

**A managerial perspective on the effectiveness of  
supplier and enterprise development programmes in  
entrepreneurial skills development**

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## **Abstract**

Entrepreneurial skills development is a topic that has enjoyed much attention by many a researcher, and some scholars propose that entrepreneurship may be a panacea for poverty alleviation. Many businesses in South Africa support entrepreneurial skills development through their SD and ED programmes. However, it appears as if these programmes do not result in the realisation of sustainable small businesses. SD and ED programmes can make a significant contribution to entrepreneurial skills development. It is therefore important that the effectiveness of these programmes in entrepreneurial skills development are improved.

This research employed a qualitative research methodology, with 17 in-depth semi-structured interviews that were conducted with the senior managers of large corporates and consultancy firms. The perspectives of these managers provided valuable insights into the effectiveness of SD and ED programmes in entrepreneurial skills development.

As this study explored entrepreneurial skills development in the uniquely South African context of B-BBEE legislation, it provides unique and valuable insights into the phenomenon of SD and ED skills development programmes, which thereby contribute to the body of knowledge in entrepreneurial skills development. The research also provides valuable insights to managers that may enable them to improve the effectiveness of their entrepreneurial skills development programmes.

## **Keywords**

Effectiveness; enterprise development; entrepreneurial skills development; programmes; supplier development

## **Declaration**

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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**Johannes Loots Barnard**

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**Date**

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## **LIST OF ABBREVIATIONS**

B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BER	Bureau for Economic Research (at the University of Stellenbosch)
COVID-19	2019 Novel Coronavirus Disease
CSR	Corporate Social Responsibility
DTI	Department of Trade and Industry
ED	Enterprise Development
ESD	Enterprise and Supplier Development
ESE	Entrepreneurial Self-Efficacy
GEM	Global Entrepreneurship Monitor
KPI	Key Performance Indicator
NPAT	Net Profit After Tax
PPE	Property, Plant and Equipment
SD	Supplier Development
SEDA	Small Enterprise Development Agency of South Africa
SME	Small and Medium Enterprise
SMME	Small, Medium and Micro-Enterprise
SSA	Sub-Saharan Africa
Stats SA	Statistics South Africa



## **CHAPTER 1 – INTRODUCTION TO THE RESEARCH PROBLEM**

### **1.1 Introduction**

Poverty is a major challenge globally, as well as in South Africa. The United Nations has prioritised the eradication of all forms of poverty—all over the world—and made this their number one sustainable development goal (United Nations, 2020). The number of people that live in extreme poverty—people that have to live on \$1.90 or less per day—is declining in all regions, except in Sub-Saharan Africa (SSA) where this number continues to rise, so much so that it is predicted that by 2030 approximately 90% of the world's extremely poor people will live in SSA (Wadhwa, 2018). It is estimated that in 2015, approximately 18.9% of the South African population lived in households that earned an income per person that was below the international extreme poverty line (World Bank, 2019). Stats SA (2020) furthermore reported that the official unemployment rate in South Africa in quarter three of 2020 soared to 30.8%. It is important that effective programmes are developed and successfully implemented to reduce poverty in SSA, including South Africa. This requires that all stakeholders—especially government and business—apply their resources strategically and effectively so that these programmes are successfully implemented, and that the anticipated results are realised.

Entrepreneurship is regarded as a powerful mechanism to alleviate extreme poverty (Sutter, Bruton, & Chen, 2019). Moreover, various governments across the globe have recognised the economic potential of entrepreneurship, resulting in an increasing tendency amongst governments to adopt policies that promote entrepreneurship (O'Connor, 2013). Business have an important role to play in promoting and developing entrepreneurship—both from an internal perspective as well as from a new enterprise and supplier development perspective.

Sutter et al. (2019) examined 211 articles on entrepreneurship and poverty alleviation that were published from 1990 to 2017 in 77 leading academic journals, and identified three overarching perspectives: remediation, reform and revolution. Out of these articles, Sutter et al. (2019) have classified 123 articles—almost 60%—in the remediation perspective. Based on the high percentage of scholars that researched entrepreneurship and poverty alleviation from a remediation perspective, it may be argued that these scholars recognise that a remediation approach to entrepreneurship has the highest potential to alleviate poverty. Remediation is the perspective that poverty is reduced when access to resources, especially finances

or training, are provided and that markets will thrive when entrepreneurial capability is unlocked among the poor (Sutter et al., 2019).

## **1.2 Supplier and Enterprise Development Programmes in South Africa**

Aligned to this approach, the South African government has implemented the Broad-Based Black Economic Empowerment (B-BBEE) Act 53 of 2003, as amended by Act 46 of 2013, to improve economic transformation in South Africa (B-BBEE Commission, 2016). One of the objectives of the act is to promote the participation of previously disadvantaged individuals in the economy, as a means to alleviate poverty and reduce inequality. The B-BBEE Act requires that “enterprises carry out supplier development and enterprise development initiatives intended to assist and accelerate the growth and sustainability of black enterprises” (B-BBEE Commission, 2016, p. 54). To achieve a perfect score for Supplier Development (SD) and Enterprise Development (ED) on their B-BBEE generic scorecards, enterprises have to spend a minimum of two percent of their net profit after tax (NPAT) on SD initiatives, and a minimum of one percent of their NPAT on ED initiatives (B-BBEE Commission, 2016). It is in the interest of any business that operates in South Africa to achieve an attractive B-BBEE status, as this makes the business an attractive partner—B-BBEE generic scorecards are positively affected by a high percentage procurement spent on businesses that have high B-BBEE statuses. Therefore, many businesses that operate in South Africa invest in SD and ED programmes as a means to maintain or improve their B-BBEE statuses.

It is estimated that approximately R26 to R32 billion is spent annually on ED initiatives in South Africa (Rathanlall, 2019; Tarrant, n.d.). According to the B-BBEE Commission, the average score achieved for SD and ED by all enterprises that had to submit compliance reports—in accordance with section 13G of the B-BBEE Act—in 2018 was 66.91% (B-BBEE Commission, 2019). This score implies that almost 67% of the enterprises in question managed to spend the percentages of their NPAT—as prescribed by the B-BBEE Act—on SD and ED initiatives. With this much resources being allocated to programmes that are aimed at SD and ED in South Africa, one would expect that these programmes should be effective in unlocking the entrepreneurial potential within the beneficiaries, and that entrepreneurial activity is promoted within the country. Unfortunately this does not appear to be the case.

### **1.3 Entrepreneurial Skills Development**

Global Entrepreneurship Monitor (GEM) tracks entrepreneurial activity in 50 economies, including South Africa. According to GEM (2018), the business discontinuance rate in South Africa increased from 2.9% in 2005 to six percent in 2017, whereas the established business ownership rate increased from 1.3% in 2005 to only 2.2% in 2017. For every new business that was established in South Africa in 2017, almost three existing businesses discontinued—this ratio was closer to two in 2005 (GEM, 2018). GEM furthermore revealed that more than 80% of owner-managers that exited their businesses in South Africa in 2019 reported that their businesses have discontinued (GEM, 2020). These statistics support the notion that entrepreneurial activity is deteriorating in South Africa, and the evidence suggest that the rate of deterioration is accelerating.

The fact that entrepreneurial activity is not increasing in South Africa is of great concern. Legislation has been put in place to entice business to support entrepreneurial activity growth through their SD and ED programmes, but despite the resources that government and business have committed to SD and ED as well as substantial investments that have been made in SD and ED, there has been no discernible increase in entrepreneurial activity. Entrepreneurship can be an effective mechanism to alleviate poverty in South Africa and globally, but business first needs to understand how SD and ED programmes, that benefit small, medium and micro-enterprises (SMMEs), can be improved to support continuance of these enterprises, and to promote entrepreneurial activity. This research project aims to gain insight into the improvements that business could make to their SD and ED programmes to promote entrepreneurial activity and ensure business continuity.

Many papers and reports have been published on SMMEs in South Africa—this literature concentrated mostly on the “practicalities surrounding small business or SMME development policies” (BER, 2016, p. 6). The Bureau for Economic Research (BER) at the University of Stellenbosch has examined this literature and identified the following key themes in the literature: i) Assessments of governmental policies and structures that support small business; ii) Evaluations of the role and impact that institutions—private and public—have on the development and growth of small business; and, iii) Reflections on the status of an entrepreneurship culture in South Africa (BER, 2016). Inadequate entrepreneurship capacity inhibits employment growth in South Africa (BER, 2016).

A study that was commissioned by the Small Enterprise Development Agency (SEDA) of South Africa which was conducted—using a mixed method research design—from 2016 to 2018, shows the majority of women and youth SMME owners that participated in the research suffered from a “fear of failure” and a “lack of confidence” (SEDA, 2019b, p. 61). This affected their ability to pursue new opportunities and to grow their businesses. Additionally, the primary reason for business failures of youth SMME owners were attributed to a lack of entrepreneurial mindsets (SEDA, 2019b, p. 62). This study recommended that women and youth SMME owners be equipped to better deal with specific situations through training which is aimed at developing alternative and softer business skills. Interventions that were proposed include training and mentoring that build confidence, improve communication skills, and that empower these SMME owners to overcome discrimination or stereotyping due to their gender and age (SEDA, 2019b).

The effectiveness of traditional approaches to entrepreneurship training—training that focuses on the development of basic business skills—in improving small business performance in an emerging economy context may be limited (De Mel, McKenzie, & Woodruff, 2014). Moreover, Campos et al. (2017) argue that training that focuses on the development of a personal initiative mindset may be more effective in improving small business performance in emerging economies. “Personal initiative is defined as a self-starting, future-oriented, and persistent proactive mindset” (Campos et al., 2017, p. 1287). However, not much research has been done to gain an understanding of the influence that training in non-cognitive skills may have on small business performance and continuity (González-López, Perez-Lopez, & Rodriguez-Ariza, 2019; Lackéus, 2015; Sutter et al., 2019). This research project aims to contribute in closing the knowledge gap that currently exists in the literature in this regard.

Some entrepreneurs do not move from intent to action, although they do possess the necessary knowledge. Moreover, many beneficiaries of entrepreneurial skills development programmes fail to apply their newly acquired knowledge in starting new ventures or in growing their existing businesses. Action regulation theory may provide an understanding of the gap that exists between entrepreneurs’ knowledge and actions, and entrepreneurial skills development programmes have to be reconceived to close this gap (Frese, Gielnik, & Mensmann, 2016; Gielnik et al., 2015; Glaub, Frese, Fischer, & Hoppe, 2014). Skills development programmes

should focus on improving action regulation in entrepreneurs, specifically through the development of non-cognitive skills (Frese et al., 2016). However, the relationship between non-cognitive skills development, action regulation and entrepreneurship appears to be relatively unexplored.

It is difficult to define metrics to measure entrepreneurial skills development (Kuratko, Morris, & Einstein, 2018). Soft skills are especially challenging to measure (Devedzic et al., 2018) and those measures that are currently being used to measure soft skills are largely ineffective (Duckworth & Yeager, 2015). It is therefore difficult to assess the effectiveness of entrepreneurial skills development programmes. Metrics are often based on measures that assess the performance of a business and not through individual-level metrics (McGee & Peterson, 2019). It appears as if scholars do not offer any novel solutions for assessing entrepreneurial skills development based on individual-level metrics.

Sutter et al. (2019) appeal to researchers in emerging economies to contribute to the research on entrepreneurship in poverty settings, as research on entrepreneurship in these settings has mostly been led by researchers in developed economies. They argue that academics and business are in need of this type of research as it will provide business, government and entrepreneurs with both an academic understanding as well as practical direction on how entrepreneurship could be leveraged to reduce poverty (Sutter et al., 2019).

#### **1.4 Research Objectives**

The purpose of this research is to understand how corporates in South Africa—as part of their SD and ED programmes—contribute towards entrepreneurial skills development in small and medium sized businesses, and if managers perceive these programmes to be effective in developing entrepreneurial skills. The research is conducted from a remediation perspective, focusing on the types of education and training that corporates provide to these businesses. The metrics that are being used by these corporates to determine if their interventions have been successful is explored. The perceived success of these interventions is examined, and the perceived importance of training in traditional business skills versus training in personal, social and entrepreneurial skills is explored.

### Business Need for the Research

The researcher has selected this research topic as current SD and ED programmes in South Africa are marginally successful and have largely been ineffective in increasing entrepreneurial activity. An understanding of how SD and ED programmes can be improved could be beneficial to efforts that are aimed at improving entrepreneurial activity, thereby contributing to the alleviation of poverty. Moreover, enhancements in SD and ED programmes could also make existing entrepreneurial businesses less likely to fail. The business need for this project is therefore grounded on developing an understanding of how business can enhance their SD and ED programmes to improve entrepreneurial skills development, thereby enjoying greater success in their SD and ED programmes, resulting in their contributions to society being even more impactful.

### Academic Need for the Research

The following gaps in extant literature on entrepreneurial skills development have been detailed in *Section 1.3*, and this research project aims to contribute to the body of knowledge on these aspects: (i) The influence that training in non-cognitive skills may have on small business performance and sustainability has not been well-researched; (ii) The relationship between non-cognitive skills development, action regulation and entrepreneurship also appears to be relatively unexplored by scholars; and, (iii) It appears that individual-level metrics for assessing entrepreneurial skills development is elusive and that scholars have not made much progress in identifying such metrics.

This research applies action regulation theory and entrepreneurship opportunity theory—in the uniquely South African context of B-BBEE legislation—to entrepreneurial skills development through SD and ED programmes. This distinctive context provides unique and valuable insights into the phenomenon of enterprise skills development programmes, and thereby contribute to the body of knowledge in entrepreneurial skills development.

### **1.5 Scope of the Research**

The scope of this research includes Large Enterprises—as defined in *Section 4.1* of the research report—across a broad range of industries, and with SD and ED programmes that are well established and targeted at small and medium sized businesses in South Africa, as well as consultancy firms with extensive experience in supporting Large Enterprises with the development and execution of their SD and

ED programmes. The perspectives of senior managers within these organisations are explored with regard to the effectiveness of corporates'—mostly their own organisations'—SD and ED programmes in entrepreneurial skills development.

The industries that are represented in this study include insurance, mining, oil and petroleum, chemicals, explosives, fertilizers, construction materials, fast-moving consumer goods, engineering and equipment manufacturing, agriculture, banking, logistics, financial services, and pharmaceutical. Most of the Large Enterprises are multinational companies. The consultancy firms provide strategy development, B-BBEE advisory services and verification, SD and ED project implementation as well as training and development programme services in SD and ED to large corporates. Each of the consultancy firms have also provided SD and ED related services to one or more of the Large Enterprises that were interviewed as part of the research project.

## **1.6 Conclusion**

Entrepreneurship is a powerful mechanism that can alleviate poverty in South Africa and globally. Many scholars believe that a remediation approach to entrepreneurship—providing entrepreneurs with access to resources such as funding and training—could unlock entrepreneurial capability (Sutter et al., 2019). Many businesses in South Africa support entrepreneurial skills development through their SD and ED programmes as a means to improve their B-BBEE statuses, as this makes them attractive business partners.

South African businesses invest large sums of money in their SD and ED programmes; however, it appears as if these programmes do not stimulate entrepreneurial activity. Moreover, despite these investments in SD and ED programmes, entrepreneurial activity is declining. SMMEs in South Africa face many challenges and some business owners lack softer skills as well as self-confidence, and this impact their ability to build sustainable businesses.

Literature suggests that training in non-cognitive skills could equip entrepreneurs in emerging economies to improve their business performance; however, not much research has been done in this respect (González-López et al., 2019; Lackéus, 2015; Sutter et al., 2019). Some scholars argue that training in non-cognitive skills improves an entrepreneur's action-regulatory skills, thereby moving the entrepreneur from knowledge to action (Frese et al., 2016; Gielnik et al., 2015; Glaub et al., 2014), but further research is also required to extend this knowledge base. Metrics that are

currently employed to measure the effectiveness of entrepreneurial skills development is not individual-level based and therefore largely ineffective (Duckworth & Yeager, 2015; McGee & Peterson, 2019).

The objective of this research is to gain a managerial perspective on the effectiveness of SD and ED programmes in entrepreneurial skills development. As detailed in *Section 1.4*, this research serves both a business as well as an academic need, and contributes to the body of knowledge in entrepreneurial skills development within a uniquely South African context.

A critical review of extant literature related to entrepreneurial skills development—globally and in a South African context—as well as SD and ED programmes in South Africa is presented and discussed in *Chapter 2* that follows.



## **CHAPTER 2 – LITERATURE REVIEW**

### **2.1 Introduction**

Research on the remediation perspective of entrepreneurship and poverty alleviation indicates that training can equip entrepreneurs to recognise more lucrative opportunities (Sutter et al., 2019; Brixiová, Ncube, & Bicaba, 2015; De Mel et al., 2014). De Mel et al. (2014) have found that traditional approaches to entrepreneurship training—interventions that focus mainly on the transfer of basic business skills—had no impact on the sales or profits of women that operated subsistence enterprises in urban Sri Lanka. They furthermore propose that training in basic business skills may be more effective for new small business owners than for the existing small business owners. A study that was performed by Campos et al. (2017) in Togo, West Africa, further revealed that micro-enterprise owners that participated in a psychology-based training programme increased their firm's profits by 30%, whereas micro-enterprise owners that participated in a conventional business training programme increased their firms' profits by only 11%. Campos et al. (2017) argue that the psychology-based training programme was more effective because it focused on entrepreneurial behaviours and taught a proactive mindset, encouraging the business owners to innovate and in doing so resulting in them constantly exploring new opportunities.

A study that was conducted by Brixiová et al. (2015) focused on the challenges that firms in Swaziland experienced during their start-up—all firms experienced high costs to start up the businesses as well as high costs to search for new business opportunities. The study revealed that young entrepreneurs (15 to 35 years old) lacked entrepreneurial skills when compared with adults (older than 35 years), and that they found it more difficult than adults to convert their concepts into businesses. Based on their study, Brixiová et al. (2015) argue that a targeted approach to entrepreneurial support is more effective than a generic approach, in that training programmes were more effective than financial support in enabling young entrepreneurs to successfully identify new business opportunities.

The research by De Mel et al. (2014) and Campos et al. (2017) provides scholars with a different perspective to entrepreneurial skills development—novel training approaches may be required to ensure that small businesses in poverty settings are successful. However, it could be argued that this is a precipitous inference, as limited research has been done to understand the influence that non-business skills related

training has on small business performance and continuity (González-López et al., 2019; Lackéus, 2015; Sutter et al., 2019). In recognising that entrepreneurial development programmes in poverty settings normally focus on developing basic business skills, and that these approaches have had an insignificant impact on poverty alleviation, Sutter et al. (2019) recommend that scholars should explore whether novel approaches to entrepreneurial training would be successful in equipping these entrepreneurs with the capabilities to discover opportunities.

## **2.2 Entrepreneurship and the Theory of Entrepreneurship**

From the 1970s to the late 1990s, entrepreneurship theories have been dominated by the view that entrepreneurship is a function of the characteristics of the individuals that are involved in entrepreneurial activity, and scholars have mostly failed to recognise the importance of opportunities in entrepreneurship (Eckhardt & Shane, 2003). Eckhardt and Shane (2003) expanded on the seminal work on opportunities in entrepreneurship by Venkataraman (1997), and argued that entrepreneurship theories should not be grounded on the “characteristics of agents” (p. 334) but rather on the “existence of opportunities and the actions of agents” (Eckhardt & Shane, 2003, p. 334). Entrepreneurship in the context of this research project is defined as the “discovery, evaluation, and exploitation of future goods and services” (Eckhardt & Shane, 2003, p. 336). Studies in entrepreneurship opportunity theory aim “to understand how opportunities to bring into existence ‘future’ goods and services are discovered, created, and exploited, by whom, and with what consequences” (Venkataraman, 1997, p. 120).

Alvarez and Barney (2014) acknowledge that the unearthing and formation of opportunities may be challenging in settings of poverty but argue that it has the greatest prospect of alleviating poverty—they agree with the opinions of Eckhardt and Shane (2003) and Venkataraman (1997) that entrepreneurship opportunity theory is a more impactful perspective on entrepreneurship. Alvarez and Barney (2014) however argue that the resources—including human capital—that are available to the poor, limit their ability to exploit the kind of opportunities that have the potential to create jobs and that will promote economic growth. A lack of resources therefore limits the potential impact that the poor’s entrepreneurial efforts may have on alleviating poverty. Following on the remediation perspective (Sutter et al., 2019), education and training could therefore equip entrepreneurs in a poverty

setting with the necessary skills to discover and create opportunities—this may unlock their entrepreneurial capabilities and contribute to the alleviation of poverty.

Alvarez and Barney (2014) posit that the skills that are required for the success of small businesses in poor settings may have a stronger association with the skills that are required to create and jointly create opportunities, than with the skills that are required to identify the opportunities. This postulation highlights the need for entrepreneurs to be innovative and action orientated. Gielnik et al. (2015) and Ramoglou and Tsang (2016) echo this view and insist that an entrepreneur's ability to identify opportunities should be complemented by the necessary action-regulatory skills in order to capitalise on these opportunities.

### **2.3 Action Regulation Theory**

Hacker (2003) studied the psychology of action and jointly developed action regulation theory in 1985, which is essentially a framework that explains how activities in processes are regulated in a work context. Action regulation theory seeks to explain the gap between one's "cognitions and actions" (Glaub et al., 2014, p. 355). The premise of action regulation theory is that, in order for a person to be agentic, the person must perform various phases of actions sequentially, and as follows: "setting goals, developing knowledge about the environment, forming and executing action plans, monitoring the action, and seeking feedback" (Frese et al., 2016, p. 197), and furthermore, these actions must be grounded on the individual's personal initiative. Hacker (2003) maintains that, through these actions and interactions change occurs in the person, the person's personality as well as the environment. The understanding that one's actions are controlled by one's objectives is paramount and can be cognitively viewed as expectations of the outcomes that one intends to accomplish (Hacker, 2003).

Various scholars have recently identified that action regulation theory may be pivotal in understanding the gap that exists—in entrepreneurship—between knowing (cognition) and doing (action), and these scholars propose that entrepreneurial pedagogy has to be reimagined to close this gap (Frese et al., 2016; Gielnik et al., 2015; Glaub et al., 2014; Ramoglou & Tsang, 2016). Frese et al. (2016) posit that training programmes should focus on improving action regulation in entrepreneurs in order to move entrepreneurs from inaction to action, and that this could be achieved by focusing on developing the entrepreneurs' non-cognitive skills, especially their personal initiative.

## **2.4 Theory Base for the Research**

This research is grounded on action regulation theory as well as the symbioses between action regulation theory and entrepreneurship opportunity theory, and how skills development that focuses on developing one's non-cognitive skills can contribute to improving one's action-regulatory skills, thereby increasing one's propensity to be more entrepreneurial. As highlighted in *Section 2.3*, action-regulatory skills are paramount in enabling entrepreneurs to convert opportunities into realities (Gielnik et al., 2015; Ramoglou & Tsang, 2016). Furthermore, action regulation theory holds that one's actions must be grounded on one's personal initiative (Frese et al., 2016). An enhancement in personal initiative develops action-regulatory skills which in turn promotes entrepreneurial propensity (Campos et al., 2017; Frese et al., 2016; Gielnik et al., 2015; Glaub et al., 2014).

Action regulation theory and entrepreneurship opportunity theory are theories that have been well-researched, and the researcher does not envisage making noteworthy contributions to these theories in this research. However, as stated in *Section 1.4*, this research applies these theories—in the uniquely South African context of B-BBEE legislation—to entrepreneurial skills development through SD and ED programmes, and provides unique and valuable insights into the phenomenon of enterprise skills development programmes, thereby contributing to the body of knowledge in entrepreneurial skills development.

## **2.5 Entrepreneurial Self-Efficacy**

Many scholars recognise the noteworthy impact that entrepreneurial self-efficacy has on entrepreneurial activity—this is supported by the increase in research over the past two decades that focuses on entrepreneurial self-efficacy (McGee & Peterson, 2019; Newman, Obschonka, Schwarz, Cohen, & Nielsen, 2019). Self-efficacy is an individuals' self-assessment of his or her personal efficacy to accomplish an outcome, and this assessment then impacts the individual's actions, how much effort the individual is willing to exert, as well as the individual's determination in overcoming obstacles in order to accomplish the desired outcome (Bandura, 1978). Entrepreneurial self-efficacy is believed to influence an entrepreneur's ability to move from entrepreneurial intent to entrepreneurial action (McGee & Peterson, 2019; Newman et al., 2019).

Newman et al. (2019) posit that “entrepreneurship not only involves risk-taking, uncertainty, creativity, leadership and proactivity, but also requires persistence and

passion” (p. 404), and they therefore argue that it is critical that entrepreneurs possess high levels of self-efficacy. McGee and Peterson (2019), however, claim that high levels of entrepreneurial self-efficacy only assist business owners or managers in improving the performance of new businesses because business performance benefits dissipate with time. McGee and Peterson (2019) suggest that, although an entrepreneurial orientation does not affect the performance of a new business, it positively affects the performance of a business as it matures. An entrepreneurial orientation refers to an individual’s entrepreneurial attitude, inclinations, beliefs and conduct (McGee & Peterson, 2019). Based on the views by Newman et al. (2019) as well as McGee and Peterson (2019), the level of entrepreneurial self-efficacy and entrepreneurial orientation will influence an entrepreneur’s business performance.

It is therefore imperative that skills development programmes incorporate initiatives that are aimed at increasing the levels of entrepreneurial self-efficacy and entrepreneurial orientation of their beneficiaries. Newman et al. (2019) propose that entrepreneurial self-efficacy is influenced by: (i) The cultural and institutional environments; (ii) Business characteristics; (iii) Education and training; (iv) Work experience; (v) Mentors, role models and networks; and, (vi) Individual differences. Entrepreneurial self-efficacy is therefore something that can be developed, especially through targeted education, training and mentoring programmes. Neneh (2019), however, argues that “anticipated regret” (p. 321) and a “proactive personality” (p. 321) are important moderators of the relationship between entrepreneurial intent and entrepreneurial action, and that emotions and traits such as these encourage entrepreneurs to take action once entrepreneurial intentions exist. Personal initiative training promotes a proactive mindset (Campos et al., 2017), and would therefore promote entrepreneurial action.

## **2.6 Entrepreneurial Skills Development**

Alvarez and Barney (2014) identify three types of entrepreneurial opportunities—self-employment, discovery and creation opportunities—and they argue that “self-employment opportunities have limited potential” (p. 162) to alleviate poverty. However, “discovery and creation opportunities are often scalable and build on unique insights of entrepreneurs” (p. 163), and can therefore result in the creation of substantial job opportunities and profits. It is therefore important that entrepreneurial

skills development programmes focus on developing the necessary skills to discover and create opportunities.

De Mel et al. (2014) offer unexceptional solutions to address the gap in the literature as far as entrepreneurial development in a poverty setting is concerned. They propose that a possible solution to promote growth in small businesses could be to provide intensive, individual and personalised mentoring to the business owners—they also observe that it is more difficult to grow an established subsistence business than it is to start a new one. The study by Campos et al. (2017) suggest that a psychology-based training programme—which focuses on the development of a personal initiative mindset—is more effective in boosting small business performance in a poverty setting, than a training programme which focuses on basic business skills. According to Walton and Wilson (2018), “wise interventions” (p. 618) can be used as a mechanism to promote sustainable change in individuals, through a process of altering the “meanings and inferences people draw about themselves, other people, or a situation” (p. 618), making the individual “psychologically wise” (p. 618). Walton and Wilson (2018) furthermore posit that a “psychologically informed approach” (p. 617) to social challenges could be effective in addressing these challenges, and that interventions that are “psychologically informed” (p. 617) may be effective in objectively altering an individual’s skills, thereby helping the individual to thrive.

Walton and Wilson (2018) argue that individuals could change their behaviour through altering the meanings and inferences that the individuals draw, and this could ignite a cycle of personal improvement. “The most ambitious person-centric interventions seek to enhance general intellectual and psychological skills that serve the individual over the life course” (Walton & Wilson, 2018, p. 634). Although Campos et al. (2017) provide a novel approach to entrepreneurial training that may be more effective than traditional approaches, they fail to provide the relevant theory base that explains why a psychology-based training approach could be more effective. However, the theoretical lens provided by Walton and Wilson (2018) explains the mechanics of psychology-based interventions. It provides the theory base for psychology-based training, and creates an understanding of why psychology-based training in entrepreneurial skills development could perhaps be more effective than training in basic business skills.

The curricula of many entrepreneurship programmes are still dominated by business basics; however, entrepreneurship education and training should rather be focused on core entrepreneurship content with an emphasis on the growth of an entrepreneurial mindset, and the learning process should ideally be experiential (Kuratko et al., 2018). Kuratko et al. (2018) also argue that despite an increase in the resources that are deployed to support entrepreneurship training programmes, evidence of the success of these programmes is unclear. Data from a study by Goswami, Mitchell and Bhagavatula (2018) indicates that informal interactions through platforms such as cohorts, networks and mentors are important in developing an entrepreneur's understanding of how to grow the business—this echoes the view by De Mel et al. (2014) that intensive, individual and personalised mentoring could promote growth in small business.

