and a shortage of resources (Bowman & Nair, 2020). For example, in China, due to diverse levels of lockdowns across the provinces, "SMMEs that relied on SMMEs in other provinces for the supply of inputs or distribution of products were affected more than those which did not require suppliers, distributors or customers from other provinces" (Liu *et al*, 2021:3)

All these developments increased the importance of networking by SMMEs since "clusters and networks enable small businesses to gain access to vital technology and other resources which enable them to stay competitive and overcome many constraints that may come along the way" (Dasayanaka & Sardana, 2015:86). Put differently, clusters and networks were vital during the pandemic and would help SMMEs deal with the various forms of challenges that came with COVID-19. In fact, during the pandemic, "forming partnerships between small and large firms possibly emerged as an important conduit for entrepreneurship and for mitigating the effects of COVID-19" (Belitski *et al*, 2021:4). For example, during the pandemic, the researcher believes it is through networks that some large retailers were able to offer shelf space for goods manufactured by SMMEs in a bid to alleviate the problems of market inaccessibility some SMMEs faced because of lockdowns and other restrictions (Bowman & Nair, 2020). Similarly, the importance of networks is stressed by Chimucheka and Mandipaka (2015) who affirm that the growth and survival of SMMEs in South Africa is hampered by lack of networking opportunities. Again, Grozinger *et al*, (2021) declare that being part of a network increases the creativity of SMMEs. Furthermore, "networking helps women overcome gender-based limitations to entrepreneurship by helping them access resources, financial information and capital and identify new business opportunities" (Bullough *et al*, 2020:5). In another observation, Muerer *et al* (2021) reveal that due to social distance regulations imposed during the pandemic, using physical networks became difficult and sometimes impossible hence SMMEs had the option of switching to online communities as an alternative to physical networks. Just like physical networks, online communities during the pandemic were used to "resolve problems and collect critical resources, reframing problems and waterproof ideas, reflecting on situations and refocusing thinking and efforts" (Meurer, Waldkirk & Schou, 2021:637).

Nonetheless, even against this backdrop, Dasayanaka and Sardana, (2015) disclose that some SMMEs are not eager to engage in clusters and networks. By extrapolation, the researcher also believes that even during the pandemic, there were other SMMEs not willing to engage in online communities. The issue of SMMEs participating or not participating in

clusters, networks and online communities during the pandemic closely aligns with the CL theory which asserts that effective leadership is not only centred on the leader's traits but also on the ability to tailor one's leadership to the demands of the situation on hand (Seyranian, 2012). Without elaborating further, it's clear that those SMMEs who engaged in some form of clusters, networks and online communities stood better chances of surviving the pandemic than those who did not.

2.4.1.5 SMMEs response to COVID-19 challenges

Sometimes, the difference between survival and demise in the face of life-threatening challenges lies in the determination to fight back instead of simply allowing nature to take its course. Caught up in a crisis, some SMMEs become innovative and seek ways to emerge from the predicament while others remain effortless and may instead opt to quit or continue operating as usual (Doern, Williams & Vorley, 2019). The availability of resources and capabilities to take advantage of opportunities and to deal with threats presented by a situation explained by both the RBV theory and DCs theory as well as the prevailing leadership in an SMME (CL theory) all help explain how SMMEs responded to the COVID-19 challenges.

Researchers point out that it was vital for SMMEs to take action to mitigate the disastrous challenges they faced during the pandemic. For example, Moodley and Naidoo (2022:1038) articulate that during the pandemic, "businesses needed the versatility, flexibility and adaptability to survive the unprecedented woes of COVID-19". Similarly, Donga *et al* (2021), argue that the pandemic brought a 'new normal' which required SMMEs to take action to adapt to the new normal. At the end of the day, other SMMEs indeed took some steps to mitigate the impact of the pandemic on their businesses. They responded by "retrenching employees, scaling down employee salaries and operations or adjusting the business temporarily in a manner that would allow it to resume later" (NYDA, 2020:22). Others resorted to reducing or flexing the number of operating hours, seeking financial assistance from governments and other private players (Ladzani, 2022; Beltski *et al*, 2021; Bartik *et al*, 2020). Others started to offer their services online while some modified their business models and began venturing into businesses regarded as essential such as selling personal protective equipment, food production, retailing and the like (Belistki *et al,* 2021; Stats SA, 2020). In the tourism sector, some SMMEs "shifted drastically from the traditional promotional strategies to digital strategies" (Moodley & Naidoo, 2022:1038). Furthermore, SMMEs were also encouraged to "restructure operations, optimize cash management and identify efficiency gains, reorient activities and resources to ensure business continuity and to build business models that foster resilience, inclusiveness and sustainability" (NYDA, 2020:21).

Much could be done by entrepreneurs to save their businesses. Kwong *et al*, (2018), assert that in a crisis, businesses can adopt what they term the 'bricolage strategy' which entails using any resource at one's disposal to make a business venture survive. The ability to engage in bricolage strategizing is in a way a dynamic capability because the DCs theory affirms that dynamic capabilities enable an organisation to modify existing resources and to create new resource bases (Teece, 2007). Though the bricolage strategy is resorted to by entrepreneurs displaced by conflicts, one can also premise that with resource challenges caused by lockdowns, travel restrictions and the like, the strategy would also work to save SMMEs during the pandemic. Another strategy that entrepreneurs could adopt is what Block *et al*, (2020) refer to as 'bootstrapping'. With this kind of strategy, an entrepreneur preserves the liquidity

of their business, not by borrowing from financial institutions but through cutting expenses, collecting receivables, delaying payments, selling assets, borrowing from friends, family, and the like. Some SMMEs in Germany resorted to both bootstrapping and seeking government assistance during the pandemic and such action showed the determination to survive. Bartik *et al*, (2020) also reveal that in the USA some entrepreneurs faced with liquidity problems resorted to bootstrapping. Finally, engaging in network colloquiums and forming clusters where SMMEs can share success stories, testimonies, challenges confronting them, solutions to problems and the like is another response to the pandemic challenges that entrepreneurs could adopt to survive (Belitski *et al*, 2021; Chimucheka & Mandipaka, 2015; Dasayanaka & Sardana, 2015).

However, although what has been discussed above indicates what entrepreneurs did or could do to navigate the pandemic challenges, some entrepreneurs in the face of adversities continue to do business as usual or opt to quit and go into extinction (Doern *et al*, 2019). Put differently, there are other entrepreneurs who responded to the pandemic challenges by doing nothing and leaving everything to chance. Regarding this, a wide range of factors could be attributed to this kind of behaviour. Firstly, an entrepreneur's innovative, technological, and business skills, as well as knowledge, experience, level of competency and the like have a bearing on entrepreneur performance and SMME success, survival, and growth (Bushe,2019; Chimucheka & Mandipaka, 2015; Dasayanaka & Sardana, 2015). A lack of these therefore could have prevented some entrepreneurs from taking any action to save their businesses during COVID-19. However, not everything should be explained from this perspective. Bartik *et al*, (2020:17663) postulate that "firms with more cash on hand were more confident about their future". Such confidence and reliance on the cash reserves could have prevented such firms from taking any other action to lessen the COVID-19 challenges. In another observation, Bartik *et al,* (2020:17656) disclose that businesses in the personal services sector which require physical contact had low hopes of weathering the COVID-19 storm and those in professional services or other services which almost need no physical contact with clients were optimistic of circumventing the crisis. Such differing prospects of surviving the pandemic could have influenced other businesses' decisions and efforts as far as mitigating the negative effects of the pandemic are concerned. Laustakas, (2020) also reveals that it was not practical for businesses like manufacturing or personal services to offer their services online hence by implication such businesses could have had challenges in responding to the crisis and adapting.

Still on the issues that resulted in other SMMEs not taking action to lessen the effects of the pandemic, Doern *et al*, (2019) assert that crises have a knock-on effect on the physical, emotional, and psychological well-being of entrepreneurs. This is further supported by Torres *et al* (2021) who posit that burnout in French entrepreneurs increased during the COVID-19 pandemic due to fears of going bankrupt. Torres *et al*, (2021) further articulate that SMME growth and sustainability are influenced more by an entrepreneur's mental health than anything else. Against this backdrop, one can premise that faced with COVID-19-related challenges, some entrepreneurs did not attempt at all or attempted not hard enough to save their businesses because they were too physically, emotionally, and psychologically drained by the pandemic. Besides the mental health of entrepreneurs, Lastauskas, (2021), also reveals that the unprecedented nature of the pandemic as well as the novelty of responses governments adopted to deal with the COVID-19 crisis made it difficult for businesses to respond in the best way possible. Block *et al*, (2020) further reveal that SMME response to

the pandemic was also determined by whether an entrepreneur is part-time or full-time. The former would feel less pressured to venture into anything that would save their businesses because they had their jobs or other sources of income to fall back on while the latter felt more coerced to do so. Bartik *et al*, (2020) likewise allude to resource availability as a significant determinant of the degree to which entrepreneurs responded to the pandemic woes. Those who had the resources were better equipped to respond to the crisis unlike those who lacked the resources.

Briefly though, one can presume that those entrepreneurs who took some action to avert the crisis potentially survived the pandemic than those who sat back and did nothing.

2.4.1.6 SMMEs size, ownership, and degree of formality.
The size, ownership and whether an SMME is formal or not to a degree played a part in the survival or failure of these entities during the COVID-19 crisis. Several SMMEs suffered a lot of setbacks from the pandemic owing to their size, ownership, and whether they are formal or not (Belitski *et al*, 2021; Pedauga *et al*, 2021). Echoing similar sentiments, SBRS (2020) affirms that small businesses are the most vulnerable in a crisis such as the COVID-19 crisis due to their small size and lack of resources. Likewise, NYDA (2020:6) clearly articulates that "many companies that are not registered with national authorities are small and had little cash on hand to finance themselves when operations were shut down". Furthermore, UNDP SA (2021) revealed that micro and informal businesses were the most vulnerable entities during lockdowns because most of them were left without any source of income. Again, Dorr *et al*, (2021) posit that the COVID-19 crisis caused a lot of small firms to suffer substantial liquidity problems because lockdowns, travel restrictions and the like affected these entities more than big businesses. All these revelations point to the many challenges that small and unregistered SMMEs faced during COVID-19 which jeopardised their chances of surviving the storm.

Due to the aforementioned challenges, many small firms in real estate and the service sector were already scaling back on their operations during the preliminary stages of the pandemic, a move that could weaken their survival (Lastauskas, 2021). In particular, lockdowns engendered liquidity problems for small businesses during the pandemic and these liquidity crunches were compounded by a lack of collateral security which hindered most of these from borrowing from banks or other financial institutions (Ladzani, 2022; Mapuranga *et al*, 2021). Similar views are echoed by Chimucheka and Mandipaka, (2015) who postulate that due to a lack of collateral security and risky business ventures, many small businesses struggle to get bank loans and other financial services hence borrowing from friends, family and the like remains the only option available to raise capital leaving many of these entities financially struggling. This kind of scenario reduces the survivability of these entities during crises like the COVID-19 crisis. In line with this, Fairlie and Fossen, (2021) also divulge that small SMMEs in the US mostly owned by minority Black people had difficulties in accessing government relief funds because they lacked that special relationship with banks and had problems in completing the required documentation. Brown, Rocha, and Cowling, (2020) further assert that during COVID-19, investors in China scaled down or stopped investing in small businesses due to the uncertainty that had engulfed the business environment. Such a move could have had serious financial implications for the small businesses during the crisis. Also related to the size of an SMME, Zhang *et al*, (2021) reveal that small and micro businesses had challenges switching to working from home due to resource constraints and

a lack of digital skills required to successfully operate from home. This again had repercussions on their ability to survive the pandemic.

In another study, Lechmann and Wunder, (2017) disclose that many entrepreneurs in the world are solo entrepreneurs who do everything on their own without employing other people. Doern *et al*, (2019) further affirm that crises are detrimental to the personal, emotional, and psychological being of entrepreneurs. Factoring in the COVID-19 pandemic to these revelations, one wonders what would happen to a business owned by a solo entrepreneur in the event of the owner falling ill or even succumbing to the virus. In either case, the business is likely to suffer to the point of even closing. In a similar case, Block *et al*, (2020) reveal that in Germany during the pandemic, the self-employed solo entrepreneurs were only able to maintain liquidity for a few months after lockdown putting them in a very precarious position. In a slightly different scenario but still concerning the ownership of small businesses, Liu *et al* (2021), divulge that during the pandemic in China, small businesses owned by the state had better funding as opposed to privately owned small businesses. This would place the state-owned SMMEs ahead of the privately owned SMMEs as far as surviving the pandemic was concerned.

Regarding challenges caused by whether an SMME is formal or informal, a report from the International Trade Centre (ITC) (2020) reveals that many informal SMMEs find it difficult to access financial assistance from the government or other financial institutions because they are not registered and are also difficult to locate. Similar sentiments are echoed by Chimucheka and Mandipaka (2015) who allege that excessive red tape in the registration process of businesses in South Africa has resulted in the proliferation of informal SMMEs who find it a big challenge to access bank loans and other services vital to their survival. Furthermore, Ladzani (2022) posits that in South Africa, informal SMMEs could not access government COVID-19 relief funds which many of their registered counterparts managed to obtain. By implication, in South Africa at least, informal SMMEs were more vulnerable to COVID-19 challenges and risked going out of business than formal SMMEs.

Bringing all these considerations into account, it is highly probable that SMMEs that lacked collateral and could not borrow money from financial institutions stood lower chances of surviving the COVID-19 crisis than those that were sponsored by governments or had collateral and could borrow. Again, SMMEs owned and run by solo entrepreneurs faced a higher risk of failing than those owned by many people and the same could be said of formal versus informal SMMEs.

2.4.1.7 Entrepreneur skills and capabilities
Resources and capabilities of an organisation are the basis of what an organisation is capable or not capable of doing according to the RBV and DCs theories. The presence of valuable resources in an organisation augur well for the performance and survival of an organisation and the opposite is true. In line with this, Dasayanaka and Sardana (2015) discloses that many small firms lack innovative skills as well as the capacity and resources to embark on research, and this hampers their development and survival. Likewise, Chimucheka and Mandipaka, (2015) contend that quite a few entrepreneurs lack ideas on how things can be turned around in their businesses even when confronted with challenges that threaten survival and this is attributed to a lack of business skills, knowledge, experience, among others. This lack of skills,

experience, knowledge, resources, and capacity to innovate means such entrepreneurs would find it difficult to cope with the COVID-19 crisis which presented diverse challenges to SMMEs and demanded new ways of doing business. Regarding the level of skills, capabilities and the like an organisation possesses, Block *et al,* (2020:8) assert that "individuals with a higher level of education such as a diploma or a degree have greater cognitive capabilities and are more prone to change and adapting to uncertain environments". In support of this view, Linan *et al,* (2020) avow that education and experience are central to superior organisational performance. In this regard, one can surmise that the level of education of an entrepreneur has a bearing on their business skills and their ability to survive the pandemic.

Bushe (2019) talks of an entrepreneurial mindset as a factor that too affects capabilities and skills in an organisation. An entrepreneur mindset consists of "a clear vision, self-awareness, confidence, self-motivation, a willingness to take a calculated risk, willingness to work hard and willingness to learn" (Bushe, 2019:11). Closely related to entrepreneur mindset is what Grozinger *et al* (2021:2) terms organisational psychological capital (OPC) which consists of "hope, optimism, efficacy and resilience". One can then premise that entrepreneurs with such a mindset were more capable of dealing with the pandemic challenges than those who lacked it.

Dasayanaka and Sardana (2015:88) allege that "the long-term survival of an SMME is related to its ability to innovate but many SMMEs do not have the capacity to rollout independent R&D". Similarly, Bushe (2019:1) asserts that "chief determinants of SMME failure in South Africa are entrepreneur incapacity, environmental inauspiciousness and enterprise incompetence". With regard to entrepreneur incapacity, Bushe (2019) articulates that what constitutes entrepreneur incapacity is the inability to recognise opportunities and to deal with threats as they arise. COVID-19 brought both threats and opportunities to the business world (Braunerhjelm, 2021) hence entrepreneur incapacity would fail to detect and utilise opportunities presented by the pandemic, a situation which would possibly lead to the demise of an SMME. Likewise, entrepreneur capacity would enhance opportunity detection as well as ways of dealing with threats presented by the pandemic. Belitski *et al* (2021:14) also postulate that "smaller businesses are typically disadvantaged in their ability to capture the opportunities that crises create". The inability to capture opportunities can also be attributed to leadership's lack of skills, experience, knowledge, and the like hence the reason Sitharam and Hoque (2016) affirm that the competency level of a manager has a bearing on SMME performance. Madonono and Barnard (2019) on the other hand postulate that the personality traits of an entrepreneur are a major determinant of SMME survival or failure while Ladzani (2022) also points out that technological skills are what is required to survive today's volatile and unpredictable world. It is then possible to surmise that SMMEs or rather entrepreneurs without all the skills mentioned above would find it difficult to traverse the COVID-19 crisis.

However, "certain researchers stress that in our modern world, traditional resources which include financial, physical and technological capital may no longer be sufficient to provide companies with a competitive edge" required to excel in business and to survive in whatever situation (Grozinger *et al*, 2021:4). Instead, what matters more with regards to organisational performance and survival is psychological capital (hope, optimism, resilience, and efficacy) of employees, managers, and owners (Grozinger, *et al*, 2021). This line of thinking is rooted in both the RBV and DCs theories which stress that intangible resources are the most valuable

resources in organisations since they underpin the ability of every organisation to excel and survive.

In conclusion though, one can assume that SMMEs graced with superior resources including educated and capable managers or owners had an upper hand in weathering the COVID-19 crisis and the opposite is true.

2.4.1.8 Challenges before COVID-19

Before COVID-19, the South African economy and businesses alike grappled with challenges detrimental to business survival such as severe energy shortages, high unemployment, corruption, inflation, weak economic growth, and so forth (ITC, 2020). These sentiments are echoed by Ladzani, (2022) who confirms that prior to the pandemic, SMMEs in South Africa faced diverse challenges in the spheres of finance, management, energy, and the like that threatened the entities' growth and survival. All this reveals that even before the COVID-19 pandemic, SMMEs in South Africa had numerous life-threatening challenges to deal with which probably were only worsened by the pandemic. In support of this view, SBRS, (2020) articulates that entrepreneurial activity as well as the number of active small businesses in South Africa had been on the wane well before the COVID-19 crisis. Similarly, Donga *et al*, (2021:48) succinctly state that "economic shocks from COVID-19 put further pressure on already strained SMMEs in South Africa". Bowman and Nair, (2020:6), reiterate the same sentiments postulating that prior to the COVID-19 crisis, "many agro-processing SMMEs in SA were already in a precarious situation as a result of intense competition from the big players in the industry".

Nonetheless, this kind of situation does not prevail in South Africa alone. Dorr *et al* (2021) reveal that in Germany, SMMEs who were in a bad financial space before the advent of the COVID-19 pandemic were severely affected by the crisis. Similarly, in the USA, SMMEs which were financially fragile less than a month into lockdowns had their financial woes dating back to pre-COVID-19 (Bartik, *et al*, 2020). Furthermore, some minority Black-owned SMMEs in the USA were unable to access government-backed loans through commercial banks because the banks had always been unwilling to work with Black-owned SMMEs even before the pandemic (Atkins *et al*, 2021). Taking all this into consideration, it would not be wrong to presume that those SMMEs that had been debilitated with other challenges before COVID-19 had a low potential of successfully navigating the pandemic challenges. On the other hand, those SMMEs who were able to deal with the challenges they faced before the pandemic stood a high chance of circumventing the COVID-19 crisis.

2.4.1.9 Race and nationality of entrepreneurs

Among the possible determinants of SMME success or failure in the face of the COVID-19-induced crisis is the race and nationality of entrepreneurs. In their investigation of whether there was discrimination in the US in the distribution of government COVID-19 relief funds, Atkins *et al* (2021:843) note that in the early stages of the pandemic, commercial banks were not very keen to work with small businesses owned mostly by black minorities in disbursing the funds and, "black-owned businesses received loans that were approximately fifty percent lower than observationally similar white-owned businesses". Though authorities later stepped

in to remedy the situation, such discrimination had already costed the lives of one or two Black-owned small businesses. In a similar observation, Fairlie and Fossen, (2021) assert that though much of government COVID-19 financial assistance was focused on bailing out small businesses particularly those owned by disadvantaged minority blacks in the USA, a complicated application process coupled with inadequate information on the availability of such assistance, played a role in denying black-owned SMMEs good access to the financial assistance. These SMME race-related problems resulted in the disproportionate closure of African American SMMEs in the USA during the initial stages of the COVID-19 pandemic (Fairlie & Fossen, 2021). With regards to nationality, Ladzani, (2022) posits that in South Africa, foreign-owned SMMEs were excluded from receiving any of the government COVID-19 relief funds. This put such businesses in a vulnerable position throughout the pandemic.

Summing it up, the RBV theory states that resources dictate what an organisation can or cannot do and are central to the competitiveness and survivability of an organisation (Louw & Venter, 2013). It is clear that one's race and nationality in certain instances denied entrepreneurs access to vital resources they required to survive the pandemic and hence reduced the survival of such SMMEs. In South Africa in particular, it is believable to assume that SMMEs owned by immigrants were more vulnerable to failure during COVID-19 than those owned by South African citizens.

2.4.2 External factors

These are factors in the external environment of the SMME which could also have had an impact on the survival or failure of SMMEs during the COVID-19 pandemic.

2.4.2.1 Access to COVID-19 relief aid

SMMEs are essential sectors of the economy and for the same reason, governments felt compelled to bail out these important entities during the pandemic. At the same time, Bartik *et al*, (2020:17657) affirm that during the COVID-19 crisis, what mattered more was not the form in which cash was availed to SMMEs for example as loans or grants but "making sure that funding was rapidly available with little administrative complexity". Put differently, easy access to COVID-19 relief aid was essential for SMMEs than anything else during the pandemic crisis. Echoing similar sentiments, Belghitar *et al*, (2021) disclose that government assistance was so vital for SMME survival during the pandemic that without the assistance, SMMEs in the United Kingdom risked failing in the face of the COVID-19 crisis. This reiterates further how important it was for SMMEs to get funding during the pandemic.

Was it then easy for SMMEs to access COVID-19 relief funds? In some countries yes and in others no. For example, in Germany, COVID-19 relief funds were offered indiscriminately and were easily accessible to every small business (Dorr *et al*, 2021). Nonetheless, in other countries like South Africa and the USA, SMME access to COVID-19 relief aid was marred by several obstacles (Ladzani, 2022, Atkins *et al*, 2021; Fairlie & Fossen, 2021). In the USA for example, Fairlie and Fossen, (2021) reveal that excessive red tape in the application process combined with a lack of information on the kind of assistance available was a major obstacle for SMMEs in the accessing of relief funds. Similarly, Atkins *et al*, (2021), assert that in the US again, commercial banks were less willing to work with Black-owned small businesses in the

disbursement of government loans, grants and the like and because of this, some small businesses closed and went out of business. Though the US government later stepped in to try and rescue the affected SMMEs, for some it was a little too late.

In Nigeria, Iwuoha and Aniche (2021:526) divulge that "lack of information on the availability of COVID-19 intervention funds, how to access the funds, lack of guarantors and collateral requirements resulted in the marginalisation of many small business owners" from getting some funding. Echoing similar sentiments, Chimucheka and Mandipaka (2015) allege that many SMMEs in South Africa are not aware of the external sources of funds they can potentially exploit and those who do are prevented from doing so by bureaucratic application processes and banks that are reluctant to give SMMEs loans due to lack of collateral security and risky business ventures. With regards to bureaucratic application processes in South Africa, NYDA (2020:22) reveals that during COVID-19, "many funding platforms including the government, required businesses to be registered, tax compliant, UIF compliant, have 6 months bank statements and financial projections" to apply for funding. Additionally, Ladzani, (2022) also discloses that unregistered SMMEs and foreign-owned SMMEs (registered or not registered) were not eligible to apply for COVID-19 relief funds in South Africa. Furthermore, corruption being regarded as one of the biggest problems confronting SMMEs in South Africa (Bushe, 2019; Sitharam & Hoque, 2016), prevented many deserving SMMEs in the country from accessing COVID-19 funds (NYDA, 2020). Reiterating similar sentiments, Fymat *et al* (2022:42) reveal that in Kenya, "an investigative documentary titled 'COVID-19 Millionaires' laid bare how government officials enriched themselves with funds earmarked for COVID-19 relief assistance".

Nonetheless, an observation by Braunerhjelm (2021:7), suggests that the other plausible reason which could have hindered easy access to COVID-19 funds by SMMEs is that many policies, plans and the like which governments implemented during the pandemic were done hastily "without a consistent strategy or analysis of how the measures, policies etc interact, compliment or counteract each other". For example, here in South Africa, in as much as the government had stressed and vowed its determination to assist all small businesses, requirements which were demanded when applying for funding noted earlier on marginalised survivalist entrepreneurs and foreign-owned SMMEs (Ladzani, 2022; Mapuranga *et al*, 2021). Another observation by Bowman and Nair (2020) affirms that in South Africa, the problem was not only with accessing COVID-19 relief funds but also with the suitability of such initiatives in addressing the genuine issues SMMEs suffered in the hands of COVID-19. According to the pair, many SMMEs in rural areas of South Africa faced severe supply and marketing problems during strict lockdowns which could not be solved by loans, grants, and tax holidays the government was offering.