Ramoglou and Tsang (2016) argue that enterprising as well as nonenterprising individuals could be assisted to realise that one does not need any extraordinary cognitive ability to recognise entrepreneurial opportunities. Wise interventions based on the framework by Walton and Wilson (2018) could be valuable in assisting individuals to move from self-doubt to self-belief as far as their ability to recognise entrepreneurial opportunities is concerned. Ramoglou and Tsang (2016), furthermore propose that entrepreneurial training should focus on overcoming “action-hindering beliefs” (p. 429). By developing entrepreneurs' non-cognitive skills through interventions such as personal initiative training, the action-regulatory skills of these entrepreneurs will be enhanced, and this will improve the entrepreneurs' self-belief (Campos et al., 2017; Frese et al., 2016; Gielnik et al., 2015; Glaub et al., 2014).

Gielnik et al. (2015) conducted a 12-month study—which used a longitudinal research design—to evaluate the effectiveness of action-based entrepreneurial training on final year undergraduate students in Uganda. None of these students studied business administration or had any preconceived intentions of self-employment. The training programme incorporated two important elements—firstly, it provided easy, implementable knowledge on the “principles of action” (p. 71); secondly, it incorporated an active learning component that afforded the students the opportunity learn by applying the action principles (Gielnik et al., 2015). Based on their findings, Gielnik et al. (2015) furthermore argue that action-based entrepreneurial training promote the creation of new small business, because the

training improves the individual's ability to identify opportunities but it also develops the individual's propensity for entrepreneurial action. This research provides insightful information regarding the elements that could be incorporated into entrepreneurial training programmes to develop an individual's ability to identify opportunities.

Haugh (2020) claims that training programmes that are provided through business incubators in emerging economies not only promote entrepreneurship, but also contribute to the development, growth and sustainability of new businesses. Haugh (2020), however, cautions that the function of business incubators is to perform training and that these incubators should not be perceived as being the creators of new ventures. Goswami et al. (2018) share a different view and reason that both business accelerators and incubators are providers of expert knowledge and skills, and that these platforms do not provide their beneficiaries any protection against economic and business shocks—they therefore imply that accelerators and incubators do not necessarily result in sustainable businesses. Although these scholars agree on the purpose of incubation programmes, they seemingly disagree on the impact that these incubators have on business sustainability.

## **2.7 Entrepreneurial Skills in South Africa**

It appears that literature on entrepreneurial skills in a South African context is rarely published in top rated academic journals, and the researcher therefore had to resort to general peer reviewed academic journal articles for the purpose of this research. Botha, Van Vuuren and Kunene (2015) posit that South African skills development programmes in entrepreneurship continue to prioritise general management skills above entrepreneurial skills. This postulation confirms that South Africa is not much different to other countries as far as entrepreneurial skills development programmes are concerned, as many entrepreneurship programmes elsewhere in the world are still focused on developing business acumen and general management skills (Kuratko et al., 2018).

Botha et al. (2015) studied 570 SMEs in South Africa to establish the significance that they attach to different competencies as well as the level of proficiency in these competencies, and found that long-established SMEs regard functional competencies to be paramount to the success of a business, whereas start-up SMEs do not consider functional competencies to be as important. Botha et al. (2015) define functional competencies as those competencies that “assist the entrepreneur



to function in the business and find the balance between opportunity, resources and the entrepreneurial team” (p.58), and these include “business management/general business and technical skills” (p. 58). Both long-established as well as start-up SMEs acknowledged the importance of entrepreneurial as well as personal skills (Botha et al., 2015). A mixed-method study by Mamabolo, Myres and Tumo (2017) revealed that entrepreneurs and experts consider start-up skills, technical skills, basic business skills, personal skills, and leadership skills as the most important skills that entrepreneurs should develop to equip them in successfully managing their businesses.

Mamabolo et al. (2017) caution that it is important to differentiate between skills and competencies because misinterpretations of these constructs often influences research outcomes and effects skills development programmes. Entrepreneurial skills is defined as “the proficiency in performing tasks in the entrepreneurial phases as a result of human capital investments (formal and education, entrepreneurial education, work, industry and entrepreneurship experiences) and can be improved by training, practice and development” (Mamabolo et al., 2017, p.3). Botha et al. (2015) allege that their findings suggest that start-up SMEs must prioritise the development of functional competencies in order to improve the likelihood of them growing and becoming sustainable, and that skills development programmes should adapt their curricula to focus more on developing functional competencies as this would promote sustainable small businesses.

## **2.8 Metrics Used to Measure the Outcome of Skills Development Programmes**

It is essential that the correct metrics are used to measure the effectiveness of training and development programmes in skills development. However, Kuratko et al. (2018) argue that evidence of the effectiveness of development programmes, especially as far as entrepreneurship programmes are concerned, is elusive because of the difficulty in establishing appropriate performance metrics. Furthermore, Lackéus (2015) posits that the metrics which are currently being used to evaluate the effectiveness of entrepreneurship training and education are inadequate, and that it is prudent to improve these metrics by incorporating evidence which demonstrates that the training and education have been effective in developing entrepreneurial skills.

Devedzic et al. (2018) insist that it is especially challenging to define appropriate metrics for evaluating soft skills because soft skills are simply difficult to measure. Moreover, Duckworth and Yeager (2015) observe that current approaches in measuring non-cognitive skills—such as self-control, a growth mindset, emotional intelligence, and interpersonal interaction—are largely ineffective as the limitations of these approaches often compromise the validity for practical applications. Newman et al. (2019) reviewed 128 peer reviewed academic journal articles—published after 1998—on entrepreneurial self-efficacy (ESE), and as part of their review they also assessed the measures that were used in these articles to measure ESE. Essentially six different measurement scales were used by the authors of the journal articles, and Newman et al. (2019) identified various deficiencies in the measurement methodologies that were applied, with inconsistencies in how the researchers have measured ESE being their biggest concern. As a result they have urged researchers to define new metrics to evaluate ESE with respect to entrepreneurial activity.

There also appears to be a gap in the extant literature with regards to effective metrics that can be employed by practitioners to measure the efficacy of their entrepreneurial skills development programmes (Devedzic et al., 2018; Duckworth & Yeager, 2015; Kuratko et al., 2018; Lackéus, 2015; Newman et al., 2019). Researchers at an academic level are challenged by identifying appropriate metrics to measure the effectiveness of entrepreneurial skills development—therefore it follows that it is likely to be even a greater challenge at practitioner level. Although assessment models are commonly used for educational assessment purposes, it seems as if these are not being applied to entrepreneurial skills development programmes.

Effective skills development programmes should result in improved business performance, including improved economic performance. Consequently, some corporate sponsors may argue that improved economic performance of their SD and ED programme beneficiaries implies that their skills development programmes have been successful; however, this is not necessarily the case as various other factors affect the economic performance of a business. McGee and Peterson (2019) observe that the effectiveness of entrepreneurs are often measured through metrics that evaluate the performance of their businesses, and not through personal-level metrics. Furthermore, Venkataraman (1997) argues that business should measure

not only their economic performance but also the social contribution that their efforts have made, including the creation of new markets and new employment opportunities. Social contributions result in an increase in an organisation's corporate social responsibility (CSR) reputation. Research by Miller, Eden and Li (2020) as well as Stoian and Gilman (2017) suggests that these social contributions are mutually beneficial in that improvements in the CSR reputation of an organisation often result in increased profits.

An effective skills development programme can therefore result in: (i) Improved economic performance of the beneficiary; (ii) Increased social wealth; and, (iii) Improvements in the CSR reputations—of both the corporate sponsor and their beneficiary—as well as increased profits due to improved CSR reputations. These aspects can be measured to evaluate the effectiveness of training and development programmes in yielding economic profits and improving social wealth, thereby complementing evidence-based metrics that measure the efficacy of these programmes in developing entrepreneurial skills. These metrics can then effectively be used as a skills development programme performance measurement instrument, or to measure the performance of SD and ED programme beneficiaries' businesses.

## **2.9 The Balanced Scorecard as a Performance Measurement Instrument**

Micheli and Mari (2014) posit that performance management systems must be “proportionate” in that decision-making should be informed by “an adequate number of indicators” as opposed to “true representations of performance” (p.154). The focus of metrics should be on definite processes and activities that are being performed, and not on aspects or outcomes that are necessarily easily measurable (Micheli & Mari, 2014). Some scholars believe that the balanced scorecard (Kaplan & Norton, 2007) is an ideal performance measurement instrument that could be used by smaller organisations such as small and medium-sized enterprises (SMEs) (Dudic, Dudic, Gregus, Novackova, & Djakovic, 2020; Malagueño, Lopez-Valeiras, & Gomez-Conde, 2018) as well as by social enterprises in emerging markets (Mamabolo & Myres, 2020).

Kaplan and Norton (2007) argue that nonfinancial metrics are invaluable as they are leading indicators of future economic performance, and that these nonfinancial metrics supplement financial metrics by shifting the focus to a business' customer relationships, “key internal processes” (p. 1) as well as its learning and development. Metrics in these three perspectives are leading indicators of the business' financial

performance. A study by Dudic et al. (2020) suggests that the use of the balanced scorecard as a performance measurement instrument in SMEs—which operate in an emerging economy—contributes to increased levels of innovation that improve the growth of these SMEs. Research by Malagueño et al. (2018) corroborated these findings for SMEs which operate in a developed market—their research examined 201 SMEs in Spain which used the balanced scorecard as a performance measurement instrument, and found that most enterprises achieved elevated levels of exploitative innovation, accompanied by improved financial performance.

Mamabolo and Myres (2020) developed an adapted balanced scorecard and measured the performance of 446 social enterprises in South Africa. Their results indicated that innovation (internal processes), social impact (customer perspective) as well as the learning and development perspective can be reliably measured using an adapted balanced scorecard. Despite the challenges that were highlighted in *Section 2.8* with respect to measuring the effectiveness of skills development programmes, the research by Dudic et al. (2020), Malagueño et al. (2018) as well as Mamabolo and Myres (2020) seem to suggest that an innovative application of the balanced scorecard could be a solution to reliably measure the effectiveness development programmes in skills development. Mamabolo et al. (2017) propose that the skills framework which they have developed through their mixed-method study—discussed in *Section 2.7*—could be adapted and used to assess the effectiveness of entrepreneurial skills development programmes.

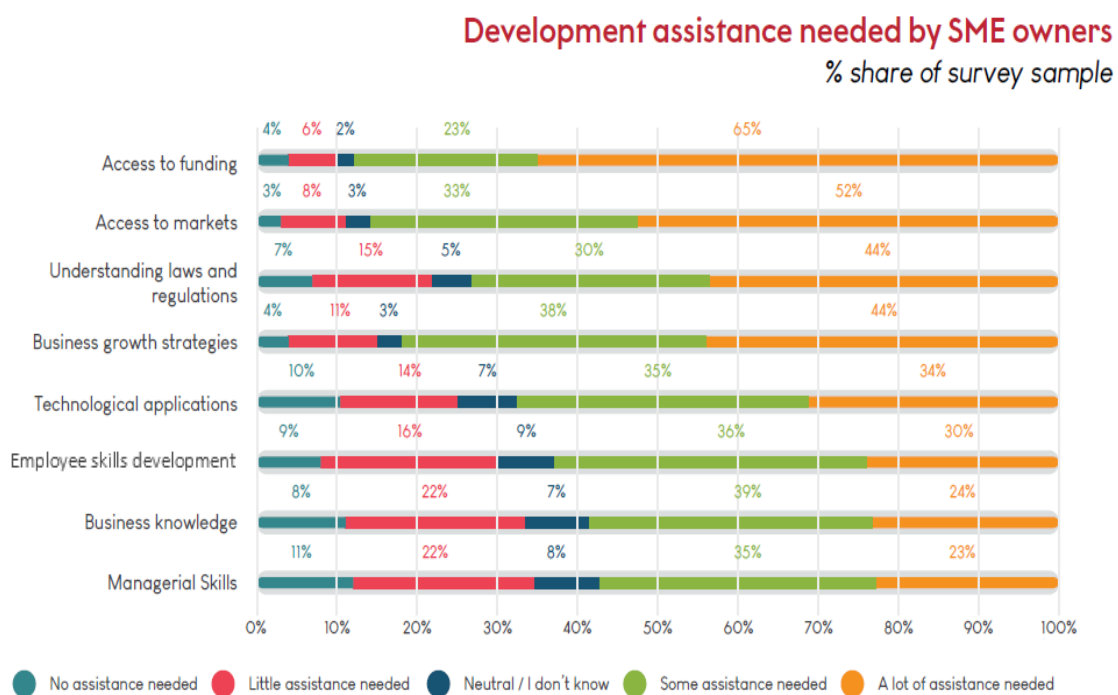
## **2.10 Supplier and Enterprise Development Programmes**

The SD and ED programmes of many businesses in South Africa incorporate initiatives that are aimed at entrepreneurial skills development. As detailed in *Chapter 1* of this research report, government and business invest a considerable amount of resources in an attempt to increase entrepreneurial activity. Considering the slow increase in the established business ownership rate, and conversely the rapid increase in the business discontinuance rate—refer to *Chapter 1* of the research report—it may be argued that these efforts are largely ineffective in developing entrepreneurial skills, promoting business growth and ensuring business continuity.

Extant literature on the challenges that SMMEs and entrepreneurs face in South Africa highlight the fact that inadequate entrepreneurial skills is a major challenge—moreover, studies and surveys indicate that entrepreneurs in South

Africa lack self-confidence, they fear failure, and they do not believe that they possess the necessary knowledge and skills to succeed in business (BER, 2016; GEM, 2018; SEDA, 2019b; GEM, 2020). The challenges that entrepreneurs and small businesses face are not exclusive to South Africa—Sections 2.1 to 2.9 of this research report provide detail on similar challenges that are being experienced by entrepreneurs and small businesses elsewhere in the world.

Research that was commissioned by SME South Africa in 2018—with a sample size of 1157 SME owners—evaluated eight areas that SME owners needed development support in (SME South Africa, 2018). The outcome of this evaluation is presented in **Figure 1**. The results indicate that their greatest needs for support are assistance in gaining access to funding and access to markets, followed by assistance in improving their growth strategies, and improving their knowledge of legislation and regulations that affect them. From a skills development perspective, these SME owners indicated that they do require assistance in employee skills development as well as in improving their business acumen and management skills; however, these ranked the lowest among the eight development areas. The SME owners ranked support in the use of technological applications higher than skills development support. A study by the University of Stellenbosch’s Bureau for Economic Research (BER) corroborates that difficulties in access to funding and credit, education and skills inadequacies as



**Figure 1: Support Needed by SME Owners (SME South Africa, 2018, p.12)**

well as a lack of access to markets are material challenges that many SMMEs in South Africa face (BER, 2016).

Many SMMEs are also challenged by inadequate access to infrastructure, low levels of innovation, burdensome labour legislation, a high degree of government bureaucracy, and high levels of crime (BER, 2016). Many of the impediments that SMMEs face are exogenous factors but these often have significant impacts on the growth and sustainability of SMMEs. Oriaifo, Torres de Oliveira and Ellis (2020) insist that firms and intermediaries in emerging economies should effect change in institutions to address institutional inefficiencies and voids which may impede the growth and sustainability of SMEs. Oriaifo et al. (2020) furthermore argue that SMEs could indirectly influence change by promoting the formation of large and influential intermediaries that have the ability to create a sphere of influence among politicians and business. Matos and Hall (2020), however, cautions that those that wish to address institutional shortcomings should pay specific attention to “the entrepreneur’s individual characteristics and the behavioural dynamics of their networks” (p. 148), especially in settings of poverty. Business should support entrepreneurs by establishing formal networks as a mechanism to promote the development of social networks among entrepreneurs, because social platforms allow entrepreneurs to exchange ideas and experiences (Lamine, Jack, Fayolle, & Chabaud, 2015). Lamine et al. (2015) argue that formal and social networks can stimulate entrepreneurial activity and promote small business growth and sustainability.

As detailed above, many SMMEs in South Africa have a multitude of challenges that they have to successfully navigate in order to prosper. However, it should be noted that GEM (2017) insists that the research done to measure entrepreneurship in South Africa is “based on subjective measures of perceptions that cover attitudes and activities of entrepreneurs” (p. 66). Nevertheless, it is incumbent on SMMEs themselves as well as other firms and intermediaries—including corporate sponsors of SD and ED programme beneficiaries—to support SMMEs in lessening the burden of institutional inefficiencies and voids. The establishment of formal networks as well as the promotion of social networks among entrepreneurs could be powerful mechanisms to achieve this (Lamine et al., 2015). The model by Oriaifo et al. (2020) can be used to address these institutional impediments; however, this institutional

change should always be implemented whilst taking cognisance of the individual entrepreneurs' contexts (Matos & Hall, 2020).

## **2.11 Conclusion**

Based on the studies by De Mel et al. (2014), Brixiová et al. (2015), Gielnik et al. (2015), Campos et al. (2017), and Sutter et al. (2019), specific challenges to entrepreneurial skills development in a poverty context have been highlighted in this literature review. These scholars also provided some recommendations on how to improve existing entrepreneurial skills development programmes, in order to improve the effectiveness of these programmes in enhancing small business performance.

A definition of entrepreneurship has been offered in *Section 2.2* of the research report based on the theory of entrepreneurship opportunity and in accordance with the work by Venkataraman (1997) and Eckhardt and Shane (2003). Following on from the work of these scholars—as well as the work by Alvarez and Barney (2014)—it has been argued in *Section 2.7* that entrepreneurial development programmes should focus on developing the necessary skills to discover and create opportunities. Action regulation theory may shed some light on the gap that exists between entrepreneurial intent and entrepreneurial action, and through the development of non-cognitive skills—such as personal initiative—an entrepreneur's propensity to discover and create opportunities may be increased (Frese et al., 2016; Gielnik et al., 2015; Glaub et al., 2014; Ramoglou & Tsang, 2016).

There appears to be a consensus among scholars that existing training in entrepreneurial development programmes are largely ineffective, and that it should be improved in order to have a meaningful impact on business performance in emerging economies (De Mel et al., 2014; Brixiová et al., 2015; Gielnik et al., 2015; Lackéus, 2015; Ramoglou & Tsang, 2016; Campos et al., 2017; Kuratko et al., 2018; González-López et al., 2019; Sutter et al., 2019). This seems to be the case in South Africa as well. The curricula of most entrepreneurship programmes appear to be dominated by business basics (Botha et al., 2015; Kuratko et al., 2018); however, it appears as if entrepreneurs, experts and SME owners in South Africa are of the view that core business skills are important in a South African context (Botha et al., 2015; Mamabolo et al., 2017). Some scholars appear to disagree on the effectiveness of incubation programmes in developing sustainable businesses (Goswami et al., 2018; Haugh, 2020).

Walton and Wilson (2018) provide a framework on wise interventions—detailed in *Section 2.7* of the research report—that could be valuable in informing psychology-based training programmes for entrepreneurs. A psychology-based training approach in entrepreneurial skill development may be more effective in boosting small business performance in poverty settings, than training in business skills (Campos et al., 2017). Personal initiative training is deemed a wise intervention and may develop an entrepreneur’s action-regulatory skills (Frese et al., 2016; Gielnik et al., 2015; Glaub et al., 2014; Ramoglou & Tsang, 2016), and may contribute to the development of a proactive mindset which enhances entrepreneurial self-efficacy (Campos et al., 2017). Increased levels of entrepreneurial self-efficacy move entrepreneurs from intent to action (McGee & Peterson, 2019; Newman et al., 2019).

Metrics that are currently employed to assess the effectiveness of entrepreneurial skills development programmes are inadequate (Lackéus, 2015). Moreover, metrics that are used to measure the effectiveness of entrepreneurs often evaluate the performance of their businesses (McGee & Peterson, 2019). The balanced scorecard (Kaplan & Norton, 2007) could be adapted and used to measure the performance of SMMEs, and can measure not only financial performance, but also leading indicators of financial performance such as innovation, social impact, customer perspectives as well as learning and growth perspectives (Dudic et al., 2020; Malagueño et al., 2018; Mamabolo & Myres, 2020).

As mentioned in *Chapter 1*, the economic potential of entrepreneurship is recognised by governments across the world, resulting in them adopting policies that promote entrepreneurship (O’Connor, 2013). The South African government is aligned to this approach, and has implemented the B-BBEE act to improve economic transformation in South Africa and to also promote the formation of small businesses (B-BBEE Commission, 2016). SD and ED programmes are an integral part of this strategy and the B-BBEE code requirements. However, as argued in *Chapter 1*, SD and ED programmes are largely ineffective in unlocking the entrepreneurial potential of their beneficiaries, despite significant investments being made in these programmes. It is therefore paramount to understand how the effectiveness of SD and ED programmes in entrepreneurial skills development can be improved.

The research questions are presented and discussed in *Chapter 3* that follows.



## CHAPTER 3 – RESEARCH QUESTIONS

This research project aims to answer the research questions that are listed and detailed below. These research questions were developed based on the literature review that has been presented in *Chapter 2*, and aim to explore gaps in the literature with regard to entrepreneurial skills development, specifically in the South African context of SD and ED programmes. The perspectives of scholars, entrepreneurs, business owners as well as experts with regard to entrepreneurial skills development have been presented in the literature review. The consistency matrix that is presented in **Appendix A** provides an overview of how the research questions, literature review, interview guideline and analysis have been aligned to each other. This research project seeks to obtain a perspective on entrepreneurial skills development from managers that are responsible for SD and ED programmes in their organisations.

### 3.1 Research Question 1

*What skills do corporates consider to be the most important for a small business owner to succeed? How do the SD and ED programmes of corporates contribute towards entrepreneurial skills development?*

Botha et al. (2015) as well as Mamabolo et al. (2017) provide perspectives from entrepreneurs, experts and SME owners on priorities in entrepreneurial skills development in a South African context. This question, however, provides insight into SD and ED managers' perceptions of the most important skills that small business owners should possess in order to grow their businesses and to become sustainable, and then explores the education and training that corporates provide to small businesses in developing their entrepreneurial skills. A comparison is drawn between the skills that the managers identify and the skills development support that corporates provide as well as the contribution that their development programmes make to entrepreneurial skills development.

Research on the influence that training in non-business skills has on small business performance and continuity is limited (González-López et al., 2019; Lackéus, 2015; Sutter et al., 2019). This research question therefore also explores how SD and ED programmes focus their efforts in the development of basic business skills versus non-business skills, as well as the perceived effectiveness of the two approaches. Various scholars—as detailed in *Chapter 2*—provide arguments for alternative

training approaches (Brixiová et al., 2015; Campos et al., 2017; De Mel et al., 2014; Frese et al., 2016; Gielnik et al., 2015; Glaub et al., 2014; Kuratko et al., 2018; Ramoglou & Tsang, 2016; Walton & Wilson, 2018).

### **3.2 Research Question 2**

*What metrics do corporates employ to assess the success of their SD and ED programmes, and are these metrics effective in measuring entrepreneurial skills development?*

As detailed in *Section 2.8*, effective metrics to measure entrepreneurial skills development remain elusive because of the difficulties to establish appropriate metrics (Devedzic et al., 2018; Duckworth & Yeager, 2015; Kuratko et al., 2018; Lackéus, 2015; Newman et al., 2019). Furthermore, the effectiveness of entrepreneurs are often evaluated based on the performance of their businesses (McGee & Peterson, 2019). Extant literature does not seem to provide plausible solutions for measuring development programmes' effectiveness in skills development. This research question aims to contribute to the body of knowledge in entrepreneurial skills development metrics by exploring how corporates measure the success of their SD and ED programmes, and what metrics they employ to measure the effectiveness of their programmes in entrepreneurial skills development.

### **3.3 Research Question 3**

*What interventions or support mechanisms are the most successful in promoting small business growth?*

Alvarez and Barney (2014), De Mel et al. (2014) as well as Campos et al. (2017) provide strong arguments for interventions or support mechanisms which they believe would greatly benefit small business growth. Goswami et al. (2018) and De Mel et al. (2014) argue that informal interactions and mentoring programmes could improve small business performance, and Kuratko et al. (2018) posit that the learning process should ideally be experiential. This question explores what interventions or support mechanisms are perceived by SD and ED programme managers to have the greatest impact on small business growth.

Haugh (2020) and Goswami et al. (2018) disagree on the impact that incubator programmes have on small businesses' sustainability. This research question also explores SD and ED programme managers' perspectives on the impact of incubator

programmes on small businesses' sustainability. BER (2016) and SME South Africa (2018) provide some insight into the greatest impediments that SMMEs face; however they provide very little context to the graphs and tables that are presented in their research reports. This research question seeks to explore the nuances of the greatest impediments that SD and ED programme beneficiaries face, as perceived by the programme managers.

Oriaifo et al. (2020) suggest that SMEs should influence institutional improvements through the promotion of influential intermediaries, whereas Lamine et al. (2015) propose that business should establish formal networks that promote the formation of social networks between entrepreneurs. This research question also explores to what extent corporate sponsors provide support to their SD and ED programme beneficiaries in this regard.

### **3.4 Research Question 4**

*How can SD and ED programmes be enhanced to improve its effectiveness in developing entrepreneurial skills?*

This research question complements *Research Questions 1, 2 and 3*, in that it explores recommendations by SD and ED programme managers to improve the effectiveness of their SD and ED programmes in entrepreneurial skills development. The research question encompasses all the aspects that are reflected in *Research Questions 1, 2 and 3*; however, the focus of the question is on future improvements whereas *Research Questions 1, 2 and 3* explores the status quo. All the literature that has been presented in support of *Research Questions 1, 2 and 3* also support this research question. The research question also explores recommended improvement opportunities that are exogenous to SD and ED programmes.

The research design and methodology that have been used for this research project are presented and discussed in *Chapter 4* that follows, and insight is provided into the reasons why the proposed methodology and design are deemed appropriate.

## CHAPTER 4 – RESEARCH METHODOLOGY

The methodology that was used for this research was aligned to the objectives of the research as detailed in *Chapter 1* of this research report. This research is exploratory in nature as it sought to discover how corporates contribute towards entrepreneurial skills development, and how effective managers perceive their organisations' SD and ED programmes to be in developing entrepreneurial skills. According to Bhattacharjee (2012), exploratory research is appropriate when the objectives of the research are to understand the scale of a specific phenomenon, challenge or behaviour, and to develop preliminary thoughts or concepts about the phenomenon—exploratory research is also used to determine if it would be feasible to extend the study of the phenomenon in order to gain a deeper understanding. Exploratory—qualitative—research was therefore most appropriate for this research project. An interpretivist philosophy is appropriate when a study seeks to gain a deeper understanding of “social phenomena in their natural environment” (Saunders & Lewis, 2018, p. 109). A philosophy of interpretivism was deemed most appropriate for this research as the researcher wanted to understand the meaning of the interviewees' experiences with due regard to their natural environments.

According to Yin (2016), an inductive approach provides for a better understanding of the research background as well as for a more flexible analysis procedure. Hsieh and Shannon (2005) suggest that researchers should use an inductive (conventional) content analysis for a study where the research is aimed at explaining phenomena, and when extant literature on the research topic is limited. The benefit of an inductive approach is that researchers gain “direct information from study participants without imposing preconceived categories or theoretical perspectives” (Hsieh & Shannon, 2005, p. 1279). Given the exploratory nature of this research as well as the fact that limited literature is available on this topic, the objectives of the research were best met through an inductive process.

A mono-method was used during this research, mainly because of time constraints that prevented the researcher from employing multiple or mixed methods. In addition, it was not justifiable to apply a more complicated design for this study, because the research questions in many research projects are often adequately answered through a mono-method design (Guest, Namey, & Mitchell, 2013). Guest et al. (2013) posits that if not much is known about a topic, qualitative research is more suitable and an exploratory approach is required. The objective of this study is to understand

how SD and ED programmes contribute towards entrepreneurial skills development, and if managers that are leading these programmes perceive these programmes to be effective in developing entrepreneurial skills—aspects that are not well understood. Therefore an exploratory study was most appropriate as it “seeks to seek new insights” and assesses “topics in a new light” (Saunders & Lewis, 2018, p.115).

Jacob and Furgerson (2012) suggest that an accomplished interviewer can “gain insight into lived experiences, learn the perspectives of individuals participating in a study, and discover the nuances in stories” (p. 1). Interviews were therefore considered to be the most appropriate research strategy for this study, mainly because of the exploratory nature of the research. The research strategy was to conduct face-to-face interviews with representatives within the target population. According to Saunders and Lewis (2018), people also tend to be more receptive to participate in interviews than to complete questionnaires— the researcher found that this was the case as the required sample size for this research project was achieved quite easily.

A cross-sectional study is “a study in which various segments of a population are sampled and data are collected at a single moment in time” (Zikmund, Babin, Carr, & Griffen, 2009, p. 196). This research project had to be completed within a limited period of time, and the researcher therefore performed a cross-sectional study. This approach provided a snapshot of the research environment over the time period that the research was conducted (Saunders & Lewis, 2018). The researcher originally envisaged that a single interview would have been conducted per interviewee. However, the researcher had to conduct one follow-up interview, because the one interviewee was very passionate about the topic and had many insights that she wanted to share, and as a result the researcher could not manage to explore all the interview questions within a single interview with this person.

The researcher made use of in-depth semi-structured interviews to collect the data for this research, as this interview technique is appropriate to achieve a “depth and roundness of understanding” (Mason, 2002, p. 65). The interviews were all relatively informal, and the researcher applied a fluid and adaptable structure to enable the researcher and interviewees to discover unexpected themes (Mason, 2002). Although a list of topics as well as questions that are aligned to these topics were developed before the interviews, the researcher varied the sequence of these

questions, in some instances some questions were not asked, and in some instances additional questions were asked (Saunders & Lewis, 2018). As the research is exploratory and the aim was to discover as much as possible about the interviewees, their situations and their perceptions—of the effectiveness of their organisations' SD and ED programmes—open-ended questions were mostly used as this allowed the participants to provide the researcher with additional information (Jacob & Furgerson, 2012).

#### **4.1 Population**

A target population represents the members from the total population that the researcher wants to be reflected in the sample (Zikmund et al., 2009), whereas the total population includes “the complete set of group members” (Saunders & Lewis, 2018, p. 138). The total population for this study was defined as all managers of SD and ED programmes in South Africa. The target population for this study included all managers that are responsible for SD and ED programmes at Large Enterprises in South Africa, including the managers of consulting firms that support Large Enterprises with the implementation of their SD and ED programmes. Size classifications of enterprises differ per economic sector and is determined by the Department of Trade and Industry (DTI), in accordance with the National Small Business Amendment Bill, and based on the enterprise's annual turnover (SEDA, 2019a). This classification was used to identify Large Enterprises that operate within South African.

The researcher focused the study on Large Enterprises, because these are the enterprises that have the largest budgets at their disposal to invest in SD and ED programmes, and they often have dedicated resources that focus on SD and ED. It can therefore be argued that Large Enterprises should be more effective in implementing SD and ED programmes than smaller enterprises. As mentioned in *Chapter 1* of this research report, an attractive B-BBEE status makes the business an attractive partner to do business with, and investment in SD and ED programmes improves the B-BBEE status of a business. Given that the success of SD and ED programmes is material to the prosperity of business in South Africa, especially for Large Enterprises, insights from the leaders that are responsible for managing these programmes provide a deeper understanding of how these programmes contribute towards entrepreneurial skills development, and how effective these programmes are.

## **4.2 Unit of Analysis**

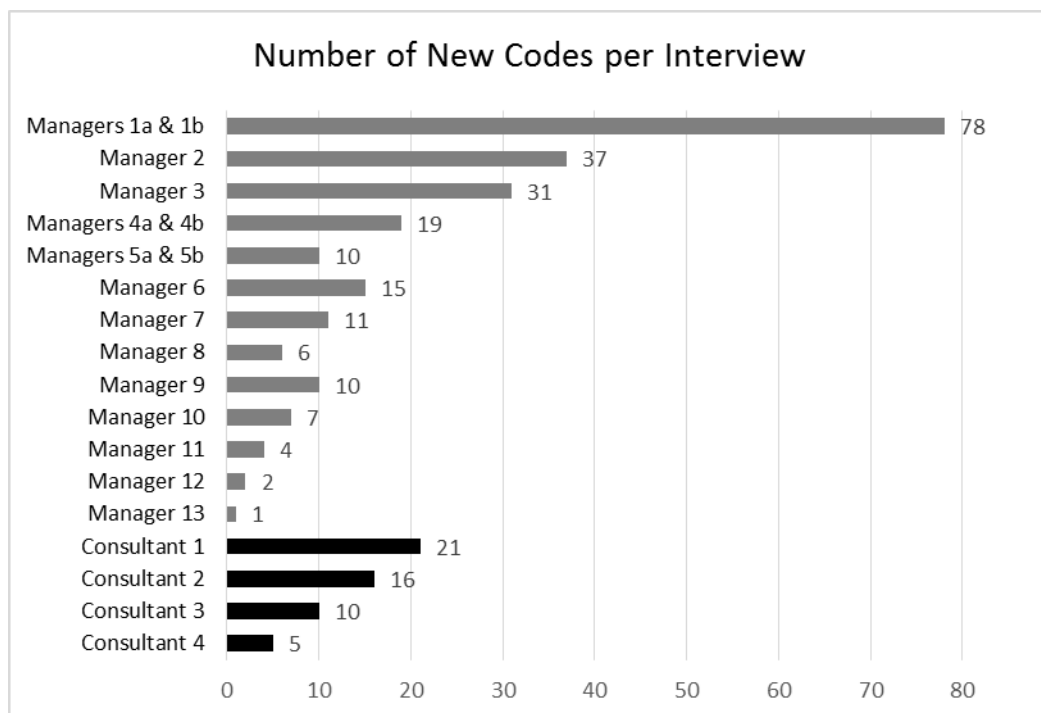
The unit of analysis in research “indicates what or who should provide the data and at what level of aggregation” (Zikmund et al., 2009). The unit of analysis for this research are those individual managers that are either directly responsible for the success of the SD and ED programmes at their respective companies, or consultants to organisations implementing SD and ED programmes.

## **4.3 Sampling Method and Size**

Non-probability sampling is a technique where the researcher selects the sample based on personal judgement, and where “the probability of any particular member of the population being chosen is unknown” (Zikmund et al., 2009, p. 395). Purposive sampling ensures that participants that are chosen to contribute to the research are competent to answer the research questions (Saunders & Lewis, 2018). This research employed a non-probability, purposive sampling methodology as the researcher wanted to ensure that the most suitable participants were approached to contribute to the research, in order to meet the objectives of this research. The ‘critical case’ variety of purposive sampling was applied in an attempt to ensure that the research aims and objectives were addressed, and that insights that may be of interest were revealed in the selected sample (Saunders & Lewis, 2018).

The primary sample included CSR managers of Large Enterprises which have well established CSR practices, and that have been providing SD and ED programmes for at least five years. The researcher used his personal network to gain access to the aforementioned CSR managers. The secondary sample included senior managers of different consultancy firms which provide business development and consultancy services within SD and ED to Large Enterprises—these senior managers all had at least five years of experience in supporting corporate clients with their SD and ED programmes. The secondary sample was included to obtain a balanced view from two different manager groups of stakeholders in SD and ED programmes, thereby enabling the researcher to triangulate the findings and to add richness and detail to the results. The researcher performed a web based search into consultancy firms that had Large Enterprises listed as clients—of SD and ED programme related services—on their websites, and the researcher then contacted these consultancy firms directly to secure interviews with experienced senior managers.

Guest, Bunce and Johnson (2006) conducted a study to determine the appropriate number of interviewees for non-probabilistic, purposive sampling in qualitative research, and detected basic elements for metathemes already after six interviews, and found that saturation was achieved within the first twelve interviews. Bertaux (1981) argues that 15 interviews are the minimum acceptable number of interviews in qualitative interviews, whereas Creswell (2007) suggests that the sample size should be from five to 25 interviews. The sample size for this study was identified as 13 managers and four consultants; however, three of the corporates were each represented by two managers during their companies' respective interviews. Although the researcher sensed that he approached saturation by the seventh interview, the interviews with all 13 managers were diligently completed. Saturation is "the point at which no new information or themes are observed in the data" (Guest et al., 2006, p. 59). **Figure 2** illustrates the number of new codes that were identified per interview.



**Figure 2: Data Saturation Trends for Primary and Secondary Samples**

As can be seen, saturation was clearly approached towards the last number of interviews that were conducted with the managers. It is also evident from **Figure 2** that the interview that was conducted with the first consultant resulted in 21 new codes. Consultants provide SD and ED services to various corporate clients, and often they work directly with the beneficiaries and in some instances have more engagements with the beneficiaries than the managers themselves. These

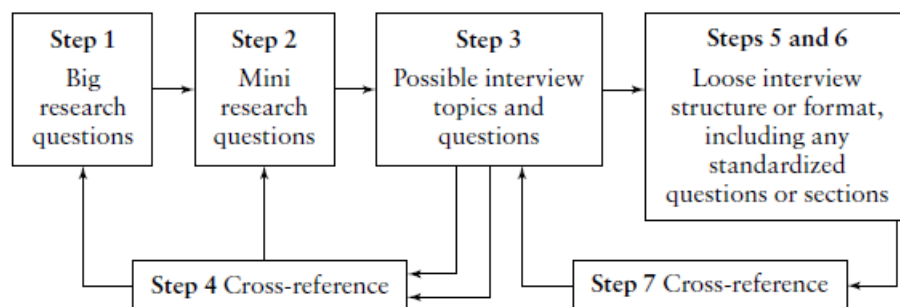


consultants therefore have a slightly different perspective on SD and ED programmes—this became evident during their interviews and are reflected by the number of new codes generated as shown by the trends in **Figure 2**. Nevertheless, saturation was once again approached by the fourth consultant interview.

#### 4.4 Measurement Instrument

An interview guideline was used as measurement instrument during the interviews. As the research is exploratory in nature, the emphasis was on “depth, nuance, complexity and roundness” of information and the guideline was developed such that it did not impose any restrictions on the interview process in this respect (Mason, 2002, p. 65). Jacob and Furgerson (2012) suggest that researchers in qualitative studies should be flexible and make adjustments to their interview questions as this will enable the researcher to uncover new and interesting information that may emerge. The researcher was flexible in the application of the interview guideline when he conducted the interviews during this research.

The qualitative interview planning and preparation process as recommended by Mason (2002) and shown in **Figure 3** have been adopted to develop the interview guideline, as well as to plan and prepare for the interviews. Refer to **Appendix B** and **Appendix C** for the final versions of the interview guidelines—as adapted after the pilot-test interview—that were used during the interviews with the representatives of the corporates and consulting firms respectively.



**Figure 3: Qualitative Interview Planning and Preparation Process (Mason, 2002, p.72)**

The interview guideline started off with a few introductory questions, followed by other type of questions (for instance probing-, specifying-, indirect-, structuring-, and interpreting questions) that are appropriate to a semi-structured interview setting (Saunders & Lewis, 2018). Open-ended questions were predominantly used, with the exception of structuring- and interpreting questions that were required at times. Relevant information of each participant was also collected at the commencement of

the interview. The content of each question was aligned to the objectives of the research project as detailed in *Chapter 1* of this research report. Refer to the consistency matrix in **Appendix A** for an overview of how questions in the interview guideline were aligned to answer each research question.

#### **4.5 Data Gathering Process**

The data gathering process only commenced after the researcher's application for ethical clearance was approved—refer to **Appendix D** for a copy of the ethical clearance approval letter that was issued to the researcher. In-depth semi-structured interviews were used to collect the data for this research. As detailed in *Section 4.3*, a non-probability, purposive sampling methodology was employed to ensure that the most suitable participants were interviewed during the research. Potential interview participants were approached through an invitation letter that provided context of the research project as well as the criteria that they had to meet to participate in the interviews. A copy of the invitation letter is included in **Appendix E**.

Interview guidelines—copies attached in **Appendix B** and **Appendix C**—as detailed in *Section 4.4* of the research report were used by the researcher when the interviews were conducted. Jacob and Furgerson (2012) provide a detailed framework that can be used to ensure that qualitative interviews are effective in answering the research questions. This framework was used by the researcher when he conducted the interviews for this research project—this approach allowed the researcher to discover the lived experiences and perspectives of the interviewees, and to learn the nuances in their narratives (Jacob & Furgerson, 2012). Some of the elements of this framework are detailed hereafter.

One pilot-test interview was conducted at the onset of the data gathering process. Jacob and Furgerson (2012) argue that people that are close to the target population should be interviewed during a pilot-test interview, as this will allow the researcher to improve the interview protocol. This is necessary in order to ensure that the questions are not leading and clearly understood, and that the answers to the questions provide the data that are required to satisfy the objectives of this study (Saunders & Lewis, 2018). For the pilot-test interview, the researcher interviewed two managers of a large insurance company which has a well-established SD and ED programme. The researcher identified the managers of this company for the pilot-test interview due to the passion that the one manager demonstrated in SD and ED, this manager's

extensive experience in SD and ED, as well as the rapport that the researcher managed to build with this manager in scheduling the interview.

The pilot-test interview took longer than originally estimated as the one manager had many insights that she wanted to share. The researcher then conducted a follow-up interview with this manager to ensure that all interview questions were explored. The researcher adapted the interview guidelines based on the pilot-test interview, and used the adapted interview guidelines for the rest of the interviews. Note that the insights gained from the pilot-test interview have been included as part of the findings of this research project, because the researcher was satisfied that all questions have been adequately answered by the end of the follow-up interview.

All interviews were conducted virtually, using the Microsoft Teams web based online meeting software in order to comply with the 2019 novel coronavirus disease (COVID-19) health related protocols of many of the companies that formed part of the sample. The researcher made sure that the participants were at ease, and requested the participants to ensure that minimal disruptions take place, and that noise levels are low enough to ensure good quality of the digital voice recordings that were taken (Saunders & Lewis, 2018).

Refer to **Appendix F** for an example of the informed consent form that each participant was requested to complete and sign prior to the interview taking place. Some participants did not return their consent letters prior to their interviews; however, the researcher reminded those participants during their interviews to sign and return their informed consent letters, and they did so shortly after their interviews. All informed consent forms were electronically completed, signed and returned to the researcher.

The interview guidelines included an introductory script to explain to each participant—before commencing with the interview questions—what the purpose of the research project was. This interview guidelines was also used to provide guidance to the researcher during the process, and to ensure that all the information that the researcher intended to share with the participants before and after the interview was shared (Jacob & Furgerson, 2012). Each participant was informed of the confidential nature of the information that would be shared, as well as their right to withdraw from the interview at any stage during the interview. Finally, the researcher obtained each participant's permission to make a digital recording of the

interview before the researcher started the digital voice recorder and commenced with the interview.

The researcher also made field notes during the interview. The purpose of these notes was to record how the researcher experienced the interview, but also to record the emotional responses of the participants as they answered questions (for example, if they were noticeably uncomfortable when answering a question or if they showed excitement or passion when answering a question). The researcher reviewed the field notes made for each interview before commencing with the analysis of that interview's transcript, as well as during the development of the findings chapter of this research report—*Chapter 5*—as a reminder of how the researcher experienced each participant.

#### **4.6 Analysis Approach**

The digital voice recording of each interview was transcribed as soon as possible after each interview. The researcher contracted a third party service provider to do the transcription, and entered into a confidentiality and non-disclosure agreement (NDA) with the service provider to ensure that confidentiality is maintained—refer to **Appendix G** for a copy of the NDA. After each interview the field notes were also transcribed by the same third party service provider. Copies of all digital voice recordings, transcriptions of these recordings as well as all transcribed field notes have been digitally stored—without any identifiers—on a universal serial bus (USB) storage device as well as an external hard drive, and will be kept in safe storage for a minimum period of 10 years.

The transcripts were imported into the ATLAS.ti 8 computer-aided qualitative data analysis software programme for analysis. The researcher started the analysis process by reading all transcripts attentively, and then organised the transcripts in order of the perceived richness of each interview's insights. Transcripts were then analysed in sequence of perceived insight richness, starting with the transcript that was perceived to offer the most insights. Transcripts of managers and consultants were analysed separately, and the managers' transcripts were analysed first. Using ATLAS.ti 8, the researcher then proceeded in performing a thematic analysis of the data in accordance with the approach that Hsieh and Shannon (2005) recommend for performing conventional content analysis.

The approach by Hsieh and Shannon (2005) is reflected in the steps that the researcher has followed for each transcript, and can be summarised as follows:

- i) The researcher started by reading the data—transcript—repeatedly to gain a thorough understanding of the deeper meaning of the interview;
- ii) The transcript was then read word-by-word, and initial codes were generated by highlighting key phrases in the transcripts and coding these phrases in ATLAS.ti 8 in order “to capture key thoughts or concepts” (Hsieh & Shannon, 2005, p. 1279). Labels for the codes were either taken directly from the text in the transcript, or the researcher assigned a label which was deemed most appropriate;
- iii) As the researcher worked through a transcript and progressed to other transcripts, the codes list was refined by grouping similar codes, and then combining these into a single code. This was an ongoing process throughout the analysis. A copy of the ATLAS.ti 8 codes list that resulted from this process is included in **Appendix H**;
- iv) Using ATLAS.ti 8, the researcher then categorised codes into code groups. These code groups represented individual codes that were somehow related or linked to each other. The researcher then exported the codes and code groups list into a Microsoft Excel file for further analysis;
- v) The code groups were then organised into meaningful clusters using Microsoft Excel, and these clusters were then each assigned a descriptive theme. Refer to **Appendix I** for an overview of how codes were grouped into categories, and how the different categories or code groups were then clustered to represent the different themes that have emerged; and
- vi) The relevance of each theme in answering the research questions was then evaluated, and each theme was then assigned to the particular research question that it answers, as presented in **Appendix I**.

#### **4.7 Quality Controls**

Mason (2002) postulates that decisions regarding validity are actually decisions about whether what is being measured is indeed what is being claimed to be measured. Saunders and Lewis (2018) cautions that the interview guideline should be developed such that both content validity and construct validity are achieved. The researcher placed an emphasis on ensuring that the interview questions were flawlessly constructed so that both content validity as well as construct validity were

achieved. Construct validity was ensured by carefully designing the questions so that the data that was collected was aligned to what needs to be measured (Saunders & Lewis, 2018). All questions in the interview guideline were carefully scrutinised so that the data that was collected was adequate in answering the research questions, thereby ensuring content validity in order to meet the objectives of the research (Saunders & Lewis, 2018). The test-pilot interview (first interview) provided valuable insights into the validity of the interview questions—based on these insights the researcher amended the interview questions to ensure that the data being collected is aligned to the research objectives. The amended interview guidelines were used when the remaining interviews were conducted.

The accuracy of qualitative research methods and practice must be unquestionable (Mason, 2002). Guest et al. (2013) argue that although a lack in structure in qualitative questioning decreases reliability, overall face validity is enhanced. Mason (2002) maintains that reliability is associated more with quantitative research, but recommends that qualitative researchers must still ensure the accuracy of their methods and research practice by ensuring that data are not ‘invented’ or misrepresented, and that care must be taken during the recording and analysis of data. Veracity was ensured by accurately transcribing the digital recordings and field notes. Furthermore, all responses were recorded and transcribed to ensure that all information was included in the analysis process. To ensure that the quality of the results was not compromised, the researcher performed the analysis personally and followed a structured methodology during the qualitative analysis of the data.

According to Saunders and Lewis (2018), interviewer bias and response bias can influence the interview dynamics due to the subjective nature of qualitative research. To minimise the risk of these biases influencing the data collected, only the researcher conducted the interviews. Moreover, during the interviews the researcher remained mindful of the possibility of interviewer and response bias, and attempted to manage these risks accordingly.

As an additional quality control measure, the researcher included four consultants in the sample—referred to as the secondary sample in *Section 4.3*—to enable the researcher to triangulate the findings and to add richness and detail to the results. Triangulation can be used as a “strategy to test validity through the convergence of information from different sources” (Carter, Bryant-Lukosius, Dicenso, Blythe, & Neville, 2014). According to Mason (2002), triangulation can be used to verify or

enhance the quality of data; however, the basis on which one set of data can corroborate another needs to be considered.

Morse, Barrett, Mayan, Olson and Spiers (2002) identified five verification strategies that researchers can apply to ensure reliability and validity in qualitative research. Their first two strategies—methodological coherence and sampling adequacy—have been adequately addressed elsewhere in this research report. The third strategy—which is essential to ensure reliability and validity—requires that the collection and analysis of data should happen concurrently, because it develops a “mutual interaction between what is known and what one needs to know” (Morse et al., 2002, 18). Although the researcher initially endeavoured to collect and analyse the data concurrently during this research project, the researcher failed to accomplish this due to work load and time constraints. However, as the researcher progressively gained more insights during each interview—by attentively listening to the participants’ responses—the researcher became more aware of what was known and unknown, and this equipped the researcher to seek clarification and ask probing questions during subsequent interviews. The final two strategies—“thinking theoretically” and developing theory (Morse et al., 2002)—are also strategies that the researcher applied during the interview and data analysis processes to ensure reliability and validity in this research project.

#### **4.8 Limitations**

Possible limitations of this research may include:

- i) Interviewer and response biases that may have impacted the objectivity of the study and affect the veracity of the data collected (Saunders & Lewis, 2018), but the researcher have attempted to manage this risk as detailed in Section 4.7;
- ii) As this is a qualitative study, the results are not quantifiable and verifiable;
- iii) Due to the complex nature of the topic being researched, and because this is a cross-sectional study and a qualitative research approach was taken, it would be impossible to replicate this study (Myres, 2020);
- iv) The results from this study cannot be generalised from the sample to the population, because of sample limitations in that samples cannot be perfectly generalised to the populations, and the data is based on the lived experiences—which is subjective—of the participants (Zikmund et al., 2009);

- v) Inductive content analysis could result in findings that are an inaccurate representation of the data, as failing to fully understand the context may result in some key categories not being identified during analysis (Hsieh & Shannon, 2005). However, the researcher attempted to manage this risk by encouraging the participants to provide as much context as possible, and by not imposing any time constraints during the interviews;
- vi) The researcher is not an expert in qualitative research interviews and this may have influenced the data being collected. However, Roulston (2010) argues that inexperienced qualitative researchers could mitigate their inexperience by making “informed decisions concerning research design and methods, what kinds of research questions might be posed, how interview questions are formulated, and appropriate ways to analyse and represent interview data” (p. 224). The researcher followed these guidelines by Roulston (2010) in an attempt to mitigate the researcher’s inexperience in qualitative research interviews;
- vii) Cultural and language differences between the interviewer and participants may also be a limitation in a study like this. However, all participants were fluent in English and the researcher phrased all questions as simplistically as possible;
- viii) The researcher included only four consultants in the sample, and perhaps a more balanced view could have been obtained if more consultants contributed to the research. Although this may be true, the data saturation trends in **Figure 2** seem to suggest that the researcher has approached data saturation; and
- ix) This research project did not consider the perspectives of any SD and ED programme beneficiaries. Although this would have contributed to an even greater understanding of the effectiveness of SD and ED programmes in entrepreneurial skills development and would have contributed to the triangulation of the findings, beneficiaries intentionally did not form part of the scope of this research project. The research objective is to understand the perspectives of managers.



## CHAPTER 5 – FINDINGS

### 5.1 Introduction

The key findings from semi-structured interviews that were conducted as part of the data collection process are presented in this chapter. The data was collected and analysed in accordance with the research methodology that is detailed in *Chapter 4*, and the results from this analysis are structured and presented in accordance with the research questions that were formulated in *Chapter 3*. The consistency matrix—included in **Appendix A**—was used to guarantee coherence between the research questions, the literature that was reviewed as well as the data collection and analysis processes.

The remainder of this chapter will initially provide detail and context of the interviewees and their industries, followed by a comprehensive presentation of the key findings from the qualitative analysis.

### 5.2 Description of the Sample

A non-probability, purposive sampling methodology—as detailed in *Chapter 4*—was used to meticulously select the interviewees for this research. The primary sample consisted of a total of 16 managers at 13 Large Enterprises that have been delivering SD or ED programmes as part of their CSR programmes which have been in existence for at least the last five years. For this sample, individuals that represent a broad scope of industries were targeted to obtain heterogeneous perspectives in order to contribute to the profundity and richness of the data. The secondary sample consisted of four consultants from different consultancy firms, each having had at least five years of experience in supporting Large Enterprises with the development and execution of their SD and ED programmes. This sample has been included as a quality control measure in obtaining a balanced view from two different groups of stakeholders in SD and ED programmes, thereby enabling the researcher to triangulate the findings and to add richness and detail to the results.

Confidentiality and anonymity of all companies as well as their representatives have been maintained by referring only to a *Manager* or *Consultant* number throughout this research report. Refer to **Table 1** for a list of the interviewees that were interviewed as part of the primary and secondary samples, their positions within their organisations, as well as the number of years that they have been involved in SD and ED initiatives throughout their careers to date.

### 5.2.1 Primary Sample – Managers at Companies

**Table 1** indicates the industry within which each company operates in as well as the number of years that each company has been active in SD or ED initiatives. As can be seen from the information provided, some companies have been involved in SD or SD for as long as 30 years; however, all 13 companies have been operating SD and ED programmes for at least the last five years. As can be seen in **Table 1**, the primary sample represents a vast scope of industries within the South African corporate landscape.

**Table 1: Interviewee, Industry and Company Information**

Interviewee	Industry	Company's Involvement in ED / SD	Interviewee's Role Within Organisation <i>(adapted where necessary to ensure anonymity)</i>	Interviewee's Experience in ED / SD
Manager 1a Manager 1b	Insurance	5 yrs.	Group Services Manager Enterprise and Supplier Development Manager	Not Stated > 10 yrs.
Manager 2	Mining	30 yrs.	Value Chain Manager	8 yrs.
Manager 3	Oil and Petroleum Manufacturing	30 yrs.	Transformation Manager	15 yrs.
Manager 4a Manager 4b	Chemicals and Explosives Manufacturing	13 yrs.	Group Procurement Manager Enterprise and Supplier Development Manager	Not Stated 3.5 yrs.
Manager 5a Manager 5b	Construction Materials Manufacturing	6 yrs.	Procurement Manager Corporate Social Responsibility Manager	20 yrs. 4 yrs.
Manager 6	Fast-Moving Consumer Goods Manufacturing	30 yrs.	Head of Enterprise Development	10 yrs.
Manager 7	Engineering and Equipment Manufacturing	9 yrs.	Head of Procurement	9 yrs.
Manager 8	Agriculture	> 20 yrs.	Transformation Manager	> 10 yrs.
Manager 9	Banking	25 yrs.	Head of Enterprise Development	3 yrs.
Manager 10	Logistics	5 yrs.	Group Projects Manager	> 5 yrs.
Manager 11	Financial Services and Insurance	12 yrs.	Preferential Procurement Specialist	12 yrs.
Manager 12	Chemicals and Fertilizers Manufacturing	> 10 yrs.	Group Sustainability Manager	7 yrs.
Manager 13	Pharmaceutical	> 10 yrs.	Group Learning and Development Manager	7 yrs.
Consultant 1	<i>Business Development and Consultancy</i>	7 yrs.	<i>Managing Director</i>	> 7 yrs.
Consultant 2	<i>Business Development and Consultancy</i>	> 7 yrs.	<i>Senior Project Manager</i>	11 yrs.
Consultant 3	<i>Business Development and Consultancy</i>	9 yrs.	<i>Chief of Operations</i>	7 yrs.
Consultant 4	<i>ED and SD Solutions Provider</i>	5 yrs.	<i>Chief Executive Officer</i>	5 yrs.

The primary sample consisted of 10 female and six male participants, all senior managers within their respective organisations with experience levels in SD and ED that varied from as low as three years to as high as 20 years. The primary sample therefore represents a good balance between well-seasoned managers with a wealth of experience in SD and ED, and younger, less experienced managers with relatively uninfluenced and therefore fresh perspectives on SD and ED.

Two companies were each represented by two participants—the manager that is responsible for SD and ED programmes within their respective organisations (*Managers 1a* and *4a*), as well each individual's immediate manager (*Managers 1b* and *4b*). Both participants of each organisation attended and contributed during their organisation's interviews. One company was represented by one manager that is responsible for SD (*Manager 5a*) and another manager that is responsible for ED (*Manager 5b*). It is important to note that the frequency counts for the managers of corporates—the primary sample, *Managers 1* to *13*—reflect in the columns with headings “M” in the frequency tables that follow in *Sections 5.3* to *5.7*. This sample will be referred to as “*Managers*” hereafter.

### **5.2.2 Secondary Sample – Managers at Consultancy Firms**

The secondary sample includes four senior managers of different consultancy firms which provide business development and consultancy services within SD and ED. The services that most of these consultancy firms provide include strategy development, B-BBEE advisory services and verification, project implementation as well as the facilitation and provision of training and development programmes for beneficiaries. *Consultant 3* indicated that they also source beneficiaries (mostly suppliers) to participate in their customers' SD programmes. All four consultancy firms have provided SD and ED services for Large Enterprises and their customer portfolios include large companies in the following industries: mining, engineering, manufacturing, all sectors of insurance, banking, telecommunication, restaurant, and fast-moving consumer goods. Each of these consultancy firms also rendered services to one or more of the companies that were represented by the primary sample.

The secondary sample consists of two female and two male participants, with three of the participants being executives within their organisations and the fourth participant being a senior project manager within her organisation. As indicated in **Table 1**, the consultancy firms have been involved in providing SD and ED related

services to corporates for the past five to seven years, whilst the managers that formed part of this sample have been involved in SD and ED programmes for between five and eleven years.

It is important to note that the frequency counts for the managers of consulting firms—the secondary sample, *Consultants 1 to 4*—reflect in the columns with headings “C” in the frequency tables that follow in *Sections 5.3 to 5.7*. This sample will be referred to as “*Consultants*” hereafter. The number of *Consultants* that were interviewed is less than a third of the number of *Managers* that were interviewed. The frequency counts for *Consultants* and *Managers* can therefore not be quantitatively compared, and the inclusion of the *Consultants*’ frequency counts “C” is purely for triangulation purposes. Also note that any reference made to “*Interviewees*” hereafter refers to both *Consultants* and *Managers*.