According to the RBV theory, resources are vital for organisational competitiveness and survival (Louw & Venter, 2013). The various impediments in all their forms and severity discussed above which limited or even prohibited some SMMEs from accessing financial resources in the form of government aid during the pandemic reduced the survivability of these entities. Put differently, SMMEs which struggled to or could not access COVID-19 relief funds were more vulnerable to failure than those which easily accessed the funds.

2.4.2.2 Geographical location of an SMME

Another determinant of SMME survival or failure in the face of the COVID-19 crisis was the geographical location of an SMME. Atkins, Cook and Seamans, (2021) assert that Black minority businesses which suffered discrimination in the disbursement of government COVID-19 relief funds were in areas where bank competition was low. By implication, those that were in areas where bank competition was high were less affected or not affected at all. Since some SMMEs which failed to get assistance on time due to discrimination closed permanently (Atkins *et al*, 2021), then location to some extent had a bearing on the survival or failure of these entities against COVID-19. In a similar case, Bowman, and Nair (2020) reveal that SMMEs involved in dairying and food processing located in rural areas of South Africa were severely affected by disruptions in supply chains and access to markets more than their counterparts in and around urban areas. Chimucheka and Mandipaka (2015) also observe that some SMMEs in South Africa fail because they operate in poverty-stricken areas or in areas where there is too much competition. Both scenarios affect the demand for the business's products and services. Relating this to the COVID-19 crisis, poor communities were made poorer by the pandemic (Ladzani, 2022) and this was not good for any SMME operating in those places. One can therefore surmise that the geographical location of an SMME was a determinant of survival or failure in the face of COVID-19. As mentioned above, SMMEs located in 'unfavourable' geographical locations such as far away from markets or in poverty-stricken locations faced higher chances of failing than those near markets or in affluent places.

2.4.2.3 Scale and scope of government assistance

Though governments the world over introduced initiatives to bail out SMMEs during the pandemic, the scale and scope of such assistance differed from country to country depending on the level of economic development and the political landscape of a country (Belitski *et al*, 2021; Dorr *et al*, 2021). Countries in the developed world financially assisted their SMMEs more than those in the developing world during the pandemic (Belitski et al, 2021). For example, Germany is reported to be one of the countries that had a remarkable fiscal response to the COVID-19 pandemic in the world to the extent that every SMME could get assistance if it so wished (Dorr *et al*, 2021). Similarly, Fairlie and Fossen, (2021) allege that the scale of the USA fiscal response to the COVID-19-induced crisis was unprecedented, disbursing more than $650 billion in the pilot stages of the pandemic. On the other hand, Belitski *et al*, (2021:12) assert that though many countries made heroic efforts to bail out their battered SMMEs, "the Brazilian and Indian governments provided little support to their small businesses". In South Africa, besides the national government, provincial and local governments also assisted SMMEs in their provinces and municipalities. To this extent, one can presume that SMMEs in countries, provinces or municipalities that generously provided COVID-19 relief funds stood higher chances of surviving the pandemic with the opposite being true.

2.5 CHAPTER SUMMARY

This chapter presented a thorough analysis of existing literature relevant to this research. In line with this, a detailed analysis of how COVID-19 impacted businesses, particularly SMMEs was delineated. The discussion showed that impact of the pandemic on SMMEs was both negative and positive. Nonetheless, the negative impact outweighed the positive in many respects. This negative impact of COVID-19 stemmed from infection with the virus and

concomitant effects there of as well as from initiatives governments adopted to mollify the spread of the pandemic. In a bid to redress these negative effects of COVID-19, SMMEs and governments alike adopted measures to try and assuage the situation. The extent to which the efforts of both SMMEs and governments managed to provide relief to troubled small businesses is also thoroughly discussed. Also outlined in the chapter is an exhaustive discussion of the theories that provide the theoretical framework that underpins this study namely the RBV theory, the DCs theory and the CL theory. Resources, particularly tangible resources are the sources of competitive advantage, superior performance, and survival in an organisation while DCs give an organisation the ability to learn and adapt to external changes. Again, the CL theory dictates that effective leadership stems from adapting leadership styles to the situation at hand and not necessarily from the traits of leaders. Furthermore, determinants of SMME survival or failure during the pandemic are delineated in this chapter. Finally, the research methodology that was espoused for this research follows in the next chapter.

3. RESEARCH METHODOLOGY

3.1 INTRODUCTION

The preceding chapter detailed the existing literature that surrounds this research with respect to how COVID-19 impacted SMMEs and the various factors that could either see SMMEs surviving or failing during the pandemic. This chapter will outline the research methodology that was espoused for the research. According to Bekwa *et al*, (2019:4) "research is the process through which new knowledge is discovered". Similarly, Saunders, Lewis, and Thornhill, (2016:5) define research as "a process that people undertake in a systematic way in order to find out things thereby increasing their knowledge". Considering these are definitions of research in general, business and management research, on the other hand is described as "undertaking systematic research to find out things about business and management" (Saunders *et al*, 2016:5). Put differently, all these definitions confirm that research is done in an orderly manner to develop new insights and expand people's knowledge base. The purpose of conducting this research was to establish the factors behind the survival of SMMEs which survived the COVID-19 pandemic in uMhlathuze Municipality, KwaZulu-Natal.

Even though all research is conducted to discover new knowledge, it exists in different forms usually along a continuum. There is the basic (pure, fundamental) versus applied research continuum, quantitative versus qualitative, experimental versus non-experimental and so forth (Bekwa *et al*, 2019; Saunders *et al*, 2016). With regards to basic versus applied research, basic research is "undertaken largely in universities and largely as the result of an academic agenda and its key consumer is the academic community with relatively little attention being given to its practical applications" (Saunders *et al*, 2016:10). Applied research, on the other hand, is research that is done to solve business-specific problems hence has "direct and immediate use to managers" (Saunders *et al*, 2016:10). Considering these descriptions, this research falls under basic research. With regards to how this research relates to other research forms such as quantitative or qualitative, subsequent parts of this chapter will reveal that.

As mentioned hereinbefore, research is conducted in a systematic and orderly manner (Bekwa *et al*, 2019; Saunders *et al*, 2016). A research methodology therefore depicts the systematic and orderly way research should be done. Research methodology is defined as "how research should be undertaken, including the theoretical and philosophical assumptions upon which research is based and the implications of these for the method or methods adopted" (Saunders *et al*, 2016:720). Similarly, Melnikovas, (2018:18) assert that research methodology "is a general research strategy which delineates the way research should be undertaken". This chapter therefore extrapolates the adopted research philosophy, research approach, research design, research strategies, research instruments, data collection and analysis techniques used and so forth. The methodology adopted was guided by the research 'onion' concept which depicts "the issues underlying the choice of data collection and analysis procedures" just mentioned such as research philosophy, research approach, and methodological choice among others (Saunders *et al*, 2016:122). Figure 3.1 below shows the research 'onion'.

Figure 3.1: *The research onion.*
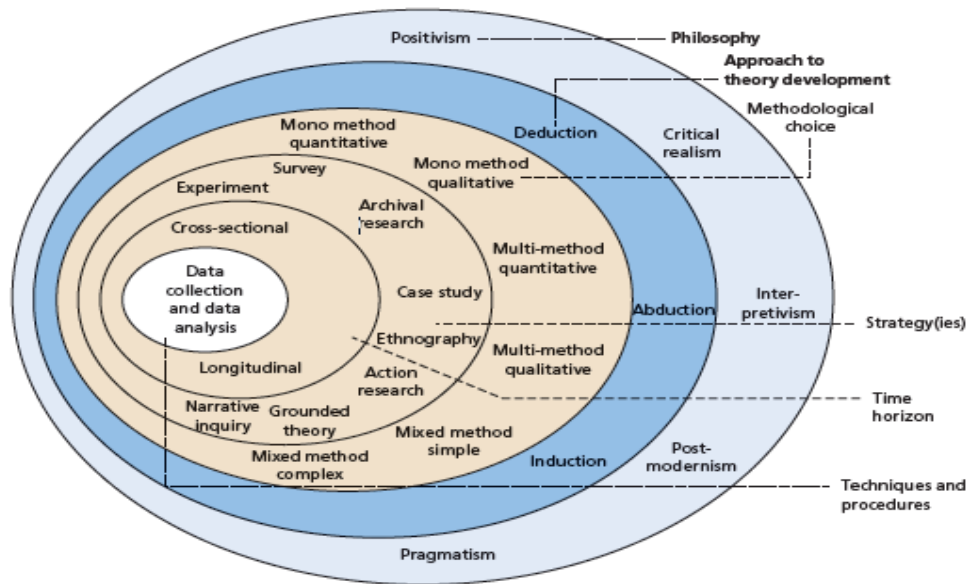
Source: Saunders *et al*, 2016:124

3.2 RESEARCH PHILOSOPHY

The research philosophy a researcher adopts influences the entire research project because it has a bearing on all other research aspects such as research approaches, research strategies, research instruments, data sampling and analysis techniques and the like (Melnikovas, 2018; Saunders *et al*, 2016). For this reason, the research philosophy occupies the outer layer of the research 'onion' ring to show that all the other layers inside are impacted by the research philosophy. As noted earlier, research creates new knowledge (Bekwa, 2019; Saunders, 2016). However, different research philosophers view the world in diverse ways and hold different convictions and assumptions regarding the development of knowledge (Melnikovas, 2018; Saunders *et al*, 2016). According to Saunders *et al* (2016:124), "research philosophy refers to a system of beliefs and assumptions about the development of knowledge". The 'assumptions' referred to in the definition are ontology, epistemology and axiology and these help to distinguish between the different research philosophies namely positivism, interpretivism, critical realism, pragmatism, and the like (Melnikovas, 2018; Saunders *et al*, 2016). "Ontology refers to assumptions about the nature of reality" while epistemology "refers to what constitutes acceptable, valid and legitimate knowledge and how one can communicate knowledge to others" (Saunders *et al*, 2016:127). Lastly, axiology "refers to the role of values and ethics in research" (Saunders *et al*, 2016:127). Put differently, axiology relates to how the values and ethics of a researcher affect the development of knowledge during research.

Positivism is a "philosophical stance of the natural sciences and entails working with an observable social reality to produce law-like generalisations" (Saunders *et al*, 2016:135). Because of this, ontologically, positivists believe that there is only one universal truth hence the reason they (positivists) deal with and believe in "unambiguous and accurate knowledge

based on facts rather than on impressions" (Saunders *et al*, 2016:137). For example, natural scientists such as mathematicians believe and work with universal formulas for solving mathematical problems. Epistemologically, positivists "focus on discovering observable and measurable facts and regularities" (Saunders *et al*, 2016:137). Axiologically, positivists also believe that the values and beliefs of a researcher do not interfere with the research the researcher embarks on (Saunders *et al*, 2016).

Critical realism is a research philosophy centred on the view that reality exists but is external and independent hence not easy to perceive or notice with our senses resulting in people usually seeing parts instead of the whole picture (Saunders *et al*, 2016). For example, observing that shoppers prefer product A to B does not reveal the whole story but going further to establish reasons for such preference gives the full picture. Given this, "critical realist researchers focus on explaining observable organisational events by looking for underlying causes and mechanisms through which deep social structures shape organisational life" (Saunders *et al*, 2016:140). Epistemologically, critical realists believe that "knowledge is historically situated and transient and facts are social constructions" and axiologically, they believe that one's values and beliefs rooted in their "socio-cultural background and experiences might influence one's research" hence researchers must try by all means possible to deter such influence (Saunders *et al*, 2016:140).

Pragmatism "recognises that there are many different ways of interpreting the world and undertaking research hence no single point of view can ever give the entire picture since there may be multiple realities" (Saunders *et al*, 2016:144). Put differently, pragmatists believe that depending on the circumstances, the views of positivists, critical realists and interpretivists are all true. As such, pragmatists always "use the method or methods that enable credible, well-founded reliable and relevant data to be collected that advance research" (Saunders *et al*, 2016:144).

Interpretivism was the philosophy adopted for this research. It is a research philosophy centred on the belief that "humans are different from physical phenomena hence people and societies cannot be studied in the same way as physical phenomena" (Saunders *et al*, 2016:140). Ontologically, interpretivists are of the conviction that "people of different cultural backgrounds, under different circumstances and at different times make different meanings and so create and experience different social realities" hence universal truths might not exist (Saunders *et al*, 2016:140). What this implies is that reality has multiple meanings and can be interpreted in diverse ways. Though COVID-19 impacted all SMMEs, the impact differed according to gender, ethnic and cultural backgrounds, SMME resource base, business experience and a whole lot more hence there was not one explanation or factor regarding what aided surviving SMMEs in traversing the pandemic. Interpretivism philosophy was also espoused because "the purpose of interpretivist research is to create new richer understanding and interpretations of social worlds and contexts" and as a result involves "looking at organisations from the perspectives of different groups of people" (Saunders *et al*, 2016:140). In fact, epistemologically, interpretivists "regard narratives, stories, perceptions and interpretations" as aspects that all bring about acceptable knowledge (Saunders *et al*, 2016:136). This research focused on laying bare the factors that resulted in other SMMEs surviving the pandemic when others failed. The experiences, perceptions, and interpretations of SMME owners and managers regarding how they survived the COVID-19 pandemic were used to draw conclusions from this research. Finally, with respect to axiology, interpretivists believe

that "the values and beliefs of the researcher influence the interpretation of research materials and data" (Saunders *et al*, 2016:141). Interviews were recorded to capture precise responses of interviewees in a bid to deter researcher influence on the interpretation of data.

3.3 RESEARCH APPROACHES

There are three approaches to research one can adopt. These are deduction, induction, and abduction (Melnikovas, 2018; Saunders *et al*, 2016; Wiid & Diggines, 2013). Just like research philosophy, the research approach chosen affects how data will be collected, analysed, and interpreted (Melnikovas, 2018) and it occupies the second layer of the research onion ring. A deduction is a research approach whereby "research starts with an existing theory, then a question or hypothesis, followed by data collection in order to confirm or reject the hypothesis" (Melnikovas, 2018:34). This kind of research approach is used in the natural sciences (Saunders *et al*, 2016). Induction on the other hand is a research approach that starts with the collection of data and then the development of a theory after the data has been analysed (Melnikovas, 2018; Saunders *et al*, 2016). Wiid and Diggines (2013:4) define induction as an approach that "argues from specific cases or data to a general conclusion". It is the opposite of deduction and is used in the humanities and social sciences (Saunders *et al*, 2016). Abduction is an approach that lies between deduction and induction and as such contains features of both (Melnikovas, 2018; Saunders *et al*, 2016).

The approach that was embraced for this research is the inductive approach. Since the inductive approach starts by collecting data to develop a theory, this research started by collecting data to establish what enabled SMMEs to survive the COVID-19 crisis in uMhlathuze Municipality. Furthermore, the interpretivist research philosophy espoused for this research aligns with the induction research approach because both help "to understand how humans interpret their social world" (Saunders *et al*, 2016:147).

3.4 METHODOLOGICAL CHOICE

According to Saunders *et al*, (2016), methodological choice together with research strategy/ strategies and research time horizon all constitute the research design of a research project and occupy layers 3, 4 and 5 respectively of the research onion ring in Figure 3.1 above. Research design is the "framework for the collection and analysis of data to answer research questions and meet other research objectives, providing reasoned justification for the choice of data sources, collection methods and analysis techniques" (Saunders *et al*, 2016:726). The diagram below shows the three components of research design, with methodological choice discussed in this subsection and the other two discussed in the next two subsections.

Figure 3.2: *Components of research design.*

Methodological Choice

Research Strategies

RESEARCH DESIGN

Time Horizon
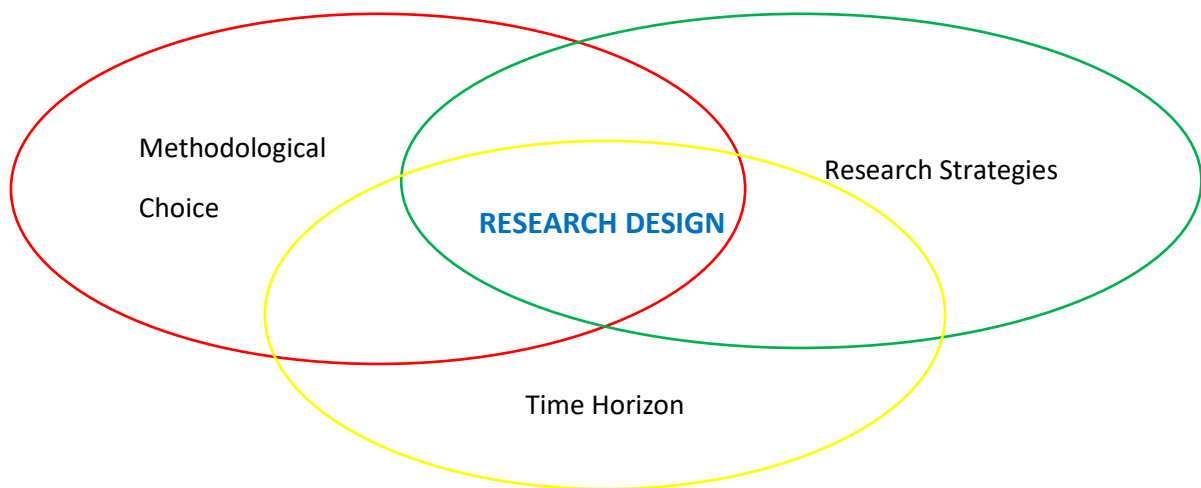
Source: Own creation

With respect to methodological choice, the options available to a researcher are quantitative research, qualitative research, or mixed methods (Bekwa *et al*, 2019; Saunders *et al*, 2016; Wiid & Diggines, 2013). Quantitative research design "examines relationships between variables which are measured numerically and analysed using a range of statistical and graphical techniques" (Saunders *et al*, 2016:166). On the other hand, qualitative research "studies participants' meanings and the relationship between them using a variety of data collection techniques and analytical procedures to develop a conceptual framework and theoretical contribution" (Saunders *et al*, 2016:168).

Qualitative research is the research design that was embraced for this study. Bekwa *et al*, (2019:113) describe qualitative research as "a social or behavioural science research that explores the processes that underlie human behaviour using exploratory techniques as interviews, surveys, case studies and other relatively personal techniques". Similarly, Wiid and Diggines (2013:59) affirm that qualitative research is "all about exploring issues, understanding underlying reasons and motivations". As such the kind of "questions asked in qualitative research is probing, the sample size is small, information per participant is much and the type of data analysis used is usually subjective and interpretive" (Wiid & Diggines, 2013:84).

In line with all these delineations of qualitative research, this research used interviews to explore the reasons behind the survival of SMMEs in uMhlathuze Municipality from the COVID-19 crisis using a small sample size of 12 SMMEs. Saunders *et al* (2016:168) assert that with qualitative research, "data collection is usually non-standardised so that questions and procedures may alter and emerge during the research process". Though only interviews were used to collect data, the order in which the questions were asked differed from participant to participant and different emergent questions also came up during the interviews to elicit clarification or more information. Usually, qualitative research uses non-probability sampling methods (Saunders *et al*, 2016). With respect to this, purposive (judgement) sampling was used to select a sample of 12 SMMEs from uMhlathuze Municipality who were participants in this research. In purposive sampling, "the sample elements are selected subjectively and deliberately by the researcher to be representative of the population" (Wiid & Diggines, 2013:190). Purposive sampling was chosen because it "allows the researcher to select a

representative of the population with the most knowledge and experience of the subject under investigation" (Wiid & Diggines, 2013: 190). Regarding this research, purposive sampling enabled the researcher to select participants knowledgeable on the research topic and also willing to take part in the research.

The methodological choice a researcher makes is informed by their chosen research philosophy and approach to theory development. The qualitative research design was chosen because it is the research design associated with the interpretive research philosophy and the inductive approach to theory development which were also adopted for this research.

3.5 RESEARCH STRATEGIES

As shown in Figure 3.2, research strategy/ strategies form part of the research design of a research project. A research strategy is "a plan of how researchers go about answering their research questions" and this plan includes how data is collected and analysed (Saunders *et al*, 2016:177). Similarly, Wiid and Diggines, (2013:49) define a research strategy as "the methodology and research methods and techniques that that will be used to collect and analyse the primary data". Many factors are considered when choosing a research strategy. These include one's research questions and objectives, espoused research philosophy and research approach as well as "the extent of existing knowledge, the amount of time and other resources available and access to potential participants and other sources of data" (Saunders *et al*, 2016:178).

Research strategies that can be adopted when one is embracing qualitative research are case study, ethnography, action research, grounded theory, and narrative enquiry (Saunders *et al*, 2016). The case study strategy was espoused for this research. A case study is "an in-depth inquiry into a topic or phenomenon within its real-life setting and the 'case' in a case study may refer to a person, workgroup, organisation, or any other type of a case subject" (Saunders *et al*, 2016:184). In this research, the 'case' was uMhlathuze Municipality and using a sample of 12 SMMEs from the municipality, semi-structured interviews were used to conduct an in-depth inquiry into how the SMMEs managed to circumvent the COVID-19 crisis. A case study strategy was espoused because this research is exploratory qualitative research which seeks "to acquire insights and develop understanding rather than to collect replicable data" (Wiid & Diggines, 2013:56). Put differently, the focus of this study was to provide a richer account of how some SMMEs in uMhlathuze Municipality survived the pandemic hence the reason the case study strategy was adopted.

3.6 TIME HORIZON

Time horizon in research refers to the duration over which the research process takes place and is part of the research design as shown in Figure 3.2. The research time horizon can either be longitudinal or cross-sectional (Saunders *et al*, 2016). With respect to longitudinal studies, the research process takes place over an extended period of time for example months or even years (Saunders *et al*, 2016). Cross-sectional studies on the other hand refer to research that takes place over a noticeably brief period for example weeks to a few months (Saunders *et al*, 2016). The time horizon for this research was cross-sectional. Within two months, a sample of selected 12 SMMEs from uMhlathuze Municipality were interviewed.

Such a time horizon was chosen because of time constraints since the research is for academic purposes.

3.7 TARGET POPULATION AND SAMPLING

The research population is "a group of potential participants to whom you want to generalise the results of a study" (Bekwa *et al*, 2019:156). The potential participants in this study were all the formal SMMEs in uMhlathuze Municipality in KwaZulu-Natal. The target population on the other hand is "the population that is the actual focus or target of research inquiry" (Saunders *et al*, 2016:275). Put differently, a target population is simply a subset of the total population earmarked for research. The target population of this research was all the SMMEs in uMhlathuze Municipality established before the COVID-19 pandemic (established before the 6th of March 2020). However, due to lack of identifiable data bases, the total number of SMMEs in uMhlathuze Municipality could not be verified. Sampling on the other hand is "the process used to draw participants to a study from the target population" (Wiid & Diggines, 2013: 183). In other words, sampling creates a sample which is a representative part of the target population. Diagram 3.3 below shows the relationship between the population, the target population, and a sample.

Figure 3.3: *Population, target population and sample.*
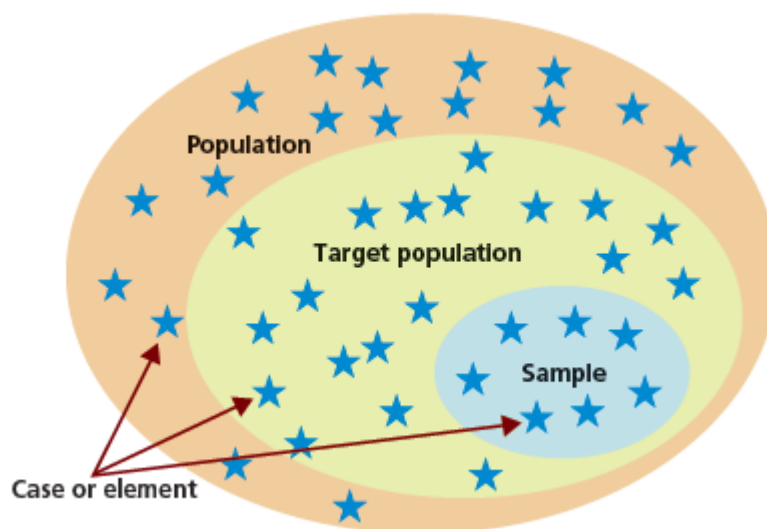
Source: Saunders *et al*, 2016:275

There are two types of sampling methods which are probability sampling and non-probability (non-random) sampling (Bekwa *et al*, 2019; Saunders *et al*, 2016; Wiid & Diggines, 2013). Regarding probability sampling, "the selection of participants is determined by chance and the probability of selecting an individual is known" (Bekwa *et al*, 2019:157). Simple random sampling, systematic sampling, stratified sampling, cluster sampling and multi-stage sampling are all methods of probability sampling (Bekwa *et al*, 2019; Saunders *et al*, 2016; Wiid & Diggines, 2013). With respect to non-probability sampling on the other hand, the "probability of selecting an individual is not known" (Bekwa *et al*, 2019:161) and in most cases "the selection of a sample is based on the subjective judgement of the researcher" (Wiid & Diggines, 2013:188). Four types of non-probability sampling methods are haphazard

sampling, judgement or purposive sampling, volunteer sampling and quota sampling" (Saunders *et al*, 2016; Wiid & Diggines, 2013).