### 5.3 Findings for Research Question 1

*Research Question 1: What skills do corporates consider to be the most important for a small business owner to succeed? How do the SD and ED programmes of corporates contribute towards entrepreneurial skills development?*

In answering this research question, the researcher first attempted to gain an understanding of what skills the participants perceive to be the most important skills which small business owners should possess in order to grow their businesses and to become sustainable. The researcher then proceeded to establish the contribution that the SD and ED programmes which these companies deliver make towards the development of entrepreneurial skills in the beneficiaries of these programmes. The main themes that emerged for the skills required as well as the skills contribution that SD and ED programmes make are presented in terms of frequency counts and juxtaposed with each other in **Table 2** below.

*Managers* and *Consultants* both identified business acumen and skills in general business management, personal skills, an entrepreneurial mindset or skills, and interpersonal skills as being the most important skills required by small business owners to grow their businesses and to become sustainable. The frequency counts further suggest that both samples appear to be generally in agreement on the priority of importance of these skills. *Managers 3 and 6* were the only *Interviewees* that also identified strategic thinking as a skill that is important to the success of a small business owner.

**Table 2: Overview of Skills Required and Contribution to Skills Development**

Description of Skills	Skills Required [Frequency]		Programme Contribution [Frequency]	
	M	C	M	C
Business acumen and skills in general business management	92	32	53	36
Personal skills	34	14	2	10
Entrepreneurial mindset and skills	22	7	14	4
Interpersonal skills	7	8	5	3
Strategic thinking skills	8	0	0	0

The SD and ED programmes by both the *Managers* and *Consultants* appear to contribute to the development of the same set of skills as deemed by them to be important to a small business owner’s success. However, although the *Managers* have identified personal skills as being important, based on a comparison of frequency counts it appears as if the same level of importance is not reflected in the contribution that their SD and ED programmes make to the development of these specific skills. Based on the perceptions (frequency counts) of the *Consultants*, there appears to be a better alignment between important skills required and the contribution that SD and ED programmes make in developing these skills.

**5.3.1 Business Acumen and Skills in General Business Management**

All *Interviewees* indicated the importance of small business owners possessing an adequate level of business acumen as well as the necessary skills in managing general business functions. The *Interviewees* consider having these skills as a prerequisite for any small business owner to be successful. Knowledge of, and skills in the following business functions were frequently highlighted as important during the interviews (listed in order of descending frequency counts): financial management, operational management including technical knowledge, marketing, legal knowledge and compliance, administration, sales, and human resources management.

*“for me basic business skills is one of the key critical elements for SMMEs, because a lot of the time they start with this business idea, but they don’t really fully know how to execute that business idea, and that’s why you find so many SMMEs starting up and then just failing within a couple of months because they don’t know how to manage that business.” (Manager 5a).*

Most often, *Managers* and *Consultants* cited basic financial knowledge and skills in financial management—including the management of cash flow—as being pivotal to a small business owner’s success.

*“understanding your finances, it’s a fine line between being a financially orientated individual like an accountant would be, versus having the financial know-how to just understand what the numbers are telling you...that is a very important skill that entrepreneurs that are successful need to have, if they understand their numbers and they understand what it is that their numbers are telling them.” (Manager 9).*

*“I think the first thing is having a certain financial acumen, understanding the economic levers of the business, understanding your cost, understanding your revenue structure, and your unit economics quite well. I think that’s something that’s missed, and in many cases thought to be too easy.” (Manager 10).*

The *Interviewees’* views on the importance of small business owners possessing business acumen and skills in managing general business functions are also reflected by the extent to which their SD and ED programmes focus on improving their beneficiaries’ business acumen, as well as these programmes’ focus on developing skills in general business management. The imparting of financial knowledge and development of skills in financial management were most frequently mentioned as being a focal point of SD and ED programmes, by both *Managers* and *Consultants*. Furthermore, SD and ED programmes also appear to focus on improving knowledge and skills in the following business functions (listed in order of descending frequency counts): operational management including technical knowledge, legal knowledge and compliance, marketing and sales, and human resources management. It is important to note that although three *Managers* and one *Consultant* identified administrative skills as being an important skill for a small business owner’s success, none of the *Interviewees* indicated that their SD and ED programmes contributed towards the development of administrative skills.

### **5.3.2 Personal Skills**

Most *Interviewees* highlighted the importance of small business owners developing personal skills. Both *Managers* and *Consultants* often emphasised that small business owners should possess a high level of personal mastery as well as personal

skills, as these skills are important to the success of their businesses. The right attitude and mindset were considered by many *Interviewees* to be a fundamental characteristic of a successful entrepreneur.

*“That thing of hire for attitude and train for aptitude is true for entrepreneurship as well...the mindset of the individual is the biggest, biggest tell tale of who is your entrepreneur and who is not.” (Consultant 2).*

*“You have to have ambition to drive it, you need to have a willing spirit to learn because many times you also find that, when you engage people, they are not willing to learn and willing to experience and to explore other opportunities.” (Manager 3).*

*Managers 7 and 13* indicated that small business owners must have the ability to manage themselves as well. *Manager 3* and *Consultant 1* also mentioned that, in their opinions, the contribution that COVID-19 has made to the downfall of many businesses is testimony to the fact that resilience is also an important personal skill which small owners should develop. In addition to becoming more resilient, *Manager 3* emphasised that small business owners must be flexible, embrace change, and develop the skill to adapt.

*“You must also be able to be open for your business to perhaps realign itself from what it started out to be...because that’s where progression would happen...a butterfly doesn’t become a butterfly—it’s a caterpillar and then it becomes a butterfly, it needs to die. Sometimes a business needs to die organically for it to grow into something bigger and better, and that is what you need from a business owner and any business for that matter, to be able to sustain itself as it goes forward.” (Manager 3).*

An important observation is that, although most *Managers* indicated that small businesses owners should possess personal skills as they consider these to be essential to the success of small businesses, only *Managers 1* and *5* indicated that their SD and ED programmes contribute towards the development of personal skills (specifically life skills). In comparison, *Consultants 1, 2* and *4* all mentioned that the SD and ED programmes which they deliver on behalf of their clients do contribute towards the development of personal skills. The consultants’ contribution to developing personal skills encompasses addressing aspects such as how to dress,

act and communicate in a professional manner, how to promote one's personal brand, and understanding one's own strength and weaknesses.

*“There is a very big focus also on personal development, and how you see yourself and how you understand yourself as an entrepreneur, and once you see yourself as an entrepreneur and identify your own strengths and weaknesses, then we can see how we can best grow you.” (Consultant 4).*

### **5.3.3 Entrepreneurial Mindset and Skills**

With the exception of five *Managers* and two *Consultants*, most *Interviewees* identified that an entrepreneurial mindset and entrepreneurial skills are important skills which a small business owner should have—and maintain—in order to be successful. Specifically, a small business owner's ability to be innovative and creative, as well as having a healthy entrepreneurial spirit, were more frequently mentioned in this context. The necessary skills to solve problems, an appetite for risk, the ability to execute (make things happen) as well as the ability to develop or grow one's business were furthermore identified as important skills that the entrepreneur—small business owner—should possess.

*“There's something inherently natural about entrepreneurship that you understand survival is something that has to happen, and a true entrepreneur makes it happen.” (Consultant 2).*

*“What we see is that successful entrepreneurs aren't afraid to take risk and they're not afraid to lose everything, which I think goes hand in hand with having a nature that's willing to be a risk taker.” (Manager 9).*

*Managers 7 and 9* explicitly mentioned that their SD and ED programmes do not focus on developing entrepreneurial skills. Although many of the other *Managers* and *Consultants* specifically indicated that their SD and ED programmes include components which are aimed at entrepreneurial skills development, the answers that were provided in support of these claims were generally vague, and in some instances *Interviewees* were evasive when the researcher attempted to seek clarity. Some *Managers* also shared the view that an entrepreneurial mindset or spirit comes naturally and that it is not something that could be learnt.

*“There is no degree, there is nothing, nothing, nothing that prepares you, not even an education that prepares you for an entrepreneurial journey, and*



*truthfully you can go—if you’re halfway savvy and you’re not lazy—you can go sit behind a computer and figure it out, but do you have the chutzpah to figure it out is a different issue.” (Consultant 2).*

*“On its own of course, you could be a good engineer, but it’s a skill you have. It doesn’t make you an entrepreneur, you can’t, you can’t, you can’t train that skill, but you have it.” (Manager 4a).*

Despite many *Managers* and *Consultants* claiming that their SD and ED programmes include components which are aimed at entrepreneurial skills development, there appears to be no consensus on whether SD and ED programmes are effective in developing entrepreneurial skills. As can be seen in **Table 3**, the majority of *Managers* are of the opinion that their programmes are effective in developing entrepreneurial skills, whereas all *Consultants* are of the view that SD and ED programmes are generally ineffective in entrepreneurial skills development.

**Table 3: Perceived Effectiveness of SD and ED Programmes in Entrepreneurial Skills Development**

Perceptions of the Effectiveness of SD and ED Programmes	Frequency	
	M	C
Effective in developing entrepreneurial skills	9	0
Not effective in developing entrepreneurial skills	4	4

In answering the question regarding the effectiveness of SD and ED programmes in entrepreneurial skills development, many of the *Managers* had difficulty in answering the question, as their companies have not established any metrics to measure this aspect—this will be explored in detail in *Section 5.4*. The view of two *Consultants* are expressed in the quotations that follow.

*“So, we got about a 60 to 40 in terms of effectiveness, which is not great as 40% of our candidates either drop off our programmes or, we just actually not moving a needle in their businesses. Then 60% of the businesses we’re actually moving the needle in those businesses and they’re sustainable many years after we’ve worked with them.” (Consultant 1).*

*“I think in the most part, I’d say they not very effective, and that’s not always the fault of the programme. Sometimes the entrepreneurs’ expectations in that programme are something completely different, and they’re hoping for, you know, huge amounts of work and they don’t want to build skills. I would*

*say for the amount of money that's spent in these kind of programmes, I would say they have not been effective.” (Consultant 3).*

#### **5.3.4 Interpersonal Skills**

Only a few *Interviewees* indicated that, in order for small businesses to be successful, the owners of these businesses have to develop interpersonal skills such as how to empathise with others, the ability to collaborate with others, the ability to develop others, and the skill to navigate the political landscape within business in order to gain access to markets. Furthermore, five *Managers* and two *Consultants* mentioned the importance of small business owners developing the necessary skills in leading and managing others. The quotations that follow highlight some of the *Interviewees'* perspectives regarding the importance of small business owners developing interpersonal skills such as empathy, the ability to collaborate with others, and the skill to play politics in order to access markets.

*“In the early stages, the foundational stages of the business, I would really say it would be empathy, really having an understanding of the problem that the customer is experiencing... they don't learn how to empathise, they don't learn how to think through the needs of the customer.” (Consultant 1).*

*“You find businesses that take their obligation very seriously and look at the world in the form of collaboration and partnership, and I think there we have found those business owners they are actually far more successful, and they tend to endure themselves far better to partners and allow for that room for collaboration...in a siloed approach we find business owners don't really make it, it's very difficult to have something that works without having a nature for collaboration.” (Manager 9).*

*“You will not often meet the true entrepreneur in a development program. I'm sounding super critical, I'm sorry, but you will not often find them there. They're busy doing stuff, and if you find them there, it's because they're playing the political game of access to market.” (Consultant 2).*

From a skills development perspective, *Interviewees* did not provide much evidence of the contribution that their SD and ED programmes make to the development of interpersonal skills. *Manager 2* and *Consultant 2* indicated that their programmes contribute towards the development of basic leadership and general management

skills, whereas *Manager 5* and *Consultant 4* mentioned that their programmes specifically focus on developing their beneficiaries' ability to network.

*“Our supplier development programme is a fixed, structured program...it’s a nine month programme, where four months are class room based training, where they go through modules such as finance management, they also go through leadership modules which teaches them how to lead and manage their business.” (Manager 2).*

*“We also give them pre-expo training just to train them because they have not been there before, to tell them what the space looks like, what are you going to be supported with, but also how do you make a contact, how do you keep your contacts, how do you keep the numbers that you have had and turn them into a lead, how do you follow up, and how do you make sure that a person that you meet at an expo becomes a potential supplier.” (Manager 5b).*

### **5.3.5 Strategic Thinking Skills**

*Managers 3* and *6* identified strategic thinking as a skill which is important to the success of a small business owner; however, these *Managers* did not provide any evidence that their SD and ED programmes contribute towards the development of strategic thinking skills. The strategic thinking skills that *Managers 3* and *6* specifically referred to include strategic planning, the ability to decompose a problem strategically to its core, and the ability to take a futuristic, long term view of the business. None of the *Consultants* mentioned that small business owners should develop skills in strategic thinking.

### **5.3.6 Summary of Findings for Research Question 1**

Four main themes were identified in answering the question of how corporates' SD and ED programmes contribute towards entrepreneurial skills development. The analysis revealed that corporates' programmes are designed to contribute to the development of: (i) Business acumen as well as skills in general business management; (ii) Personal skills; (iii) Entrepreneurial mindset and skills; and, (iv) Interpersonal skills. With the exception of personal skills and strategic thinking skills, corporates seem to have aligned their SD and ED programmes to contribute to the development of those skills that they deem most important to the growth and sustainability of small businesses.

Although two *Managers* identified strategic thinking skills as being important to the success of small business owners, none of the *Interviewees* indicated that their programmes contribute towards the development of strategic thinking skills. *Managers* frequently mentioned the importance of small business owners having well-developed personal skills in order for them to be successful in their businesses. However, it appears as if corporates do not focus on the development of personal skills in their SD and ED programmes. *Consultants* seemed to believe that the programmes that they present to beneficiaries on behalf of their corporate clients do contribute to the development of personal skills.

Based on the frequency counts in **Table 2**, *Managers* and *Consultants* appeared to be of the view that the development of an entrepreneurial mindset and entrepreneurial skills are less important than the development of personal skills, business acumen, and skills in general business management. Some *Managers* and *Consultants* seemed to believe that an entrepreneurial mindset comes naturally and that it cannot be learnt or developed. There appear to be no consensus among *Managers* as well as between *Managers* and *Consultants* whether corporates' SD and ED programmes are effective in entrepreneurial skills development. However, as illustrated in **Table 3**, all *Consultants* agreed that corporates' SD and ED programmes are not effective in developing entrepreneurial skills.

#### **5.4 Findings for Research Question 2**

*Research Question 2: What metrics do corporates employ to assess the success of their SD and ED programmes, and are these metrics effective in measuring entrepreneurial skills development?*

**Table 4** provides an overview of the themes that emerged with regard to the metrics that corporates employ to evaluate the success of their SD and ED programmes. There is consensus among *Managers* and *Consultants* that the metrics that corporates employ are largely skewed towards focusing on the evaluation of the SD and ED programme beneficiaries' business performance. Most *Interviewees* observed that they also employ metrics that are aimed at measuring the social impact of their SD and ED programmes. In many instances metrics are informally applied, and only one *Manager* indicated that her company uses a formal measurement instrument to measure the success of its SD and ED programmes.

More than half of the *Managers* provided examples of metrics which reflect their own organisations' effectiveness in delivering their SD and ED programmes, *Consultants* 2, 3 and 4 also corroborated these as being common metrics used by corporates. Only *Managers* 3, 8, 9 and 11 as well as *Consultant* 3 provided examples of metrics being used by corporates to evaluate the effectiveness of their programmes in imparting knowledge or developing skills. With the exception of *Consultant* 3, *Consultants* generally held the view that no formal—and largely ineffective—metrics are being used by corporates to evaluate the success of their SD and ED programmes in skills development. *Managers* 1, 7, 12 and 13 also shared this view. The metrics as detailed in **Table 4** are subsequently discussed.

**Table 4: Overview of Metrics Used to Evaluate Success of SD and ED Programmes**

Description of Metrics	Frequency	
	M	C
Metrics that focus on the performance of beneficiaries	51	21
Social impact	20	4
Company and compliance centric metrics	10	5
Effectiveness of development programme in knowledge transferred or skills developed	9	2
No formal or effective metrics established to measure skills development	5	11

#### **5.4.1 Metrics that Focus on the Performance of Beneficiaries**

Metrics that assess the financial performance and sustainability of SD and ED programme beneficiaries' businesses were mentioned most often by most *Managers* and *Consultants*. The most frequently mentioned financial metrics are revenue (including revenue growth) and profitability. Some *Interviewees* also indicated that metrics which measure changes in the economic activity of the beneficiaries—number of new contracts secured or number of existing contracts lost, or an increase or decrease in sales volumes—are being used. *Consultants* 1 and 3 also alluded to the fact that the competitiveness of beneficiaries is a metric that has become popular; however, except for the examples provided under financial metrics above, they did not provide any additional insights. Financial sustainability of the beneficiaries is such an important aspect to the companies of *Managers* 1b and 11, that they have put metrics in place that measure how well their beneficiaries manage their finances on a monthly basis.

*“The clients’ financial sustainability, because we get the management accounts every month, and then we check whether, you know, do they have the ability to at least put aside savings, are they able to pay all their monthly*

*expenses, salaries, all of those types of things. So we have a financial set of measures for financial wellness.” (Manager 1b).*

*“Whether the company is actually competitive or not, sometimes they are, sometimes they’re not, but that’s become a metric as well.” (Consultant 3).*

Based on the frequency counts for metrics that focus on the operational performance of the small businesses, it appears as if *Interviewees* agree that this is the second most important metric. Here a number of *Managers* indicated that they measure the service delivery of their beneficiaries against the contracts that they have with these beneficiaries, especially from a SD perspective. Other *Managers* indicated that they also measure agricultural yield, quality of products or services, safety performance as well as performance with respect to compliance.

The next category of metrics that were most frequently mentioned—and regarded as important—by *Managers* are metrics that aim to evaluate whether their beneficiaries manage to gain access to other customers or markets, thereby reducing their dependency on the corporates. *Consultants 2* and *3* also concurred that these are metrics that are commonly used by their clients. The most frequent metric mentioned in this category is the number of new contracts secured or existing contracts lost, and the growth or decline in customer base. *Manager 8* reported that her company goes as far as monitoring who its SD and ED programme beneficiaries’ customers are. *Manager 6* commented that her company assesses their ED programme beneficiaries’ dependency by monitoring if their beneficiaries decrease or increase the revenue that they earn—as a percentage of their total revenue—from selling *Manager 6’s* company’s products. Similarly, *Manager 3* shared that his company measures dependency through what is termed a “concentration risk”—the percentage of the beneficiary’s sales and profits which are attributable to doing business with the corporate—and that over time beneficiaries of his company’s programmes must reduce their concentration risks.

*“For retailers, when we take them through the programme, one of the objectives, one of the KPIs for those retailers is that we decrease the share of [Beverage A] in their revenue but increase their revenue.” (Manager 6).*

*“So one of the metrics is around reducing your concentration risk, meaning that less than 25% of your sales and of your profit must come from us. You*

*need to be able to generate and be able to work quite hard, and diversify your clientele.” (Manager 3).*

Performance based metrics that were less frequently mentioned by *Managers* include a category of metrics that focus on how effective beneficiaries are at executing their own plans and in reaching their objectives. *Manager 4* indicated that beneficiaries are measured on their performance in implementing their own transformation action plans, whereas *Manager 11* stated that beneficiaries are measured on their effectiveness in executing their own business plans and achieving their objectives. Another category of performance based metrics that was less frequently mentioned is metrics that focus on beneficiaries’ ability to access funding (*Consultant 2*) and to reinvest funds into their own businesses (*Manager 8*).

*“We have an SME programme evaluation score, and what this does, is there’s a survey that talks to the actual SME, you know, talks about the execution of business objectives and the business plan, and there is quite a heavy weighting to that, 35%.” (Manager 11).*

*“So we look at the rate of reinvesting in their business. We look at what is being done with the profits of the organisation...is it being used to invest back into their business, so that’s like a carry over, but is it also being used to like purchase their own inputs.” (Manager 8).*

#### **5.4.2 Social Impact**

Most *Interviewees* shared the view that they also employ metrics that attempt to quantify the social benefit of their SD and ED programmes, specifically as far as the creation and sustainability of employment is concerned. Most *Interviewees* mentioned that they measure the number of new employment opportunities created by their SD and ED programmes, and that this is an important metric. Additionally, *Managers 1, 2, 6 and 8* indicated that their companies also measure the number of existing employment opportunities supported or sustained. However, *Manager 2* implied that it is more important to measure the number of employment opportunities that are being sustained by SD and ED programmes than to measure new employment opportunities created.

*“One of the key indicators that we really focus on is jobs—jobs supported. So those are jobs that the company can sustain, their existing workforce.*

*Can they really maintain and not retrench, and continue to grow...we've really shifted our focus on to jobs supported...we know that in our current economic climate, with the retrenchments and all of that, sustaining a job is actually really, really difficult. So we track jobs sustained.” (Manager 2).*

### **5.4.3 Company and Compliance Centric Metrics**

Corporates also employ metrics which reflect their own organisations' effectiveness in delivering their SD and ED programmes—examples of these type of metrics were mentioned by more than 60% of the *Interviewees* (including three *Consultants*). The most frequently mentioned measurements that emerged within this theme can be categorised as metrics that focus on the corporates' performance in delivering the SD or ED programmes. *Manager 6* stated that ED beneficiaries have to complete a beneficiary satisfaction survey upon completion of development interventions, and that the results of these surveys are being used as a metric to evaluate the effectiveness of her company's ED programmes. *Manager 7* mentioned that his company uses the amount of money spent on beneficiaries as a metric of its SD and ED programmes' effectiveness. *Manager 11* indicated that her company measures the number of beneficiaries that pass through their SD and ED programmes—*Consultant 2* indicated that this is also a metric that is commonly used by her clients to measure the effectiveness of their SD and ED programmes. *Manager 13* added that her company keeps record of the number of beneficiaries whose businesses were liquidated and uses this as a metric to gauge the effectiveness of their SD and ED programmes.

The second most frequently mentioned measurements that emerged within the company and compliance centric metrics theme are metrics that evaluate how well the corporates perform on SD and ED in their B-BBEE scorecards. *Managers 10* and *12* specifically mentioned that this is one of the metrics that their companies use to measure the effectiveness of their SD and ED programmes. Also, *Consultants 3* and *4* agreed that this is a metric that is commonly used by their clients as well.

*“We are doing something but how effective is it? I mean yes, we do get it assessed whenever we're doing our BEE rating and you know, getting those score cards and things, and then they'd check it, but I mean that's once a year.” (Manager 12).*



*“For the last couple of years—the last sort of three or four years—a big thing has been procurement. Preferential procurement, so like how that links into we just need more black suppliers in our supply chain and how many, and what impact have we had on preferential procurement.” (Consultant 3).*

Lastly, *Managers 5a* and *7* also stated that typical supply chain type metrics that are being used by corporates to evaluate how effective their own supply chain is, is being used by their companies as a metric to gauge how effective its SD and ED programmes are. *Consultant 2* commented that supply chain type metrics are commonly used by her company’s clients in an attempt to establish the trustworthiness of their beneficiaries.

*“Okay, so we don’t treat the KPIs—or metrics for that matter—different than a normal mature supplier to us. There is a lot of things that, you know, in the normal supply chain that we measure. I mean for us the procurement bottom line, to make sure that we know when an audit is needed, making sure that it’s the right quality and that it’s delivered on the right time and at the right place, that is important.” (Manager 7).*

*“They would measure the ease of introducing them into supply chain, so their level of proficiency, their level of professionalism, their trustworthiness. It’s interesting, a lot more soft stuff than you would think. It’s more, if I choose you as my supplier, can I trust you as my supplier. It comes down to all of that—they couldn’t care less about your skills.” (Consultant 2).*

#### **5.4.4 Effectiveness of Development Programme in Knowledge Transferred or Skills Developed**

As mentioned before, only four *Managers* as well as *Consultant 3* mentioned metrics being used which are aimed at evaluating the effectiveness of SD and ED programmes in imparting knowledge or developing skills. *Managers 3, 8* and *11* indicated that their companies require their beneficiaries to provide evidence of how they have applied the knowledge that has been imparted and skills that have been developed in improving their business. According to these *Managers*, beneficiaries are typically expected to submit assignments, a portfolio of evidence, or other evidence to demonstrate that the training and development initiatives that they have participated in have in actual fact been understood, and that this new knowledge and skills are being applied to benefit their businesses.

*“So the programmes that they are on, they have to submit almost like assignments. So that’s one way that we measure the skills developed in that individual or through the entrepreneur in the organisation.” (Manager 8).*

*“What we ask you is a portfolio of evidence where you demonstrate that by the end of a certain period that you are then able to come back and demonstrate what you have learned, what you know, and what you have been able to basically inculcate as part of the DNA of your organisation.” (Manager 3).*

Manager 9 shared that her company measures the effectiveness of its ED programmes in imparting knowledge or developing skills by measuring how a beneficiary successfully progresses—graduates—through various segments of her company’s ED programme. Additionally, *Consultant 3* alleged that his clients measure their beneficiaries’ skills; however, he could not provide any detail on how this metric is specifically measured.

*“We also measure—a very internal measure for us—being able to move between segments. We measure graduation, so if you graduate from what we call our lifestyle segment which is our smallest enterprises, and you migrate into the next segment, we look at that as a graduation. We try to measure that over a period of five years as well, because that indicates growth once again.” (Manager 9).*

#### **5.4.5 No Formal or Effective Metrics Established to Measure Skills Development**

As mentioned before, three *Consultants* and four *Managers* observed that corporates do not have formal metrics to evaluate the effectiveness of their SD and ED programmes in skills development. Furthermore, where corporates do have formal metrics to measure this, these *Interviewees* consider those metrics to be by and large ineffective. As seen by the quotation from *Consultant 2* in *Section 5.4.3*, she infers that her clients do not measure the effectiveness of their SD and ED programmes in skills development, because she believes that these clients are not genuinely interested in whether their beneficiaries develop new skills—or improve their existing skills—through these programmes. *Consultant 2* furthermore expressed a concern for the practicality of reliably measuring skills development within the short duration of typical SD and ED programmes. It was evident from the responses by some of the

*Consultants* that they question the real motives that their clients have for being involved in SD and ED programmes.

*“I’m not sure that we have very specific skill level metrics in play to kind of say how your various sets of skills moved from X to Y. I mean I think that is something we have to consider in the future, and I think it does most definitely develop to a certain extent.” (Manager 1b).*

*“You can’t really measure the long term skills and those competencies and mindsets that get instilled in the early day learning curve.” (Consultant 2).*

#### **5.4.6 Summary of Findings for Research Question 2**

In exploring the metrics which corporates employ to evaluate the success of their SD and ED programmes, the following five main themes emerged: (i) Metrics that focus on the business performance of beneficiaries; (ii) Metrics that measure the social impact of corporates’ SD and ED programmes; (iii) Company and compliance centric metrics which focus on the corporates themselves; (iv) Metrics that evaluate the effectiveness of development programmes in knowledge transferred or skills developed; and, (v) No formal or effective metrics established to measure skills development. Refer to **Table 4** for an overview of these metrics that also shows the frequency counts for *Managers* and *Consultants*.

It appears as if corporates have a distinct preference for equating good economic and operational performance by their beneficiaries to the efficacy of their (the corporates’) SD and ED programmes. Corporates also seem to regard their SD and ED programmes as being successful if new job opportunities are being created as a result of these programmes. Although being a less popular metric, corporates also use metrics that focus on their own performance in delivering the SD or ED programmes as a measure of the success of these programmes. The aforementioned three categories of metrics seem to be the most favoured metrics that corporates employ to assess the success of their SD and ED programmes.

Only four *Managers* indicated that their companies use metrics which measure how well beneficiaries have expanded their knowledge or how well beneficiaries have developed their skills through the corporates’ SD and ED programmes. One *Consultant* also claimed that his corporate clients do measure improvements in their beneficiaries’ knowledge and skills. However, considering all the responses by *Managers* and *Consultants* with regard to the metrics that corporates use, it seems

that corporates generally do not measure how effective their SD and ED programmes are in improving the knowledge and skills of their beneficiaries.

## 5.5 Findings for Research Question 3

*Research Question 3: What interventions or support mechanisms are the most successful in promoting small business growth?*

In answering this research question, the researcher first sought to understand which challenges the *Interviewees* regard as the greatest impediments to the growth and sustainability of small businesses that benefit from their SD and ED programmes—an overview of the results are presented in **Table 5**. The researcher then focused on determining whether the support mechanisms which corporates provide to their beneficiaries through their SD and ED programmes are aligned to help these businesses overcome the impediments referred to above. An overview of the support that is provided to the beneficiaries through these SD and ED Programmes are presented in **Table 6**.

**Table 5: Overview of Impediments to Small Business Growth and Sustainability**

Description of Challenges	Frequency	
	M	C
Knowledge or skills gaps	74	33
Factors which are directly attributable to the beneficiary	56	15
Factors which are not attributable to the beneficiary	51	21
Development programme factors	33	11

### 5.5.1 Impediments to Small Business Growth and Sustainability

#### 5.5.1.1 Knowledge or Skills Gaps

*Interviewees* most frequently identified gaps in the knowledge or skills of their beneficiaries as the biggest obstacles to the growth and sustainability of small businesses.

#### Business Knowledge or Skills Gaps

Within the theme of knowledge and skills gaps, *Interviewees* identified shortcomings in general business acumen and a lack of skills in general business management as the main category of challenges that beneficiaries face. *Managers 1b, 2, 4b and 5a* identified poor financial management—especially poor cash flow management—as one of the foremost impediments to the growth and sustainability of small businesses.

*“I would definitely say cash flow...if they struggle with cash flow it then impacts on the quality of the service that they deliver, because then they get stock outages because they really now don't have sufficient funds to complete their contracts...that then perpetuates the preconceptions that SMMEs are unable to deliver, so I think cash flow management is a very important hinderance when it comes to SMMEs.” (Manager 2).*

*“The biggest challenge that small business owners face that's an impediment to them growing their businesses, I would say probably it is cash flow management faced with the prejudices of their backgrounds.” (Manager 4b).*

*Managers 1b* as well as *Consultants 1* and *4* stated that in their experience, beneficiaries also fail to develop a good understanding of their customers. *Managers 3* and *12* as well as *Consultant 4* believe that beneficiaries are also challenged in that they do not understand the economy as well as their markets very well. *Manager 10* is of the opinion that beneficiaries' greatest challenge is the fact that they often lack a basic economic understanding of their business which is then exacerbated by a lack of effective management of their businesses—*Consultants 1* and *4* also indicated that beneficiaries lack a general understanding of business. *Managers 1a* and *8* as well as *Consultant 4* remarked that beneficiaries' inability to market their business, products or services is also an impediment to their success, whereas *Manager 3* considers beneficiaries' inability to network and partner with others as a key shortcoming.

*“It is a challenge, and why it is a challenge is because people also don't identify their correct markets. You know a lot of the times small businesses don't understand their markets, because the first people that they want to sell to is big corporates...so you find that people put themselves out there on these tender registrations, on these vendor listings, but they actually haven't understood their market needs.” (Consultant 4).*

*“I think another challenge is actually understanding the business forecast and the economy. I mean, the economy obviously affects small businesses the most. The moment something goes wrong in the economy they are the first casualties.” (Manager 12).*

*“The importance of just understanding marketing your business, and marketing your business means being able to have that elevator pitch type of thing. We find that a lot of small businesses aren’t able to build networks cause they’re not able to market their business. They’re not able to talk the business language about their business.” (Manager 1b).*

### Self-Induced Financial and Funding Challenges

Also within the theme of knowledge and skills gaps, *Interviewees* furthermore identified funding and financial challenges as another category of challenges that beneficiaries face which prevents them from growing their businesses and becoming sustainable. It is important to note that most of the *Interviewees* are of the view access to funding is not a primary barrier for most SD and ED programme beneficiaries. *Managers 1b, 9 and 12* as well as *Consultants 3 and 4* did mention that access to funding could be a challenge to some SMMEs that are not beneficiaries of the SD and ED programmes. However, there is consensus among *Interviewees* that access to funding is not a primary obstacle to SD and ED programme beneficiaries, especially not at the onset of their relationships with the beneficiaries.

*“Access to finance isn’t necessarily a challenge for businesses within the [Company 1] context because we have been able to fund and make arrangements for funding, you know, to make sure that the SMMEs that are within our programme don’t struggle with funding.” (Manager 1b).*

*“I don’t want to ignore this—I don’t think it is the biggest hindrance, but we’ve heard it from a lot of our SMMEs that there is this belief that access to finance is a hindrance, right. I don’t particularly subscribe to that. I don’t think it’s the biggest hindrance, because once a SMME is able to secure an offtake agreement, funding becomes a lot simpler.” (Manager 2).*

Financial management and poor cash flow management were already mentioned earlier as general business acumen and skills gaps which negatively impact the growth and sustainability of small businesses. However, many *Interviewees* insisted that beneficiaries created financial challenges—and therefore subsequent funding challenges—for themselves through failing to be disciplined or not having the necessary knowledge or skills to separate personal finances from business finances. Although this category is related to both the general business acumen and skills gaps

category as well as the execution deficiencies category, aspects regarding beneficiaries' inability to manage their personal finances separate from their business finances were mentioned so frequently that it warranted being separately highlighted from these other categories.

*“A lot of SMMEs get a contract and then after the first month, they now receive the payment for the services rendered or goods delivered during that first month, and then they use that first payment for things that they should not be using it. As an example, the owner buys him now a new car...the way they spend that money sometimes leads to the demise of that organisation within a couple of months.” (Manager 5b).*

*“Especially with a lot of the small business entrepreneurs, the importance of actually keeping track of what they getting paid as a salary, so you would find that a lot of them would draw the funds from their business accounts and don't necessarily reflect that as a salary, or as an expense into their business.” (Consultant 4).*

### Execution Deficiencies

The final category of challenges—within the theme of knowledge and skills gaps—that beneficiaries face which prevents them from growing their businesses and becoming sustainable, are skills gaps that result in deficiencies in execution by the beneficiaries. As a result of poor implementation or improper execution, beneficiaries then either end up not securing business opportunities, or they tarnish their reputations, or they end up sacrificing margins and in extreme cases even suffer losses. The most frequent challenges that were mentioned by *Interviewees* include beneficiaries not investigating business opportunities thoroughly before committing to these opportunities, as well as beneficiaries not pricing their products or services correctly, thereby having low margins and in some instances suffering losses. *Managers 2 and 5a* furthermore observed that—in some instances—the tenders that are prepared by their beneficiaries are of a poor quality, resulting in them not securing those tenders.

*“The other challenge I believe is one of the biggest downfalls of SMMEs, is the fact that the business idea was not fully investigated in terms of you know, successfully executing it. Starting up a business in a community*

*where there's already possibly four or five others competing for the same opportunities, leading to their demise.” (Manager 5a).*

*“cash flow being directly linked to their pricing strategies, because what we find is, in order for small businesses sometimes to win a tender opportunity, they really need to price themselves out of sustainability. As a result they really do struggle with cash flow management as they deliver on projects, and if they struggle with cash flow it then impacts on the quality of the service that they deliver.” (Manager 2).*

*Manager 6 and Consultant 1 indicated that beneficiaries' inability to deliver on their commitments negatively affects their reputation, resulting in them losing out on future business opportunities. Manager 6 also stated that the lack of sound governance processes becomes a challenge as the small businesses grow, resulting in conflict within these small businesses. Finally, Manager 3 indicated that beneficiaries' inability to comply with stringent safety standards and regulations within his industry is a significant contributing factor to the failure of small businesses in that industry.*

*“maintaining access to markets, it's not only accessing the opportunity, it's also being ready to fulfil the opportunity. Sometimes they are so focused on getting the work that they are not even competent to do the work, and then they fail. That's the end because if they fail on one opportunity they are given, then that's the end of their businesses.” (Manager 6).*

#### *5.5.1.2 Factors which are Directly Attributable to the Beneficiary*

Several factors which one could attribute to a large extent to the beneficiaries themselves—endogenous factors—were mentioned by the *Interviewees* with regard to challenges that impact on small business growth and sustainability. These factors have been categorised as desperation or a survivalist outlook, the lack of personal skills or mastery, as well as a lack of an entrepreneurial spirit—these categories are discussed hereafter.

##### Desperation or a Survivalist Outlook

The socio-economic challenges which many of the beneficiaries face influences their business decisions and conduct, which in turn may negatively impact on the growth and sustainability of their businesses. Most *Interviewees* reasoned that many of the beneficiaries are dependent on corporates to earn an income, and to such an extent that dependency relationships develop as a result. *Manager 13* furthermore implied



that her company's SD and ED programmes are likely conducive to increase this dependency relationship.

*"They become very dependant and reliant on us...to the extent that they actually don't really think beyond what we are offering, because we are their everything for a period of time. We provide finance, we provide operational support and then they tend to become very reliant on us." (Manager 1a).*

*"They don't have the time first of all, nor the access, nor the training, nor the confidence, nor the experience to go for example to a Murray & Roberts and say to them, look we doing this for [Company 13], can we move this product for you." (Manager 13).*

Managers 2 and 6 as well as Consultant 2 furthermore argued that some beneficiaries are so desperate to earn an income, that they are prepared to sell any product or to deliver any service, even if they are not equipped or competent to do so, and often to the detriment of their business. Manager 3 and Consultant 2 refer these beneficiaries as "survivalists". According to Manager 4b, many of these beneficiaries are forced to take short term views in their businesses due to their socio-economic challenges.

*"The average entrepreneur behaves as if they're scavenger hunters, right. They hustling this way and they're so fragmented in their attention that they don't do anything properly. Therefore they don't earn trust, therefore they don't get access to market which will then pay them, which will give them the finance to go to business." (Consultant 2).*

#### Mindset and a Lack of Personal Skills or Mastery

A number of Interviewees observed that some beneficiaries simply lack the commitment and personal drive to grow their businesses and to become sustainable. Managers 3, 5 and 12 as well as Consultants 2 and 3 furthermore argued that some beneficiaries have developed a sense of entitlement which has put them in a comfort zone, thereby negatively affecting their ability to grow their businesses and to become sustainable. Consultant 1 stated that some beneficiaries are ill-disciplined, often to the detriment of their businesses, and he furthermore observed that some beneficiaries also lack professionalism during business interactions, which deter potential customers from doing business with these beneficiaries in future.

*“Sometimes it just comes down to the individual as well...and often these people are not as committed or looking for a free ride, or thinking it’s going to be an easy process...you can throw as much resources that you want at someone, if they’re not going to put in their share of the effort, it’s not going to work.” (Manager 12).*

*“There’s a thinking that I’m an ESD beneficiary. They need us, they need the points for their scorecard and for their BEE certificate, so they’ll just have to do it. That’s where I think at times comfort level sets in and creates an inability to grow and to think beyond it.” (Manager 3).*

### Lack of an Entrepreneurial Spirit

The last set of challenges which is directly attributable to the beneficiary can be categorised as a lack of entrepreneurial spirit. According to *Managers 1* and *13*, some SD and ED programme beneficiaries simply have no ambition to grow their businesses. *Managers 1, 4* and *8* also remarked that some beneficiaries lack the creativity and innovation to grow their businesses. *Manager 1* furthermore observed that many beneficiaries are risk averse and do not want to jeopardise their income—and therefore their businesses—by pursuing growth aspirations. Finally, *Manager 3* and *Consultant 4* shared the view that some beneficiaries are inflexible and therefore unable to adapt or scale their businesses.

*“Some of these people come from very different backgrounds. I mean our poor cobbler that we’ve kind of funded to get his business up and running, he’s never going to grow the business, because I don’t think that he has any desire to, to be honest.” (Manager 1b).*

*“It’s fear on so many levels...fear of losing the business, because the business was started as a source of survival...so when you now have to take someone out of that survival mode, they fear that if this thing fails, then I’m done.” (Manager 1b).*

*“The other thing is that creativity around their organisation. I mean we often say the sky is the limit, but sometimes a business owner lacks that ability...in some instances it’s that creativity that’s missing, that’s holding them back, like if something is not working.” (Manager 8).*

### 5.5.1.3 Factors which are not Attributable to the Beneficiary

Interviewees mentioned several factors which one cannot attribute to beneficiaries themselves—exogenous factors—as challenges that impact on small business growth and sustainability. These factors have been categorised as access to markets and networks, as well as structural influences or barriers, and these categories are discussed below.

#### Access to Markets and Networks

Most *Interviewees* frequently stated that beneficiaries are challenged by limited access to markets but that this is not necessarily due to any wrong doing on the beneficiaries' part. Some *Managers* have indicated that this could be partly due to limited access to networks that some of these beneficiaries enjoy, which translates to poor visibility of opportunities for growth. Given the high number of *Managers* and *Consultants* that have mentioned that access to markets is a challenge, as well as the frequency at which this was mentioned, it appears as if most *Interviewees* consider access to markets to be the greatest impediment to small business growth and sustainability.

*“I think one of the biggest challenges is market access. I think the space we play in is a very formalised sector of the business, so for people to get into some of the market spaces where we work in or where we deal in, is not the easiest of things, so that’s one of the biggest challenges.” (Manager 12).*

*“We need to focus on creating a market, making sure there is sufficient opportunities before we train more people and put them into a programme, because it is unfair on the entrepreneurs.” (Manager 6).*

*Managers 1, 7, and 10* as well as *Consultants 1 and 2* maintain that, due to access to markets being a challenge for many beneficiaries, these beneficiaries do not get the opportunities to prove themselves in order to build trustworthy reputations, sound business relationships and networks in their markets. This then exacerbates the challenge that these beneficiaries have in gaining access to markets.

*“One of the biggest challenges definitely is getting reputable...we’re a very service orientated sector, and you really have to be reputable in the service that you deliver, sustainably. So I think that’s definitely a difficult thing for people to actually break into the industry and say listen, I can deliver this*

*service, I'm reputable....creating that trust in the market, I think that's the first thing that a new ED type of supplier struggle with." (Manager 10).*

Manager 6 observed that general low or flat demand due to a subdued economic climate further exacerbates market accessibility challenges for beneficiaries, whereas Managers 2 and 5 are of the view that some beneficiaries' inability to secure long term contract with corporates is a major impediment to their growth and sustainability. However, Managers 3, 4 and 6 as well as Consultant 4 reasoned that beneficiaries exert so much effort in trying to secure business with large corporates, that they do not recognise or pursue opportunities that may exist otherwise as a result.

*"Small businesses only want to get into the corporates. Your business actually is also around your other suppliers, because they have a need...they also want to spend money for services, and that's where you get your opportunities as well, and that could double your business...if they just take off the blinkers and just say but wait a minute, there are other opportunities." (Manager 3).*

*"Small businesses only want to sell to big corporates, which doesn't make any sense. They tend to neglect small businesses and medium businesses in the market...you can actually look at a more modest market and make sure that you have cash flow that is more sustainable." (Manager 6).*

Consultants 2, 3 and 4 mentioned that in their view, due to challenges that beneficiaries face in gaining access to markets, many beneficiaries only participate in training and development initiatives as a means to gain access to markets.

*"You can see them when you're bringing them into the programme. You can see who are the guys who are just there to play the game, the guys who are there just because they want access to the market." (Consultant 2).*

*"Sometimes the entrepreneurs' expectations in that programme are something completely different, and they hoping for, you know, huge amounts of work...they don't want to build skills. (Consultant 3).*

### Structural Influences or Barriers

*Manager 3* remarked that too much bureaucracy in the starting, registering and operating of small businesses often leads to the failure of many of these small businesses. *Managers 3* and *4* as well as *Consultants 1* and *4* shared the view that tenderpreneurship—business or private practices of securing tenders or contracts, often with government departments, and also often through undue influence or power—develop small businesses with a short term view which are not sustainable.

*“I believe the biggest thing that leads to failure with most businesses is government tenders...because a small business doesn’t learn how to build relationships with people, they don’t learn how to empathise, they don’t learn how to think through the needs of the customer, they don’t know how to problem solve. All they’re doing is, they’re ticking boxes and sending it through.” (Consultant 1).*

*“That’s why we have all these tenderpreneurs, because they create to feed for now. It’s not for now, what you do is you build the business, you start the business, it is to create for the future.” (Manager 3).*

#### *5.5.1.4 Development Programme Factors*

*Interviewees* identified a number of challenges related specifically to the SD and ED programmes themselves which they considered to be obstacles to the growth and sustainability of small businesses. These challenges can be categorised as SD and ED programme deficiencies, and as incubation or training programme deficiencies.

#### SD and ED Programme Deficiencies

The most frequently mentioned SD and ED programme deficiency that was mentioned by *Managers*, was the fact that many of these programmes are inclined to develop beneficiaries into being largely dependent on the corporates that support them. *Consultant 3* also observed that this is something that he has often witnessed. This dependency relationship was also highlighted in *Section 5.5.1.2*, but within the context that the development of the dependency relationships occurred as a result of desperation from the beneficiaries or perhaps a survivalist outlook by them. In the context of SD and ED programme deficiencies, the argument is that the programmes are not adequately designed and implemented to ensure that beneficiaries can operate independently once they have successfully completed these programmes. *Managers 1* and *7* implied that some of the small businesses that have been

developed through their SD and ED programmes are not very resilient—as have been proven now through the impact that COVID-19 had on these businesses—due to this dependency relationship. The quotations that are presented hereafter are in addition to those quotations that have been presented in *Section 5.5.1.2*.

*“In terms of offering [Company 1] staff the opportunity, it being a unique and great thing, also had unintended consequences...some of the suppliers became very afraid to go outside the [Company 1] environment. We’ve got a very unique way of building relationships. It’s very different to other organisations, and we have found that there has been a big dependence created.” (Manager 1b).*

*“For like a local cleaning service for instance, once they are in there and they develop, I think they are in a good place, but if it comes to just what we are going through now, in our COVID situation and harsher economic times, I think it is very difficult.” (Manager 7).*

*Managers 1 and 13* indicated that when it comes to ex-employees being the beneficiaries of a corporate’s SD and ED programmes, the pre-existing relationships with these individuals create challenges, especially when having to manage them as beneficiaries, and that it is often very difficult to manage boundaries with these beneficiaries. *Consultant 3* observed that misalignment between corporates and their beneficiaries also result in ineffective SD and ED programmes, thereby not optimally contributing to the development of the beneficiary, and resulting in limited contribution to their business growth and sustainability. *Consultant 3* furthermore remarked that sometimes corporates do not offer the right business support to their beneficiaries through their SD and ED programmes.

*“Most of them are ex-employees. They still feel part of the [Company 13] culture, and they get treated like an employee... the use of the management company, I think that was a good thing, because the management company have to step in and do any disciplinary. It’s not [Company 13] that does that, you see those boundaries.” (Manager 13).*

*“Like early stage entrepreneurs, or that entrepreneur who doesn’t have an appreciation for what a good ESD program is...‘I have to be on this programme if I want to work with this corporate. I must apply to them and*

*they have said we want to put you on the programme, but I don't want the support. I don't need the support, running very successfully as is', but so they sit back." (Consultant 3).*

### Incubation Programme Deficiencies

*Consultants* mostly held the view that training or development interventions which are provided through incubation programmes are often ineffective, and that many beneficiaries attend these programmes as a means to gain access to markets (as mentioned in *Section 5.5.1.3*). Moreover, *Consultant 1* and *Manager 9* were of the opinion that incubation programmes also do not necessarily contribute to the creation of sustainable businesses. The quotations that follow are presented in addition to those already presented in *Section 5.5.1.3*.

*"They're looking for access to markets, and I think like with a lot of companies that enter these programs, that's what they want to achieve. They want that access to markets and you know, they spend a lot of their time going to training programs. If you have all of this knowledge but no customer base, it's kind of a wasted exercise." (Consultant 4).*

*"We found that there were serial incubatees, so entrepreneurs who jumped from one incubator to the next, because an incubator offers you a really nice safe haven...then there was a realisation that we weren't necessarily creating sustainable businesses that can get onto their own feet, which is obviously the intention behind the incubator model." (Manager 9).*

### **5.5.2 Support Provided to Beneficiaries through SD and ED Programmes**

It is important that the support which corporates provide to their SD and ED programme beneficiaries assist these beneficiaries in overcoming the main challenges that they face in growing their businesses and in becoming sustainable. This section presents a summary of the support that corporates provide to small businesses through SD and ED programmes, as perceived by both *Managers* and *Consultants*. Refer to **Table 6** for an overview of the themes that emerged with regard to the support that is provided by corporates to their beneficiaries through their SD and ED Programmes.

*Managers* frequently stated the importance of customising programmes and support to suit the individual needs of beneficiaries, and cautioned that one cannot take a generic approach to SD and ED. The majority of *Managers* held this view and also

claimed that their companies take a customised approach in structuring their support mechanisms for beneficiaries.

**Table 6: Overview of Support Provided to Beneficiaries through SD and ED Programmes**

Description of Support Provided	Frequency	
	M	C
Knowledge transfer and skills development	96	43
Business management support	59	12
Provision of resources	57	6
Support in gaining access to networks and markets	49	2

All four *Consultants* also frequently emphasised the need to develop customised support mechanisms for each beneficiary. Five *Managers* and all *Consultants* also indicated that their beneficiaries pass through a structured selection or due diligence process before being onboarded onto their SD and ED programmes—the outcome of the selection or due diligence process is then used to structure a customised programme for the beneficiary.

*“It’s not just a one size fits all kind of approach...we assist the business and understand where they are and what type of development is there...it’s appropriate for the type of business, it’s appropriate for the size, and where they are in terms of their development stage.” (Manager 8).*

*“The first step would be a business assessment, where you do almost a due diligence on the entrepreneur and his business with the sole purpose of identifying where they sit on the maturity curve, and then identifying the gaps in that business...and off the back of that you design a programme.” (Consultant 2).*

#### 5.5.2.1 Knowledge Transfer and Skills Development

As illustrated through the frequency counts in **Table 6**, corporates’ SD and ED programmes appear to concentrate heavily on the transfer of knowledge as well as the development of skills as a means of support to beneficiaries. *Interviewees* frequently mentioned that this—knowledge transfer and skills development—is mostly accomplished through structured training programmes that form an integral part of their SD and ED programmes. The knowledge that corporates aim to impart and the skills that they aim to develop through these training programmes are listed in **Table 2** and have been discussed in detail in *Section 5.3* of this research report. In addition to these formal and structured training programmes, *Interviewees*



frequently remarked that corporates' SD and ED programmes also include a sizable component of coaching and mentoring to further support skills development. Many *Managers* and all *Consultants* emphasised the importance of one-on-one coaching and mentoring as a means to inculcate the training programme learnings into the small businesses.

*“One-on-one coaching and mentoring where we really look at how the modules that we’ve taught you are then getting applied in your business as an SMME. We work with them to identify areas of improvement in their business to make them more competitive, and then they get that one-on-one coaching with our business advisors.” (Manager 2).*

*Managers 3, 7 and 12* shared that their development programmes include an element of practical exposure that is aimed at equipping the beneficiaries with the necessary practical experience as part of their training. *Managers 3, 5 and 11* commented that their companies offer progressive development programmes, whereby beneficiaries have to successfully complete modules within a specific level before they advance to the next level within the programme. A few *Managers* and one *Consultant* indicated that their programmes also provide knowledge transfer and skills development in the start-up phase of a business in order to support start-up businesses during this challenging period. Only *Managers 3 and 9* mentioned that their development programmes include a business incubation component to assist start-up businesses in becoming more innovative and to accelerate their growth. However, as stated before, *Manager 9* expressed her reservations regarding the effectiveness of incubation programmes.

*Manager 9* commented that her company recently established a programme that is specifically aimed at corporate workers which have ‘side hustles’. The objective of this programme is to empower the beneficiaries to turn their ‘side hustles’ into their ‘main hustles’. *Manager 10* alleged that, due to the innovative culture and entrepreneurial spirit that exist within his company, his company acts an entrepreneurial role model to its ED beneficiaries—this entrepreneurial spirit then inspires the beneficiaries to be more entrepreneurial.

*“So for people to start small and to start seeing what potentially is required to grow, I think automatically awakens a lot of the entrepreneurial side in*

*people, for them to start understanding it and actually seeing it happening, and seeing what's required, I think helps a lot.” (Manager 10).*

#### 5.5.2.2 Business Management Support

##### Support in Managing the Business

The support mechanisms that were most frequently mentioned—from a business management support perspective—can be categorised as support to beneficiaries with the management of their businesses. *Managers* most often stated that they provide their beneficiaries with support in managing their finances. Other support that was mentioned includes support with managing legal and compliance matters, marketing aspects, human resources management, as well as support in the management of operational and technical aspects. Corporates provide this support with either their own resources, or they contract third party service providers to assist them in providing management support to their beneficiaries.

*“We would then bring in professional support services to provide that ongoing support. So we’ve got accountants that would then come in on a monthly basis to assist them with management accounts.” (Manager 1b).*

*“I think what we have found here is that 80% of our businesses that need growth support, needed input in the form of accounting services, so accounting services, the book keeping type of services, knowing your financial position at any point in time and being able to tell your business story, from a perspective of financials.” (Manager 9).*

##### Business Development and Management Consulting Support

*Consultants 2 and 3* indicated that they provide business development and management consulting services to beneficiaries on behalf of their corporate clients. The majority of *Managers* also remarked that they support their beneficiaries by providing these support services, either using their own resources or through third party service providers. *Manager 4b* commented that her company’s programme is more focused on identifying and addressing shortcomings in the business through business development support than identifying and addressing skills gaps in the entrepreneur.

*“we’ve more looked at the business, the gaps in the business and try to close that through more business development support as opposed to individual skills type development.” (Manager 4b).*

### Post Development Programme Monitoring and Support

*Managers 2, 7, 9, 10 and 12* claimed that their companies also monitor post development programme business performance, and in some instances they also provide further support to their beneficiaries after the completion of the programmes.

*“They would then exit the programme, but they get continual sort of aftercare and monitoring, and in the aftercare period, what we do is we just monitor the revenue growth.” (Manager 12).*

#### 5.5.2.3 *Provision of Resources*

##### Financial Support

*Managers* frequently mentioned that their companies support beneficiaries through the provision of funding—*Managers* of 11 out of the 13 corporates specifically indicated that their companies do provide funding. *Consultant 3* also remarked that his clients provide funding to their beneficiaries. *Managers 9 and 11* furthermore added that they provide further financial support to their beneficiaries by extending preferential payment terms to them. *Manager 10* commented that his company extends financial benefits from an economies of scale perspective to its beneficiaries—for example, his company insures its beneficiaries’ trucks under its corporate insurance cover, thereby resulting in an insurance cost saving to its beneficiaries.

##### Provision of Property, Plant and Equipment (PPE), Inputs and Technology

Although less frequently mentioned, some *Managers* indicated that their companies also support their SD and ED programme beneficiaries through the provision of PPE, inputs and technology. *Managers 1b and 5a* remarked that the COVID-19 induced lockdown highlighted the technology gaps that exist in small businesses, and that their companies have made it a priority to equip their beneficiaries from a technology perspective in order to mitigate the impact of COVID-19 on these small businesses. *Managers 1a, 4b, 5a, and 11* furthermore mentioned that their companies encourage and support their beneficiaries to establish a presence on digital marketing platforms and social media in order to improve their marketing reach and increase customer awareness. *Manager 8* claimed that, since the introduction of technology to their beneficiaries (agricultural farmers), some beneficiaries have managed to more than double their agricultural yields.

*“We also then give our SMMEs access to these procurement portals. We would pay their license fees due for a year. That gives them access to other tender opportunities as well.”(Manager 5a).*

*“We bring the technology to them, because what we found is that now that we bring the technology to them, their yields have increased by more than double.” (Manager 8).*

#### *5.5.2.4 Support in Gaining Access to Networks and Markets*

Some *Managers* indicated that they support their programme beneficiaries by assisting them with networking and helping them to gain access to markets; however, this was the most infrequently mentioned support mechanism. *Consultant 4* also remarked that her clients provide support to their beneficiaries in gaining access to markets. From a SD perspective, all of the corporates that have SD programmes purchase their beneficiaries’ products, and this then provides markets for these beneficiaries. Some corporates enter into long term supply contracts with their SD and ED beneficiaries. However, as alluded to in *Sections 5.5.1.2 and 5.5.1.4* of this report, the risk is often that dependency relationships develop where small businesses’ existence is contingent on sales to the corporates which support them.

*“We look at enterprise and supplier development as really looking at offtake agreements and looking at access to markets, and really making sure that we try and open up as many opportunities for our suppliers, sustainable contracts that they can then use to grow their business.” (Manager 2).*

Over and above these SD supported markets, some corporates also provide additional support to their beneficiaries to expand their scope to other markets. Some corporates employ technology—digital platforms and social media—in an attempt to help their beneficiaries to gain access to other markets (refer to *Section 5.5.2.3* for detail). *Consultant 4* indicated that she often links beneficiaries—that participate in the programmes that she presents on behalf of a corporate client—to some of her other corporate clients. Additionally, some *Managers* also stated that they attempt to secure business for their beneficiaries. For example, *Manager 9* shared that she often links up beneficiaries of her company’s ED programmes with corporate clients which are serviced by her company. *Manager 5a* indicated that his company encourages and supports its beneficiaries to attend exhibitions where they can network and meet potential new customers.

*“We’ve got a view that looks at access to markets for our different businesses that we support in ED, and one of those access to markets pathways might be into [Company 9] directly but it might not be...if you think of some of the very big businesses that we bank as a bank, we very often work with their supply chains as well in support of that.” (Manager 9).*

*“Giving them the support that they need to attend expos like the ABSA smart procurement expo. Expos where they go and meet other potential customers as well.” (Manager 5a).*

A few *Managers* emphasised the importance of establishing collaborative platforms and partnerships between corporates, government and other stakeholders, with the objective of creating markets for SD and ED programme beneficiaries that operate within their industries. *Manager 2* provided an example of how her company managed to successfully establish such a collaborative platform a few years ago.