The purposive sampling method was used to select participants from the target population (formal SMMEs in uMhlathuze Municipality established before the pandemic). There are distinct types of purposive sampling which are extreme case, heterogeneous, homogeneous, critical case, typical case, and theoretical purposive sampling (Saunders *et al*, 2016). Homogeneous purposive sampling was used to select a sample of participants for this research. Regarding this type of purposive sampling, the "focus is on one particular subgroup in which all the sample members are similar which then allows them to be explored in greater depth and minor differences to be more apparent" (Saunders *et al*, 2016:302). The participants were selected on the following inclusion criteria: registered SMMEs established before the COVID-19 pandemic, and which are the sub-group of all SMMEs in uMhlathuze Municipality. Homogeneous purposive sampling was adopted because it is suitable for research with an in-depth focus such as this one which sought to explore how SMMEs in uMhlathuze Municipality survived the COVID-19 pandemic. Purposive sampling was also chosen because interviews which were used to extract data from participants required careful screening of participants to ensure that the right candidates to be interviewed on the topic with regards to knowledge and experience of COVID-19 were chosen (Wiid & Diggines, 2013). Again, due to the absence of identifiable databases for small businesses in uMhlathuze Municipality, purposive sampling addressed that limit.

Twelve participants (12 formal SMMEs established before the COVID-19 pandemic) were chosen for the research. Such a sample size was chosen because when using interviews in qualitative research, "responses or opinions tend to be limited and get repeated over and over" (Cobern & Adams, 2020: 75) hence a sample size of between 5-25 is considered fine (Saunders *et al*, 2016). Furthermore, qualitative research deals with "small sample sizes because information obtained per respondent is much" (Wiid & Diggines, 2013: 87).

3.8 RESEARCH INSTRUMENTS

Since interviews and questionnaires are some of the common research instruments used to collect and analyse data in research, this research used interviews to collect data from 12 SMMEs from uMhlathuze Municipality. By definition, a research interview is "a purposeful conversation between two or more people, requiring the interviewer to establish rapport and ask concise and unambiguous questions to which the interviewee is willing to respond and listen attentively" (Saunders *et al*, 2016:388). Interviews can be categorised in at least three ways. They can be grouped according to whether they are structured, semi-structured or unstructured (in depth); as standardised or non-standardised; or as formal or informal (Saunders *et al*, 2016; Wiid & Diggines, 2013). Semi-structured interviews were used to collect data for this research. Regarding semi-structured interviews, the researcher uses an interview guide which contains a list of the main questions to be asked in a formal setting though the order in which the questions will be asked, and their use tends to vary from interview to interview (Saunders *et al*, 2016). Because of this, semi-structured interviews are non-standardised though administered in a formal way. An interview guide which contained at least fifteen questions was used to extract data from a selected sample of 12 SMMEs from uMhlathuze Municipality. The guide comprised two sections. Section A is where personal details of participants (gender, nationality, age, and the like) were captured while section B

contained the interview questions. The interview questions also contained "prompts to promote and further discussion" (Saunders *et al*, 2016: 391).

The interpretivist research philosophy espoused for this research "which is concerned with meanings that participants ascribe to various phenomena" necessitated the adoption of semi-structured interviews (Saunders *et al*, 2016:394). This type of interviewing enabled the researcher to gain insights into how SMMEs in uMhlathuze Municipality survived the COVID-19 pandemic.

3.9 DATA COLLECTION

Data collection and analysis is at the centre of the research 'onion' shown in Figure 4. The data collection methods suitable for qualitative research are "exploratory techniques such interviews, case studies, focus groups, surveys" (Bekwa *et al*, 2019: 112). Therefore, the data collection methods that were adopted for this research were interviews because they allow the researcher to probe, ask and clarify further to find the underlying cause of the issues under investigation (Bekwa *et al,* 2019; Wiid & Diggines, 2013). Using an interview guide, all the 12 interviews carried out for this study were administered personally, and face to face.

Using the Zululand Chamber of Commerce and Industry (ZCCI) data base (for SMMEs affiliated with ZCCI) and the telephone directory (for those not affiliated with ZCCI), sampled SMMEs were first contacted via the phone or through site visits. Later visits were done to familiarise with participants and to introduce interview questions for the preparation of the final interview. Interview dates were arranged, and all the twelve interviews were finally done face to face and were recorded using the researcher's smart phone. Each interview lasted between thirty to forty minutes. During the interview sessions, data saturation (instances where participants consistently provided repetitive responses) occurred where participants repeatedly cited 'loss of customers and income' and 'disruption of business operations and supply chains' as the challenges they faced because of COVID-19.

3.10 PILOT STUDY

Using 2 SMMEs in Esikhawini Township in uMhlathuze Municipality, the researcher conducted a pilot study to evaluate the attitude of participants towards the research as well as the suitability of the interview guide. Purposive sampling was used to select participants for the pilot study and data obtained from the pilot survey was not included in the data analysis. Just like in deciding on the sample size for the entire research, the size of the pilot study was again guided by commonly agreed standards on qualitative research (Saunders *et al*, 2016). Findings from the pilot study revealed that the attitude of participants towards the research was positive. However, the researcher noted that to get the interviews flowing well, challenges that SMMEs encountered during the pandemic had to be discussed first before asking how the SMMEs survived the pandemic. Questions that needed to be rephrased to enhance clarity were also identified. All this was then used to adjust the sequencing and phrasing of questions in the interview guide.

3.11 TRUSTWORTHINESS

According to Stahl and King (2020: 26), trustworthiness in qualitative research corresponds to the extent to which readers "have a sense of confidence in what the researcher has reported". In other words, trustworthiness relates to "the quality of the research and its findings" (Saunders *et al*, 2016:201). While the criteria used to assess the quality of quantitative research are the various forms of reliability and validity, attributes used to assess the quality of qualitative research are dependability, credibility, transferability, conformability, and authenticity criteria (Stahl & King, 2020; Saunders *et al*, 2016; Anney, 2014).

(a) **Dependability**. "In interpretivist research, the research focus is likely to be modified as the research progresses hence dependability in this sense means recording all the changes to produce a dependable account of the research focus that may be understood and evaluated by others" (Saunders *et al*, 2016:206). Central to dependability therefore is accuracy in the reporting of the whole research process particularly changes or adjustments made to it. To guarantee dependability, the researcher documented all the steps, procedures and the like taken to collect data and to analyse it as well as changes that were made throughout the research process.

(b) **Credibility** is the degree to which research findings truly reflect participants' responses and opinions (Anney, 2014). Likewise, Saunders *et al* (2016:206) state that for any research to be credible, "representations of the research participants' socially constructed realities should match what the participants intended". One way of enhancing credibility in research is establishing good relations with participants before interviews so that they can freely divulge their experiences and opinions (Saunders *et al*, 2016). Another is "checking data, analysis and interpretations with participants and making sure that the researcher's preconceived expectations about what the research will reveal are not privileged over the responses of participants" (Saunders *et al*, 2016:206). To ensure credibility, interviews were recorded to capture the precise responses of participants and probing was done to seek clarity on vague responses. Prior interview visits were done to establish a good rapport with participants. Data analysis was also done thoroughly using Atlas.ti so that accurate conclusions finally would be made.

(c) **Transferability** is the degree to which results obtained from any research can be generalised to other settings (Shenton, 2004). To ensure transferability in a research project, the researcher should provide "a full description of the research questions, design, context, findings and interpretations" (Saunders *et al*, 2016:206). In line with this, this study provides a detailed description of the research questions that the research seeks to answer as well as how participants in the study were sampled and how data was collected using semi-structured interviews and analysed using the Thematic approach and Atlas.ti software.

(d) **Conformability** is the extent to which research results give a true reflection of the situation under investigation and not the researcher's opinion or imagination (Anney, 2014). To ensure conformity, interviews were recorded to capture the exact responses of participants, where responses were unclear, probing was done to seek clarity. During interviews, the researcher only played a leading role and did not interfere with participants' narrations. The transcribed interviews were also cross-checked with the audio to verify their accuracy.

(e) **Authenticity criteria** in constructive or interpretive research include "fairness, ontological, educative, catalytic, and tactical authenticity" (Saunders *et al*, 2016:206). These forms of

criteria are intended to "promote fairness by representing all views in the research, raise awareness and generate learning and bring about change" (Saunders *et al*, 2016:206). To promote fairness and different views in the research, participation was voluntary, and participants (SMMEs) were drawn from different sectors or subsectors of the economy which included retailing, tourism, arts, culture, and transport.

3.12 DATA ANALYSIS

Data collected for this research was qualitative because the research adopted a qualitative research design. Qualitative data is "non-standardised data based on meaning expressed through words (spoken and textual) and images" (Saunders *et al*, 2016:567). Qualitative data can be analysed deductively or inductively depending on the approach to theory development embraced by the researcher (Saunders *et al*, 2016). This research adopted the inductive approach, and the research questions guided the researcher on the patterns and themes to pay attention to.

Since data was collected using interviews, a summary of each interview was done after every interview to capture the main themes that were emerging. Each interview was assigned a code or pseudo name for identification, and the pseudo names used were Participant 1, Participant 2 right up to Participant 12. The interviews were also audio recorded, and the audios were transcribed. Transcribing audio- recorded qualitative research interviews involves "reproducing them verbatim as a word-processed account" (Saunders *et al*, 2016:572). Each of the twelve interviews conducted was transcribed verbatim on separate Microsoft (MS) Word documents. After transcribing the interviews, data cleaning was done to rid transcriptions of errors (Saunders *et al*, 2016). This data cleaning was done by comparing recorded interviews with the data transcriptions. After this, transcript summaries were done to capture the main statements and observations. Thereafter, the Thematic Analysis technique was used to analyse data. Table 3.1 below shows the steps outlined by Saunders *et al,* (2016) followed when using the Thematic Analysis technique to analyse qualitative data.

Table 3-1: Thematic Analysis technique procedures.

STEP	DESCRIPTION
Step 1: familiarising oneself with the data	This involves going through the transcribed data to verify its accuracy and to look out for meanings and themes that could be emerging from the data.
Step 2: Coding the data	Coding involves grouping similar data into groups for further analysis. It can be done manually or by Computer Assisted Qualitative Data Analysis Software (CAQDAS).
Step 3: Searching for themes and relationships.	This step involves grouping similar codes to create themes emerging from the coded data. During this step, some codes are combined to create one code, some are split into different codes, and some are even discarded.
Step 4: Refining themes and testing propositions	Refining themes involves checking if there is enough data (codes) to support that theme. At this stage, some themes are combined, and some are split into different themes. Testing propositions involves producing suggestions regarding relationships between the themes and how they relate to the research questions under investigation

Source: Saunders *et al*, 2016

The steps outlined in Table 4 above were followed to analyse the data Thematically and Atlas.ti software (CAQDAS) was used to code the data, and to "identify themes or patterns related to the research questions" (Saunders *et al*, 2016:579). Diagram 3.4 below shows the two types of codes that can be used when analysing data qualitatively (Saunders *et al*, 2016; Creswell, 2009).

Figure 3.4: *Sources and types of codes.*
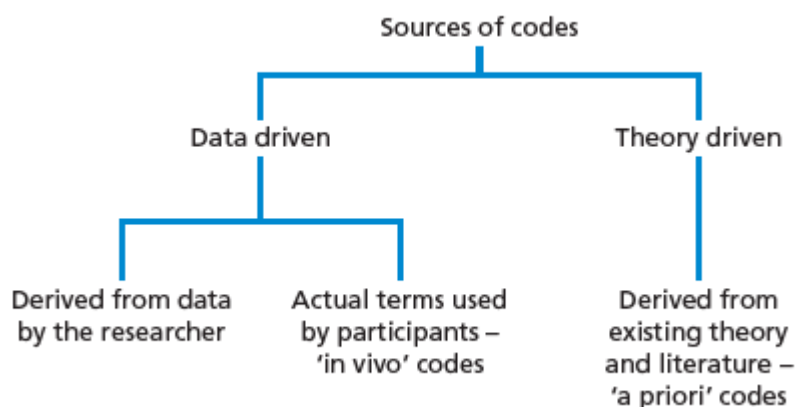
 Source: Saunders *et al*, 2016:583

Data-driven codes are derived from the data being analysed and theory-driven codes ('a priori' codes) are derived from theory or existing literature on the investigation (Saunders *et al*, 2016;

Creswell, 2009). Data-driven codes are further divided into 'in vivo codes' which are based on the actual terms used by participants and the researcher's labels or terms which they find suitable to describe a sample of data being coded (Saunders *et al*, 2016; Creswell, 2009). In vivo codes and the researcher's codes were used to code data from the twelve interviews. After identifying the codes related to the research questions, the codes were further analysed by combining others to create themes, separating others, and discarding some that were found not to be useful (Saunders *et al*, 2016). As stated above, the codes were then used to create themes related to the research questions.

Guidelines given by Creswell (2009) on the codes to focus on during the coding process guided the researcher throughout the coding process. According to Creswell (2009: 173), the researcher should pay attention to codes that:

- the reader would expect to find based on past literature and common sense.
- are surprising and not anticipated at the beginning of the study.
- are unusual and are in and out of themselves and of conceptual interest to readers.
- address a theoretical perspective in the research.

The Thematic Analysis technique was embraced because it is "not tied to a particular philosophical position" and is suitable for analysing qualitative data of different magnitudes "leading to different descriptions, explanations and theories" (Saunders *et al*, 2016:579). Furthermore, the technique is "fairly straight-forward to use when compared to other techniques" (Saunders *et al*, 2016:579).

3.13 DATA STORAGE

Research data "refers to factual records (numerical scores, textual records, images and sounds) used as primary sources for scientific research, and that are commonly accepted in the scientific community as necessary to validate research findings" (UNISA, 2021:3). Data collected from this research will be stored in electronic files which require passwords to access. The only people who will have access to the data are the researcher and her supervisor. The data will be stored for a period of five years and will be disposed of thereafter.

3.14 LIMITATIONS AND DELIMITATIONS OF THE STUDY

Every research study has limitations and delimitations with regard to "its underlying theories, study design, replication potential, population or sample, data collection/analysis" and many more (Theofanidis & Fountouki, 2018:155). The limitations and delimitations found in this study are explicated below.

Limitations

Limitations in research "concern potential weaknesses that are usually out of the researcher's control, and are closely associated with the chosen research design, statistical model constraints, funding constraints, or other factors" (Theofanidis & Fountouki, 2018:156). Such limitations influence the generalisability, validity, dependability, and the like of findings of a research study (Theofanidis & Fountouki, 2018). The absence of identifiable SMME data bases in uMhlathuze Municipality is one of the limitations affecting this study. It limited the identification and sampling of participants for this research. Some research limitations can

also emanate from the espoused research design itself (Jansen, 2022). In this regard, the case study research design adopted for the study which yields results that are not generalisable to other settings was a limitation (Bekwa *et al*, 2019; Theofanidis & Fountouki, 2018). Furthermore, purposive sampling used to sample participants tends to be subjective and researcher-biased (Saunders *et al*, 2016).

Delimitations

Delimitations specify what the researcher includes and excludes in their research "so that the study's aims and objectives do not become impossible to achieve" (Theofanidis & Fountouki, 2018:157). Put differently, delimitations set the boundaries and scope for the study. In this regard, the study focused on registered SMMEs within uMhlathuze Municipality and excluded unregistered SMMEs. The reason for this exclusion is that due to their informal nature, unregistered SMMEs are easy to set up and operate hence could have found it easy to escape the jaws of COVID-19. Even among the registered SMMEs, this research focused only on those established before the COVID-19 pandemic (established before 6 March 2020) and excluded those formed during or after the pandemic The reason for the exclusion is that the investigation focused on how SMMEs which were in existence before the pandemic managed to survive it.

The delimitations of a research project are also given by the research problem and questions of a research project because both the research problem and questions specify what the research includes and excludes (Jansen, 2022). The problem that needed to be solved by this research is how some SMMEs managed to survive the novel COVID-19-challenges that left many others out of business. This implies that this research excluded many other COVID-19 related research problems that could be investigated such as how COVID-19 impacted female businesses or the suitability of COVID-19 government relief programmes. "The espoused methodological framework also set boundaries for any research project (Theofanidis & Fountouki, 2018). In this respect, this research adopted the qualitative research approach and not the quantitative research approach.

3.15 ELIMINATION OF BIAS

Bias in research can be described as "systematic error introduced into sampling or testing by selecting or encouraging one outcome or answer over others" (Merriam-Webster Dictionary). It exists in three forms which are interviewer bias, interviewee or response bias and participation bias (Saunders *et al*, 2016). Interviewer bias occurs when "the comments, tone and non-verbal behaviour of the interviewer create a bias in the way that interviewees respond to questions being asked (Saunders *et al*, 2016:395). This type of bias can also emanate from the way the interviewer asks questions and how he/she interprets responses given by interviewees. To eliminate this kind of bias, pilot testing was done to establish the appropriateness and transparency of the questions in the interview guide. During interviews, probing was also done in a bid to avoid misinterpreting interviewees' responses. Interviews were also recorded to capture precise responses given by interviewees. Prior interview visits were made to sampled participants to familiarise with each other's culture, expectations on the day of the interview and other related issues. Such visits were meant to set the stage and prepare the interviewer regarding comments and non-verbal behaviour to avoid during interviews and to get the feel of the appropriate tone to use for each participant.

Interviewee (response) bias arises from how interviewees perceive the interviewer or his/her bias (Saunders *et al*, 2016). This kind of bias occurs again when interviewees deliberately withhold certain information or avoid certain questions asked by the interviewer because of the desire to portray themselves or their organisations in a certain way (Saunders *et al*, 2016). To reduce this kind of bias, the researcher arranged meetings with participants in a bid to familiarise herself with each of the participants. To reduce the withholding of information, probing was done to solicit more information and to explore the responses of participants further. Regarding question avoidance, participants were assured that the data collected would be kept safe and confidential.

Participation bias is the "bias of the sample from whom data is collected" (Saunders *et al*, 2016:395). Due to reasons such as the amount of time required to do the interview, targeted participants may refuse to take part in the research, and this will then bias the sample that is used by the researcher in the end. Participation bias also occurs when participants are just "inclined to agreeing or responding positively to all the interviewer's questions" due to cultural or other reasons (Saunders *et al*, 2016:395). Put differently, this kind of bias arises when participants give false responses motivated by the desire to appease the interviewer. To guard against this form of bias, the researcher synthesised questions to reduce the duration of interviews. Prior visits were also done to build rapport with participants. Furthermore, discussions during interviews were done in a casual manner in a bid to make participants feel relaxed and give honest responses.

3.16 ETHICAL CONSIDERATION

Ethics refer to "the standards of behaviour that guide one's conduct in relation to the rights of those who become the subject of their work or are affected by it" (Saunders *et al*, 2016:239). In research, ethics stipulate the norms and behavioural standards that mandates the researcher to guarantee that participants are protected from harm, are not forced into participating, their privacy is maintained, and information obtained is kept confidential and is reported accurately, sign a letter of consent to participate and share benefits obtained from the research (Bekwa *et al*, 2019; Saunders *et al*, 2016; Wiid & Diggines, 2013).

Protecting participants from harm should be a priority of any researcher. "Harm may occur through risks to emotional well-being, mental or physical health, or social or group cohesion and may take a number of forms including embarrassment, stress, discomfort, pain or conflict" (Saunders *et al*, 2016:243). To ensure participants were protected from harm, participation in this research was voluntary and participants were notified of their right to pull out from the research anytime without giving reasons. Informed consent of those participating in research is another ethical consideration that ought to be observed by researchers. "Informed consent involves researchers providing sufficient information and assurances about taking part to allow individuals to understand the implications of participation and to reach a fully informed, and free decision about whether or not to participate" (Saunders *et al*, 2016: 244). To comply with this ethical consideration, letters of informed consent were served to all participants before any interviews took place. When it was required, the researcher also helped with the interpretation of the letter of consent.

Confidentiality and anonymity in research concern the privacy of participants (Bekwa *et al*, 2019). Participants in research "should remain anonymous and the data they provide should

be processed to make it non-attributable, unless there is an explicit agreement to attribute comments" (Saunders *et al*, 2016:244). To conform to this ethical principle, the researcher complied with the Protection of Personal Information Act (POPI Act) of South Africa which guides both the public and private bodies on how they should oversee and process personal information (The Presidency, 2013). The POPI Act "sets out the minimum standards regarding accessing and 'processing' of any personal information belonging to another" (The Presidency, 2013). In line with this Act, the researcher made sure that data collected was identified by codes or pseudonyms only and no names or any personal details of participants were used. Pseudo names used to identify the participants were Participant 1, Participant 2 right up to participant 12. Again, all data collected was accessible to the researcher and her supervisor only.

An ethical clearance letter from the UNISA's Ethics Review Committee (reference number: 0909) was also obtained before the research commenced.

3.17 CHAPTER SUMMARY

Concisely, this research embraced the interpretivist research philosophy which emphasises that reality is socially constructed and therefore exists in different forms. This philosophy informed all the other methodological aspects of this research. In line with the interpretivism philosophy, the inductive research approach was espoused. Data was collected from a sample of SMMEs in uMhlathuze Municipality first, then analysed before any theory was established with regards to what helped SMMEs in uMhlathuze Municipality navigate the pandemic. The qualitative research method was adopted because an in-depth inquiry was required regarding how SMME survivors of the COVID-19 pandemic in uMhlathuze Municipality managed to do so. A case study approach was used for the research and semi-structured interviews were used to extract data from participants who were either owners or managers of sampled SMMEs. Before interviews were conducted, a pilot survey was done using two SMMEs to gauge the attitude of participants towards the research as well as the suitability of the interview guide. A cross-sectional time horizon was espoused for the research and the researcher also took various precautions to ensure the trustworthiness of the research as well as to eliminate bias. Steps to guarantee the production of research that complies with agreed ethical norms and standards of behaviour were also taken. Overall, this chapter delineated the research methodology that was espoused and how the data for the research was collected. The subsequent chapter, (Chapter 4) will focus on the analysis of the collected data.

4. DATA PRESENTATION, ANALYSIS, AND INTERPRETATION.

4.1 INTRODUCTION

The preceding chapter focused on how the data for this research was collected. In this chapter, the collected data is presented, analysed, and interpreted. The data comprise twelve interviews conducted with owners or managers of twelve purposively sampled SMMEs in uMhlathuze Municipality in KZN to answer the primary research question and the secondary research questions of this research. According to Saunders *et al*, (2016) and Creswell, (2009), data collected should answer the research questions or objectives of an investigation. The primary research question is:

- What aided surviving SMMEs in uMhlathuze Municipality in traversing the COVID-19 pandemic?

The secondary research questions are:

- How did SMMEs in uMhlathuze fare before COVID-19?
- What challenges were faced by SMMEs in uMhlathuze because of the COVID-19 pandemic?
- What steps were taken by the SMMEs to mitigate the challenges?

Before the analysis, each interview was transcribed verbatim into a Microsoft (MS) Word document. The transcribed interviews will be analysed and interpreted in this chapter using the Thematic Analysis technique and Atlas.ti software version 23.2.3.27778.

4.2. PARTICIPANT DETAILS AND SMME PROFILES

This section provides participant details and SMME profiles.

4.2.1 Participant details

Twelve participants were interviewed for this research and all of them spoke English language satisfactorily. For the sake of preserving confidentiality and anonymity of the participants, pseudonyms were used to identify them. This is in line with Saunders *et al*, (2016:244)'s affirmation that participants to research "should remain anonymous and the data they provide should be processed to make it non-attributable". Pseudonyms used to identify the participants were Participant 1, Participant 2, right up to Participant 12. The attributes detailing participants were gender, position in business, nationality, race, age, and level of education. All these attributes apart from 'position' are part of the determinants of SMME survival or failure during COVID-19 discussed in subsection 2.4 of the literature review in Chapter 2. Accordingly, the researcher used these demographics to see if they would have any bearing on the findings of the research.

As seen from Table 4.1 below, of the twelve participants interviewed, two were females and ten were males. Considering that purposive sampling was used to select the participants, the ratio of men to women in this research might not be a true reflection of the actual figures of male and female entrepreneurs in uMhlathuze Municipality. The nationalities of participants also varied. Ten were South African nationals while the other two were Nigerian and Pakistani

nationals. With regards to race, eight were Black people, two were Indians, one was a White person, and one was Asian (Pakistani). The educational qualifications of participants ranged from diplomas to master's degrees, and all of them were aged between 30 to 65 years. Again, eight out of the twelve participants interviewed were owners of the SMMEs and the other four were managers.