*“It’s a team that is made of stakeholders that are not only [Company 2]. It would also be the government, it would be other mining houses, other players in our regions, and that team is really looking at initiatives that are aimed at creating industries to plant our SMMEs into opportunities that come out of that.” (Manager 2).*

### **5.5.3 Summary of Findings for Research Question 3**

*Managers* and *Consultants* identified knowledge and skills gaps, factors which can be directly attributed to the beneficiary as well as factors which cannot be directly attributed to the beneficiary, and finally, various SD and ED programme related factors as the greatest impediments to the growth and sustainability of small businesses. An overview of these impediments is presented in **Table 5** and has been discussed in detail in *Section 5.5.1*. An overview of the support that corporates provide to their beneficiaries is presented in **Table 6** and has been discussed in detail in *Section 5.5.2*. *Managers* and *Consultants* highlighted knowledge transfer and skills development, business management support, the provision of resources, and support in gaining access to networks and markets as the primary support mechanisms of their SD and ED programmes.

From **Table 5** it appears as if corporates consider knowledge and skills gaps as the greatest impediment to the growth and sustainability of small businesses. From **Table 6** it appears as if corporates’ SD and ED programmes have been configured

to focus their support to their beneficiaries on the transfer of knowledge and the development of skills. Furthermore, the business management support that corporates provide appears to be also primarily aimed at supporting beneficiaries in the areas where they lack the necessary knowledge and skills. Corporates therefore appear to focus their support where they perceive the needs or weaknesses to be the greatest.

*Interviewees* indicated that access to markets and networks, as well as structural influences or barriers are challenges that cannot be directly attributed to beneficiaries but that these challenges do have an impact on small business growth and sustainability. However, some *Managers* mentioned that they do provide support to their beneficiaries in gaining access to networks and markets. Neither *Managers* nor *Consultants* indicated that they have attempted to address any of the structural influences or barriers—bureaucracy in the starting, registering and operating of small businesses as well as the negative influence of tenderpreneurship on small business owners—that impede the growth and sustainability of small businesses.

Some *Interviewees* identified desperation or a survivalist outlook, the lack of personal skills or mastery, and a lack of an entrepreneurial spirit as factors that impact on small business growth and sustainability but that these factors could be attributed to SD and ED programme beneficiaries themselves. Some *Interviewees* suggested that these are characteristics of the individuals themselves which are difficult or impossible to change. This may very well be the case; however, as detailed in *Sections 5.3.2 and 5.3.3*, it does also appear as if corporates' SD and ED programmes are not really focused on developing personal skills or on the development of an entrepreneurial mindset. Furthermore, as admitted by some *Interviewees*, the design of some corporates' SD and ED programmes lend itself to the creation of dependency relationships between beneficiaries and their corporate sponsors, thereby exacerbating the desperation or survivalist outlook factor.

*Interviewees* mentioned a number of SD and ED programme related factors which they felt are impediments to the growth and sustainability of small businesses. Suggested programme improvements to address these and other factors are discussed in detail in *Section 5.6.2*.

## 5.6 Findings for Research Question 4

*Research Question 4: How can SD and ED programmes be enhanced to improve its effectiveness in developing entrepreneurial skills?*

*Interviewees* provided many recommendations regarding various aspects of SD and ED programmes as well as the SD and ED ecosystem that should be improved in order to improve its effectiveness in developing entrepreneurial skills. These recommendations emerged naturally during the interviews as the researcher gradually built rapport with the *Interviewees*, and additional recommendations were also provided in response to two specific questions that were posed towards the end of each interview. The themes that emerged regarding improvements that are required to aspects of the SD and ED ecosystem are presented in the overview in **Table 7** below.

**Table 7: Overview of Suggested Improvements to the SD and ED Ecosystem**

Improvement Focus Areas	Frequency	
	M	C
Programme centric improvements	95	74
Companies' strategic considerations	48	20
Regulatory and structural focused improvements	11	21
Exploit learning synergies	13	11
Beneficiary centric considerations	5	3

### 5.6.1 Suggested Improvements to the SD and ED Ecosystem

As can be seen in **Table 7**, both *Managers* and *Consultants* are in agreement that the focus of improvements should extend well beyond only SD and ED programmes. Given the frequency counts presented in **Table 7**, there appears to be consensus among *Managers* and *Consultants* on the priorities of the focus areas, with the exception that, compared with *Managers*, *Consultants* more frequently stated that improvement efforts should be focused on regulatory and structural constraints. Note that, because the focus of this research report is centred on the effectiveness of SD and ED programmes, non-programme related improvements will only be superficially presented, whereas programme centric improvements will be discussed in detail.

#### 5.6.1.1 Programme Centric Improvements

*Managers* and *Consultants* most frequently mentioned improvements which should be aimed at aspects that relate directly to the SD and ED programmes themselves. There appears to be consensus among *Managers* and *Consultants*, as well as between *Managers* and *Consultants* that programme centric improvements should

be the main focus. Programme centric improvements will be discussed in depth in *Section 5.6.2*.

#### *5.6.1.2 Companies' Strategic Considerations*

Within this theme, the recommendations that *Interviewees* shared can be categorised as either the repositioning of SD and ED programmes by corporates, or a change in objectives—by corporates—from being compliance driven, to being intent driven. Most *Managers* and *Consultants* proposed that corporates consider repositioning their SD and ED programmes in order to improve the effectiveness of their programmes. Within this category, *Interviewees* most frequently mentioned that corporates should better align their SD and ED programmes—including the selection of beneficiaries—with their core business or strategy, and that they should also create better alignment between their SD and ED programmes and their value chains. *Interviewees* were of the view that these improvements in alignment would result in more opportunities being developed for SD and ED programme beneficiaries, in other words greater access to markets.

*“I want to focus more on core mining activities...a lot of ESD programmes have some of the low hanging fruits that they focus on, for instance things such as facilities management, cleaning and security services...let's focus on more of the core mining activities so that our suppliers can move from being ad hoc suppliers to really being strategic suppliers.” (Manager 2).*

Some *Managers* as well as *Consultant 2* also proposed that corporates should take a narrower but more in-depth focus on SD and ED, with the objective of rather having a few initiatives that are very impactful than many initiatives that are marginally impactful. *Managers 6* and *7* as well as *Consultant 1* suggested that, if possible, corporates should rather focus their efforts on the customer side of their value chains through ED programmes, as this would increase demand for the corporates' products or services. This increase in demand should incentivise corporates to ensure that their ED initiatives are successful.

*“So, I think again, too many initiatives, very little impact...really focusing on one big initiative, not doing 10 things but doing one...less is more, so less initiatives and more focused.” (Manager 6).*

The second category of improvement recommendations encompasses corporates changing their intentions for conducting SD and ED programmes from being



compliance driven—doing it for the purpose of achieving an acceptable B-BBEE rating—to being intent driven. An intent driven programme is one that develops small businesses which become sustainable, thereby promoting sustainable transformation within the economy. *Managers 1b, 3, 4a and 4b* as well as *Consultants 1, 2 and 3* argued that corporates should change their focus from being compliance driven to being intent driven in order to improve the effectiveness of their SD and ED programmes in developing entrepreneurial skills. *Manager 4a* and *Consultant 1* furthermore posited that corporates should view SD and ED as a source of competitive advantage.

*“So, from a business strategy [perspective], making sure that there’s transformation, diversity and inclusion within our supply base...and then obviously, there’s the scorecard benefit as well.” (Manager 1b).*

*Manager 4b* argued that most stakeholders in SD and ED programmes are profit driven, and that stakeholders should become less profit driven and more focused on the development of entrepreneurs in order to improve the effectiveness of SD and ED programmes. She furthermore proposed that corporates should provide less funding to beneficiaries, and rather focus their efforts on supporting their beneficiaries through business development programmes.

*“Even trying to partner with a number of entities that are out there, everyone’s looking to drive a profit and we’re not sharing an agenda around entrepreneurship within South Africa.” (Manager 4b).*

#### *5.6.1.3 Regulatory and Structural Focused Improvements*

*Managers 3 and 4* as well as all *Consultants* asserted that—in their opinions—the B-BBEE code requirements are inadequately structured as far as the promotion of entrepreneurial development is concerned, and as a result the code primarily drives compliance behaviour. These *Managers* and *Consultants* also expressed their concerns regarding the negative impact that the recognition of beneficiaries—in accordance with the requirements of the code—has on the selection of SD and ED programme beneficiaries. *Consultants 2 and 4* furthermore added that often money is being spent by corporates on SD and ED, and although these expenses are recognised by the B-BBEE code as investments in SD and ED, very little of these funds actually reach programme beneficiaries in any meaningful way.

*“In the codes, there are some fundamental underlying issues in my view that sort of almost encourage the wrong kind of behaviour. It’s easier for a corporate to give a grant...and they’ll buy their points instead of running a programme which instils the right skills.” (Consultant 3).*

*“Legislation around the government, how it regulates this whole ESD development. Laws such as who gets recognised to play or to participate in ESD. I feel like these caps are not helping.” (Manager 4a).*

The *Consultants* and respective *Managers* recommended that the B-BBEE code requirements be amended to incentivise the promotion of entrepreneurial activity, to broaden the definition of whom gets recognised by the code as SD and ED beneficiaries, and to ensure that more SD and ED funds actually reach the beneficiaries. *Consultant 1* emphasised that open tenders, especially open government tenders, are not conducive to promoting entrepreneurial activity and should be stopped (this aspect has been discussed in detail in *Section 5.5.1.3*).

#### *5.6.1.4 Exploit Learning Synergies*

*Consultants 1, 2* and *3* proposed that corporates as well as business development consultancy firms should exploit learning synergies through improved collaboration and by being more open to share their learnings and successes. In their views, all stakeholders should support improvements to the effectiveness of SD and ED programmes by sharing best practices and learnings from both successful as well as unsuccessful initiatives with each other. A few *Managers* also suggested that partnerships and collaborative platforms be established or improved in order to better support SD and ED programme beneficiaries. *Manager 1* and *Consultant 3* furthermore remarked that training and development service providers must also improve alignment between one another. Misalignment between these service providers often result in beneficiaries either being confused by getting different messages, or the course material of different service providers overlaps, resulting in beneficiaries being trained on similar content when attending different training sessions within the same programme.

*“We don’t actually talk about the errors we make—the things that we did wrong in our ED programs—in order to get better...what happens is, there’s no learning in the system...unfortunately all they [corporates and consultancy firms] do is they share how good they are.” (Consultant 1).*

### 5.6.1.5 Beneficiary Centric Considerations

*Manager 7* shared the view that beneficiaries should expand their boundaries and also focus on the export market, and that corporates should encourage and support their beneficiaries in exploring export markets. *Consultant 4* argued that it is incumbent on beneficiaries to use SD and ED programmes as platforms to network, thereby building access to markets for themselves. *Manager 3* and *Consultant 1* maintained that beneficiaries should also contribute financially towards their own development when attending development programmes—they argue that beneficiaries will then have some ‘skin in the game’ and perhaps be more committed to learn and apply the learnings from these programmes in their businesses.

*“Look at who you are sitting with, and every time you come to a session, link yourself up with a different business, because you never know what that business could offer you or what you could offer them in terms of a network, and build your own access to markets.” (Consultant 4).*

*“Suppliers must contribute towards their own development. Many times corporates come and they fund everything...and the supplier puts no skin in the game...at times you find that the commitment levels are there, but sometimes it’s lacking and it’s not as intense as what you want it to be.” (Manager 3).*

### 5.6.2 Suggested Programme Centric Improvements

**Table 8** provides an overview of SD and ED programme-specific improvements that have been recommended by *Managers* and *Consultants*. These recommendations are discussed in more detail in this section, with a specific focus on the improvements that were recommended in training and skills development. Based on the frequency counts, there appears to be consensus among *Managers* and *Consultants* regarding the priorities of the focus areas with respect to programme centric improvements.

**Table 8: Overview of Suggested Programme Centric Improvements**

Improvement Focus Areas	Frequency	
	M	C
Programme delivery improvements	31	30
Training and skills development	29	17
Selection and onboarding of beneficiaries	15	17
Establish correct metrics to measure effectiveness	10	5
Create more opportunities	9	4
No improvements required	1	1

### 5.6.2.1 Programme Delivery Improvements

*Managers* and *Consultants* offered a multitude of recommendations for improvements in SD and ED programme delivery, and indicated that these improvements would enhance the effectiveness of SD and ED programmes. Refer to **Appendix I** for a comprehensive list of improvements, displayed as individual codes next to the code group *Programme Delivery Improvements*. This section will only focus on those recommended improvements that were most frequently mentioned by the *Interviewees*.

*Managers* and *Consultants* most frequently mentioned that corporates should improve the delivery of their SD and ED programmes by customising their programmes and support to the individual needs of their beneficiaries. These *Interviewees* argued that many corporates' SD and ED programmes mostly offer generic development solutions, and that customised solutions are required to improve the effectiveness of SD and ED programmes in entrepreneurial skills development. *Consultants 1, 3 and 4* frequently articulated the need for more customised programmes and support, whilst *Managers 1b, 6 and 13* also shared this view.

*“Focusing on where the needs are, versus assuming that small businesses are those poor little margin players...kids, we treat them like kids you know, and it's quite sad. An entrepreneur is a very mature person and you need to understand what they really need to add value to their businesses, to enable their growth.” (Manager 6).*

Some *Managers* stated that, although their companies have been running SD and ED programmes for many years, their programmes are not very structured and that this could contribute to their SD and ED programmes not being as effective in entrepreneurial skills development as it could possibly be. *Managers 1b, 4b, 7, 10 and 12* commented that they would focus their improvement efforts on creating more structure in the delivery of their SD and ED programmes. *Managers 1b and 9* as well as *Consultant 2* added that, often there is misalignment between various departments—within a corporate—that contribute to the corporate's SD and ED programmes, and that this misalignment then negatively impacts the corporate's efficacy in delivering their programmes. These *Interviewees* proposed that corporates should create alignment between departments within their organisation

to ensure seamless programme delivery, as this would enhance the effectiveness of SD and ED programmes.

*“Having a structured programme, a development plan, KPAs and all of that. I think those are important to be able to track the development process and make sure that the contribution is aligned to the needs of the individual, you.” (Manager 1b).*

*“We didn’t consider the growth needs of the businesses at all, so there was this huge disconnect between the programme and the training, versus the funding, and there were completely different sets of businesses, different sets of business owners, and different business units within [Company 9].” (Manager 9).*

*Consultants 1 and 2 as well as Manager 7 argued that the duration of SD and ED programmes, as well as the duration of the support that beneficiaries enjoy as part of these programmes, are simply too short to contribute meaningfully to the development and success of these small businesses. These Interviewees proposed that corporates should extend the durations of their programmes and support to a couple of years. They argue that longer programmes and longer periods of support would significantly improve the impact that these SD and ED initiatives would have on the development of the beneficiaries.*

*“If I could change anything, it would be the amount of time that we get to work with the entrepreneurs. A lot of people want to push this programme into a 6 months thing...to change deep fundamental mindsets in the entrepreneurs we work with take long repetitive processes. It’s very difficult to make those changes over a short period of time.” (Consultant 1).*

*Managers 5a and 7 indicated that they would improve their own companies’ SD and ED programmes by introducing more frequent interactions with their beneficiaries, especially with the smaller businesses that they support. These Managers argued that relationship building is a very important aspect, and that corporates should engage more frequently with their beneficiaries to build relationships, but also as a means of short interval control in helping their beneficiaries to better manage their businesses.*

“Make sure that you stay engaged with them...it’s to make sure you always understand where they are, what their needs are, you know. They might want to develop a bit further but they don’t necessarily have the money, and nothing should stop you to help them to increase their knowledge base.” (Manager 7).

### 5.6.2.2 Training and Skills Development

Chapter 5.5.1 highlights the fact that both *Managers* and *Consultants* consider knowledge and skills gaps in SD and ED programme beneficiaries as a major impediment to the growth and sustainability of small businesses. Furthermore, these *Interviewees* argued—as detailed in Section 5.5.2—that corporates’ SD and ED programmes are highly geared towards the transfer of knowledge as well as the development of skills, specifically through training and development interventions that are integrated into their SD and ED programmes. It is therefore imperative to understand the improvements which are required to enhance the efficacy of SD and ED programmes in training and skills development. Refer to **Table 9** for an overview of the improvements that *Interviewees* recommended corporates should make to their SD and ED programmes in order to enhance the effectiveness of their programmes in training and skills development.

**Table 9: Overview of Suggested Improvements in Training and Skills Development**

Improvement Focus Areas	Frequency	
	M	C
SD and ED programmes should incorporate less training	8	5
Focus on the outcome of training	6	2
Focus on building the foundation for an entrepreneurial mindset	5	1
Stop outsourcing development initiatives to incubators	4	2
Incorporate entrepreneurial skills development	2	0
Incorporate more one-on-one training	2	0
Increase coaching and mentoring (especially in technical skills)	1	4
Incorporate an element of formal certification	1	0
Improve the quality of programmes	0	2
Improve the skills of mentors and coaches	0	1

*Managers* and *Consultants* alike were of the view that corporates’ SD and ED programmes incorporate too much training interventions, and that some beneficiaries attend training just for the sake of showing their presence. Some *Managers* and *Consultants* observed that, in their opinion, classroom training interventions are largely ineffective in imparting knowledge and in developing skills. *Manager 2* furthermore insinuated that some corporates subject their beneficiaries to more

training interventions as a means to compensate for their inability to open up market opportunities to these beneficiaries.

*Manager 7* recommended that corporates should rather substitute classroom type training interventions with one-on-one training sessions, whereas *Manager 2* and *Consultant 4* suggested that corporates should substitute their classroom training interventions with personalised coaching and mentoring sessions, especially for the development of technical skills. These interviewees regard coaching and mentoring sessions as being much more effective.

*“There’s a lot of training fatigue, because if you keep training suppliers and there’s no opportunities that are in the pipeline for them, you really do cause quite a lot of frustration for the small businesses.” (Manager 2).*

*“If your goal is to impart knowledge, you’re not going to get very far with classroom based training...you must move towards a mentorship approach...they need to practice, practice, practice, and mentorship sessions give you the opportunity to follow up on that knowledge that has been embedded.” (Consultant 1).*

*Managers 2* and *3* as well as *Consultants 1* and *4* observed that corporates should be less focused on the amount of training that they provide and be more focused on the outcomes that they achieve with their training. They argue that these training interventions can only be deemed successful if it results in the beneficiaries successfully growing their businesses, which often seems to not be the case. *Consultant 3* furthermore remarked that he generally finds the quality of programmes in SD and ED to be poor, and that corporates should focus on improving the quality of their programmes in order to improve the effectiveness of their SD and ED programmes. *Consultant 1* echoed this view and added that in some programmes the skills of mentors and coaches also have to be improved, because in his opinion there are inconsistent skill levels among mentors and coaches in SD and ED programmes.

*“We need to change the measurement of success when it comes to enterprise development and move away from measuring success based on number of training sessions delivered, and measure success based on the outcomes of that training, which is the growth of those small businesses.” (Manager 2).*

*“There’s been a lot of fatigue and a lot of frustration of SMMEs on these really poorly run, poorly aligned programmes.” (Consultant 3).*

*Managers 8 and 12 as well as Consultant 1 emphasised that it is paramount that training and development initiatives should be platforms where the foundation for entrepreneurial mindsets are built within beneficiaries. Manager 12 reasoned that these initiatives should ideally be focused on younger entrepreneurs. Managers 4b and 11 added that corporates should incorporate more initiatives which are geared towards entrepreneurial skills development into their SD and ED programmes. Except for the aforementioned Managers and Consultants, no recommendations were made by any other Managers or Consultants with regard to corporates increasing their focus on entrepreneurial skills development in their SD and ED programmes. This begs the question whether corporates really consider an entrepreneurial mindset and entrepreneurial skills development to be important to the success of their SD and ED programmes.*

*“We need to stop [supporting] these 50 year old men and women who we keep on supporting even though they keep failing...start supporting the young people who are looking at things very differently...I really believe that we should be building stronger foundations rather than trying to build a double and triple story [building] on a very weak foundation.” (Manager 12).*

*“I do believe that some sort of programme on entrepreneurial skills should be provided to the entrepreneurs, over and above what they currently get in terms of the support and the coaching.” (Manager 11).*

*Managers 4 and 6 as well as Consultants 1 and 4 furthermore insisted that corporates should refrain from outsourcing their development programmes to incubators, as these incubation programmes are largely ineffective in developing sustainable businesses, but they also argue that beneficiaries often target these incubations programmes as a means to network in order to gain access to other markets. These aspects have been discussed in detail in Section 5.5.1.4.*

#### *5.6.2.3 Selection and Onboarding of Beneficiaries*

*Many Managers and most Consultants remarked that flawed beneficiary selection processes as well as weak beneficiary onboarding processes sometimes contribute towards SD and ED programmes being ineffective. Managers 1a, 7 and 10 as well as Consultants 2 and 4 mentioned that corporates should establish a more rigorous*



selection criteria in deciding which beneficiaries to support. *Managers 1b* and *9* as well as *Consultants 3* and *4* indicated that corporates should perform more thorough and accurate gap analyses when onboarding new beneficiaries onto their SD and ED programmes. These *Interviewees* argue that improved gap analyses would ensure that the support which corporates provide to these beneficiaries are really targeted at the areas which are in most need of development.

*“I would change the sourcing and be far more particular about who gets into a programme, knowing full well that a lot will be left behind.” (Consultant 2).*

*“The other thing that we’ve often struggled with in this space, is how to do an effective gap analysis for a business that you can then use to develop a very bespoke [development] plan.” (Manager 9).*

*Consultants 3* and *4* as well as *Manager 6* commented that there is often a misalignment between the expectations of beneficiaries and the support which corporates intend to provide them with through their SD and ED programmes. These *Interviewees* therefore insisted that corporates should clarify and manage their beneficiaries’ expectations on an ongoing basis, but this should commence already at the stage when beneficiaries are selected and onboarded onto the SD and ED programmes. *Manager 1a* further commented that he believes that his company’s relationships with its beneficiaries are too informal, and that he would like to formally contract with their beneficiaries at onboarding stage to ensure that there would be proper legal recourse in the event of beneficiary non-performance.

*“When they [corporates] market these programs, they do kind of spin it a bit and I think that’s unfair. I think that a clear expectation should be set, you know. What we can’t provide [are markets], you’ll have to find your first markets on your own.” (Consultant 4).*

#### *5.6.2.4 Establish Correct Metrics to Measure Effectiveness*

*Consultants 1, 2* and *4* as well as a few *Managers* reasoned that, in order to improve the effectiveness of their SD and ED programmes, corporates should develop and implement the correct metrics that are aimed at providing an accurate measure of the effectiveness of their SD and ED programmes. However, these *Interviewees* were not very forthcoming in providing examples of the metrics that they would regard as useful in measuring the effectiveness of SD and ED programmes in

entrepreneurial skills development. However, *Managers 3 and 10* as well as *Consultants 2 and 4* insisted that corporates should stop using the number of beneficiaries that have passed through their SD and ED programmes as a measure of how successful they regard their programmes to be. *Manager 10* suggested that corporates should rather employ metrics that measure the sustainability of the small businesses which they support.

*“We’re using the wrong metrics. We’re using gross profit or what revenue does this company make...so it forces the corporate to say you’ve reached R50 million, I can’t develop you any further...because we’re using the wrong metrics to define what it is to develop a small business” (Manager 3).*

#### 5.6.2.5 Create More Opportunities

Some *Managers* and *Consultants* maintained that SD and ED programmes should be designed to provide beneficiaries with more opportunities. *Managers 7, 8 and 11* suggested that corporates should not only target their SD and ED programmes at one or two large businesses. These *Managers* recommended that corporates should target smaller businesses as well as other entrepreneurs which they have not previously supported, as this would create opportunities for other small businesses as well. *Consultant 2* echoed this view. *Manager 5b* added that she believes that corporates should, instead of issuing large supply contracts to a single supplier, break up these contracts into smaller contracts and issue these contracts to different businesses, as this may benefit small businesses within the SD and ED sphere as well.

*“You always find it’s the same people that have multiple types of businesses, and I don’t think we give the small guy enough airtime... but if you give them a bit of air time, a bit of money, background, education, they can become exporters of these ideas.” (Manager 7).*

*Manager 9* insisted that corporates should be less focused on developing “hyped-up” SD and ED programmes where beneficiaries can win money, and more focused on programmes that culminate into real business opportunities for their beneficiaries. *Manager 6* and *Consultant 4* emphasised that corporates should structure their SD and ED programme support in such a way that beneficiaries could gain access to markets during or after these programmes.

*“We need to stop running tight act initiatives...these are almost a lot of marketing type of initiatives...we need to run less hyped-up programmes, and we need to be more focused on the opportunities that can be provided.”*  
(Manager 9).

#### 5.6.2.6 No Improvements Required

Manager 5a indicated that he believes that his company’s SD and ED programmes are effective and that its programmes do not need to be improved. Similarly, Consultant 4 felt that the programmes that she delivers to beneficiaries on behalf of her corporate clients are effective and that the programmes do not require any improvements.

### 5.6.3 Corporates' Motives for Investing in SD and ED Programmes

The motives that influence corporates to implement SD and ED programmes are succinctly presented in this section. A thematic overview of these motives are shown in **Table 10**. The insights gained from corporates’ motives may provide—to some extent—an understanding of the level of effectiveness of their SD and ED programmes. As can be seen in **Table 10**, there appears to be little consensus between *Managers* and *Consultants* with respect to the motives that influence corporates to invest in SD and ED programmes.

**Table 10: Overview of Corporates' Motives for Running SD and ED Programmes**

Motives	Frequency	
	M	C
Economic transformation or developmental motives	82	3
Altruistic motives	39	3
Egocentric motives	34	24

Note that the findings that are presented below are reported concisely, and only at a group code or category level. Refer to the table in **Appendix I** for a comprehensive list of motives, displayed as individual codes next to the code groups *Transformational or Developmental Motives*, *Altruistic Motives* and *Egocentric Motives*.

#### 5.6.3.1 Economic Transformation or Developmental Motives

There is consensus among *Managers* that corporates mainly implement SD and ED programmes with the intention to: (i) Support entrepreneurial development in order to cultivate small businesses that grow and that become sustainable; (ii) Empower their beneficiaries through knowledge transfer and skills development; and,

(iii) Create opportunities for their beneficiaries to gain access to markets. Only *Consultant 3* claimed that some corporates may have a transformational (economic) or developmental agenda; however, he only provided three motives related to this theme, and he also indicated that he is of the view that most corporates have egocentric motives. None of the other *Consultants* suggested that corporates' SD and ED programmes are driven by a genuine transformational or developmental agenda.

*“So the [Company 1] ESD program was born out of a need to make sure that we contribute to the development of small businesses within our supply chain, and the broader transformation of the economy and our contribution to that.” (Manager 1b).*

*“So, compliance, absolutely, some never move past it, others are looking for genuine impact...to be perfectly honest, even the progressive companies, when the pressure builds, they default back to compliance.” (Consultant 3).*

#### 5.6.3.2 Altruistic Motives

*Managers* frequently mentioned that their companies invest in SD and ED programmes in order to contribute to societal upliftment, with most *Managers* stating that their programmes are centred on the creation of new job opportunities, in pursuit of the alleviation of unemployment and poverty. Once again, only *Consultant 3* indicated that some corporates may have altruistic motives. No other *Consultant* stated that corporates' SD and ED programmes are driven by altruistic motives that are authentic.

*“SMMEs are the biggest contributor to employment in the country...so if we can assist to develop these enterprises, it ultimately contributes to the bigger problem that the country is facing, and that's unemployment.” (Manager 5a).*

#### 5.6.3.3 Egocentric motives

All four *Consultants* frequently mentioned that corporates primarily participate in SD and ED programmes to be compliant from a B-BBEE perspective, and to improve their B-BBEE scorecard ratings. Some *Managers* also acknowledged that their companies do invest in SD and ED programmes to enhance their B-BBEE scorecard ratings, and that some stakeholders—including their larger clients—pressurise them into investing in SD and ED programmes. *Managers* of nine out of the 13 corporates

that were interviewed indicated that their companies perform very well in SD and ED from a B-BBEE scorecard perspective. Some *Managers* also alluded to the fact that their businesses' continuity and sustainability depends on their stakeholders, including the communities that they operate in, viewing them as good corporate citizens. A few *Managers* also indicated that their companies enjoy improved efficiencies and lower costs as a result of investing in the SD and ED programmes.

*“Legislatively, from a mining charter perspective, there is an ESD score that we need [to achieve] that forms part of our license to operate.” (Manager 2).*

*“We believe in the long term it’s a necessity for sustainable business, and if we’re the first movers in this field, and very good in our competitive industry, it would provide us with more business.” (Manager 10).*

#### **5.6.4 Summary of Findings for Research Question 4**

In exploring opportunities for improvement of SD and ED programmes in order to optimise the programmes' effectiveness in entrepreneurial skills development, it became evident that *Managers* and *Consultants* are of the view that other aspects in the SD and ED ecosystem also require attention. The non-programme related improvements that were identified include: (i) Shifting corporates' strategic considerations with regard to the positioning of their SD and ED programmes as well as their objectives with these programmes; (ii) Addressing regulatory and structural impediments that stifle entrepreneurial activity and development; (iii) Improving synergies between stakeholders in SD and ED, especially with respect to the sharing of learnings regarding failures and successes of each other's SD and ED programmes; and, (iv) Beneficiary centric improvements, in that beneficiaries should focus on improving aspects that are within their locus of control.

Based on the frequency counts as reflected in **Table 7**, there appears to be consensus among *Managers* and *Consultants* that the focus of improvement efforts should, however, be on programme centric improvements. Improvements in the delivery of SD and ED programmes by corporates were identified to be a focal improvement aspect, followed by improvements which are required to enhance the efficacy of these programmes in training and skills development. It also seems that *Managers* and *Consultants* consider improvements in corporates' beneficiary selection and onboarding processes as an important aspect that could improve the effectiveness of their SD and ED programmes. Equally important, it appears as if

some *Managers* and *Consultants* believed that corporates can improve the effectiveness of their SD and ED programmes if they use appropriate metrics to measure the effectiveness their programmes.

From a training and skills development perspective, *Managers* and *Consultants* suggested a number of improvements—these recommendations can be viewed in **Table 9**. Making SD and ED programmes less training intensive, and being more focused on the outcome of training than the number of training interventions presented were considered to be important improvement areas by some *Interviewees*. Some *Interviewees* also felt that SD and ED programmes should be more focused on building the foundation for an entrepreneurial mindset, and that the programmes should therefore incorporate more entrepreneurial skills development. A few *Interviewees* found incubation programmes to be ineffective in skills development, and proposed that corporate should stop outsourcing their SD and ED programmes to incubators. All *Consultants* believed that more coaching and mentoring will improve the effectiveness of SD and ED programmes in entrepreneurial skills development.

Most *Managers* were of the opinion that their companies invest in SD and ED programmes in order to advance economic transformation and to support entrepreneurial development, and that their companies want to contribute to societal upliftment—they considered these to be their primary motives. However, all *Consultants* insisted that corporates are mainly driven by egocentric motives when investing in SD and ED programmes in that the corporates primarily do it for compliance from a B-BBEE perspective, and to improve their B-BBEE scorecard ratings.

## **5.7 Conclusion**

The findings for the four research questions that have been introduced in *Chapter 3* have been presented in this chapter. The findings suggest that, generally, corporates have designed and implemented their SD and ED programmes with the intent to address the skills that they consider to be the most important for the growth and sustainability of their beneficiaries' businesses. On the contrary, although corporates perceive personal skills to be important skills which their beneficiaries must possess in order to grow their businesses and for the businesses to become sustainable, it appears as if *Managers* perceive that corporates' SD and ED programmes do not

commonly incorporate personal skills development. Some *Consultants* did not share this view.

*Managers* claimed that their SD and ED programmes do contribute to the entrepreneurial skills development; however, their focus on entrepreneurial skills development are insignificant compared to the extent to which their SD and ED programmes focus on the development of business acumen as well as the development of skills in general business management. There appears to be little consensus whether corporates' SD and ED programmes are effective in entrepreneurial skills development.

The findings suggest that only by exception do corporates measure the impact that SD and ED programmes have on their beneficiaries' uptake of knowledge and development of skills. Corporates by and large employ metrics that measure either the economic performance of their beneficiaries, or the social impact that their SD and ED programmes have in terms of job creation. Some corporates also use metrics that measure their own performance in delivering SD or ED programmes to their beneficiaries.

Corporates seem to consider knowledge and skills gaps as the greatest impediment to the growth and sustainability of small businesses, and therefore largely focus their support to their beneficiaries on knowledge transfer and skills development through formal training interventions. Corporates also provide business management support to their beneficiaries, and it appears as if this support is primarily focused on assisting beneficiaries in the areas where they lack the necessary knowledge and skills.

*Managers* and *Consultants* have identified many improvements that would, in their opinion, improve the effectiveness of SD and ED programmes in entrepreneurial skills development. The findings revealed that improvement efforts should be focused on improving SD and ED programme delivery, and improving training and skills development interventions. The *Consultants* insinuated that corporates would be more effective with their SD and ED programmes if they are authentic in their motives—the *Consultants* seemed to be of the view that corporates primarily participate in SD and ED to improve their B-BBEE scorecard ratings.

*Chapter 6* provides a discussion of the findings with respect to the theory that has been presented in *Chapter 2*, with the discussion organised in terms of the four research questions.

## **CHAPTER 6 – DISCUSSION OF FINDINGS**

The findings of the qualitative data analysis, as presented in *Chapter 5*, are discussed in this chapter. Although reference is made to ‘corporates’ as far as the findings and discussion of the findings are concerned, it is important to note that the research findings reflect the views of the *Managers* and *Consultants* that have been interviewed, and that the findings cannot be perfectly generalised to all corporates. The discussion that follows focuses on how the findings of the semi-structured interviews compare to the literature that has been presented in *Chapter 2*, and the researcher highlights to what extent the findings corroborate, contest or extend the literature that has been presented. The objective of this discussion is to establish the relevancy of the findings as it relates to the literature, in order to contribute to the body of knowledge in entrepreneurial skills development.

### **6.1 Discussion of Research Question 1**

*What skills do corporates consider to be the most important for a small business owner to succeed? How do the SD and ED programmes of corporates contribute towards entrepreneurial skills development?*

#### **6.1.1 Skills Considered to be the Most Important**

The literature suggests that basic business skills may be more important for new small business owners than for existing small business owners (De Mel et al., 2014), whereas psychology-based training that teaches a proactive mindset encourages business owners to innovate (Campos et al., 2017). Furthermore, the skills that are required for the success of small businesses have a strong association with the skills that are required to create and jointly create opportunities (Alvarez & Barney, 2014). Entrepreneurs must therefore possess the necessary action-regulatory skills to convert opportunities as well as their knowledge into action (Frese et al., 2016; Gielnik et al, 2015; Glaub et al., 2014; Ramoglou & Tsang, 2016), and these skills can be improved by developing the entrepreneur’s non-cognitive skills, especially their personal initiative (Frese et al., 2016). Psychologically informed training interventions help an individual to thrive, as these interventions objectively alter an individual’s non-cognitive skills (Walton & Wilson, 2018). The aforementioned scholars therefore suggest that skills development efforts should focus on developing an entrepreneur’s non-cognitive skills. However, not much is known about the



influence that non-business skills related training has on small business performance and continuity (González-López et al., 2019; Lackéus, 2015; Sutter et al., 2019).

SME owners in South Africa regard functional competencies as vital to the success of a business, and Botha et al. (2015) further argue that functional competencies are especially important for new small businesses to enable them to mature into sustainable businesses. Well-established and start-up SMEs consider entrepreneurial and personal skills as important (Botha et al., 2015). Entrepreneurs and experts in South Africa consider start-up skills, technical skills, basic business skills, personal skills, and leadership skills as the most important skills (Mamabolo et al., 2017).

This research established that most *Managers* and *Consultants* consider business acumen and skills in general business management as very important. This confirms the research that was done by Botha et al. (2015) and Mamabolo et al. (2017), but does not align to the view of other scholars (Campos et al., 2017; Frese et al., 2016; Gielnik et al, 2015; Glaub et al., 2014). *Managers* also frequently mentioned the importance of small business owners having well-developed personal skills in order for them to be successful in their businesses; however, only one *Consultant* supported this view. These skills include personal mastery, the ability to self-manage, the right attitude and mindset, resilience, and flexibility. Some *Managers* and *Consultants* also regard interpersonal skills as important skills that a small business owner should possess. These skills include empathy, collaboration, political skills, as well as the ability to develop, lead and manage others. The research findings therefore confirm the findings by Botha et al. (2015) with regard to the importance of personal skills, as well as the findings by Mamabolo et al. (2017) with regard to the importance of personal skills and leadership skills.

The research findings also supports the literature by Campos et al. (2017), Frese et al. (2016), Gielnik et al (2015), and Glaub et al. (2014) which posit that non-cognitive skills are important (non-cognitive skills include personal and interpersonal skills). However, the *Managers* and *Consultants* did not explicitly identify the relationship between non-cognitive skills and entrepreneurial propensity as well as entrepreneurial action.

*Managers* and *Consultants* considered an entrepreneurial mindset and entrepreneurial skills as being important which confirm the findings by Botha et al. (2015). The skills that were specifically mentioned include innovation and creativity,

a healthy entrepreneurial spirit, an appetite for risk, the ability to execute, as well as the ability to develop or grow one's business. However, some *Managers* and *Consultants* held the view that an entrepreneurial mindset comes naturally, and that it cannot be learnt or developed. This view is contradictory to those scholars that believe that the development of an entrepreneur's non-cognitive skills promotes a proactive mindset, thereby improving the entrepreneur's action-regulatory skills (Campos et al., 2017; Frese et al., 2016; Gielnik et al., 2015; Glaub et al., 2014). Also, the *Managers'* and *Consultants'* view with respect to a natural entrepreneurial mindset is archaic, as this used to be the academic view back in the 1970s to the late 1990s (Eckhardt & Shane, 2003).

### **6.1.2 Contribution to Entrepreneurial Skills Development**

Entrepreneurial development programmes often focus on developing basic business skills (Kuratko et al., 2018; Sutter et al., 2019). The SD and ED programmes by corporates appear to contribute to the development of the same set of skills as deemed by them to be important to a small business owner's success (as detailed in *Section 6.1.1*), but with the exception that only two *Managers* indicated that their programmes contribute towards the development of personal skills. This is surprising, as *Managers* frequently mentioned the importance of personal skills to the success of a small business owner. By comparison, three of the four *Consultants* claimed that the SD and ED programmes which they deliver on behalf of their corporate clients do contribute towards the development of personal skills.

Corporates' programmes are designed to contribute to the development of business acumen as well as skills in general business management, personal skills (albeit only two companies), an entrepreneurial mindset and skills, and interpersonal skills. Business acumen and skills in general business management was mentioned almost three times more frequently than any other skill, thereby confirming the arguments by Kuratko et al. (2018) and Sutter et al. (2019). *Managers* and *Consultants* regard having knowledge and skills in the management of the following business functions as paramount (and have therefore incorporated training on these into their SD and ED programmes): financial management, operational management including technical knowledge, marketing, legal knowledge and compliance, administration, sales, and human resources management.

From a personal skills perspective, only two corporates incorporated personal skills training into their programmes, and this encompassed only basic life skills training.

*Consultants* claimed that their contribution to developing personal skills—as part of their corporate clients' SD and ED programmes—encompasses addressing aspects such as how to dress, act and communicate in a professional manner, how to promote one's personal brand, and understanding one's own strength and weaknesses. The personal skills training that corporates and *Consultants* provide as part of their SD and ED programmes appears to be mostly misaligned to the non-cognitive skills development initiatives that Campos et al. (2017), Frese et al. (2016), Gielnik et al (2015) and Glaub et al. (2014) promote, in that it does not incorporate personal initiative training.

Although some *Managers* and *Consultants* indicated that their SD and ED programmes contribute to entrepreneurial skills development, they did not provide any context. There was also no consensus on whether SD and ED programmes are effective in developing entrepreneurial skills. The majority of *Managers* were of the opinion that their programmes are effective in developing entrepreneurial skills, whereas all *Consultants* were of the view that SD and ED programmes are generally ineffective in entrepreneurial skills development. Furthermore, many of the *Managers* had difficulty in explaining why they consider their programmes to be effective in entrepreneurial skills development, as their companies have not established any metrics to measure this aspect. This finding supports the argument by Kuratko et al. (2018) that, evidence of the effectiveness of development programmes in skills development is unclear because of the difficulty in establishing appropriate performance metrics.

Not much evidence was provided of the contribution that SD and ED programmes make to the development of interpersonal skills, although some *Managers* and *Consultants* deemed interpersonal skills to be important. Some programmes contribute to the development of basic leadership and general management skills, as well as networking skills. As for personal skills development, it appears as if the development of interpersonal skills do not form part of most corporates' SD and ED programmes.

In conclusion, it is evident that most corporates focus their efforts on development initiatives that are aimed at increasing business acumen, developing functional competencies, as well as developing business management skills in various business functions. Although most corporates recognise the importance of developing non-cognitive skills (personal and interpersonal skills), it appears that not

many corporates incorporate non-cognitive skills development initiatives into their SD and ED programmes. As detailed in *Section 6.1.1*, some scholars argue that the development of an entrepreneur's non-cognitive skills promotes entrepreneurial propensity and entrepreneurial action. Based on this argument, it is imperative that corporates align their SD and ED programmes to their perceptions of skills importance, and thus incorporate non-cognitive skills development initiatives into their programmes.

## **6.2 Discussion of Research Question 2**

*What metrics do corporates employ to assess the success of their SD and ED programmes, and are these metrics effective in measuring entrepreneurial skills development?*

This section compares the metrics which corporates use to measure the effectiveness of their SD and ED programmes with extant literature on metrics in entrepreneurial skills development. As reported in *Section 5.4*, corporates often apply metrics informally, and only one *Manager* indicated that her company uses a formal measurement instrument to measure the success of its SD and ED programmes. The balanced scorecard (Kaplan & Norton, 2007) can measure not only financial performance, but also leading indicators of financial performance such as internal processes (innovation), customer perspectives (social impact) as well as learning and growth perspectives (Dudic et al., 2020; Malagueño et al., 2018; Mamabolo & Myres, 2020).

### **6.2.1 Business Performance Metrics**

The effectiveness of entrepreneurs is often not measured through personal-level metrics but through metrics that assess their businesses' performance (McGee and Peterson, 2019). The research findings confirm that this seems to be the case for corporates' SD and ED programmes as well. All *Interviewees* indicated that metrics that are most commonly used by corporates focus on assessing the performance and sustainability of SD and ED programme beneficiaries' businesses.

Metrics that measure the financial performance of the small businesses are most popular among corporates, and these include revenue, revenue growth and profitability. Some corporates consider financial sustainability as being paramount, and monitor how well their beneficiaries manage their finances on a monthly basis. Some corporates also measure changes in the economic activity of their

beneficiaries, for example the number of contracts won or lost and changes in sales volumes. Access to markets were identified as one of the greatest impediments to small business growth and sustainability, and many corporates therefore measure new contracts secured or existing contracts lost, as well as the growth or decline in customer base.

*Interviewees* consider the operational performance of their beneficiaries' businesses to be important, and use metrics to track how well these businesses perform operationally. These include metrics that measure service delivery, production throughputs, quality of products or services, safety performance as well as performance with respect to compliance. Corporates also measure how well beneficiaries are at executing their own plans and in reaching their own objectives.

It is evident from the findings that corporates regard good economic and operational performance by their beneficiaries as a measure of how effective their (the corporates') SD and ED programmes are. Based on the level of detail in which some corporates focus their metrics, it seems as if these corporates micro-manage their beneficiaries to a large extent. Given the emphasis that corporates place on financial and operational measures, as well as the fact that most corporates do not use dedicated measurement instruments to evaluate the effectiveness of their SD and ED programmes, the balanced scorecard (Kaplan & Norton, 2007) could be effectively used to measure the financial and operational performance of these beneficiaries. Research by Dudic et al. (2020) and Malagueño et al. (2018) suggest that the use of the balanced scorecard as a measurement instrument by SMEs not only increases the financial performance of SMEs, but also increases the level of innovation—improves internal processes—within these SMEs (Dudic et al., 2020; Malagueño et al., 2018).

### **6.2.2 Social Impact Metrics**

Business should measure not only their economic performance but also their social contributions, including the creation of new markets and new employment opportunities (Venkataraman, 1997). An organisation's CSR reputation is enhanced if the organisation contributes to society and its wealth, and improvements in the CSR reputation of an organisation often result in increased profits (Miller et al., 2020; Stoian & Gilman, 2017). It is therefore important that the contribution that SD and ED programmes make to society are measured, as this is not only a reflection of the effectiveness of the programmes in contributing to society, but it is also a leading

indicator of financial performance, for both the corporate sponsor as well as the beneficiary.

Most corporates measure the social impact of their SD and ED programmes through metrics such as the number of new employment opportunities created as well as the number of existing employment opportunities supported or sustained. Although the literature that the researcher reviewed did not specifically propose that such metrics should be employed to evaluate the effectiveness of skills development programmes, the observations by Venkataraman (1997), Miller et al. (2020) as well as Stoian and Gilman (2017) seem to suggest that it would only be beneficial for corporates and their beneficiaries to evaluate the social impact of these SD and ED programmes. Corporates could use an adapted version of the balanced scorecard to measure the social impact of SD and ED programmes, because research by Mamabolo and Myres (2020) suggest that it is possible to reliably measure the social impact of social enterprises by using an adapted balanced scorecard. However, the metrics that corporates currently employ—new jobs created and existing jobs sustained—should be expanded to evaluate the societal impact at more than just an employment level.

### **6.2.3 Company and Compliance Centric Metrics**

As discussed in *Chapter 1*, many businesses in South Africa invest in SD and ED programmes to maintain or improve their own B-BBEE statuses. This results in these businesses becoming attractive suppliers or business partners to other businesses. An unintended consequence of the B-BBEE legislation is that many corporates invest in SD and ED initiatives purely for compliance purposes and to enhance their own marketability from a B-BBEE scorecard perspective. This is also supported by the findings, as all *Consultants* suggested that corporates primarily participate in SD and ED programmes to be compliant and to improve their B-BBEE scorecard ratings. Some *Managers* also agreed that compliance is one of the reasons which motivate them to invest in SD and ED programmes.

Many corporates employ metrics which reflect their own organisations' effectiveness in delivering their SD and ED programmes. These also include metrics such as beneficiaries' satisfaction with the programmes, the number of beneficiaries that have completed the programmes, the number of beneficiaries' businesses that were liquidated, as well as supply chain type metrics that are commonly used to evaluate the service delivery levels of a company's suppliers. Also, metrics that evaluate how

well corporates perform on SD and ED in their B-BBEE scorecards were the second most frequently mentioned metrics.

The abovementioned metrics are by and large focused on the corporate sponsor, and are a poor reflection of the effectiveness of SD and ED programmes. Micheli and Mari (2014) insist that metrics should not focus on aspects or outcomes that are necessarily easily measurable, but rather on processes and activities that are being performed. The company and compliance centric metrics that corporates employ do not measure processes or activities, and are based on aspects and outcomes that are conveniently easy to measure. The researcher therefore argues that these metrics are ineffective in measuring the effectiveness of SD and ED programmes in skills development.

#### **6.2.4 Individual Level Metrics in Skills Development**

The metrics that are currently being used to evaluate the effectiveness of entrepreneurship training and education are inadequate (Lackéus, 2015), because it is difficult to define suitable metrics to measure entrepreneurial skills development (Kuratko et al., 2018). It is even more challenging to define appropriate metrics for evaluating soft skills because it is very difficult to measure soft skills (Devedzic et al., 2018). Additionally, the metrics that are currently employed to measure non-cognitive skills are largely ineffective (Duckworth & Yeager, 2015). The literature therefore suggests that effective metrics have not yet been established to measure the effectiveness of entrepreneurial skills development. This probably explains why current metrics predominantly focus on aspects or outcomes that are easily measurable.

Some corporates attempt to measure the effectiveness of their SD and ED programmes in knowledge imparted or skills developed. *Managers* of many of these corporates consider these metrics to be ineffective in evaluating the effectiveness of their SD and ED programmes in skills development, and some *Consultants* agreed. The findings from the research therefore seem to corroborate extant literature, in that current metrics in measuring the effectiveness in skills development are ineffective.

Lackéus (2015) argue that it is prudent to improve metrics by incorporating evidence which demonstrates that training and education have been effective in developing entrepreneurial skills. Findings from the research seem to suggest that the use of a portfolio of evidence may be effective in demonstrating that the training and development initiatives that an entrepreneur has undergone have in actual fact been

understood, and that this new knowledge and skills have been successfully applied by the entrepreneur in the business. This finding is an extension to the literature.

Two other aspects emerged from the findings. Firstly, *Consultants* implied that corporates are mostly compliance driven and some are often not genuinely interested in skills development, and as a result these corporates do not use individual-level metrics to measure the effectiveness of their programmes. Secondly, a concern was raised regarding the practicality of reliably measuring skills development within the short duration of typical SD and ED programmes. These two aspects are not addressed by the literature.

### **6.3 Discussion of Research Question 3**

*What interventions or support mechanisms are the most successful in promoting small business growth?*

The researcher first gained an understanding of the challenges that the *Interviewees* regard as the greatest impediments to the growth and sustainability of small businesses, and then established the support mechanisms which corporates provide to their beneficiaries through their SD and ED programmes, and whether these are aligned to help these businesses overcome their impediments. This section presents both the beneficiaries' impediments as well as the corporates' support mechanisms.

#### **6.3.1 Impediments to Business Growth and Sustainability**

The literature suggests that the greatest challenge for South African SMMEs are gaining access to funding and access to markets (BER, 2016; SME South Africa, 2018). Many SMMEs do not understand the legislation and regulations that affect them (SME South Africa, 2018), and are challenged by burdensome labour legislation (BER, 2016). SMMEs face education and skills inadequacies (BER, 2016), and specifically require assistance in employee skills development and in improving their business acumen and management skills (SME South Africa, 2018). Many SMMEs are challenged by inadequate access to infrastructure, low levels of innovation, a high degree of government bureaucracy, as well as high levels of crime (BER, 2016). SMME owners also need assistance in improving their growth strategies and in the use of technological applications (SME South Africa, 2018).

Entrepreneurs in South Africa also do not possess adequate entrepreneurial skills, they lack self-confidence, they fear failure, and they do not believe that they possess the necessary knowledge and skills to succeed in business (BER, 2016; GEM, 2018;



SEDA, 2019b; GEM, 2020). According to Brixiová et al. (2015), firms experience high costs during start-up but also when searching for new business opportunities, and especially young entrepreneurs lack entrepreneurial skills and find it difficult to convert their concepts into businesses. Alvarez and Barney (2014) add that the poor lack resources, including human capital and that this limit their ability to exploit opportunities.

### ***Knowledge and Skills Gaps***

Corporates regard knowledge and skills gaps as one of the biggest obstacles to the growth and sustainability of small businesses—especially inadequate business acumen, a lack of skills in general business management as well as poor financial management skills. This finding corroborates the views shared by Alvarez and Barney (2014), BER (2016) and SME South Africa (2018) with regard to skills inadequacies. Corporates also identified skills gaps with respect to the following aspects as major impediments to small businesses: (i) Not understanding their customers, their markets as well as the economy very well; (ii) Inability to market their business, products or services; and, (iii) Inability to network and partner with others. Within the theme of knowledge and skills gaps, corporates furthermore identified that a lack of knowledge and skills often results in poor execution by the beneficiaries, which then tarnish their reputations or affect their margins.

Only three *Managers* and two *Consultants* mentioned that access to funding could be a challenge to some small businesses. However, there is consensus among most *Interviewees* that access to funding is not a primary obstacle, and especially not at the onset of their relationships with the beneficiaries. *Interviewees* seem to believe that beneficiaries create financial challenges for themselves by failing to be disciplined or not having the necessary knowledge or skills to separate personal finances from business finances. This finding contradicts the views by BER (2016) and SME South Africa (2018) with regard to access to funding being a major impediment—corporates believe that this is rather a discipline or possibly a knowledge and skills issue.

### ***Factors which are Directly Attributable to the Beneficiary***

Many of the beneficiaries are socio-economically challenged, which influences their business decisions and conduct as they are often forced to take short term views in their businesses. Often the beneficiary develops a dependency relationship with the corporate sponsor, and sometimes the corporate sponsor's SD and ED programmes

are conducive to increase the dependency of the beneficiary on the corporate sponsor. This is not an aspect that has been addressed in the literature.

Some beneficiaries lack commitment and a personal drive to grow their businesses. A few *Interviewees* argued that some beneficiaries have developed a sense of entitlement, and that beneficiaries are sometimes ill-disciplined, often to the detriment of their businesses. These findings suggest that these beneficiaries' mindsets as well as a lack of personal skills or mastery impede them from growing their businesses and from becoming sustainable. Psychology-based training could be a powerful mechanism to change an individual's behaviour, through altering the meanings and inferences that the individuals draw, and this could ignite a cycle of personal improvement (Walton and Wilson, 2018). It was discussed in *Section 6.1.1* that corporates seem not to incorporate the development of non-cognitive skills into their SD and ED programmes. Given the fact the findings suggest that a beneficiary's mindset as well as a lack of personal skills or mastery is an impediment to a small business' success, it is imperative that corporates revisit their programmes and incorporate psychology-based training interventions into their curricula.

Managers indicated that some beneficiaries lack the creativity and innovation to grow their businesses, whereas others are risk averse and do not want to jeopardise their income—and therefore their businesses—by pursuing growth aspirations. It was also revealed that some beneficiaries are inflexible and therefore unable to adapt or scale their businesses. These research findings seem to suggest that these beneficiaries lack an entrepreneurial mindset but as discussed in *Section 6.1.1*, some *Interviewees* are of the opinion that an entrepreneurial mindset comes naturally, and that it cannot be learnt or developed. This is an archaic view, and corporates could design their SD and ED programmes to promote the development of an entrepreneurial mindset by incorporating non-cognitive skills training. Some scholars believe that non-cognitive skills promote a proactive mindset, thereby improving the entrepreneur's action-regulatory skills (Campos et al., 2017; Frese et al., 2016; Gielnik et al, 2015; Glaub et al., 2014).

### ***Factors which are not Attributable to the Beneficiary***

Most *Interviewees* consider access to markets to be the greatest impediment to small businesses—this confirms the arguments by BER (2016) and SME South Africa (2018). Although this impediment is not necessarily due to any wrong doing on the beneficiaries' part, some *Managers* seem to believe that beneficiaries' limited access

to networks results in poor visibility of opportunities for growth. Limited access to markets result in these beneficiaries not having the opportunity to prove themselves in order to build trustworthy reputations, sound business relationships and networks in their markets.

The subdued economic climate further exacerbates market accessibility challenges for beneficiaries. The research revealed that some beneficiaries are unable to secure long term contracts with corporates, and this impede their business growth and sustainability; however, beneficiaries appear to be so focused on large corporates, that they do not recognise or pursue opportunities that may exist otherwise. It is evident that many beneficiaries see large corporates as a means of access to lucrative contracts in terms of contract value and duration. Due to challenges that beneficiaries face in gaining access to markets, many beneficiaries only participate in training and development initiatives as a means to gain access to markets. Given these research findings which corroborate the findings by BER (2016) and SME South Africa (2018), it is imperative that business and academics contribute in finding innovative solutions to address this challenge. Possible solutions to this challenge are explored in *Section 6.3.2*.

Excessive bureaucracy in the starting, registering and operating of small businesses often leads to the failure of many small businesses—this finding confirms a similar finding by BER (2016) who observed that a high degree of government bureaucracy is an impediment to SMMEs. Oriaifo et al. (2020) argue that business and intermediaries have an important role to play in supporting small businesses in influencing institutional inefficiencies and voids, but this is discussed in more detail in *Section 6.3.2*. Some *Managers* also observed that tenderpreneurship develop small businesses with a short term view which are not sustainable. The impact that tenderpreneurship has on entrepreneurial skills development is not something that has been addressed in the literature.

### ***Development Programme Factors***

The research findings suggest that SD and ED programmes are sometimes inclined to develop beneficiaries into being largely dependent on their corporate sponsors. This dependency relationship was mentioned above, but in the context of the beneficiaries' socio-economic challenges. However, some SD and ED programmes appear to promote the development of dependency relationships, albeit not by purpose or design. This often results in beneficiaries that lack resilience, and that

cannot operate independently when they exit the programmes. Findings from the research also provided the following insights: (i) The management of boundaries appears to be complicated when SD and ED programmes have ex-employees as beneficiaries; (ii) Misalignment between corporates' intentions and the expectations of their beneficiaries may result in SD and ED programmes being ineffective in skills development; and, (iii) Sometimes corporates do not offer appropriate business support to their beneficiaries.

The aforementioned factors seem to suggest that corporates need to be more thorough and deliberate in the design of their SD and ED programmes. Corporates have to be cognisant of the propensity of these programmes leading to the development of dependency relationships, and specifically design their programmes to mitigate this risk. SD and ED programmes that absorb ex-employees are peculiar in that time-honoured relationships with ex-employees complicate the management of these beneficiaries, and corporates therefore have to establish effective boundaries in managing relationships with these beneficiaries. From the onset of onboarding beneficiaries onto their programmes, corporates have to ensure that there is alignment between their skills development intentions as well as their beneficiaries' expectations. Finally, corporates must ensure that their business support is aligned to the unique needs of each beneficiary.

The findings also revealed that most *Consultants* and some *Managers* believe that incubation programmes are often ineffective, that many beneficiaries attend these programmes only as a means to gain access to markets, and that these programmes do not necessarily contribute to the creation of sustainable businesses. These findings contradict the view by Haugh (2020) who claims that incubation programmes contribute to the development, growth and sustainability of new businesses, but corroborate the argument by Goswami et al. (2018) who argue that business incubators do not necessarily result in sustainable businesses.