Table 4-1: Participant information sheet

Participant	Gender	Age	Nationality	Race	Position	Educational Qualifications
Participant 1	Male	30-39	Pakistani	Asian	Manager	Diploma in Electronics
Participant 2	Female	50-59	South African	Black	Owner	Master's degree in Chemistry
Participant 3	Male	50-59	South African	Black	Owner	Diploma in Marketing
Participant 4	Male	40-49	South African	Indian	Owner	Diploma in Finance
Participant 5	Male	60-65	South African	White	Owner	Bachelor's Degree in Education
Participant 6	Female	30-39	South African	Black	Owner	Diplomas in Hairdressing and Business Management
Participant 7	Male	50-59	South African	Black	Owner	Diploma in Human Resources
Participant 8	Male	50-59	South African	Black	Owner	Bachelor's degree in Education
Participant 9	Male	40-49	South African	Black	Manager	Higher National Diploma in Finance
Participant 10	Male	40-49	South African	Black	Manager	Diploma in Electronics
Participant 11	Male	30-39	Nigerian	Black	Manager	Bachelor of Commerce in Accounting
Participant 12	Male	40-49	South African	Indian	Owner	Bachelor of Science in Electrical Engineering

Source: Own creation

4.2.2 SMME details

Details captured pertaining to SMMEs involved in this study included the nature of the business the SMME engages in, the economic sector the SMME belongs to and the period the SMME has been operating. Just as noted above under participant information, these attributes were captured because they also feature as determinants of SMME survival or failure during the COVID-19 pandemic in subsection 2.4 of the literature review in Chapter 2.

Though not in similar proportions, the business activities of the sampled SMMEs cut across the economic spectrum. One out of the twelve SMMEs belonged to the agricultural (primary) sector, another one in the manufacturing (secondary) sector, and the rest were in different tertiary sectors such as transport, retailing, personal services and Information and Technology (IT). The ages of the SMMEs also varied from as little as five years to 35 years. This variation in business activity and age enabled the researcher to get a wide variety of information with regard to the pandemic challenges the SMMEs faced and how they survived the challenges. Table 4.2 below gives a synopsis of the just summarised SMME details. Please note that SMME 1 corresponds to Participant 1, SMME 2 to Participant 2 and so forth.

Table 4-2: SMMEs information sheet.

SMME	Business activity	Economic sector	Period in operation
SMME 1	Restaurant and electronic sales.	Tertiary (Food and beverages; IT sectors)	6 years
SMME 2	Driving school	Tertiary (Educational sector)	23 years
SMME 3	Restaurant	Tertiary (Food and beverages sector)	5 years
SMME 4	Production of Ceiling boards	Secondary (Manufacturing sector)	7 years
SMME 5	Hardware	Tertiary (Retail sector)	30 years
SMME 6	Hair Salon	Tertiary (Personal services sector)	6 years
SMME 7	Minibus Taxi business	Tertiary (Transport sector)	25 years
SMME 8	Sugarcane and vegetable growing	Primary (Agricultural sector)	9 years
SMME 9	Fabric sales business	Tertiary (Retail sector)	35 years
SMME 10	Computer and electronic sales and repairs	Tertiary (IT sector)	16 years
SMME 11	Cosmetic sales and DSTV installation	Tertiary (Retail and IT sectors)	21 years
SMME 12	Commercial Frozen Food Sales	Tertiary (Retail sector)	10 years

Source: Own creation

4.3 DATA ANALYSIS

The Thematic data analysis technique and Atlas.ti software were used to analyse the data as stated in subsection 3.12 of Chapter 3. The steps involved when analysing data qualitatively using the Thematic approach as given by Saunders *et al*, (2016) guided the researcher's data analysis process. The steps are as follows:

- Data preparation and familiarisation.
- Coding the data.
- Searching for themes and recognising relationships.
- Refining themes

- Theme interpretation and analysis

4.3.1 Data preparation and familiarisation.

With respect to preparing data for analysis, the researcher transcribed the audio-recorded interviews into MS Word documents and compiled all the interview summaries in one MS Word document (Creswell, 2009). Summaries were recorded in one document to facilitate easy referencing. Pseudonyms were assigned to each transcribed interview to preserve the anonymity and privacy of participants as well as to aid in their identification (Creswell, 2009). The pseudonyms used were Participant 1, Participant 2 right up to Participant 12. Likewise, pseudo names used for each corresponding SMME were SMME 1, SMME 2 right up to SMME 12. Subsequently, the researcher went through all the transcribed interviews to check for spelling and grammatical errors. Finally, the accuracy of transcriptions was verified by listening to each audio clip and comparing it to the transcribed interview. This process enhanced the confirmability of the data and the entire research process (see Chapter 3, section 3.11 [d]).
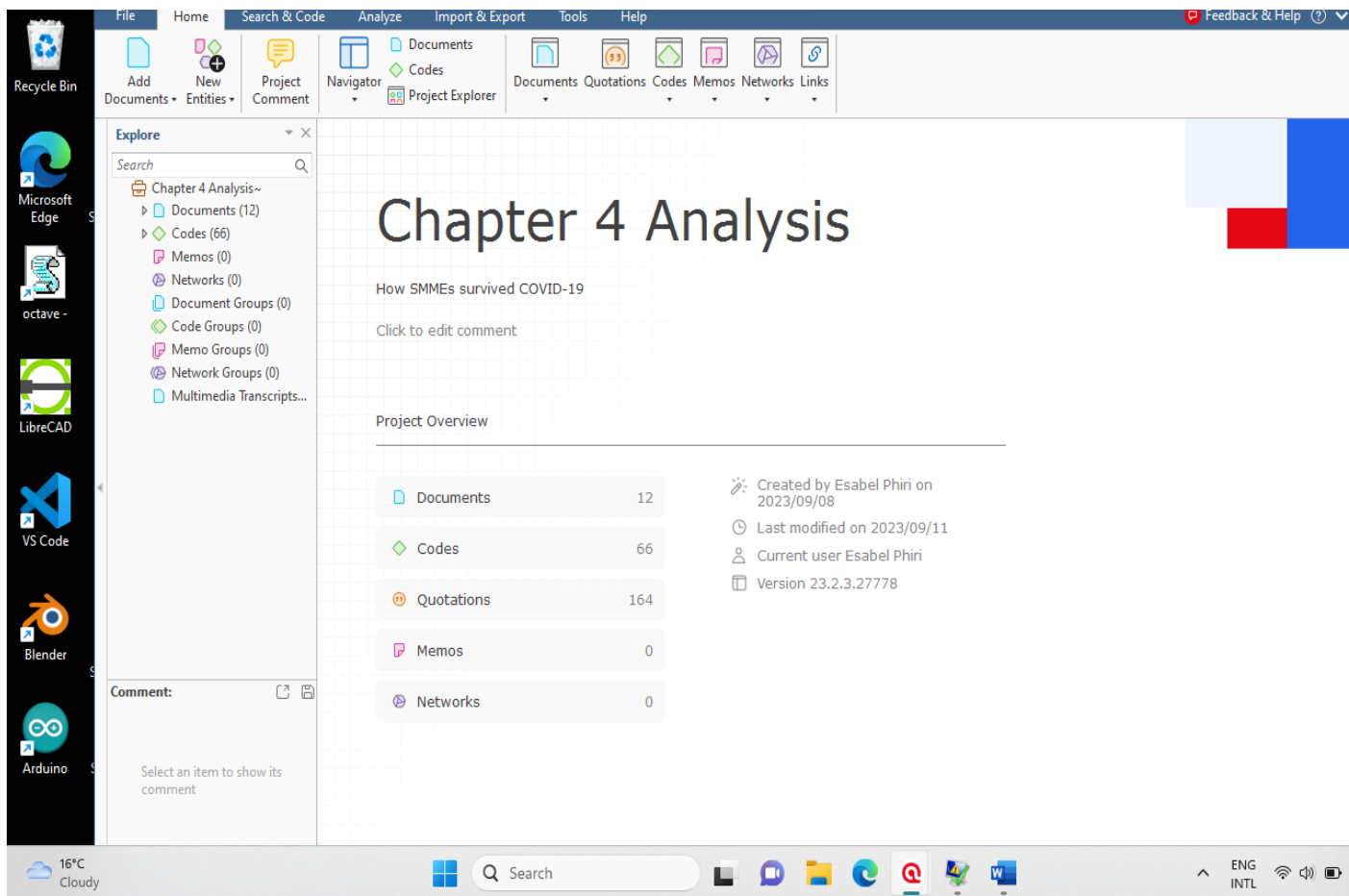
As concerns familiarising with the data, the researcher transcribed the interviews and in so doing was getting familiar with the data. This is in line with Saunders *et al,* (2016: 607)'s assertion that "the act of transcribing the data yourself although laborious allows you to develop familiarity". The transcribed interviews and interview summaries were also thoroughly studied and common issues or themes emanating from the data were noted (Creswell, 2009).

Furthermore, using Atlas.ti, the researcher searched for common concepts or key words emanating from all the twelve documents (transcribed interviews) as a way of getting an overview of participant responses throughout the documents. The excerpt in Figure 4.1 below shows the common concepts that emerged from the twelve documents. A click on each concept (word) took the researcher to all the documents and the paragraphs where the word was mentioned. This helped the researcher to familiarise more with the data and later with the coding process. As seen in Figure 4.1 below, some words are in big print, others in small print and some in exceedingly small print. What should be noted here is that the bigger the print, the more tokens the word has. Tokens in Atlas.ti are the number of times a word is mentioned or appears in the documents (Archer, Janse van Vuuren & Van der Walt, 2017). In the excerpt below, for example, the concept 'business,' had 175 tokens and this means it was mentioned 175 times in all the documents and hence was the biggest concept. It was followed by 'lockdown' with 64 tokens, 'COVID' 36 tokens, challenge' with 35 tokens and so on.

Data preparation and familiarisation are essential because without them or without doing them well, effective analysis will not happen (Creswell, 2009).

Figure 4.1: *Emerging concepts from the documents.*

Source: Own creation

4.3.2 Coding the data

Coding is a process that "involves labelling each unit of data within a data item (transcript or document) with a code that symbolises or summarises that extract's meaning" (Saunders *et al*, 2016: 580). The data needed to be coded because the Thematic Analysis approach that the researcher adopted requires the researcher to "code their qualitative data to identify themes or patterns for further analysis related to their research questions" (Saunders *et al*, 2016:606). Coding was done by computer using the Atlas.ti software which is a Computer-Assisted Qualitative Data Analysis Software (CAQDAS). The software was used because of its advantages over manual coding. These advantages include speed in analysing data, easy comparison between data sets, development the researcher's computer skills and more (Mattimoe, Hayden, Murphy & Ballantine, 2021; Creswell, 2009). The terms Atlas.ti software and software were used interchangeably in this chapter.

Using this qualitative data analysis software, the researcher created a project which she named 'Chapter 4 Analysis' as shown in Figure 4.2 below. Creating a project is the first step involved when analysing data using Atlas.ti (Archer, Janse van Vuuren, Van der & Walt, 2017).

**Figure 4.2:** *Title of project and initial project overview*

Source: Own creation

After creating the project, twelve documents (the 12 transcribed interviews in MS Word) readied in the manner prescribed in subsection 4.3.1 above were then added to the project. These are the 'Documents' shown under 'Project Overview' in Figure 4.2 above. Subsequent to adding the documents to the project, initial coding of all the transcribed interviews followed.

Just to recapitulate, a code is a label or tag attached to a segment of data that carries some meaning (Archer *et al*, 2017). The researcher used two types of codes to code the data as stated in subsection 3.12 of the Research Methodology chapter. These are in vivo codes which are codes based on "actual terms used by participants" and the researcher's codes which are codes created by the researcher to describe a unit of data (Saunders *et al*, 2016:582; Creswell, 2009). Below is an excerpt showing how the coding process was done.

Figure 4.3: *Excerpt of a coded document.*
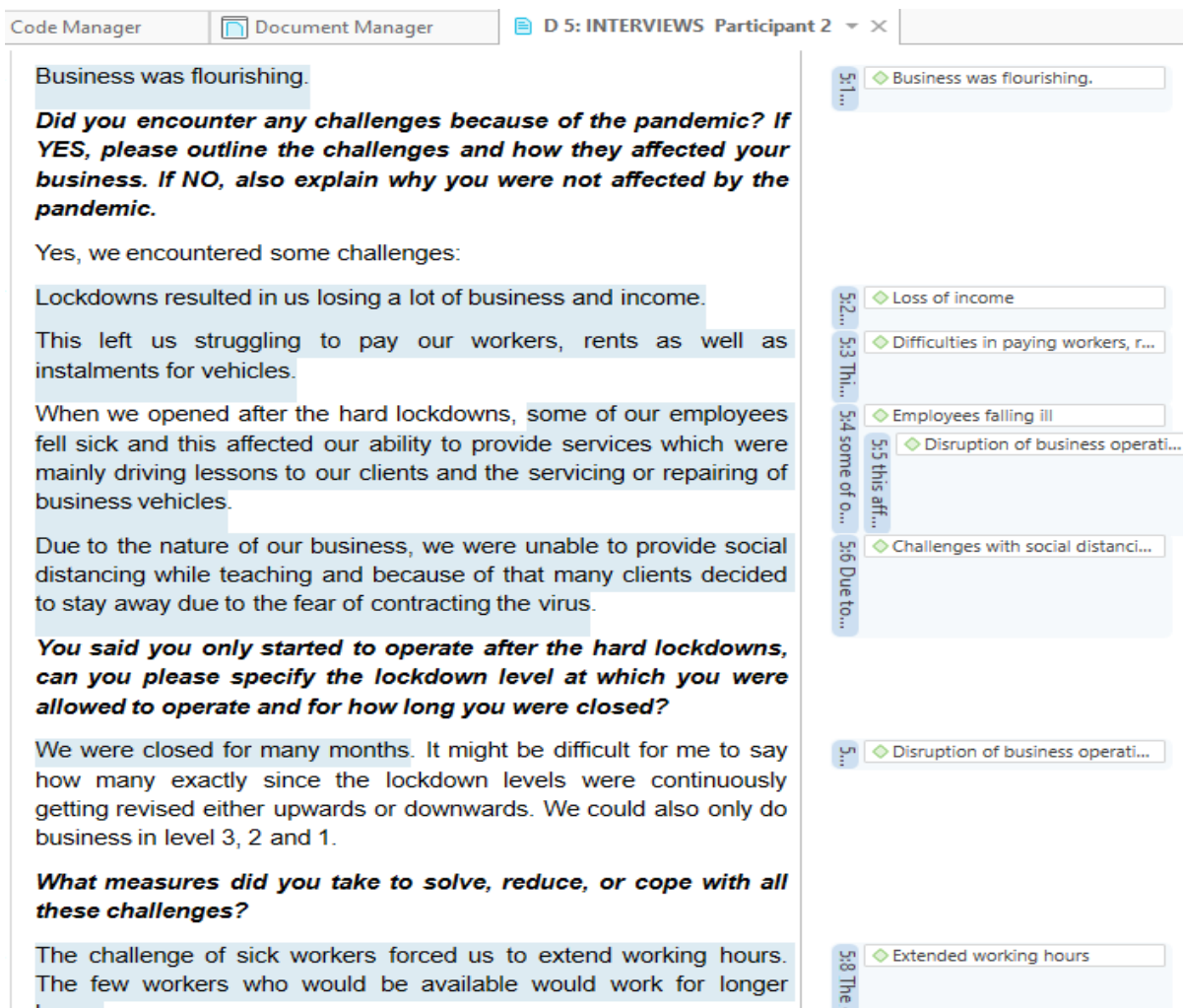
Source: Own creation

Documents (transcribed interviews) were coded one by one using the software. Each unit of text in all the documents that was deemed relevant to the research questions was highlighted as shown in Figure 4.3 above, and a code was assigned to it. The codes assigned are shown on the right. For example, the segment: *"Some of our employees fell sick and this affected our ability to provide the services which were mainly driving lessons to our clients and the servicing or repairing of business vehicles".* was coded as shown in Figure 4.3 above because it is a challenge that this SMME encountered because of COVID-19. Again, this code relates to the second secondary research question *"What challenges were faced by SMMEs due to the COVID-19 pandemic?"*

The segment: *"The challenge of sick workers forced us to extend working hours. The few workers who would be available would work for longer hours"* was also coded because it is a measure which was taken by the SMME to mitigate the COVID-19 challenges if faced. It also relates to the third secondary research question *"What measures were taken by SMMEs to mitigate the COVID-19-induced challenges they faced".*

During the coding process, the researcher used both in vivo codes and the researcher's codes. The first code *'Business was flourishing'* is an in vivo code and the rest are codes created by the researcher. The researcher also kept going back to the research questions/objectives throughout coding to make sure that the codes created remained relevant to the investigation at hand (Saunders *et al;* 2016).

After coding all twelve documents, a total of 66 codes and 164 quotations were created as shown in Figure 4.2 under 'Project Overview'. In Atlas.ti, quotations are text segments coded or highlighted by the researcher because they carry a unit of meaning (Archer *et al;* 2017). Therefore, all the highlighted segments of the document in figure 4.3 above are the quotations. The created codes and quotations paved the way for the next phase of the analysis.

4.3.3 Searching for themes and recognising relationships.

According to Archer *et al*, (2017) searching for themes and recognising relationships from the coded data is a process that starts with grouping the created codes to form code groups or analytic categories. "A theme is a broad category incorporating several codes that appear to be related to one another and which indicates an idea that is important to one's research questions" (Saunders *et al*, 2016:584). Sometimes a theme can also be a single code "which indicates an idea that assumes general importance" (Saunders *et al*, 2016:584).

Before the codes were grouped, the researcher went through them to discard those that were not relevant to the research questions. Two codes were removed through this process and a total of 64 codes remained. While many scholars advocate for the merging of similar codes before code grouping commences, the researcher did it the other way. Grouping was done prior to merging because grouping involved analysing the codes, a process that was going to help the researcher see those that deserved to be merged or divided.

Figure 4.4 below shows how the 64 codes were grouped into 22 code groups which in essence were the emerging themes or emerging categories from the data. The code groups are on the right and the codes are on the left as shown in the excerpt. The numbers in brackets appearing alongside each code group shows the number of codes in each group. For example, 3 codes are in the code group 'Assistance from banks' and 4 codes are in the code group 'Assistance from the government'. These numbers should add up to 66 because there were 66 codes initially as shown in Figure 4.2. However, in Figure 4.4 the numbers add to 64 because of the two codes which were discarded as stated earlier on. Also, some codes are marked in colour while others are not. This was just done for illustration purposes to show codes that were put in one group.

Figure 4.4: From codes to code groups

Source: Own creation

According to Saunders *et al*, (2016:585), the process of moving from codes to code groups (emerging themes or emerging categories) involves looking for key concepts in all the codes to see "patterns or trends, codes that appear to be related, themes which appear to be main themes and those that appear to be sub-themes and so forth". The ability to recognise relationships between codes is an essential component in code grouping because without it, the grouping process cannot occur (Archer *et al*, 2017).

In line with these guidelines, the researcher went through all the remaining 64 codes to identify those that were related. To ascertain the relatedness of codes, the researcher looked for key concepts inherent in the code itself as well as the quotation or quotations attached to the code. Satisfied that the codes are related, the researcher would highlight the codes using colour and put them in one group. For example, all the codes identified with the purple colour in Figure 4.4 spoke of how business operations were disrupted by COVID-19. As such, they were all put in one code group 'Disruption of business operations' which is a challenge SMMEs faced in the hands of COVID-19. Similarly, codes identified by the pink colour belonged to the 'Assistance from banks' category and those in blue in the 'State of business before COVID-19' category. The ad hoc network diagram in Figure 4.5 below assists in explaining how the actual grouping of the codes was done using the code group 'Disruption of business operations' as an example.

Figure 4.5: *Process of creating code groups.*
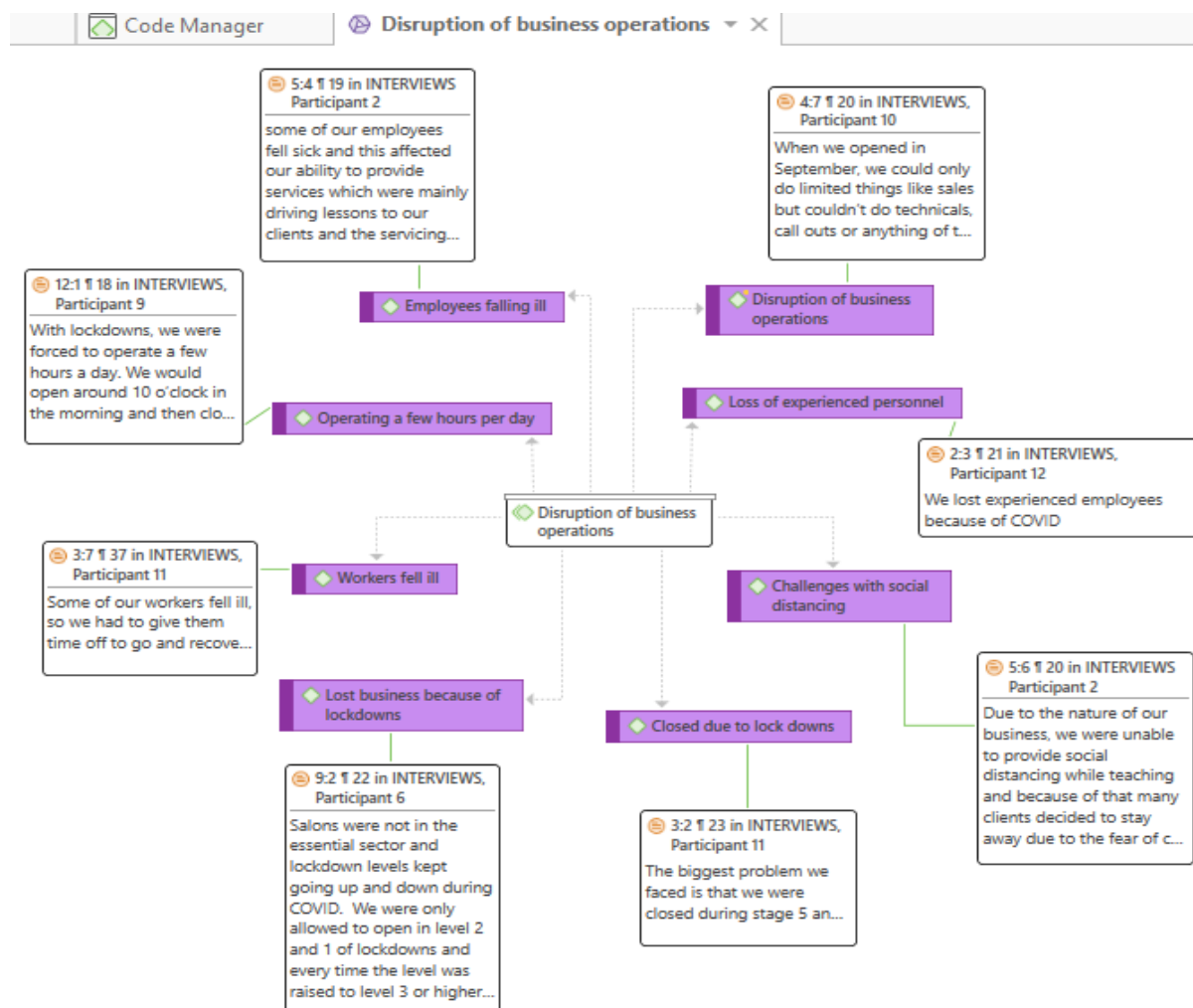
Figure 4.5 above, shows the 8 codes (in purple) that the researcher put in the code group 'Disruption of business operations' (shown at the centre of the diagram) and quotations from participants revealing exactly how business operations were disrupted by COVID-19. In Atlas.ti, the element at the centre of a network diagram is known as an *in vivo node* and is a point at which everything in the diagram originates from or is centred on (Archer, 2017). In this example, the code group, 'Disruption of business operations' is the in vivo node.

In grouping the codes, the researcher analysed the codes as well as the quotations related to each of the codes to see those that could be grouped together. Firstly, the researcher noted that some of the codes were one thing *'workers fell ill'* and *'employees falling ill '*which reveal through the quotations attached to the codes how sick workers disrupted the day-to-day functioning of the business. Accordingly, the two codes qualified to be placed in one group.

Secondly, the researcher also noted that the codes *'lost business because of lockdowns; closed due to lockdowns; operating a few hours per day; disruption of business operations',* speak of how lockdowns affected the SMMEs' daily operations. The fact that these codes

related to the disruption of business operations automatically connected them to the first two about ill workers discussed above.

The last of these codes '*loss of experienced personnel*' was connected to this group by the fact that when experienced employees are lost, it affects the day-to-day running of the business.

This process was used to create 17 of the 22 code groups shown in Figure 4.4 above. The other five groups were created through the processes explained below.

The code group 'State of Business (SMME) before COVID-19' was created through a process different from the rest of the code groups. This code group was created by simply grouping codes created from responses to the question "*How was business before COVID-19?*" Every response to that question was coded and assigned to this group as shown in the diagram below. The reason for placing these responses in one code group is because the responses were similar as shown in the Figure 4.6 below.

Figure 4.6: *Code group- State of business before COVID-19*
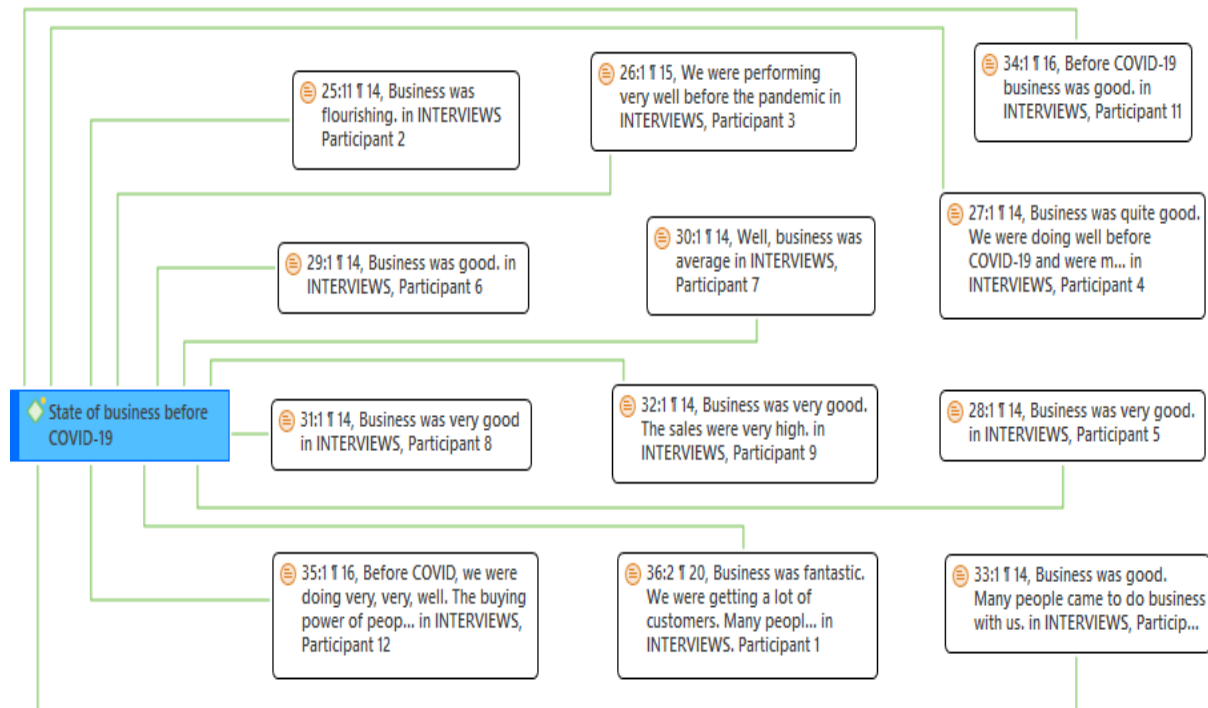
Source: Own creation

As can be seen from the quotations in the ad hoc network diagram in figure 4.6 above, responses to the question '*How was business before COVID-19?*' were remarkably similar across the 12 participants as shown in the following examples.

Participant 2: Business was flourishing.

Participant 12: Before COVID, we were doing very, very well.

Participant 7: well business was average….

Participant 5: Business was exceptionally good….

Again, some of these responses were coded in vivo as shown in Figure 4.3. So, this was the second way in which code groups were created in this analysis.

Sometimes a code group/category/theme can be made up of a single code which constitutes an essential idea (Archer *et al*; 2017; Creswell, 2009). The 4 code groups below were created by a single code as shown in Figure 4.4 above and this was the third way by which code groups were created.

Prayer and determination.

Resorted to illegal activities.

Used alternative suppliers.

Used profitable businesses to support non-profitable ones.

Responses which led to the creation of these codes were particularly important but came only from one or a few participants. Such codes could not be combined with any other codes hence were simply upgraded to a code group. Below are the participants and quotations associated with these codes.

Only **Participant 4** mentioned that he had to resort to illegal activities to survive the COVID-19 challenges as shown in the quotation below.

I had to do illegal activities to survive. I sold beer during lockdowns and do not ask me where I got the beer.

Again, only **Participant 1** talked of using one profitable business to support a struggling one during the pandemic as indicated below:

During COVID-19, we would take money from a business which is making a profit and use it on another business so that all our businesses would survive.

The cell phone and electronic shop was making a profit and not the restaurant, so we used money from the cell phone and electronics shop to keep the restaurant going.

Only **Participant 4** also talked about using alternative suppliers.

We had to look for alternative suppliers from Durban and that was costly in terms of transport.

Though the issue of using prayer to overcome COVID-19 challenges came from four participants, all their responses were put in one code during coding. As such the code was elevated to a group. The four quotations from the four participants are shown below.

Participant 1: *Allah helped us. I am Muslim and I believe in Allah.*

Participant 8: *I prayed hard.*

Participant 9: Prayer. *Prayer is the best thing.*

Participant 11: *We also prayed hard for the business because with prayer you can break all hardships.*

So, overall, the code groups were created in the three processes mentioned above. The pie chart below shows the proportions of the code groups that were created through the three different processes.

Figure 4.7: *Proportions of code groups created through the 3 different processes.*

Legend: ■ 17 CGs ■ 4 CGs ■ 1 CG
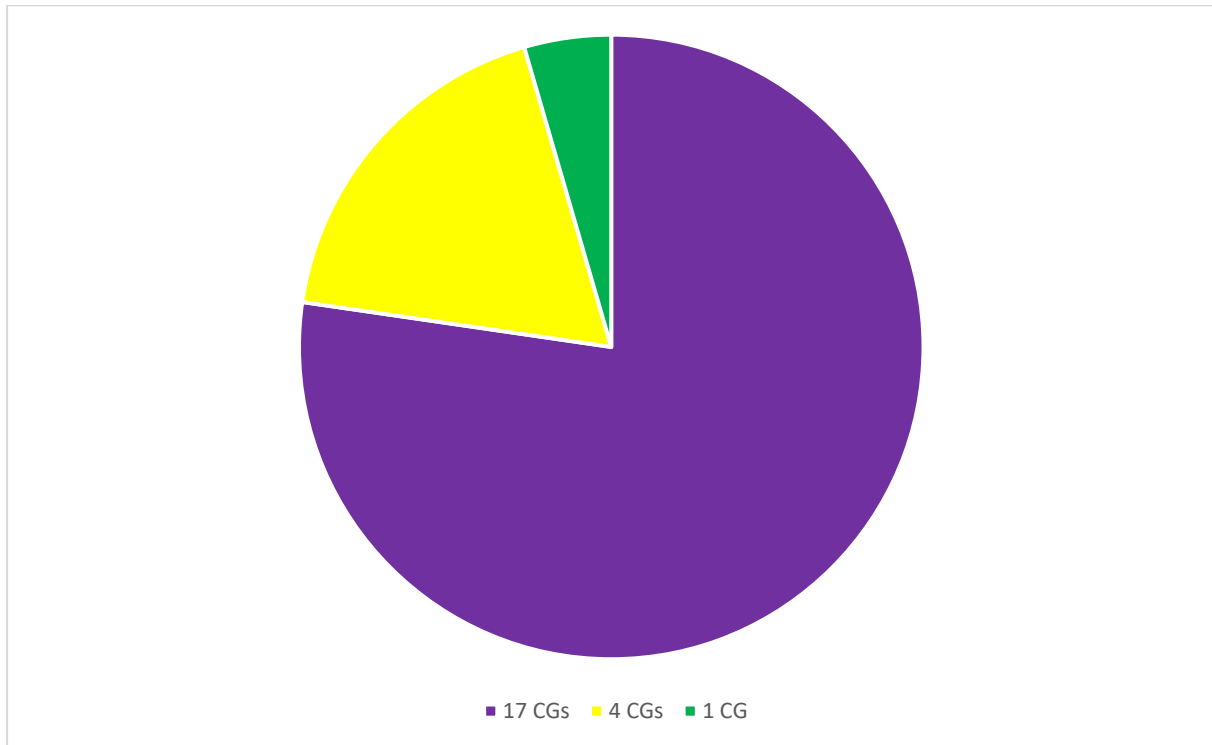
Source: Own creation

CGs stand for code groups. As such, the pie chart shows that 17 out of 22 code groups were created by analysing the code and related quotations. This is represented by the purple component of the pie chart. 4 out of the 22 code groups were single codes upgraded to code groups represented by the yellow part of the pie chart. Finally, only 1 out of the 22 code groups was formed by codes created from responses to one of the interview questions. Table 4.3 below also summarises this information.

Table 4-3: *Code group summary*

Number of code groups	Process by which they were formed.	Colours representing the codes on the pie chart
17 code groups	Created by analysing codes and related quotations.	Purple
4 code groups	A single code upgraded to a code group.	Yellow
1 code group	Created by responses from one interview question.	Green
Total number of codes: 22		

Source: Own creation

Since qualitative data analysis is a process that moves from CODES to CODE GROUPS/ CATEGORIES to THEMES, thus far, the analysis has moved from codes to code groups (Archer *et al*, 2017). The code groups are the emerging categories/ emerging themes that have begun to surface from the analysis.

Another interesting thing that came out of the initial code grouping is the emergence of outstanding categories/ themes. These are code groups '*Loss of customers and income*' and '*Disruption of business operations*' with 10 and 8 codes each respectively as shown in Figure 4.4. Whether this trend will continue as the analysis progresses, it remains to be seen.

4.3.4 Refining Themes.
After grouping codes to create code groups or emerging themes, the next stage of data analysis according to the Thematic Approach is the refining of emerging themes (Archer *et al,* 2017; Saunders *et al*, 2016). Now, one may have to "reorganise coded data extracts under relevant themes or sub-themes, combining initial themes to new themes, separating others into different themes, discarding some initial themes" and the like (Saunders *et al,* 2016:585). Please note that what is being referred to as initial themes in the quotation are the code groups/ emerging categories/ emerging themes created in subsection 4.3.3 above. Again, these terms will be used interchangeably hereafter.

To refine the emerging categories, the researcher further analysed the 22 code groups and the 64 initial codes and related quotations to identify new key concepts, relationships, and the like. These then guided the researcher in the merging, splitting, adoption, and discarding of certain codes. This process resulted in the collapsing of the 64 initial codes to 19 revised codes and Figure 4.8 below shows how codes were merged or deleted.

Figure 4.8: *Merging or deleting codes.*
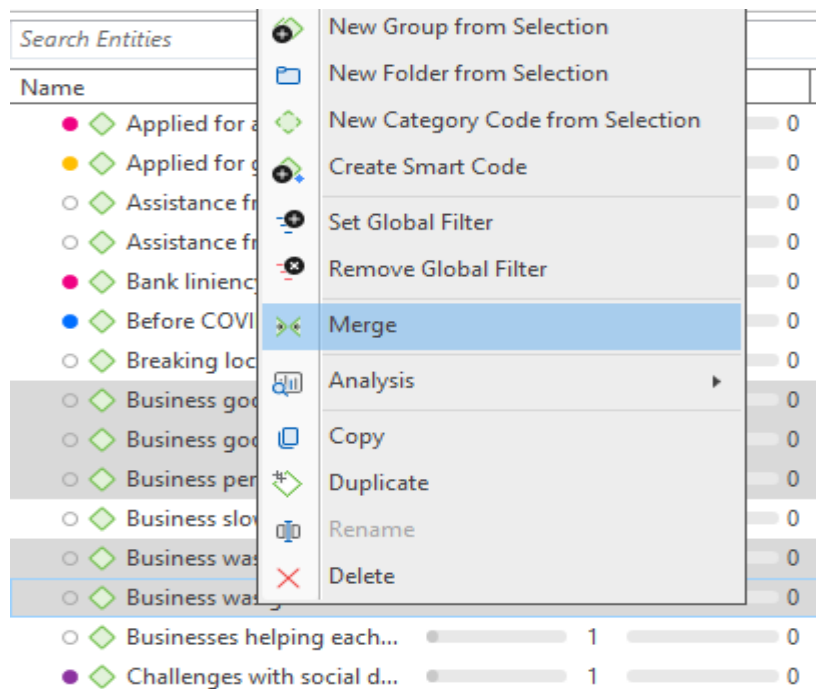
Source: Own creation

Figure 4.8 above shows that in the case of merging, similar codes were highlighted first, then right-click, and then click on merge option and immediately the codes would be merged. The same process was followed when deleting codes, but in the case of deleting, the delete option would be chosen instead of the merge option. Splitting codes involved going back to the documents and recoding in the manner preferred. Codes which were overlapping were split and this created more quotations. The 19 revised codes created are shown in Figure 4.9 below.

Figure 4.9: *Revised codes and code groups.*

Code Groups		Name	Grounded	Density
◇ Challenges faced by SMMEs as a result of COVID-19	(5)	● ◇ Adoption of cost cuttin...	8	2
◇ Opportunities and other factors that emerged and...	(3)	● ◇ Adoption of new payme...	6	2
◇ SMME efforts to survive COVID-19	(10)	● ◇ Applied for bank loans	4	2
◇ State of business before COVID-19	(1)	● ◇ Assistance from family a...	8	2
		● ◇ Breaking lockdown rules	4	1
		● ◇ Business before COVID-19	12	1
		● ◇ Determination and prayer	8	1
		● ◇ Disruption of business o...	31	10
		● ◇ Government assistance	11	2
		● ◇ Government corruption...	10	3
		● ◇ Health challenges	5	3
		● ◇ Loss of customers and i...	46	14
		● ◇ Opportunities /essential...	10	0
		● ◇ Reprieve from banks	2	0
		● ◇ Savings	7	3
		● ◇ Stock reserves	2	0
		● ◇ Supply chain disruptions	8	2
		● ◇ Use of vaccines and PPE	3	2
		● ◇ Using a viable business t...	2	2

Source: Own creation

Figure 4.9 above shows the 19 revised codes. Note that the revised codes have names like those of the initial code groups in Figure 4.4. This is because the process that was used to create initial code groups is the same process that was used to collapse the 64 codes into 19 revised codes. On the whole however, Figure 4.9 shows that some code names were kept as they were while others were completely or slightly changed because of the merging and splitting of codes that occurred. The terms 'new codes' and 'revised codes' are also used interchangeably from now on.

The researcher used colours to group the new codes into themes as shown in figure 4.9 above. Codes that spoke of all the challenges SMMEs faced because of COVID-19 were given a red colour for example, 'Loss of customers and income'. Codes that referred to efforts put up by SMMEs in trying to survive the COVID-19-induced challenges were identified by a blue colour for example, 'Adoption of cost-cutting measures.' The code which spoke of how SMMEs were doing before the COVID-19 pandemic was given a green colour. Codes that referred to sheer luck or opportunities that emerged during the pandemic and helped some SMMEs to overcome the COVID-19 challenges were given a purple colour.

So, overall, 4 code groups were created and these were the themes which emerged from the analysis because "a theme is a broad category incorporating several codes that appear to be related and which indicates an idea that is important to one's research questions" (Saunders *et al*, 2016: 584). Sometimes, a single code can also make up a theme if the code constitutes

an especially important idea (Archer *et al*, 2017) and for this reason, the code 'Business before COVID-19' was elevated to a theme. The four themes created were:

- How the SMMEs fared before the COVID-19 pandemic.
- Challenges the SMMEs faced because of the COVID-19 pandemic.
- Actions taken by the SMMEs to survive the COVID-19-induced challenges.
- Opportunities or other factors that emerged and helped the SMMEs to survive the pandemic challenges.

4.3.5 Analysis of themes

After the establishment of the themes, a further analysis of each theme followed. This was done by analysing every code (sub-theme) that constituted each of the themes. Also note that the terms 'code' and 'sub-theme' are used interchangeably. Furthermore, Atlas.ti concepts: grounded and density were also used in the analysis of the sub-themes.

With regards to the grounded concept, the figures next to the codes on the right show how grounded each of the codes (sub-themes) is. In Atlas.ti, the degree to which a code is grounded is shown by the number of text segments or quotations that were coded with that code (Archer *et al*, 2017). The more quotations associated with a code, the more grounded it is, and, in many cases, it shows how important the code is relative to the rest. A low grounded value of 1 or 2 could be an indication that the code is not important and hence may be discarded or merged with other codes. However, in some instances, a low grounded value might indicate that the code is particularly important because it carries a unique or incredibly special idea that was raised by few participants (Archer *et al*, 2017)

On the other hand, density in Atlas.ti is a measure of how connected a code is to other codes (Archer *et al*, 2017). In Figure 4.9, density is shown on the far right. The figures show the connectedness of each code to one another. A density of 2 shows that the code relates to two other codes. In Atlas.ti, a high 'density' may signal the importance of a code.

4.3.5.1 THEME 1: How the SMMEs fared before the COVID-19 pandemic.

This theme was made up of only one sub-theme shown in green in figure 4.9 which was simply upgraded to a code group (theme). It has a grounded value of 12 implying that 12 text segments or quotations were coded with that code and these quotations were in fact responses from the twelve participants regarding how their businesses were doing before the pandemic. The network diagram in Figure 13 in subsection 4.3.3 shows the responses of the participants with respect to how their SMMEs were before the pandemic. Some of these responses are shown below.

Participant 2: Business was flourishing.

Participant 12: Before COVID, we were doing very, very well.

Participant 7: well business was average….

Participant 5: Business was exceptionally good….

Participant 1: Business was fantastic…...

Participant 11 said business was average and not good before the pandemic because of challenges they were grappling with namely high vehicle maintenance costs and intense competition in the transport (passenger taxi) business.

In terms of density, the sub-theme had a density of 1. It was only connected to the sub-theme 'savings.' Six participants stated that they had savings which they accrued before the pandemic. These savings were then used to fend off challenges they experienced when COVID-19 came.

Theme 1 is related to the secondary research question: *How were SMMEs performing before the COVID-19 pandemic?*

4.3.5.2 THEME 2- Challenges that SMMEs faced because of COVID-19
This theme constituted five sub-themes identified by the red colour in Figure 4.9 namely:

- Government corruption and incompetency
- Health-related challenges
- Loss of customers and income
- Disruption of business operations
- Supply chain disruptions.

Codes with the highest grounded values in this analysis were part of this theme. These were 'Loss of customers and income' and 'Disruption of business operations' each with grounded values of 46 and 31 respectively. These values show that 46 quotations were coded with the code 'Loss of customers and income' and 31 with 'negative impact on business operations.' Again, all the participants were affected by these two challenges hence the reason for the high grounded values. Furthermore, the theme is also related to the secondary research question: *What challenges were faced by SMMEs because of the pandemic?* An analysis of each of the 5 sub-themes that make up this theme follows.

Figure 4.10 below shows how all the twelve participants lost customers and income during the pandemic.

Figure 4.10: *Loss of customers and income.*
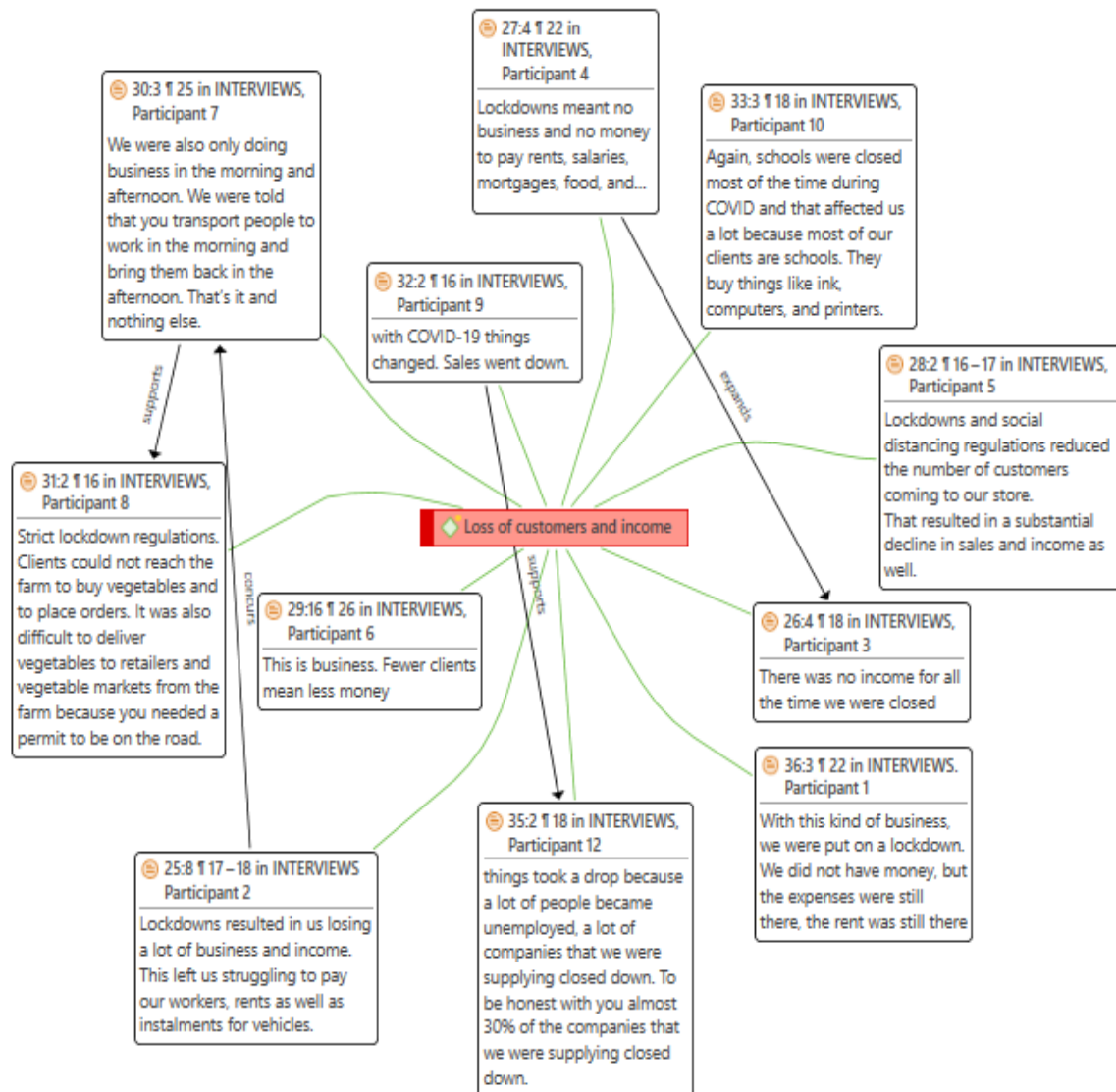
Source: Own creation

The quotations in Figure 4.10 show that participants 1 to 11 lost customers and income through lockdowns which forced their businesses to close, or which prevented or reduced the number of customers visiting them.

Loss of customers and income was also a result of COVID-19-induced unemployment which saw many people unable to afford what they could when they still had jobs, and this is what is revealed by participant 12.

The arrows between or connecting the quotations show the interrelatedness of the participant responses. For example, what was said by participant 4 expands on what was said by participant 3 and what participant 9 said, supports what was said by participant 12.

4.3.5.2.2 Disruption of business operations.
With regards to 'disruption of business operations', Figure 4.11 below shows how all 12 participants had their day-to-day business operations disrupted by COVID-19.

Figure 4.11: *Disruption of business operations.*
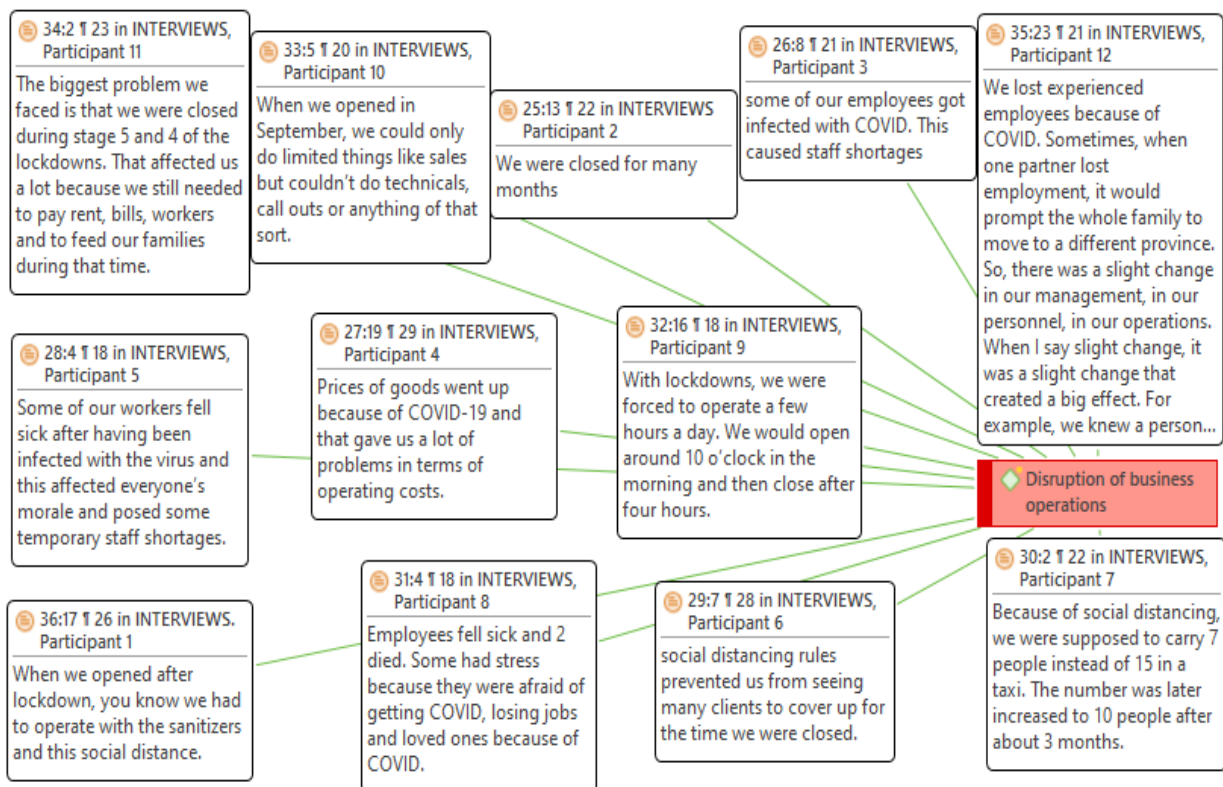
Source: Own creation

Responses from participants shown in Figure 4.11 above divulge how day-to-day SMME operations were disrupted by the pandemic. Participants 2, 9 and 11 reveal that lockdowns forced them to close completely or operate for a few hours per day. This negatively impacted the day-to-day functioning of the SMMEs. Sick employees also disrupted business operations when the sick workers were given time off causing staff shortages in the interim. Participants 3 and 5 attest to this. Poor health of employees also affected morale in organisations as affirmed by participant 8. Low morale among employees impacts negatively on their performance.

COVID-19 also reduced the functional capacity of SMMEs as indicated by participants 6, 7 and 10. Participant 12 said that they lost skilled personnel through COVID-19, and this also disrupted the smooth running of their business operations. Participants 1 and 4 confirmed that

increases in the prices of inputs as well as the need for masks and sanitisers had an impact on the operations of the SMMEs as well.

4.3.5.2.3 Government corruption and incompetency.

With respect to 'Government corruption and incompetency' 5 participants were affected by this challenge. These were participants 3, 4, 8, 9, and 12. The quotations below reveal what they had to say about their experiences.

Participant 4: *The Department of Labour was cruel to us, they never helped us.*

Participant 3: *We applied for employees' UIF, but the challenge was that for some reason or the other, some of our workers got it and some did not get it.*

Participant 8: *I applied for a government loan but did not get it. You know how corrupt these people are.*

Participant 9: *We needed permits to move goods on the roads during COVID-19. The permits were difficult to get, there was corruption there.*

Participant 12: *And I tell you what, we had harassment after harassment. Besides the COVID challenge, we had challenges in dealing with the police.*

They never understood the law plus corruption. They would not listen even if you showed them the certificate of trade.

The quotations above disclose that due to corruption and incompetency of government officials, SMMEs were harassed, failed, or had difficulties accessing permits and financial aid from the government. Since 5 out of the 12 participants were affected by this problem, it may explain why it has a grounded value of 10.

4.3.5.2.4 Supply chain disruptions.

Participants 1, 4, 5, 9 and 11 were affected by supply chain disruptions during COVID-19. A screen shot below shows how some of the participants were affected by this problem.

The quotations above reveal that supply chain disruptions were caused by border closures, lockdowns, and restricted travel. This challenge also forced some participants to break lockdown rules as exemplified by participant 11.

4.3.5.2.5 Health challenges.
Five participants mentioned the health challenge. They explained how their workers' health was affected by COVID-19. The following quotations highlight this.

Participant 2: *Some of our workers fell sick….*

Participant 3: *When we reopened in August 2020, some of our employees got infected with COVID-19.*

Participant 5: *Our workers fell sick after getting infected with the virus and this affected everyone's morale.*

Participant 8: *Employees fell sick and 2 died. Some had stress because they were afraid of getting COVID-19.*

Participant 11: *Some workers fell ill, so we had to give them time to recover at home.*

 All these quotations reveal how COVID-19 affected the health of employees of various SMMEs.

A further analysis of each of these sub-themes that make up theme 2, revealed their connectedness. For example, 'health issues' were related to 'loss of customers and income' as well as 'disruption of business operations.' 'Supply chain disruptions' also caused 'loss of customers and income' and 'disrupted business operations. All the measures that SMMEs took to survive these challenges were also related to these challenges. Breaking down of lockdown rules for example was induced by the disruption of supply chains. Applying for bank loans was necessitated by the loss of income and customers. Because of this, sub-themes

which constitute theme 2 have a higher connectedness (density) as shown in figure 16 than the measures which SMMEs adopted to survive then pandemic.

The density figures in Figure 4.9 also show that in terms of connectedness, the codes that have the highest grounded values (Loss of customers and income; Disruption of business operations) also have the highest density. This shows that these were the greatest challenges SMMEs faced during the pandemic and as such most of the assuaging measures SMMEs adopted were mainly in response to these two challenges. The diagram below shows how codes in theme 2 are connected.

Figure 4.12: *Theme 2 Code density and relationships.*
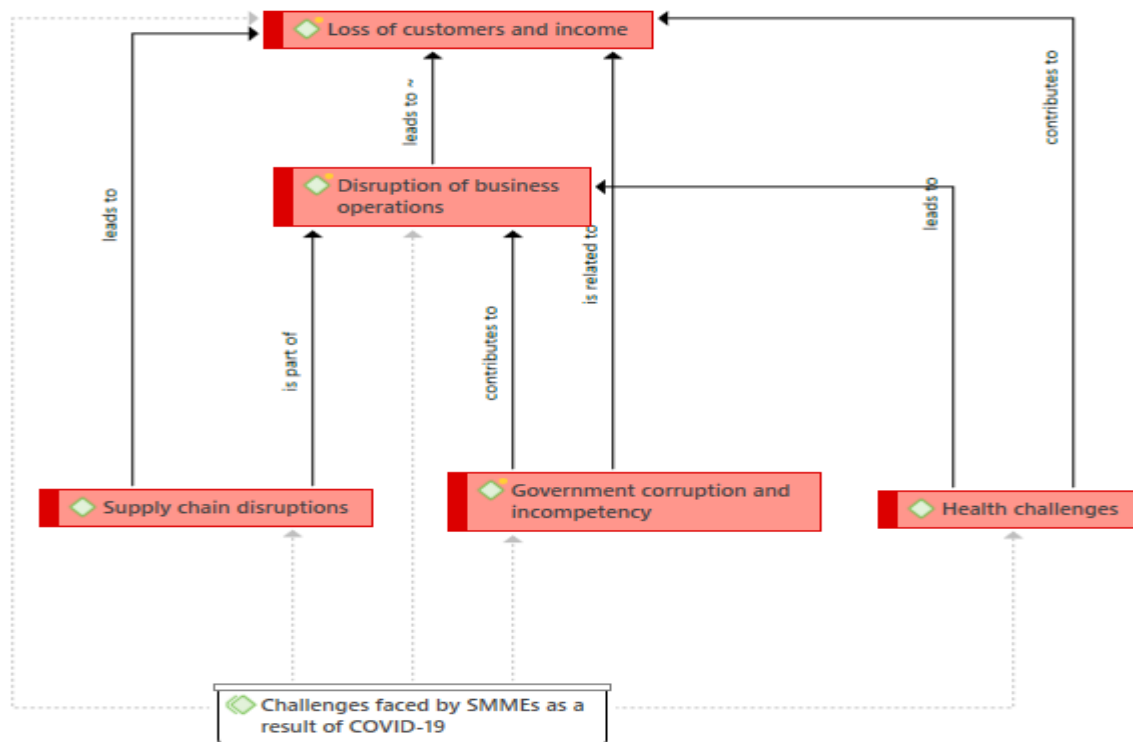
Source: Own creation

From the diagram, the code 'loss of customers and income' has a density of 4 because all the other 4 codes are connected to it as shown by the 4 bold black arrows pointing at it. Next in terms of density is the code 'Negative impact on business operations' with a density of 3 (3 black arrows pointing at it). The other 3 codes at the bottom namely 'Supply chain disruptions'; 'Government corruption and incompetency'; and 'Health challenges' are not connected to one another and hence have all densities of 2 (the two connections they have with the two codes at the top namely 'disruption of business operations' and 'loss of customers and income'. Connections that exist between the codes are written along the arrows for example 'is part of' 'contributes to' and so forth. Again, the diagram shows that the codes 'Loss of customers and income; Disruptions of business operations' are the prominent ones.

In conclusion to theme 2, Table 4.3 below outlines the sub-themes discussed above and the participants that were affected by each.

Table 4-4: Theme 2 sub-themes summary.

Sub-theme	Participants affected
Disruption of business operations	All participants
Government corruption and incompetency	Participants 3, 4, 8, 9 and 12
Health challenges	Participants 2, 3, 6, 8 and 11
Loss of customers and income	All participants
Supply chain disruptions	Participants 1, 4, 5, 9 and 11

Source: Own creation

4.3.5.3 THEME 3: Actions taken by the SMMEs to survive the COVID-19 challenges.

This theme constituted 10 codes/ sub-themes marked in blue in figure 4.9 namely:

- Adoption of cost-cutting measures.
- Adoption of new payment plans and marketing strategies.
- Applied for bank loans.
- Assistance from family and friends
- Breaking lockdown rules
- Determination and prayer
- Government assistance
- Savings
- Using a viable business to support a non-viable one.
- Use of Vaccines and PPE.

Theme three is related to the secondary research question: '*What actions were taken by SMMEs to survive the challenges they faced'* as well as the primary research question *'What aided surviving SMMEs in uMhlathuze Municipality traverse the COVID-19 pandemic?'*

The theme highlights the various efforts which were espoused by SMMEs in trying to survive the COVID-19 challenges they experienced discussed in subsection 4.3.5.2. In terms of both grounded value and density, the highest in this group is 'Government assistance' with a value of 11 and the lowest is 'Using a viable business to support a non-viable one' with a value of 2. A discussion of each of these sub-themes follows.

4.3.5.3.1 Government assistance

Figure 4.13 below shows the number of participants who sought assistance from the government and got it.

Figure 4.13: Government assistance.

Source: Own creation

Participants 2, 3, 6, 7, 10 and 12 sought help from the government and got it. The help came in the form of TERS/UIF as stated by Participant 2, 3, and 6; a once-off payment as mentioned by participant 7; and non-monetary assistance where the government was called in to deal with police officers harassing SMMEs as stated by participant 12. However, only participant 2 stated that government monetary assistance was helpful and indeed helped them to survive the pandemic. The rest of the participants either cited that government financial help was too little or did not comment at all.

Nevertheless, what needs to be noted here also is that three other participants applied for government assistance but did not receive it. The following quotations reveal this.

Participant 4: *The Department of labour was cruel to us. They never helped us*.

Participant 8: *I applied for a government loan but did not get it. You know how corrupt these people are.*

Participant 9: *Government assistance! What government assistance! We never got a cent.*

Besides government corruption, these participants did not divulge any other reason for failing to get help from the government.

Furthermore, participants 1 and 11 (Pakistani and Nigerian nationals respectively) said they did not apply for government COVID-19 relief aid because foreign-owned businesses were excluded from the scheme. The following quotations verify this.

Participant 1: *As foreign nationals, we were told we could not apply for government assistance even though we pay taxes to the government.*

Participant 11: *Being Nigerian meant I did not qualify for government help during COVID-19.*

If it were not for these two forms of impediments namely corruption and exclusion of foreign nationals, 'Government assistance' could have been the most widely adopted measure.

4.3.5.3.2 Applied for bank loans.
With regards to this, only 3 participants attested to having used the option to survive the pandemic namely participants 3, 5, and 12. The following is what they said in respect to the sub-theme:

Participant 3: *Yes, I got a loan from the bank after the hard lockdown to buy food items we sell in the restaurant and to do repairs.*

Participant 5: *We took a bank loan to boost our finances which had reduced due to lockdowns and other COVID-19 problems.*

Participant 12: *We took a loan from the bank to make sure our people are kept well. And the bank was lenient at that time of the lockdown where you could take a loan for over 6 months with an incredibly low interest rate to it. It was not a normal interest rate.*

These quotations reveal that some SMMEs applied for bank loans to survive the COVID-19 crunch. Banks also further assisted by offering low-interest rates (participant 12). However, the fact that only three participants resorted to this option could be an indication of how difficult it is for SMMEs to access bank loans.

4.3.5.3.3 Adoption of cost-cutting measures.
Participants 2, 4, 6, 7, 8, and 9, adopted this option and it was one of the highest measures embraced. Quotations in Figure 4.14 below reveal how participants tried to reduce expenses during COVID-19 as a survival measure.

Figure 4.14: *Adoption of cost cutting measures.*
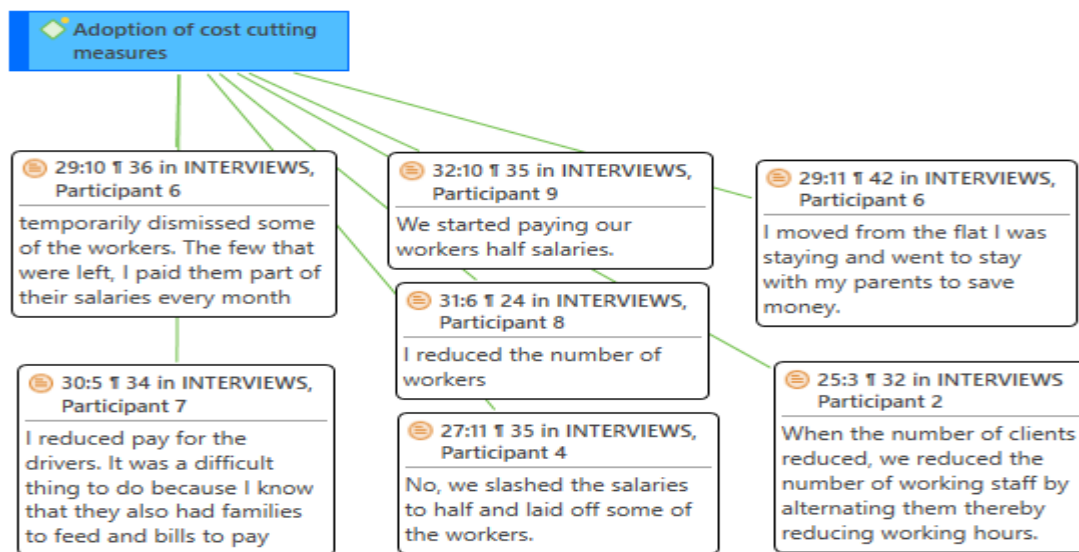
Source: Own creation

Quotations in Figure 4.14 above indicate that participants 4, 6, 7, and 9 had to cut salaries to reduce expenses. Similarly, participants 2, 4, 6, and 8 said they reduced the number of workers while participant 6 said she moved in with parents. Participant 2 further revealed that they also reduced the number of working hours. The researcher also noted that several participants adopted more than one cost-cutting measure. For example, participant 6 moved in with parents, slashed salaries and reduced the number of workers while participant 2, reduced staff and working hours.

4.3.5.3.4 Adoption of new payment terms and marketing strategies.
Participants 3, 4, 8, and 12 embraced this strategy. The following quotations reveal what the participants did with respect to this option.

Participant 3: *When we opened after the hard lock down, we decided to do deliveries. During COVID-19 customers preferred deliveries instead of coming to the restaurant.*

Participant 4: *COVID-19 affected everyone, so we designed new payment plans to make it easier for our customers to keep buying and supporting us. For purchases worth five thousand and above, we offered a two-month payment plan.*

Participant 8: *When the lockdown was eased and people could move a little freely, I reduced the price of vegetables so that I could sell more.*

I approached supermarkets and other businesses and started to supply them with vegetables.

Participant 12: *Another issue that helped us is that once the hard lockdown was over, we had to trade off because it is a chain reaction. Initially, our suppliers could not supply because there was no demand. It eventually came to a point that so much had to be rid of before expiry dates, so they supplied us at below cost and we also decided on pure principle that we sell the goods at below cost as well.*

The quotations above show that participants 3 and 8 changed how they marketed their products (started doing deliveries and supplying supermarkets and other businesses). Participant 8 and 12 slashed the prices of their products to sell more before the products expired. Participant 4 came up with new payment terms to make it easier for customers to buy. These efforts were all embraced to boost sales, income, and business as a whole.

4.3.5.3.5 Assistance from family and friends

To survive the COVID-19 pandemic, some SMMEs looked for assistance from family and friends. Participants 1, 4, 6 and 12 used this strategy and below are quotations to prove this.

Participant 1: *We operate as a Pakistan community. In the community, each family has its own businesses but as a group, we borrow money from each other and import goods from China together. We borrowed money from the Pakistan community to pay rent during COVID-19.*

We also import most of the goods we sell from China and because of border closures, we ran out of stock during COVID-19. We had to borrow stock from people in the Pakistan community who had extra stock. So, we got stock from Durban and Pietermaritzburg and that helped us too.

Participant 4: *Yes, my family also helped me with money.*

Determination and a supportive family helped me.

Participant 6: *My parents helped me with money.*

I moved from the flat where I was staying and went to stay with my parents to save money.

Participant 12: *We also got together as a family, and we helped to finance and keep the operations going as well during COVID-19.*

Based on the above quotations, participants obtained help from family and or friends in the form of money, stock, accommodation, and psychosocial support as well. This helped them live through the pandemic.

4.3.5.3.6 Breaking lockdown rules.

Some participants confirmed that they broke lockdown rules to circumvent the pandemic challenges. Figure 4.15 below shows that participants 4, 6 and 11 resorted to this alternative.

Figure 4.15: *Breaking lockdown rules.*

Source: Own creation

Figure 4.15 shows that participant 4 sold beer and participant 6 did people's hair and sold hair products during lockdowns to boost their finances. Participant 11 had to travel to Johannesburg at night to replenish stock. These quotations also reveal that supply chain disruptions and loss of customers and income prompted these participants to break lockdown rules to survive.

4.3.5.3.7 Determination and prayer.

During interviews, participants 1, 3, 4, 8, 9, and 11 pointed out that prayers and a strong will to make it out of COVID-19 were some of the survival alternatives they resorted to. The following quotations attest to this.

Participant 1: *Allah helped us. I am Muslim and I believe in Allah.*

Participant 3: *Determination helped me to get through.*

Participant 4: *Sometimes a person needs to do what they can do to survive. I could not just sit back and allow the situation to drown me.*

Determination and a supportive family helped me.

Participant 8: *I prayed hard.*

Participant 9: *Prayer. Prayer is the best thing.*

Participant 11: *Yes, breaking lockdown rules was a risk. But business is about taking risks. If we had not done that, I am sure the business would have failed.*

We also prayed hard for the business because with prayer you can break all hardships.

From the above quotations, participants 3, 4 and 11 said the determination to make it through the pandemic is something they embraced to survive. Participants 1, 8, 9 and 11 as well confirmed using prayer to achieve this end. However, the researcher believes that praying could also have been part of or motivated by the determination to survive.

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4.3.5.3.8 Savings.

Six participants 2, 3, 4, 8, 10, and 11 resorted to personal or business savings to survive the pandemic. Figure 4.16 below reveals what they had to say in this respect.

Figure 4.16: *Savings option.*
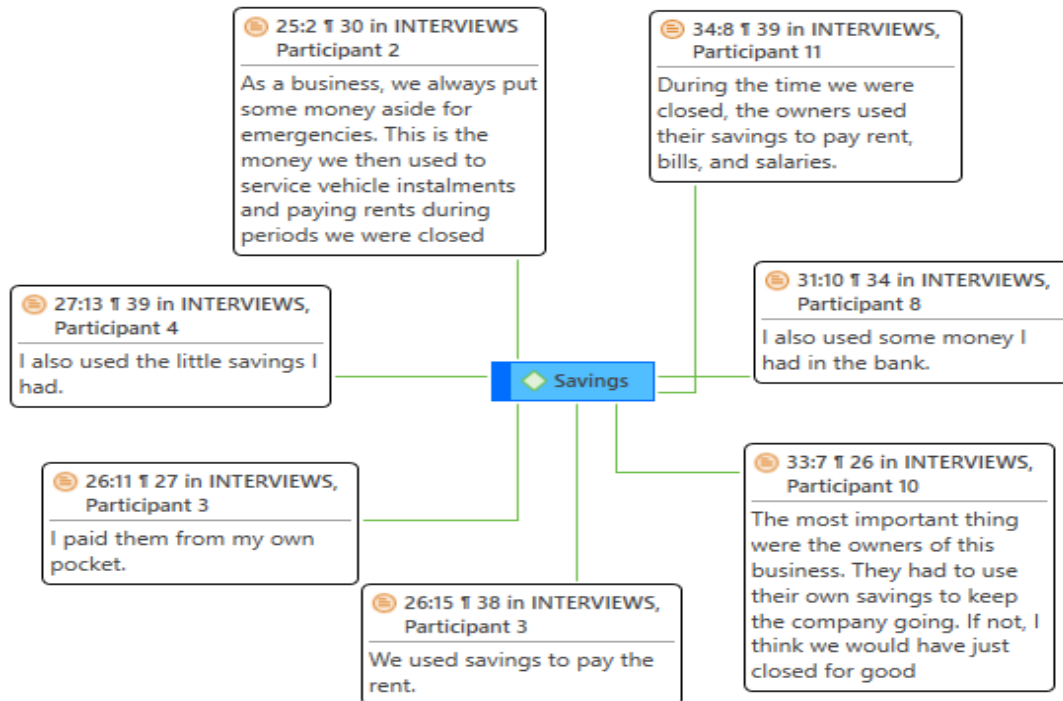
Source: Own creation

The quotations in Figure 4.16 above disclose that SMMEs used business and personal savings to survive the pandemic. The need to meet various financial obligations (rents, salaries, bills, and the like) amid COVID-19-induced financial constrains prompted the adoption of this measure.

4.3.5.3.9 Using a viable business to support a non-viable one.

This was one of the unique findings from this research with respect to how SMMEs survived the pandemic. It involved using proceeds from a business doing well to support another not doing well. Only Participant 1 resorted to this alternative as shown through the quotations below.

Participant 1: *During COVID-19, we would take money from a business which is making a profit and use it on another business not doing well so that all our businesses could survive.*

The cell phone and electronic shop was doing well. We then used money from the cell phone and electronics shop to keep the restaurant going.

4.3.5.3.10 Use of Vaccines and PPE.

Vaccines and Personal Protective Equipment (PPE) were also used in the fight for survival against COVID-19. Participants 2, 3 and 5 confirmed using this alternative as shown by the quotations below.

Participant 2: *On the issue of challenges with social distancing due to the nature of our business, we tried to solve that by protecting our workers and clients through the wearing of both face masks and face shields.*

Participant 3: *We also encouraged our workers to get vaccinated.*

Participant 5: *We used sanitisers to protect our workers and customers as well.*

After analysing all the ten theme 3 sub-themes, the researcher noted that the measures that were embraced by the majority of participants (six participants for each) were seeking assistance from the government; seeking assistance from friends and family; using savings; adopting of cost-cutting measures, and determination and prayer. An option embraced by only one participant was 'Using a viable business to support a non-viable one'.

Further analysis of these sub-themes also revealed that they all had low grounded values and density when compared to theme 2 sub-themes. The highest in terms of grounded value was 'Government assistance' and the lowest was 'Using a viable business to support a non-viable one' as shown in figure 16. The low grounded values of these measures reveal their low connectedness. However, the fact that the option 'Government assistance' had the highest grounded value of the rest of these measures could mean that most of the SMMEs got or tried to get some assistance from the government to survive the pandemic challenges. The diagram below shows all the sub-themes that make up theme 3.

Figure 4.17: *Code density: measures taken to survive the pandemic.*
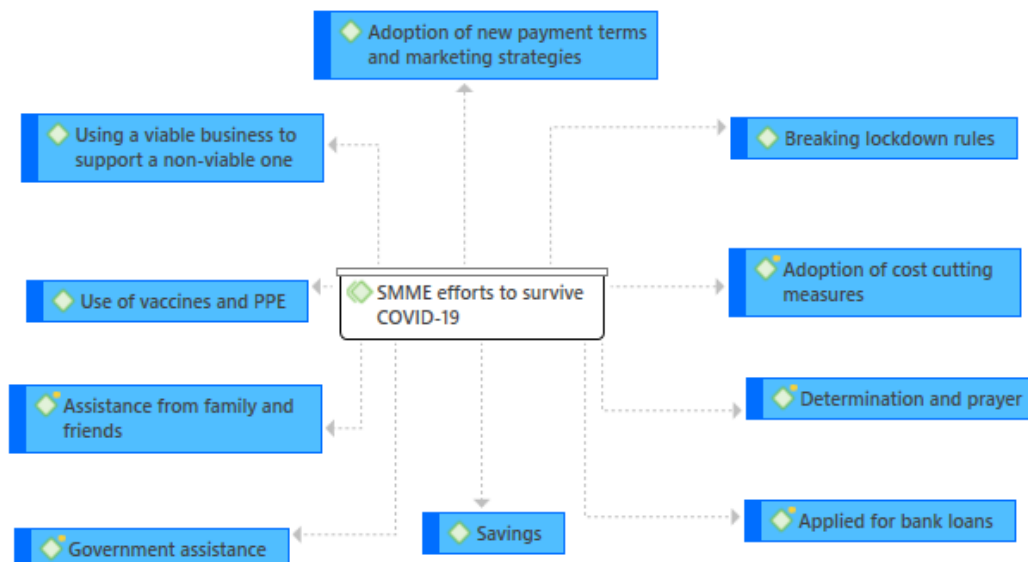
Source: Own creation

In terms of density, a majority of these codes/ sub-themes/ measures had a value of 1 or 2 signalling a low connectedness.

4.3.5.4 THEME 4: Opportunities and other factors that emerged and helped SMMEs to survive.

Theme 4 relates to the primary research question: *What aided SMMEs in uMhlathuze Municipality traverse the COVID-19 crisis?* Themes 1 and 3 also relate to the primary research question as noted in subsections 4.3.5.1 and 4.3.5.3 respectively.

Theme 4 consists of codes that speak of opportunities and other factors that emerged during the pandemic and helped SMMEs to overcome. Identified by the purple colour in Figure 4.9, the codes are:

- Opportunities/ Essential Business
- Reprieve from banks
- Stock reserves

4.3.5.4.1 Opportunities/ Essential Business.

Interviews with participants revealed that there are SMMEs who made it out of COVID-19 due to opportunities that emerged and saved them. Being in essential business also enabled some SMMEs to live through the pandemic. Figure 4.18 below shows what participants said in this regard.

Figure 4.18: *Opportunities/ essential sector.*
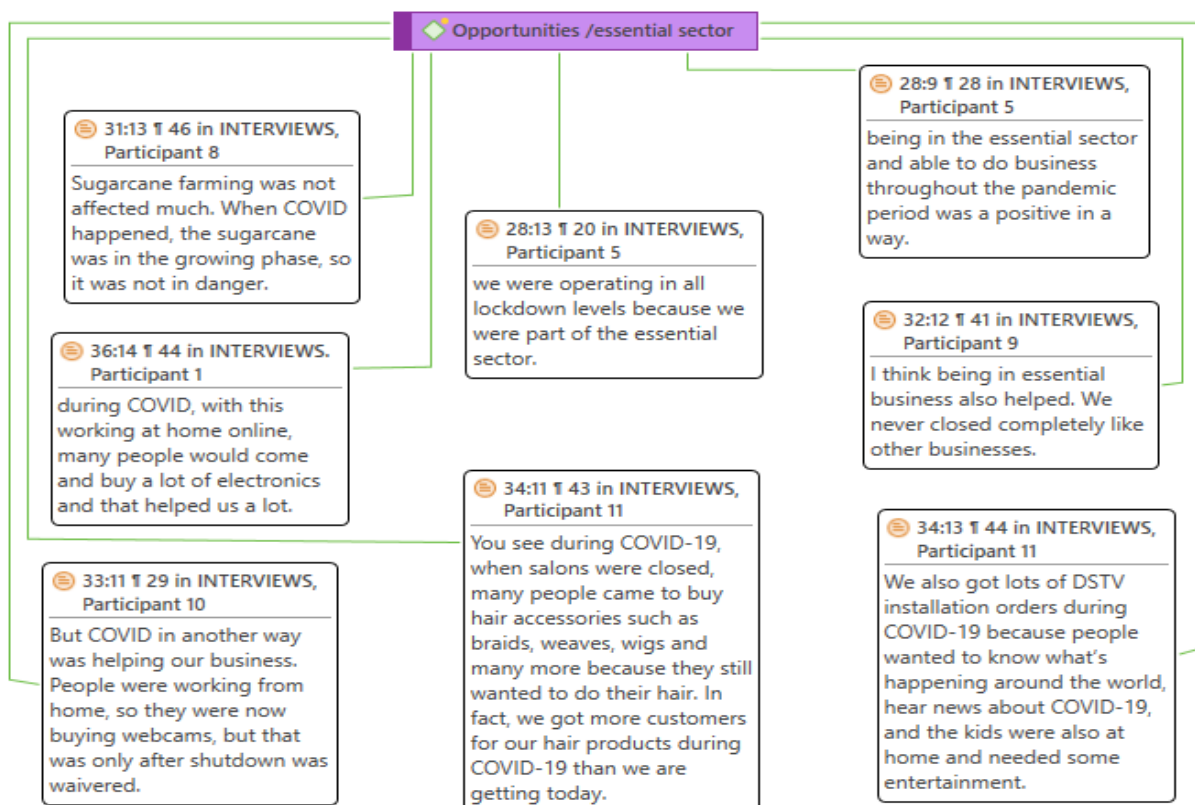
Source: Own creation

According to quotations in Figure 4.18, participants 5 and 9 said being in the essential sector contributed to their survival because even during hard lockdowns, their businesses were operating. Participants 1, 10 and 11 revealed that lockdowns came with opportunities that

boosted their businesses in one way or another and helped them survive the pandemic. For example, salon closures were an advantage to participant 11's business, while school closures and working from home benefited participants 1, 10 and 11's businesses as well. Participant 8 alludes to the survival of their sugarcane farming business to sheer luck or coincidence. When COVID-19 was at its peak, their sugarcane was in the growing phase and hence was not affected much by lockdowns and other pandemic-related challenges.

4.3.5.4.2 Reprieve from banks.

Responses from participants during interviews revealed that banks came to the rescue of SMMEs by offering deferrals in vehicle or other mortgage payments. The quotations below show participants who were aided through this.

Participant 2: *Again, banks allowed us to skip paying or paying half the instalments for the months we were closed because of lockdowns.*

Participant 7*: Banks also offered 3 months' payment deferrals for vehicle mortgages in 2020 for April, May, and June. That relieved us a lot.*

These quotations show that banks to an extent assisted SMMEs in overcoming the pandemic challenges by giving them reprieve in mortgage payments.

4.3.5.4.3 Stock reserves

With regard to this factor, two participants disclosed that they were just fortunate to have stock reserves when lockdowns were introduced. That helped them to continue operating for some time without any disruptions as revealed by the quotations below.

Participant 5: *We had stock that was able to last us for several months. That obviously cushioned us for some time before we started running out of stock.*

Participant 8: *But the good thing is I had a stock of fertilizers and seeds.*

Theme 4 subthemes had low grounded values just like those of theme 3. The highest had a value of 10 which is 'Opportunities/ essential sector'. The other two had grounded values of 2 each. In terms of density, all three subthemes had a value of 0 showing no connectedness at all between the subthemes and sub-themes from themes 1, 2 and 3.

4.4 CHAPTER SUMMARY

This chapter revealed how data collected for this study was analysed and interpreted using the Thematic Analysis technique and Atlas.ti software. The process commenced with the presentation of participant and SMME profiles. Thereafter, data in the form of twelve transcribed interviews was readied for analysis through studying it and searching for common keywords using Atlas.ti software. Afterwards, data analysis commenced by coding the transcribed interviews to produce a total of 66 initial codes. The coding was informed by the research questions. The initial codes were then grouped into code groups and this process saw certain themes starting to emerge from the data. To further analyse the data and to refine the emerging themes, the 66 initial codes were revised down to 19 codes through merging,

deleting, and even splitting the codes. The 19 revised codes became the sub-themes of this study. These were further grouped into four parts to produce the final themes of this research. The first theme spoke of how the SMMEs fared before COVID-19. The second one touched on the challenges SMMEs faced during the pandemic. The third theme revealed the actions SMMEs adopted to survive the COVID-19-induced challenges while the fourth theme highlighted the opportunities and other factors that emerged during COVID-19 and helped the SMMEs to circumnavigate the pandemic problems. Each of the 19 codes (sub-themes) was analysed further to reveal how participants were connected. After analysing the data in this chapter, the findings and recommendations of this research will be dealt with in the next chapter.

5. DISCUSSION OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.

5.1 INTRODUCTION

This study sought to establish the factors that aided surviving SMMEs in uMhlathuze Municipality to traverse the COVID-19 crisis. As such, after analysing the data in the previous chapter, discussions, conclusions, and recommendations of the investigation are outlined in this chapter. The primary research objective and secondary research objectives of the study informed the discussions, conclusions, and recommendations. Just to recapitulate, the research objectives of this study are as follows:

The primary research objective is:

- To delineate factors that aided surviving SMMEs in uMhlathuze Municipality in traversing the COVID-19 disaster.

Secondary research objectives are:

- To discuss how the SMMEs fared before COVID-19.
- To describe the challenges COVID-19 imposed on the SMMEs.
- To outline the measures taken by SMMEs to mitigate the COVID-19 challenges.

Additionally, the theoretical framework and literature review (see subsections 2.2, 2.3 and 2.4 of Chapter 2) were also used to support and strengthen the discussions, conclusions and recommendations made. Finally, limitations of the research as well as recommendations for future research were also given.

5.2 SUMMARY AND FINDINGS FROM THE LITERATURE REVIEW

A discussion of the literature review findings will consider what came out of the literature review in relation to the research objectives (RO).

5.2.1 RO 1: To discuss how the SMMEs fared before COVID-19.

In respect to this objective, evidence from the literature review indicates that prior to the pandemic, SMMEs in South Africa faced numerous challenges that threatened their survival such as energy shortages, corruption, inflation, weak economic growth and many more (ITC, 2020). Similar sentiments are expressed by Ladzani, (2022) who asserts that before COVID-19, SMMEs grappled with difficulties in the spheres of finance, energy, and management skills. Because of these challenges, further evidence from the literature reveals that the number of active SMMEs, was on the decrease. These literature review findings do not agree with what participants in this study said with respect to how they fared before the pandemic. Participants revealed that they were doing well before the pandemic.

5.2.2 RO 2: To describe challenges SMMEs faced because of COVID-19.

Evidence from the literature review reveals that SMMEs were confronted by diverse COVID-19-induced challenges. Bowman and Nair, (2020) affirm that lockdowns "disrupted routes to markets, led to price volatility, resulted in difficulties in the securing of spare parts, disrupted supply chains and reduced the demand for goods and services". All this threatened the lives of SMMEs. These findings resonate with those of Braunerhjelm (2021) who discloses that frontier closures, lockdowns, travel restrictions, curfews and social distance regulations

disrupted supply chains and reduced the demand for goods and services resulting in dwindling of revenues and increased operating costs. Further evidence from the literature review indicates that the pandemic also ushered in uncertainties and caused investors to reduce or cancel the financing of SMMEs, especially the nascent ones (Liu *et al*, 2021). COVID-19 also affected the health and lives of SMME employees, customers, suppliers, and more (Stats SA, 2020). Others fell sick and some died because of COVID-19. These literature review findings agree with what came out of the interviews. Participants revealed that because of COVID-19, lockdowns, travel restrictions and more, the demand for goods and services declined, supply chains and business operations were disrupted, and operating costs soared.

5.2.3 RO 3: To outline measures taken by the SMMEs to survive the COVID-19-induced challenges.

Confronted with COVID-19-induced challenges, SMMEs adopted various measures to survive the challenges. Findings from the literature review confirm that certain SMMEs adopted cost cutting measures such as salary cuts, reducing operating hours and retrenching staff (Bowman & Nair, 2020; Stats SA, 2020). Some resorted to the redeployment of employees, working from home, developing new business models, and seeking psychological support to cope with stress and depression (Belitski *et al*, 2021; NYDA, 2020). Furthermore, evidence from the literature review also confirms that other SMMEs sought assistance from the government (Bartik *et al*, 2020) while others changed their marketing strategies (Moodley & Naidoo, 2022). Additionally, others started to venture into business that was regarded essential such as the selling of PPE and food items (Stats SA, 2020).These findings concur with what the participants revealed in this study. Faced with COVID-19 challenges that threatened their existence, participants disclosed that they sought help from the government, banks, friends, and family. Some said they resorted to cost saving measures such as salary cuts, furloughs, and reducing working hours while others changed their marketing strategies.

5.3 SUMMARY AND FINDINGS FROM THE RESEARCH STUDY

A discussion of the findings of this research considers outcomes from the analyses of data from the interviews done in Chapter 4. These findings were grouped into four categories or themes namely:

- State or performance of SMMEs before COVID-19.
- Challenges SMMEs faced because of COVID-19.
- Efforts put up by the SMMEs to mitigate the COVID-19-induced challenges.
- Opportunities and other factors that emerged and helped SMMEs to live through the COVID-19 pandemic.

The discussion of these themes follows below.

5.3.1 THEME 1: State or performance of SMMEs before COVID-19.

This theme relates to the secondary research question: '*How did the SMMEs fare before the COVID-19 pandemic?*' The theme also relates to the primary research question: *'What aided surviving SMMEs in uMhlathuze Municipality in traversing the COVID-19 crisis?'* In respect of this theme, research findings revealed that the majority of the SMMEs (11 out of 12), were doing good to incredibly good before COVID-19. Because the SMMEs fared well before the pandemic, the researcher believes that probably gave them the impetus to survive the

pandemic challenges. According to Ladzani, (2022) and the ITC, (2020), SMMEs which were struggling before the pandemic would find it difficult to survive the COVID-19-induced challenges.

Another observation made was that of the eleven participants who said they were doing well before the pandemic, six of them had savings they used to cushion themselves against the pandemic-induced challenges. The savings were in fact a resource that saw the SMMEs through the pandemic and this resonates with the RBV theory discussed in Chapter 2 subsection 2.2.1. The theory asserts that resources give an organisation the ability to survive because resources "dictate what the organisation can and cannot do" (Louw & Venter, 2013:238). It is against this that the researcher concludes that SMME performance before COVID-19 played a role in their survival during COVID-19.

However, also noted was that the other participants (5 out of 11) who also said their SMMEs were doing great before the pandemic did not have any savings to fall back on when the pandemic challenges struck. Instead, they resorted to borrowing from friends, family, banks, and the government. An explanation for this sort of discordance between what they said they were before the pandemic and the lack of any savings to help them could be that the participants overstated their pre-pandemic performance. Again, no evidence to back up the participants' claims was asked for by the researcher during interviews. As such, the survival of these SMMEs is difficult to link to this factor. Furthermore, evidence from the literature review (see subsection 5.2.1 above) reveals that to prior the pandemic, many SMMEs grappled with many challenges that weighed negatively on their performance and survival. Factoring in these findings, the researcher concludes that, these other 5 SMMEs were not doing so well before the pandemic.

5.3.2 THEME 2: Challenges SMMEs faced because of COVID-19.

This theme relates to the secondary research question: '*What challenges were faced by SMMEs in uMhlathuze Municipality because of the COVID-19 pandemic?*' After an inquest into how SMMEs fared before the pandemic, the next inquiry was on the challenges SMMEs experienced because of the pandemic. This was required to better understand the efforts which were put up by SMMEs in trying to fend off the pandemic challenges.

With respect to this theme, findings from this research showed that SMMEs were affected by challenges that were summarised into 5 categories namely:

- Loss of customers and income.
- Disruption of business operations.
- Government corruption and incompetency.
- Supply chain disruptions.
- Health-related challenges

5.3.2.1 Loss of customers and income.

This was one of the major challenges that affected the SMMEs during the pandemic according to the research findings. Results showed that all the SMMEs regardless of being in the essential or non-essential sector were impacted by this challenge. Lockdowns, travel restrictions and social distance regulations induced the problem. This observation aligns with

the findings of Bowman and Nair, (2020) who assert that lockdowns and travel restrictions impacted SMMEs in both the essential and non-essential sectors.

Pandemic-induced lockdowns forced SMMEs in the non-essential sector to close for prolonged periods of time. For example, participant 6 in the hairdressing business said they were closed for many months during the pandemic. Furthermore, research evidence revealed that lockdowns and travel restrictions also reduced the number of customers that could visit businesses and made it difficult for certain SMMEs to reach out to their clients. Additionally, research also showed that social distance regulations contributed to the loss of customers and income during the pandemic. For example, participant 7 in the passenger taxi transport sector revealed that social distance regulations reduced the carrying capacity of short-distance taxis from 15 to 10. Again, social distance regulations also reduced the number of people who could be in a shop or building at any given time. All these observations agree with those of Dorr *et al*, (2021) that lockdowns and travel restrictions slowed down business and caused the demand and supply of goods and services to decline resulting in revenue losses and liquidity problems for SMMEs.

Another factor that caused the loss of customers and income emanated from COVID-19-induced unemployment according to the research findings. During COVID-19, many people lost their jobs and were no longer able to afford what they used to when they were still employed. Relating to this, participant 12 stated that unemployment resulted in their business losing about 30% of their customers. This echoes Ladzani, (2022)'s observations that people lost jobs and income because of COVID-19.

5.3.2.2 Disruption of business operations.

This was another challenge that affected all SMMEs involved in this research. Research findings indicated that day-to-day business operations were disrupted by lockdowns, social distance regulations, and sick employees. Other participants confirmed that lockdowns caused SMMEs in the non-essential sector to close for lengthy periods of time bringing business operations to a halt. Others attested to operating for only a few hours per day because of lockdown regulations. These findings echo what came out of the literature review those lockdowns imposed by governments across the world disrupted the daily functioning of businesses (Bowman & Nair, 2020).

Evidence from the research also revealed that workers who fell sick after contracting the COVID-19 virus disrupted the day-to-day functioning of the SMMEs as well. The sick workers were given time off to recuperate at home and in the interim causing staff shortages that would disrupt business operations. Morale in the organisation was also affected by seeing colleagues getting sick and or fear of contracting the virus. This observation is in line with that of ITC (2020) and Stats SA, (2020), that COVID-19 also impacted SMMEs through affecting the health of their employees, customers, suppliers, and more.

Social distance guidelines also had a share in the disruption of business operations. One participant in the hair-dressing business stated that social distance guidelines prevented them from dealing with many clients at a time, something they were used to in the past. Another participant from the passenger transport business revealed that due to social distance guidelines, the carrying capacity of taxis was reduced from 15 to 10. Braunerhjelm, (2021) mentions that social distance guidelines impacted SMMEs in many ways.

Another key finding that came out of this research is that the disruption of business operations was also caused by the loss of skilled personnel. Participant 12 expressed that their key employee was compelled to relocate to another province after their spouse lost their job in Kwa-Zulu Natal due to COVID-19-related challenges. As a result, the business operations of the SMME suffered. The researcher also noted that this finding offers a new dimension in which key employees were lost during the COVID-19 pandemic. Evidence from the literature review suggests that vital employees were only lost through COVID-19-related deaths, (WEF, 2022), retrenchments or employees quitting due to fear of contracting the virus, (Kalenkoski & Pabilonia, 2021).

5.3.2.3. Supply chain disruptions.

Results showed that close to half of the SMMEs (5 out of 12) had their supply chains disrupted by lockdowns, travel restrictions and border closures. It also emerged that this challenge slowed business and sales, increased operating costs when alternative suppliers had to be made use of in certain instances, and prompted some SMMEs to break lockdown rules in a bid to replace depleted stock. These findings concur with those of Dorr *et al* (2021) that lockdowns, travel restrictions and frontier closures disrupted crucial supply chains and business operations.

The researcher also noted that this challenge is also related to the other two challenges discussed above. Supply chain disruptions resulted in the disruption of business operations and caused SMMEs to lose customers and income.

5.3.2.4 Government corruption and incompetency

In respect to this challenge, results confirmed that five SMMEs were affected by it. Firstly, participants indicated that despite being registered UIF beneficiaries, some of their workers were not paid. They attributed this to government officials' incompetency and corruption.

Secondly, other participants also stated that corruption and incompetency made it hard for them to access permits to transport goods during hard lockdowns.

Thirdly, one participant disclosed that they were in essential business and had a certificate to trade during lockdowns but were still harassed by police officers who wanted bribes from them.

All these findings concur with what came out of the literature review. Ladzani, (2022) affirms that government corruption resulted in certain SMMEs failing to get COVID-19 relief aid while Naude and Cameron, (2022) assert that the South African government failed its people during COVID-19 because of the massive looting of COVID-19 funds that happened under its watch.

Results also indicate that the challenge, of 'government incompetency and corruption' is also connected to the other challenges discussed so far. It disrupted business operations in one way or the other and resulted in some SMMEs losing out on income and customers.

5.3.2.5 Health-related challenges

Regarding this challenge, evidence from the study indicates that it came in two ways. Firstly, participants said when their employees contracted the COVID-19 virus, they either died or fell sick. Those who fell sick were given time off to recover. Both scenarios affected the labour supply and morale in the SMMEs and affected the smooth running of the entities' operations. Secondly, other employees slipped into depression due to fear of contracting the COVID-19

virus and losing colleagues to the virus. This too affected labour supply and morale in the organisation. These findings resonate with the findings of the WEF, (2022) that the pandemic took a heavy toll on people's physical and psychological well-being.

Concisely, SMMEs in uMhlathuze Municipality were affected by these five challenges during the COVID-19 pandemic and all the challenges were in one way or the other related.

5.3.3 THEME 3: Efforts put up by SMMEs in trying to mitigate the COVID-19-induced challenges.

This theme is connected to the secondary research question: *What steps were taken by the SMMEs in trying to mitigate the COVID-19-induced challenges?*

The theme is also related to the primary research question: *What aided surviving SMMEs in uMhlathuze Municipality in traversing the COVID-19 crisis?*

Research findings revealed that when SMMEs in uMhlathuze Municipality were confronted with the COVID-19 challenges discussed above, they resorted to the following measures in a bid to mitigate the challenges:

- Adoption of cost-cutting measures.
- Adoption of new payment plans and marketing strategies.
- Applied for bank loans.
- Assistance from family and friends
- Breaking lockdown rules
- Determination and prayer
- Government assistance
- Savings
- Using a viable business to support a non-viable one.
- Use of Vaccines and PPE.

5.3.3.1 Adoption of cost-cutting measures.

Results showed that half of the SMMEs embraced this option. The cost cutting measures adopted included:

- Salary reductions
- Putting some staff members on furlough
- Reducing the number of working hours
- Moving in with parents to cut on accommodation costs.

Of these cost-cutting measures, salary reductions and furloughing were the most espoused. Four participants attested to using them. These findings concur with what comes out of the literature review. Bartik et al, (2020) and Stats SA, (2020) disclose that when confronted with COVID-19 challenges, many SMMEs resorted to different cost-cutting measures such as salary cuts, laying off workers temporarily or permanently, reducing or flexing the number of working hours and the like.

Research evidence further showed that the SMMEs would also embrace more than one cost-cutting measure. For example, participant 6 confirmed moving in with their parents to save on

rental costs, slashing the salaries of employees and furloughing some workers. Participant 2 revealed that they laid off some workers and reduced the number of working hours. Furthermore, all the participants who made use of these cost-cutting measures admitted that the measures helped a lot in easing the financial pressures they were experiencing and hence, aided them in living through the pandemic.

5.3.3.2 Adoption of new payment plans and marketing strategies.

Research findings revealed that 4 participants confirmed changing how they were doing business and marketing their products after the hard lockdown to boost sales and revenue. Participant 3 (restaurant owner) said they started delivering meals to customers at home and it boosted their sales. Participant 8 (vegetable and sugarcane grower) said they looked for new clients (supermarkets and other businesses) to supply vegetables. This concurs with the findings of Moodley and Naidoo, (2022) that some SMMEs changed their marketing strategies to survive the pandemic challenges. Participant 8 and 12 affirmed reducing the prices of their products to sell more after the hard lockdown and it worked. Participant 4 said they came up with new payment terms to make it easier for customers whose financial base had been eroded by COVID-19 to buy their products.

These findings can be linked to the theory of dynamic capabilities (DCs) discussed under the theoretical framework in subsection 2.2.2 of Chapter 2. According to the DCs theory, organisations that possess these capabilities are able to acquire sustenance and retain competitiveness in a dynamic environment by redeploying existing resources, creating novel resources and more to take advantage of emerging opportunities (Ferreira *et al*, 2017; Teece, 2007). Starting to do deliveries (participant 4) exemplifies a case of redeployment of resources (changing workers from serving clients in the restaurant to delivering food to clients' homes) to suit prevailing circumstances (COVID-19 social distance regulations which did not permit customers to consume food in restaurants). Participant 8 exemplifies the creation of new resource bases which were the new clients (supermarkets and other businesses they were not in business with before). Based on these observations, the researcher believes that certain SMMEs possessed DCs that helped them to navigate the pandemic challenges.

5.3.3.3 Applied for bank loans.

Research findings indicated that only 3 SMMEs espoused this option. The loans were required to pay workers, buy inputs, and maintain premises and machinery among other things. The loans also came with extremely low interest rates which made it easier for the SMMEs to repay back. Seeking for bank loans to survive the pandemic challenges resonates with the findings of Stats SA, (2020), that other SMMEs resorted to applying for bank loans to ease COVID-19-related financial constraints. However, the fact that this option was only used by three out of the twelve SMMEs probably confirms that lack of collateral security and other factors made it difficult for SMMEs to access bank loans (Chimucheka & Mandipaka, 2015).

5.3.3.4 Assistance from friends and family.

Four participants confirmed to have sought help from friends and family during COVID-19. Results show that the assistance from friends and family was mainly financial. Besides financial help, friends also helped with stock. For example, participant 1 said that when they

ran out of stock during the pandemic because of border closures and travel restrictions, they borrowed from friends who had extra stock. Furthermore, the family also helped with accommodation. Participant 6 said she moved in with parents in a bid to cut expenses. Research evidence also revealed that friends and family provided emotional and psychosocial support as well.

In line with these findings, the researcher noted that getting financial help from friends and family relates to bootstrap financing discussed in the literature review (see sub-section 2.4.1.5 of Chapter 2). According to Block *et al*, (2020), bootstrapping occurs when entrepreneurs preserve the liquidity of their businesses not by seeking funds from financial institutions and investors, but by borrowing from friends and family, delaying payments, selling assets and the like. Based on this, the researcher concluded that the SMMEs also used the bootstrapping strategy to survive the pandemic challenges.

The idea of borrowing resources from friends, family or other organisations is also in line with the concept of 'accumulating resources' according to the RBV theory (see subsection 2.2.1 of Chapter 2). "Accumulating resources refers to the principle of building up resources quickly by borrowing from other organisations through alliances, networks and the like" (Louw & Venter, 2013: 242). This observation led the researcher to conclude that the ability of some SMMEs to accumulate resources during the pandemic through borrowing helped them to survive the pandemic.

5.3.3.5 Breaking lockdown rules

Results show that three participants opted to break lockdown rules in a bid to survive the COVID-19 challenges. Participant 4 confirmed selling beer illegally during the hard lockdown, participant 11 said they had to go to Johannesburg at night to replenish stock that was getting depleted, and Participant 6 said she ran her hair salon from home during lockdowns. All three participants stated that the prospect of seeing their businesses failing, defaulting on home or car mortgages, and seeing families suffering in the process prompted them to embrace this option.

5.3.3.6 Determination and Prayer.

Six participants indicated that sheer determination helped them through the pandemic. Two of these participants, (participants 4 and 11) are the ones who also admitted that they breached lockdown rules to survive the COVID-19 hardships. This left the researcher to conclude that what these participants meant by determination was probably doing 'anything', even illegal to survive.

Four participants including participant 11 said they also prayed hard for their businesses to survive. Resorting to prayer is one of the unique findings of this research, unique in the sense that the issue of prayer as a way to survive the pandemic challenges never came out in the literature review.

5.3.3.7 Government assistance

Findings from the research showed that 6 SMMEs that sought financial help from the government during COVID-19 obtained it. This finding resonates with the findings of Bartik *et al* (2020), that the majority of SMMEs resorted to seeking government assistance to survive the pandemic challenges. According to research evidence, government assistance came in

the form of UIF, TERS and once-off support packages. The government also assisted SMMEs by intervening in issues that involved police officers who were harassing SMMEs during hard lockdowns.

However, results show that three out of these six SMMEs affirmed that government assistance helped them to navigate the pandemic challenges. This echoes Bowman and Nair, (2020)'s assertion that the UIF considerably assisted SMMEs, enabling many of them to pay workers during the hard lockdown.

Nevertheless, research evidence also revealed that the other three participants who also received financial aid from the government felt that the monthly R350 government UIF allowances were just too little. As such, these SMMEs had to look for money from friends or family to give their workers a top-up. Implicitly, these SMMEs seemed to suggest that the financial assistance they got from the government did not help them much to survive the pandemic challenges.

These findings mirror the mixed perceptions that came out in the literature review regarding the assistance from the South African government rendered to SMMEs during the pandemic. Researchers like Gorelik, (2020) commends the South African government for the financial packages it rolled out to businesses including SMMEs during COVID-19 alleging it saved many businesses. On the other hand, Naude and Cameron, (2020), insinuate that the government did not help businesses particularly the SMMEs much because it failed to curb the looting of COVID-19 relief funds that were earmarked for business rescue.

Another observation made regarding 'Government assistance' was that three other participants who applied for it failed to get it. These were participants 4, 8 and 9. They all alleged that corruption and incompetency were the only reasons they failed to get government assistance. Furthermore, two other participants (participants 1 and 11) expressed that even if they wanted help from the government, their nationalities precluded them from getting any. The two were Pakistani and Nigerian nationals who divulged that foreign-owned businesses were excluded from the government COVID-19 relief benefits. This agrees with the findings of Ladzani (2022) who assert that foreign-owned businesses (registered or unregistered) were not eligible for government COVID-19 relief benefits.

5.3.3.8 Savings.

Research results indicated that 6 SMME owners resorted to personal savings to service vehicle instalments and pay rents and salaries during hard lockdowns when businesses were closed. Participants interviewed revealed that this measure went a long way in saving the lives of SMMEs during the pandemic.

The issue of using personal savings to pay workers and sustain SMMEs during the pandemic can be linked to 'The Contingency Theory of Leadership Effectiveness' by Fielder discussed under the theoretical framework (see subsection 2.2.3.1 of Chapter 2). The theory contends that leadership effectiveness depends among other factors on the leader's "relations motivations and aspect of the situation" (Seyranian, 2012:1). The relations motivations are "leader behaviours that include building good rapport and interpersonal relations and showing concern and support for subordinates" (Seyranian, 2021:1). Using personal savings to pay subordinates salaries demonstrates care and concern for subordinates. Accordingly, the

researcher concludes that effective leadership also played a role in the survival of SMMEs during the COVID-19 pandemic.

Furthermore, the researcher also noted that the use of savings to overcome pandemic challenges relates to the RBV theory as well (see subsection 2.2 of Chapter 2). According to the theory, valuable resources give organisations the edge to leverage opportunities or thwart threats confronting an organisation (Louw & Venter, 2013). In line with this, the financial savings the SMMEs had were a valuable physical resource used by the SMMEs to fend off COVID-19-related challenges they confronted. The researcher hence concludes that the possession of valuable resources by some SMMEs, helped them to survive the pandemic challenges.

5.3.3.9 Using a viable business to support a non-viable one.

Evidence from the research revealed that Participant 1 confirmed using proceeds from a business doing well to support another business not doing well. This participant asserted that their cell phone and electronic shop was doing well during COVID-19 hence they used profits from this business to support the restaurant which was struggling. This was another unique finding that emerged from this research with regard to what SMMEs did to make sure that their businesses survived the pandemic challenges.

5.3.3.10 Use of Vaccines and PPE

Research findings confirmed that vaccines and PPE also played a role in the survival of SMMEs against the pandemic. Participant 2, owner of a driving school, said they used PPE to deal with social-distance challenges. Both the instructors and learner drivers were made to wear both face masks and face shields during lessons. Participants 3 and 5 said they used vaccines and PPE to safeguard the health of their employees and in so doing, avoided disruption of business operations caused by sick employees.

5.3.4 THEME 4. Opportunities and other factors that helped SMMEs to live through the pandemic.

Theme 4 together with themes 1 and 3 relate to the primary research question: *What aided surviving SMMEs in uMhlathuze Municipality in traversing the COVID-19 crisis?*

The theme consisted of factors that had nothing to do with actions taken by SMMEs in trying to avert the pandemic challenges, but of opportunities which emerged and helped the SMMEs to survive the COVID-19 crisis. With respect to this theme, three factors were identified:

- Opportunities/ essential business
- Reprieve from banks.
- Stock reserves.

5.3.4.1 Essential business and opportunities

Results from the research revealed that being in essential business was a factor that helped some SMMEs survive the pandemic. This concurs with what came out of the literature review that SMMEs in the essential sector were less affected by the pandemic challenges (Ladzani, 2022; Stats SA, 2020).

Research evidence also showed that lockdowns and concomitant business and school closures, working from home and the like presented curtain businesses with opportunities that boosted their sales and revenues. For example, participant 11 said when salons were closed, their cosmetic and hair accessories business flourished because many people were now coming to buy their products. Participants 1 and 10 in the electronics business said they benefited from online schooling and working from home because sales of webcams and other electronic gadgets soared, a factor that helped them to get through the pandemic.

Sheer luck or coincidence also saved other SMMEs. Participant 8 for example said their sugarcane farming business survived the pandemic because when COVID-19 was at its peak and reaping havoc, their sugarcane was in the growing phase. Because of that, it was not affected much by lockdowns, travel restrictions and the like.

5.3.4.2 Reprieve from banks

Research results indicated that some SMMEs were saved by banks which offered bank deferrals in the vehicle and other mortgage payments. Participants 2 and 7 confirmed that they benefitted from this. This resonates with the findings of NYDA (2020) that banks offered SMMEs payment holidays as part of their SMME support package.

5.3.4.3 Stock reserves

Research findings revealed that some SMMEs were saved by stock reserves they had when lockdowns, travel restrictions and border closures were put into effect. Two participants attested to having stock reserves that cushioned them for some time. One of these participants was a sugarcane farmer who stated that because of the stocks of fertilizers he had, his sugarcane farming business continued well during the pandemic.

In conclusion, themes 1, 3 and 4 helped to answer the primary research question for this study: *What aided surviving SMMEs in uMhlathuze Municipality in traversing the COVID-19 crisis?*

The SMMEs survived the COVID-19 crisis because of the:

- good state they were in before the pandemic (theme 1).
- efforts put up by the SMMEs to fend off the various challenges that confronted them (theme 2).
- opportunities and other factors that emerged and helped the SMMEs to survive (theme 3).

Theme 2 (challenges SMMEs faced because of the COVID-19 pandemic) reveal the challenges that confronted the SMMEs during COVID-19. These challenges threatened the survival of the SMMEs and made it mandatory for them to adopt various mitigating measures outlined under theme 3. The answers to the three secondary research questions were provided by themes 1, 2 and 3 respectively (how the SMMEs fared before the pandemic, challenges SMMEs faced because of COVID-19, mitigating measures embraced by SMMEs to mitigate the COVID-19-induced challenges).

5.4 RECOMMENDATIONS TO POLICY MAKERS
After detailing the findings of this research in subsection 5.2 above, the recommendations to policy makers that came out in the process are as follows:

Findings from the study revealed that corruption and incompetency of government officials challenged many SMMEs during the pandemic. Some failed to get the much-needed financial help in the form of UIFs and TERS, others had difficulties in accessing permits to move supplies or finished goods on the roads during lockdowns while others were harassed by Police Officers who wanted to solicit bribes. During the pandemic, corruption denied many deserving SMMEs access to COVID-19 funds. This research therefore recommends the government to employ measures to root out corruption. These may include the adoption of easy, streamlined, and less bureaucratic aid application processes that will be difficult for unscrupulous public servants to manipulate. Such application processes will also make it easy for the authorities to identify sources of glitches in the system on time. Furthermore, the researcher also recommends the punishing of corrupt public servants to discourage the practice. With regards to incompetence, the researcher recommends the government embrace regular skills audits to identify skills that may be lacking from their employee base. Where possible, hire new employees with the requisite skills or retrain current employees to put them up to speed with the current demands.

Half the SMMEs who participated in this research had savings they resorted to when lockdowns forced them to close operations. Such SMMEs confirmed that having some savings aside was a crucial factor that enabled them to survive the pandemic challenges. As such, this study recommends that SMMEs need to be educated on the importance of having savings, especially in these times of frequent disasters.

All SMMEs that participated in this study were registered SMMEs that pay taxes to the government and contribute to employment creation and economic growth. However, it emerged from the research that two of these SMMEs which were owned by foreign nationals were excluded from the government COVID-19 relief aid. Bowman and Nair (2020) affirm that government assistance was vital for SMME survival during COVID-19. In line with this, the researcher recommends the government to embrace a non-discriminatory, inclusive, and equitable treatment of SMMEs. This will save thousands of SMMEs from failing and help achieve inclusive economic growth among other benefits.

Several SMMEs in this research blamed the government for giving them inadequate financial help or for not helping them at all during the pandemic. However, it is common knowledge that the government has limited resources, which might not be enough for everyone and everything. This study therefore recommends that SMMEs must be educated against over reliance on the government. Instead, they must be equipped with innovative skills that will enable them to be self-reliant. In fact, Msomi *et al*, (2021) affirm that conscientizing SMMEs on how to raise their finances instead of relying on borrowing or government aid was vital during COVID-19.

Evidence from the study also revealed that lockdowns, travel restrictions, social distance regulations and the like brought unprecedented challenges to SMMEs during the pandemic. Given that disasters are increasingly becoming the norm, this study proposes that SMMEs should be equipped with disaster management skills which will enable them to survive when disasters strike. Furthermore, SMMEs should also engage in clusters and networks where they can share ideas and resources. This will increase their chances of surviving when disasters strike. Dasayanaka and Sardana (2015:86), acknowledge that "clusters and networks enable small businesses to gain access to vital technology and other resources which enable them to stay competitive and overcome many constraints that may come along

the way". The researcher also recommends that SMMEs should always make sure that they have enough buffer stock to cushion them from any unexpected detrimental developments like COVID-19. Two participants revealed that one of the major factors that enabled them to survive the pandemic was the stock reserves they had which saw their business operations going uninterrupted for some time after the introduction of lockdowns.

5.5 RECOMMENDATIONS FOR FUTURE RESEARCH

This research focused on the factors that helped SMMEs to overcome the COVID-19 disaster. Given that disasters are increasingly becoming the norm, future research could explore the role that SMMEs and other stakeholders can play in ensuring SMME sustainability in the face of recurring disasters.

The research again focused on registered SMMEs only. Future research could also look into how informal SMMEs survived the pandemic.

COVID-19 brought to the spotlight the need for businesses to embrace technology to survive today's business challenges. This investigation revealed that most of the SMMEs were forced to close their businesses by lockdowns yet none of them indicated that working online was an option they ever considered to mitigate the effects of the lockdowns. Accordingly, the researcher questioned the capability of the SMMEs to espouse different forms of technology and to work online. As such future research could also focus on how capable SMMEs are to operate online.

COVID-19 is not the only disaster to strike KZN in recent years. Floods and politically motivated riots also reaped havoc in the province over the past years. The researcher therefore recommends that future research focus on establishing which of the three disasters impacted SMMEs more in the province.

5.6 CONCLUSION OF THE STUDY

The purpose of this investigation was to establish the factors that aided surviving SMMEs in uMhlathuze Municipality to traverse the COVID-19 pandemic. Semi-structured interviews were used to extract data from twelve purposively sampled SMMEs in the municipality. Research findings revealed that SMMEs were confronted by various challenges because of the COVID-19 pandemic. These were government corruption and incompetency; loss of customers and income; disruption of business operations and supply chains; and health-related challenges.

To survive these challenges, the investigation disclosed that, the good pre-pandemic state of the SMMEs played a role in their survival. Because the SMMEs fared well before the pandemic, many had savings to fall back on during COVID-19. Furthermore, the measures adopted by the SMMEs to mitigate the COVID-19-induced challenges also helped them to traverse the pandemic. These measures included among others seeking help from family and friends; adopting of cost-cutting measures such as retrenchments, salary cuts and the like; applying for bank loans; and seeking assistance from the government. Additionally, certain opportunities and other factors also emerged during the course of the pandemic and aided the survival of the SMMEs. These were being in essential business as well as opportunities created by lockdowns through online schooling, working from home, and more. Again, banks

gave SMMEs a three month-reprieve in the repayment of loans and mortgages during hard lockdowns and in so doing helped the SMMEs to navigate the pandemic. Likewise, some SMMEs were just lucky to have stock reserves which cushioned them for months when the hard lockdowns came into effect. Finally, evidence from the study affirmed that valuable resources, dynamic capabilities as well as effective leadership also contributed to the survival of the SMMEs during the COVID-19 crisis.

5.7 RESEARCH LIMITATIONS

Like any other research, this research has its limitations. The research was established to investigate the factors that aided SMMEs in uMhlathuze Municipality to survive the COVID-19 challenges. However, evidence abounds that different municipalities, districts and provinces across South Africa were impacted differently by the pandemic. This then follows that the level at which SMMEs were affected by COVID-19 differs across the country. As such, findings from this research cannot be generalised to SMMEs in other municipalities in South Africa. Again, purposive sampling based on the researcher's subjective judgement was used to select participants for the study. This also limits the generalisability of the research findings. Once more, four of the participants interviewed were managers of the SMMEs and not the owners who probably had no full information or were not comfortable disclosing everything that helped the SMMEs to make it out of the pandemic. Furthermore, the majority (10 out of 12) of the SMMEs involved in the study were in the tertiary sector. As such, it could be possible that if more SMMEs in the primary or secondary sectors were involved, the results obtained could be different.

5.8 CHAPTER SUMMARY

Discussing the findings of this investigation was the major focus of this chapter. These discussions were divided into four themes that came out during data analysis. The first theme revealed that the good state the SMMEs were in before the pandemic partly assisted the SMMEs in overcoming the COVID-19 challenges they experienced. Second theme discussions laid bare the challenges that SMMEs faced because of COVID-19. These included among others the disruption of business operations and supply chains and the loss of customers and income. Measures SMMEs employed to fend off the pandemic challenges were discussed under theme 3 and included among others applying for bank loans, adopting of cost-cutting measures, seeking help from the government, friends and family, and praying for businesses. The adoption of these measures was influenced by the resources, dynamic capabilities, and effective leadership present in the SMMEs. Discussions on theme four disclosed opportunities and other factors that also played a role in the survival of the SMMEs. Also outlined in this chapter are recommendations to policy makers and for future research as well as limitations of the study.

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APPENDIX A: LETTERS FROM GATEKEEPERS

Enquiries: reg@umhlathuze.gov.za
Telephone: 035 907 5000
Fax: 035 907 5444/5/6/7
Toll Free No: 0800 222 827

Physical Address:
5 Mark Strasse Civic Centre
Private Bag X1004
Richards Bay, 3900

Our file ref: 1585773

Your ref:

In response to DMS No.:

Contact: Vikash Singh

Date: 02/03/2023

ATTENTION: Ms E Phiri
University of South Africa

Madam

RE: REQUEST FOR PERMISSION TO CONDUCT RESEARCH

Your e-mail dated 16 January 2023 that was sent to the Municipality requesting permission from Council to conduct your research has reference.

You are hereby advised that the Municipality notes the conduct of your research within the City of uMhlathuze. In order to ensure that your study can be used to improve the City of uMhlathuze overall, you may be requested to do a presentation for Council's Management Team on your findings upon conclusion of your research.

Whilst the Municipality notes the conduct of your research, you would still have to get consent directly from members of the Community that shall be participating in your study.

I wish you all the best with your research and await a bound copy of your dissertation upon completion of your studies.

Yours faithfully

Ms L KAYWOOD
DEPUTY CITY MANAGER: CORPORATE SERVICES
DMS 1585773

08/08/2023

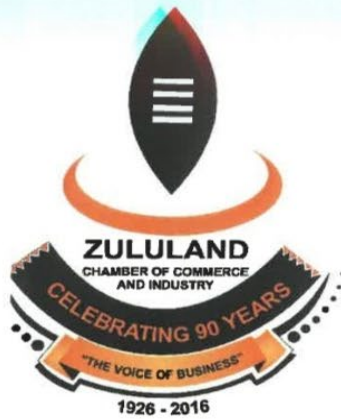All correspondence must be addressed to the City Manager

www.umhlathuze.gov.za   UmhlathuzeM   Umhlathuze Municipality   Umhlathuze_municipality_

15 March 2023

UNIVERSITY OF SOUTH AFRICA

RE: PERMISSION TO CARRY OUT SMME RESEARCH

The Zululand Chamber of Commerce and Industry's (ZCCI) gives permission to Esabel Phiri to conduct a survey with the Zululand Business Community (SMME).

ZULULAND
CHAMBER OF COMMERCE AND INDUSTRY
CELEBRATING 90 YEARS
"THE VOICE OF BUSINESS"
1926 - 2016

TEL : 035 797 1800
FAX : 035 797 3134

WEBSITE: www.zcci.org.za

ADDRESS:
ZCBF Community Park
Gate 5.
Guldengracht Street
Alton
Richards Bay

POSTAL ADDRESS:
P.O.Box 649
Richards Bay
3900

EXECUTIVE COMMITTEE

Hlengiwe Mvubu(President)

Thami Sithole (IPP)

Gareth Reeves(Dep Pres)

Mike Patterson (Dep Pres)

Nick Athymoolam

Nick Bulunga

Mfundo Ndwandwe

Yours Faithfully,

Vanessa Ncobela
Executive Manager
Zululand Chamber of Commerce & Industry (ZCCI)

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INTERVIEW GUIDE

GOOD DAY**.**

My name is Esabel Phiri, a UNISA Master of Commerce student conducting research on how businesses like yours (SMMEs) survived the COVID-19 induced crisis. Thank you very much for awarding me this opportunity to discuss how you circumvented the COVID-19 challenges.

Email: phirisabel@gmail.com **Cell** 0630840669

SECTION A

BIOGRAPHICAL INFORMATION OF PARTICIPANTS

Position in the business…………………………………………………………...

Age………………………………………………………………………………….

Gender…………………………………………………………………………….

Nationality………………………………………………………………………….

Race………………………………………………………………………………...

Level of education……………………………………………………………

SECTION B

THE INTERVIEW

- What kind of business are you involved in?
- For how long has the business been in operation?
- Please describe how your business fared during the following periods: **before** the pandemic, **during** the COVID-19 lockdown and **after** the COVID-19 pandemic.

- Did you encounter any challenges/problems because of the COVID-19 pandemic? **YES / NO.**

    If **YES**, please outline the challenges and how they affected the business:

Challenge/problem	Effects on the business

Examples of challenges: shorter day, fewer commuters, social distancing, more sick leaves, and more.

If **NO**, please explain why you did not face any problems during the pandemic?

- If you faced challenges, were *some challenges bigger than others* **OR** all challenges had the same/equal impact on your business?

Some challenges were bigger than others		List the challenges from biggest challenge to the smallest challenge.

OR

All challenges were equal	

- What measures did you take to solve, reduce, or cope with all the COVID-19 challenges you faced?

Challenge/problem	Measures taken to alleviate effects on business

- Are there any difficulties you encountered in trying to address/solve/cope with the challenges your business was facing?   **YES / NO**.
- If **YES**, please outline them.
- Any role that was taken by the government in helping you solve or reduce the COVID-19 challenges you faced?
- If yes to above, please explain in detail how the government assisted you?
- Were you happy with the kind of assistance you got from the government? Explain.
- Did the private sector for example banks, insurance companies and the like assist you in any way during the pandemic?
- If yes to above, explain how you were assisted?
- They say every situation has an unseen benefit. What opportunities or positives, if any, did COVID-19 bring to your business?

- If there were opportunities or positives, how easy or difficult was it to capitalise on them?
- What made it easy or difficult to capitalise on the opportunities? List the factors.
- Do you think how your business fared before the pandemic contributed to your survival?.......if YES please explain how?
- Briefly, what would you say are the factors that made you survive the COVID-19 crisis? Outline all the factors one by one.

THANK YOU VERY MUCH FOR YOUR TIME AND COOPERATION.

APPENDIX C: ETHICAL CLEARENCE LETTER

UNISA | university of south africa

College of Economic and Management Sciences ERC Business Management

Date: 07/06/2023

Dear: Mrs Esabel Phiri

NHREC Registration # : (Not applicable)
Ref #: 0909
Name: Mrs Esabel Phiri
Student #: 51738821
Staff #:

Decision: Ethics Approval from 07 June 2023 to 08 June 2026

Researcher: Mrs Esabel Phiri

H2, 3724, UKlebe Street, Esikhawini

Richards Bay

51738821@mylife.unisa.ac.za   063 084 0669

Supervisor: Dr Ntsieni Ramasimu ramasnf@unisa.ac.za

Co-Supervisor:

Co-Researcher(s):

Email address:

SMMEs and the COVID-19 pandemic. What aided survivors in uMhlathuze Municipality traverse the disaster?

Qualification: MCom in Business Management

Thank you for the application for research ethics clearance by the College of Economic and Management Sciences ERC Business Management for the above mentioned research study Ethics approval is granted for three years.

The **low risk application** was **reviewed** by College of Economic and Management Sciences (ERC) Business Management on the 2th of May 2023 in compliance with the Unisa Policy on Research Ethics and the Standard Operating Procedure on Research Ethics Risk Assessment.

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 College of Economic and Management Sciences ERC Business Management.

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 requires additional ethics clearance.

7. No field work activities may continue after the expiry date (08 June 2026). Submission of a completed research ethics progress report will constitute an application for renewal, for Ethics Research Committee approval.

Additional Conditions

1. Disclosure of data to third parties is prohibited without explicit consent from Unisa.
2. De-identified data must be safely stored on password protected PCs.
3. Care should be taken by the researcher when publishing the results to protect the confidentiality and privacy of the university.
4. Adherence to the National Statement on Ethical Research and Publication practices, principle 7 referring to Social awareness, must be ensured: "Researchers and institutions must be sensitive to the potential impact of their research on society, marginal groups or individuals, and must consider these when weighing the benefits of the research against any harmful effects, with a view to minimizing or avoiding the latter where possible." Unisa will not be liable for any failure to comply with this principle.

Note

The reference number 0909 should be clearly indicated on all forms of communication with the intended research participants, as well as with the Committee.

Kind regards,

Dr R Shibiti
Chair of College of Economic and Management Sciences ERC Business Management
E-mail: shibir@unisa.ac.za

Executive Dean / By delegation from the Executive Dean of   College of Economic and Management Sciences ERC Business Management
E-mail: mogalmt@unisa.ac.za

APPENDIX D: EDITOR'S LETTER

14 Louis Botha Avenue

Nyala Park

Empangeni

3880.

6 December 2023

University of South Africa

Department of Business Studies

Pretoria.

Dear Sir/ Madam.

RE: DISSERTATION EDITING FOR ESABEL PHIRI.

This letter serves to confirm that the undersigned performed an English language and technical edit for **Esabel Phiri's** dissertation titled:

SMMEs and the COVID-19 pandemic. What aided survivors in uMhlathuze Municipality traverse the disaster?

The editing focused on ensuring that the English and technical presentation of the dissertation conforms to acceptable standards.

Yours faithfully,

Moreblessings P. Msuku

Tutor and Research Consultant (Exam-Excel)

Former Part-time Lecturer with North-West University

Diploma in Education (University of Zimbabwe).

BSc Honours (University of Zimbabwe).

MSc (University of Johannesburg).

Email: mobless15@gmail.com.

Cell: 083 257 1780