### **6.3.2 Support Provided to Beneficiaries**

This section provides a concise summary of the literature on mechanisms which scholars recommend be extended to entrepreneurs, in order to provide them with the necessary support to grow their businesses and to become sustainable. Brixiová et al. (2015) argue that training programmes are more effective than financial support in enabling young entrepreneurs to successfully identify new business opportunities. De Mel et al. (2014) also propose that a possible solution to promote growth in small

businesses could be to provide intensive, individual and personalised mentoring to the business owners. Goswami et al. (2018) add that informal interactions through cohorts, networks and mentors are important in developing an entrepreneur's understanding of how to grow the business. Although Haugh (2020) claims that incubation programmes contribute to the development, growth and sustainability of new businesses, Goswami et al. (2018) argue that both business accelerators and incubators do not necessarily result in sustainable businesses—this aspect has been touched on in *Section 6.3.1*.

Entrepreneurship education and training should be focused on the growth of an entrepreneurial mindset, and the learning process should ideally be experiential (Kuratko et al., 2018). Entrepreneurial self-efficacy has a significant impact on entrepreneurial activity (McGee & Peterson, 2019; Newman et al., 2019), and is something that can be developed, especially through targeted education, training and mentoring programmes (Newman et al., 2019). Personal initiative training promotes a proactive mindset, and therefore promotes entrepreneurial action (Campos et al., 2017).

Oriaifo et al. (2020) insist that firms and intermediaries should effect change in institutions to address institutional inefficiencies and voids which may impede the growth and sustainability of SMEs. However, SMEs could indirectly influence change by promoting the formation of large and influential intermediaries that have the ability to create a sphere of influence among politicians and business (Oriaifo et al., 2020). Business should establish formal networks as a mechanism to promote the development of social networks among entrepreneurs, because social platforms allow entrepreneurs to exchange ideas and experiences (Lamine et al., 2015).

### ***Knowledge Transfer and Skills Development***

The research findings revealed that corporates maintain that a customised approach has to be taken in supporting each beneficiary. Corporates' SD and ED programmes focus heavily on the transfer of knowledge and development of skills as a means of support to beneficiaries. This suggests that they deem skills development to be the most effective in enabling small business owners to establish successful and sustainable businesses, which corroborates the view of Brixiová et al. (2015) who argue that training programmes are more effective than financial support. Skills development has been discussed in detail in *Section 6.1*.

SD and ED programmes include a sizable component of one-on-one coaching and mentoring to support skills development—this confirms the view by De Mel et al. (2014) who propose that intensive, individual and personalised mentoring to business owners may be a possible solution to promote growth in small businesses. Goswami et al. (2018) also highlighted the importance of mentoring. Some corporates include an element of practical exposure that is aimed at equipping the beneficiaries with the necessary practical experience. This serves as a platform for beneficiaries to learn through experimentation, and corroborates the view that the learning process should ideally be experiential (Kuratko et al., 2018).

The research findings revealed that only two corporates include a business incubation component to assist start-up businesses in becoming more innovative and to accelerate their growth; however, as stated before, some *Managers* and *Consultants* expressed her reservations regarding the effectiveness of incubation programmes. These concerns were discussed in *Section 6.3.1*. The fact that not more corporates utilise business incubation programmes may suggest that these corporates also do not consider these programmes to be effective.

### ***Business Management Support***

The research findings suggest that most corporates provide support to their beneficiaries in the management of their businesses, and focus especially on providing support with financial management. Other support includes support with managing legal and compliance matters, marketing aspects, human resources management, as well as support in the management of operational and technical aspects. This business management support appears not to be aligned to the support mechanisms which scholars recommended, as detailed in *Section 6.3.2* (on pages 108 and 109).

It is evident, that corporates rather provide this business management support to address the challenges which small businesses face, as discussed in *Section 6.3.1*, namely a lack of business acumen and management skills as well as a poor understanding of legislation and regulations that affect them (SME South Africa, 2018). It appears as if corporates have aligned their support in an attempt to bridge these skills gaps, but the researcher argues that corporates should rather focus on developing the necessary skills within these small businesses so that they are proficient in performing the work themselves.

*Consultants* provide business development and management consulting services to beneficiaries on behalf of their corporate clients. Moreover, some corporates appear to be more focused on addressing shortcomings in the business—through business development support—than addressing skills gaps in the entrepreneur. This approach confirms the observation by SME South Africa (2018) that SMME owners need assistance in improving their growth strategies.

### ***Provision of Resources***

The research findings suggest that, although most *Managers* believe that access to funding is not a primary impediment to small businesses, many corporates continue to support their beneficiaries through the provision of funding, including mechanisms such as preferential payment terms. This financial support addresses the access to funding challenges which BER (2016) and SME South Africa (2018) perceive to exist. It is important to note that the view of *Managers* and *Consultants* are based on their perspectives within the SD and ED ecosystem, and that SMMEs outside this ecosystem may very well be challenged as far as access to funding is concerned.

Some corporates support their beneficiaries through the provision of property, plant and equipment (PPE), as well as inputs and technology. BER (2016) argues that many SMMEs are challenged by inadequate access to infrastructure, whereas SME South Africa (2018) suggests that SMME owners need assistance in the use of technological applications. The research findings seem to support the views by BER (2016) and SME South Africa (2018).

The COVID-19 induced lockdown highlighted technology gaps that exist in small businesses, and some corporates have since made it a priority to equip their beneficiaries with technology. This includes supporting beneficiaries in establishing a presence on digital marketing platforms and social media. One *Manager* claimed that the introduction of technology to her company's beneficiaries (agricultural farmers) resulted in some beneficiaries more than doubling their agricultural yields. Some corporates employ digital platforms and social media in an attempt to help their beneficiaries in gaining access to other markets. Technology can most definitely equip small business owners to become more resilient and to improve the performance of their businesses. However, these owners do need assistance in applying this technology (SME South Africa, 2018).

### ***Support in Gaining Access to Networks and Markets***

Aligned to the research finding of corporates regarding access to markets to be a major impediment, the research findings revealed that some corporates support their beneficiaries with networking and in gaining access to markets. From a SD perspective, all of the corporates purchase their beneficiaries' products, and some corporates enter into long term supply contracts with their SD and ED beneficiaries. Some corporates also provide additional support to their beneficiaries in order to expand their scope to other markets, by connecting beneficiaries to other corporates.

The research findings suggest that only a few corporates recognise the importance of establishing collaborative platforms and partnerships between corporates, government and other stakeholders, with the objective of creating markets for SD and ED programme beneficiaries. Albeit being only a few corporates that recognise the importance of collaborative platforms and partnerships, this corroborates the view by Oriairo et al. (2020) that business and intermediaries should influence change in institutions to address institutional inefficiencies and voids, as this would promote entrepreneurial activity and support small business growth. One *Manager* indicated that his company encourages and supports its beneficiaries to attend exhibitions where they can network and meet potential new customers. These findings provide confirmation of the importance of informal interactions through cohorts and networks as encouraged by Goswami et al. (2018), as social platforms allow entrepreneurs to exchange ideas and experiences (Lamine et al., 2015).

## **6.4 Discussion of Research Question 4**

*How can SD and ED programmes be enhanced to improve its effectiveness in developing entrepreneurial skills?*

### ***6.4.1 Non-Programme Related Improvements***

Several weaknesses in the SD and ED ecosystem were highlighted in the research findings as aspects that must be addressed in order to improve the effectiveness of SD and ED programmes in entrepreneurial skills development. Although many of these aspects are not directly related to the SD and ED programmes themselves, *Managers* as well as *Consultants* felt that these aspects do influence the effectiveness of SD and ED programmes to a large extent, and need to be improved.

The research findings suggest that corporates' strategic considerations with regard to the positioning of their SD and ED programmes as well as their objectives with



these programmes are considered to be paramount to the success of the programmes. Firstly, corporates should take a narrower but more in-depth focus on SD and ED, and rather have a few initiatives that are very impactful than many initiatives that are marginally impactful. Secondly, corporates should align their SD and ED programmes—including the selection of beneficiaries—with their core business or strategy, and should create better alignment between their SD and ED programmes and their value chains. Thirdly, corporates should change their motives for investing in SD and ED programmes from being compliance driven, to being intent driven.

Regulatory and structural impediments stifle entrepreneurial activity and do not promote entrepreneurial skills development. The research findings revealed that the B-BBEE code requirements primarily drives compliance behaviour, as the code is inadequately structured as far as the promotion of entrepreneurial development is concerned. However, as discussed in *Section 6.3.2* and argued by Oriifo et al. (2020), both large corporates as well as SMMEs have an obligation to influence institutional inefficiencies and voids by promoting the formation of large and influential intermediaries that have the ability to create a sphere of influence among politicians and business.

Collaboration and synergies between stakeholders in SD and ED must be improved, especially with regard to the sharing of learnings of each other's failures and successes. This research finding support the view by Lamine et al. (2015) that business should establish formal networks to promote the development of social networks among entrepreneurs, as social networks allow entrepreneurs to exchange ideas and experiences. The research findings suggest that this is not currently the case for SD and ED programmes, and a number of *Managers* and *Consultants* insisted that partnerships and collaborative platforms would improve entrepreneurial skills development and activity.

Beneficiaries should also focus on improving aspects that are within their locus of control. The research findings suggest that beneficiaries should expand their boundaries, and use SD and ED training programmes as platforms to network, thereby building access to markets for themselves. However, as discussed in *Section 6.1.2*, corporates' SD and ED programmes appear not to really incorporate interpersonal skills development, and therefore it may be argued that some beneficiaries may be ill-equipped to network at these training programmes.

Incorporating interpersonal skills development into SD and ED programmes could equip beneficiaries to be network better, thereby building access to markets for themselves. Psychologically informed training interventions can objectively alter an individual's non-cognitive skills (Walton & Wilson, 2018), and such interventions could improve a beneficiary's ability to improve aspects that are within his or her locus of control.

#### **6.4.2 Programme Centric Improvements**

A number of programme centric improvements have been highlighted by the research findings:

- i) General improvements in the delivery of SD and ED programmes by corporates. This include improving the customisation of programmes to individual beneficiaries' needs, better structured programmes, creating better alignment between corporates and their beneficiaries, improved alignment within the corporates' own organisation with respect to SD and ED, and increasing the duration of SD and ED programmes;
- ii) Improvements which are required to enhance the efficacy of these programmes in training and skills development—these are discussed in *Section 6.4.3*;
- iii) Improvements in corporates' beneficiary selection and onboarding processes, which include more rigorous due diligence processes in the selection of beneficiaries, as well as more thorough gap analyses when beneficiaries are onboarded onto the programmes (to improve the customisation of programmes to the beneficiary's individual needs); and
- iv) Defining appropriate metrics to measure the effectiveness of SD and ED programmes—this was discussed in detail in *Section 6.2*.

The research findings suggest that programme centric shortcomings have an adverse effect on the effectiveness of SD and ED programmes in entrepreneurial skills development. The impact of beneficiary selection and onboarding processes as well as general shortcomings in the delivery of SD and ED programmes on the effectiveness of SD and ED programmes in entrepreneurial skills development, are aspects that need to be better understood.

#### **6.4.3 Training and Skills Development Improvements**

From a training and skills development perspective, the research findings suggest that SD and ED programmes should be less training intensive, and include more one-one-one coaching and mentoring interventions. De Mel et al. (2014) and

Goswami et al. (2018) also argue that intensive, individual and personalised mentoring could be more effective in promoting small businesses growth than conventional training interventions. Newman et al. (2019) furthermore suggest that targeted mentoring programmes can be effective in improving entrepreneurial self-efficacy. Corporates should also be more focused on the outcome of training than the number of training interventions presented. This necessitates that appropriate metrics are defined to measure the effectiveness of SD and ED programmes in skills development, and extant literature suggests that this is difficult to define suitable metrics to measure entrepreneurial skills development (Kuratko et al., 2018). This has been discussed in detail in *Section 6.2.4*.

The research also revealed that some *Interviewees* argue that SD and ED programmes should be more focused on building the foundation for an entrepreneurial mindset, and that programmes should therefore incorporate more entrepreneurial skills development. This corroborates a similar view held by other scholars (Kuratko et al., 2018). A proactive mindset can be developed through personal initiative training, and furthermore, a proactive mindset promotes entrepreneurial action (Campos et al., 2017). The challenge, though, is that corporates' SD and ED programmes do not currently incorporate much non-cognitive skills trainings, as revealed by the research findings. Therefore, if corporates are determined in building the foundation for an entrepreneurial mindset, then they will have to incorporate non-cognitive skills development into their SD and ED programmes.

#### **6.4.4 Corporates' Motives for Investing in SD and ED Programmes**

The research findings revealed that, although most corporates suggested that they invest in SD and ED programmes to support entrepreneurial development in order to advance economic transformation and contribute to societal upliftment, *Consultants* held a different view. *Consultants* insisted that corporates are mainly driven by egocentric motives when investing in SD and ED programmes, in that corporates primarily do it for compliance from a B-BBEE perspective, and to improve their B-BBEE scorecard ratings. The different perspectives are something that needs to be further explored.

It also has to be noted that the secondary sample (*Consultants*) only comprised of four *Consultants*, and that other *Consultants* outside this sample may have different perspectives. However, it is generally accepted that one's motivations for doing

something influence the outcome that one achieves. It would therefore be interesting to understand the relationship between the motives of corporates versus their effectiveness in skills development, and this is something that other scholars could explore in future research.

## **CHAPTER 7 – CONCLUSION AND RECOMMENDATIONS**

### **7.1 Introduction**

This research set out to explore how corporates in South Africa contribute towards entrepreneurial skills development through their SD and ED programmes, and if managers perceive these programmes to be effective in developing entrepreneurial skills. An understanding of how corporates can enhance their SD and ED programmes to improve entrepreneurial skills development would support business in providing SD and ED programmes that are more impactful, thereby making existing entrepreneurial businesses less likely to fail. From an academic perspective, the influence of non-cognitive skills development on small business performance is currently not well understood (González-López et al., 2019; Lackéus, 2015; Sutter et al., 2019). Additionally, literature suggests that individual-level metrics for assessing entrepreneurial skills development remains elusive (Kuratko et al., 2018). This research set out to contribute to the body of knowledge in entrepreneurial skills development with regard to the aforementioned aspects.

This chapter will first present the principal conclusions of this research, followed by a summary of the implications of this study on management as well as policy makers. The limitations to this research are then discussed next, followed by suggestions for future research that emerged during this research.

### **7.2 Principal Conclusions**

#### ***7.2.1 Contribution to Entrepreneurial Skills Development***

The research identified how corporates' SD and ED programmes contribute towards entrepreneurial skills development, and found that these programmes are mostly focussed on increasing business acumen, developing functional competencies, as well as developing business management skills in the various business functions. Despite corporates recognising the importance of non-cognitive skills development (personal and interpersonal skills development), the findings suggest that most corporates do not incorporate non-cognitive skills development into their SD and ED programmes. As a result, this research cannot contribute in creating a better understanding of how non-cognitive skills development influences small business performance.

Although corporates consider an entrepreneurial mindset and spirit as being important, the research findings suggest that most corporates' SD and ED

programmes do not incorporate initiatives that promote the development of an entrepreneurial mindset. This appears to be a reflection of some corporate managers' view, that an entrepreneurial mindset cannot be learnt or developed. However, the literature suggests that an entrepreneurial mindset can be developed through non-cognitive skills development (Campos et al., 2017, Frese et al., 2016, Gielnik et al., 2015; Glaub, 2014).

### **7.2.2 Effectiveness of Metrics in Entrepreneurial Skills Development**

Corporates appear to employ metrics that are outcome based, and which do not focus on an individual level. The research findings revealed that most corporates do not measure the effectiveness of their SD and ED programmes in entrepreneurial skills development. Their metrics are focused on measuring their beneficiaries' business performance, the social impact of their programmes, as well as their own organisations' effectiveness in delivering their SD and ED programmes. Corporates' preference for these performance based metrics seems to confirm the perception that it is difficult to define appropriate performance metrics for measuring entrepreneurial skills development (Kuratko et al., 2018). The researcher thus argues that the metrics that corporates currently employ are ineffective in measuring entrepreneurial skills development.

The research found that there is no consensus on whether SD and ED programmes are effective in developing entrepreneurial skills. Although most *Managers* suggested that their programmes are effective in developing entrepreneurial skills, all *Consultants* disagreed. The fact that most *Managers* could not provide more context to qualify their views, together with the fact that appropriate measures have not been established to measure the effectiveness of these programmes in entrepreneurial skills development seem to suggest that SD and ED programmes may not be effective in developing entrepreneurial skills.

### **7.2.3 Impactful Support Mechanisms**

Corporates support their beneficiaries through mechanisms that include knowledge transfer and skills development, business management support, the provision of resources, as well as providing support in gaining access to networks and markets. Corporates seem to align their support mechanisms to the challenges that their beneficiaries face, and their greatest support efforts are directed towards knowledge transfer and skills development.

The research findings as well as the literature suggest that access to markets is one of the greatest impediments to SMMEs (BER, 2016; SME South Africa, 2018). Corporates should therefore focus their efforts on establishing support mechanisms that will help their beneficiaries gain access to markets. The research revealed that some scholars (Lamine et al., 2015) and corporate managers consider partnerships and collaborative platforms as mechanisms that could be particularly useful in assisting beneficiaries to gain access to markets, specifically through social networking that takes place at these platforms.

#### **7.2.4 Improvements in Entrepreneurial Skills Development Programmes**

The research discovered a number of aspects that must be addressed in order to improve the effectiveness of SD and ED programmes in entrepreneurial skills development. These include non-programme related improvements, programme centric improvements, training and skills development improvements, as well as a re-evaluation of corporates' motives for investing in SD and ED programmes. These aspects have been discussed in detail in *Sections 5.6 and 6.4*.

There are two improvement areas that the researcher argues hold the greatest potential for improvements to the effectiveness of SD and ED programmes in entrepreneurial skills development:

- i) Corporates should re-evaluate their motives for contributing to SD and ED, and reconfigure their programmes with a genuine intent towards entrepreneurial skills development; and
- ii) Regulatory and structural impediments that stifle entrepreneurial activity, and that do not promote entrepreneurial skills development have to be addressed. Specifically, B-BBEE code requirements have to be revisited to promote entrepreneurial skills development, but also to deter compliance-driven behaviour by corporates.

### **7.3 Implications for Management**

Some managerial implications have been raised in *Chapter 6*. This section presents those implications that the researcher consider to be most important for management.

#### **7.3.1 Incorporate Non-Cognitive Skills Development**

The fact that *Managers* recognise the importance of non-cognitive skills development, yet they do not incorporate this into their SD and ED programmes, is

illogical. Management should incorporate psychology-based, non-cognitive skills development into their SD and ED programmes—non-cognitive skills promote action regulation, entrepreneurial propensity and entrepreneurial action (Frese et al., 2016; Gielnik et al., 2015; Glaub et al., 2014). This will capacitate their beneficiaries and enable them to have a better prospect of building successful businesses.

### **7.3.2 Use the Balanced Scorecard as a Performance Measurement Instrument**

The balanced scorecard (Kaplan & Norton, 2007) can be used by management to indirectly measure the effectiveness of their SD and ED programmes by measuring the performance of their SD and ED programme beneficiaries directly. Managers can measure their beneficiaries' financial performance, as well as leading indicators of financial performance such as internal processes (innovation), customer perspectives (social impact) as well as learning and growth perspectives (Dudic et al., 2020; Malagueño et al., 2018; Mamabolo & Myres, 2020).

### **7.3.3 Influence Institutional Change**

Management should be proactive, and collaborate with intermediaries to effect change in institutions, in order to address the institutional inefficiencies and voids which impede the growth and sustainability of small businesses (Oriaifo et al., 2020). Although small businesses have a role to play in promoting the formation of large and influential intermediaries to lobby for their interests (Oriaifo et al., 2020), it is the managers of large and influential corporates that could really make an impact in effecting institutional change.

### **7.3.4 Establish Collaborative Platforms**

Lamine et al. (2015) argue that business should establish formal networks to promote the development of social networks among entrepreneurs, as social networks allow entrepreneurs to exchange ideas and experiences, thereby stimulating entrepreneurial activity and promoting small business growth. The findings from this research also confirm that partnerships and collaborative platforms are perceived to improve entrepreneurial skills development and activity. Aligned to these findings as well as the literature, managers of SD and ED programmes should collaborate with others in establishing partnerships and collaborative platforms where entrepreneurs can also expand their social networks.



#### **7.4 Implications for Policy Makers**

The research findings revealed that the B-BBEE code requirements primarily drives compliance behaviour, as the code is inadequately structured as far as the promotion of entrepreneurial skills development is concerned. Policy makers should revisit the B-BBEE code requirements and deliberately structure the code to entice corporates to improve the effectiveness of their SD and ED programmes in entrepreneurial skills development. More specifically, it is recommended that policy makers should include metrics that reliably measure entrepreneurial skills development as a key determinant towards a company's B-BBEE score.

#### **7.5 Limitations of the Research**

The results from this study cannot be generalised because this was a qualitative study of an exploratory nature, with sample limitations (Zikmund et al., 2009). The findings therefore reflect the researcher's interpretation of the perspectives of those *Managers* and *Consultants* that were interviewed. The findings do not necessarily reflect the views of the *Managers'* and *Consultants'* companies, nor are the findings necessarily a reflection of the perspectives of other corporates in South Africa. Furthermore, the view of *Managers* and *Consultants* are based on their perspectives within the SD and ED ecosystem, and the research findings may therefore not be representative of SMMEs outside this ecosystem.

Only four *Consultants* were interviewed as part of the secondary sample, whereas the primary sample consisted of a total of 16 *Managers* that collectively represented 13 large corporates. The purpose of including the four *Consultants* was to triangulate the results, and a more balanced approach might have been to increase the number of *Consultants* to match the number of corporates.

The researcher only interviewed senior managers of corporates and consultancy firms, as the objective of the research was to get a managerial perspective on the research questions, and beneficiaries intentionally did not form part of the scope of this research project. However, the perspectives of SD and ED programme beneficiaries might have provided different insights as well as further richness and detail to the findings.

Interviewer and response biases may impact the objectivity of a qualitative study and thus affect the veracity of the data collected (Saunders & Lewis, 2018). However, the researcher has attempted to manage this risk by conducting all interviews personally.

Furthermore, the researcher remained mindful of the possibility of interviewer and response bias, and attempted to manage these risks accordingly.

This research was a qualitative study and only explored the perceptions of senior managers of corporates and consultancy firms, and does not provide any insights into the impact of SD and ED programmes in entrepreneurial skills development. To measure the impact in entrepreneurial skills development, a qualitative research design has to be followed; however, this will not be easily accomplished as it is difficult to establish appropriate performance metrics (Kuratko et al., 2018), but also, most corporates use metrics that measure the business performance of their beneficiaries and do not measure entrepreneurial skills development.

## **7.6 Suggestions for Future Research**

The research findings have revealed that there are some aspects related to SD and ED programmes, as well as the effectiveness of these programmes in entrepreneurial skills development, that need to be further explored:

- i) Corporate managers seem to understand the importance of non-cognitive skills to an entrepreneur's success; however, it appears as if many corporates do not incorporate non-cognitive skills development into their SD and ED programmes. It would be interesting to explore the reasons that corporates do not incorporate non-cognitive skills development into their SD and ED programmes, as this contradicts the apparent importance that their managers attach to these skills.
- ii) Corporate managers seem to believe that their SD and ED programmes are effective in entrepreneurial skills development, whereas managers of consultancy firms do not believe that this is the case. The difference in opinion between these two groups of managers is interesting and needs to be further explored.
- iii) Walton and Wilson (2018) post that psychologically informed training interventions help an individual to thrive, as these interventions objectively alter an individual's non-cognitive skills. Frese et al. (2016) furthermore suggest that by developing an entrepreneur's non-cognitive skills (especially their personal initiative), the entrepreneur's action-regulatory skills improve and that this may result in improved business performance. However, not much is known about the influence that non-business skills related training has on small business performance and continuity (González-López et al., 2019; Lackéus, 2015;

Sutter et al., 2019). It is suggested that the moderating effect that non-business skills related training has on small business performance and continuity be further studied.

- iv) Kuratko et al. (2018) argue that the effectiveness of development programmes in skills development is unclear because of the difficulty in establishing appropriate performance metrics. Moreover, metrics that measure entrepreneurial skills development should incorporate evidence that demonstrates that the training and education have been effective in developing entrepreneurial skills (Lackéus, 2015). The research findings suggest that a portfolio of evidence may be effective in providing this evidence-based data. This finding is an extension to the literature and further research in this regard is recommended.
- v) Managers of consultancy firms suggested that corporates are mostly compliance driven and some are often not genuinely interested in skills development. It would be interesting to explore how a corporate's motives for investing in SD and ED programmes moderate the effectiveness of their programmes in entrepreneurial skills development.
- vi) The practicality of reliably measuring skills development within the short duration of typical SD and ED programmes was questioned. Based on the argument by Lackéus (2015) that metrics should be evidence-based, it is recommended that scholars explore how evidence-based metrics could be successfully applied in measuring a short-duration development programme's effectiveness in skills development.
- vii) The research has revealed that, often a beneficiary develops a dependency relationship with the corporate sponsor, and sometimes the corporate sponsor's SD and ED programmes are conducive to increase the dependency of the beneficiary on the corporate sponsor. This is not an aspect that has been addressed in the literature, and it would be interesting to explore how dependency relationships between beneficiaries and their corporate sponsors moderate the effectiveness of SD and ED programmes in entrepreneurial skills development.
- viii) The research findings suggest that tenderpreneurship develop small businesses with a short term view which are not sustainable. The impact that tenderpreneurship has on entrepreneurial skills development is not something

that has been addressed in the literature, and it would be interesting to gain an understanding of how this phenomenon influences entrepreneurial skills development.

## **7.7 Conclusion**

This research provides an understanding of how corporates in South Africa contribute towards entrepreneurial skills development through their SD and ED programmes. The perceptions of senior managers of large corporates as well as consultancy firms with regard to the effectiveness of their SD and ED programmes in entrepreneurial skills development have been discussed in this research report. The data was gathered through 17 in-depth, semi-structured interviews. The data was systematically and meticulously analysed in order to identify similarities and differences in perspectives, and then consolidated into the research findings.

This research provides an understanding of how SD and ED programmes contribute to entrepreneurial skills development, how effective managers perceive these programmes to be, and what support mechanisms are considered to be the most effective in promoting small business growth. Furthermore, the research also reveals various aspects that have to be improved in order to enhance the effectiveness of these programmes in entrepreneurial skills development.

The findings and recommendations from this research provide valuable information to managers that may enable them to improve their SD and ED programmes to be more effective in entrepreneurial skills development, but to also be more impactful in making existing entrepreneurial businesses less likely to fail. The research also provides valuable insights to policy makers that can be used to improve policies and legislation, in order to enhance entrepreneurial skills development. Finally, this research explored entrepreneurial skills development in the uniquely South African context of B-BBEE legislation—this distinctive context provides unique and valuable insights into the phenomenon of SD and ED skills development programmes, which thereby contribute to the body of knowledge in entrepreneurial skills development.

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## APPENDIX A: CONSISTENCY MATRIX

Research Questions	Literature Review	Data Collection Tool	Analysis
<p><b>Research Question 1:</b> What skills do corporates consider to be the most important for a small business owner to succeed? How do the SD and ED programmes of corporates contribute towards entrepreneurial skills development?</p>	<p><b>Section 2.1</b> (De Mel et al., 2014; Campos et al., 2017; Brixiová et al., 2015; Lackéus, 2015; González-López et al., 2019; Sutter et al., 2019)</p> <p><b>Section 2.2</b> (Alvarez &amp; Barney, 2014; Gielnik et al., 2015; Ramoglou &amp; Tsang, 2016)</p> <p><b>Sections 2.3 &amp; 2.4</b> (Campos et al., 2017; Gielnik et al., 2015; Glaub et al., 2014; Frese et al., 2016; Hacker, 2003; Ramoglou &amp; Tsang, 2016)</p> <p><b>Section 2.5</b> (Campos et al., 2017; McGee &amp; Peterson, 2019; Newman et al., 2019)</p> <p><b>Section 2.6</b> (Alvarez &amp; Barney, 2014; Campos et al., 2017; De Mel et al., 2014; Frese et al., 2016; Gielnik et al., 2015; Glaub et al., 2014; Goswami et al., 2018; Haugh, 2020; Kuratko et al., 2018; Ramoglou &amp; Tsang, 2016; Walton &amp; Wilson, 2018)</p> <p><b>Section 2.7</b> (Botha et al., 2015; Mamabolo et al., 2017)</p>	<p>Interview guideline (Questions 1, 4 &amp; 5)</p>	<p>Thematic content analysis using ATLAS.ti 8</p>
<p><b>Research Question 2:</b> What metrics do corporates employ to assess the success of their SD and ED programmes, and are these metrics effective in measuring entrepreneurial skills development?</p>	<p><b>Section 2.8</b> (Devedzic et al., 2018; Duckworth &amp; Yeager, 2015; Kuratko et al., 2018; Lackéus, 2015; McGee &amp; Peterson, 2019; Miller et al., 2020; Newman et al., 2019; Stoian &amp; Gilman, 2017; Venkataraman, 1997)</p> <p><b>Section 2.9</b> (Dudic et al., 2020; Kaplan &amp; Norton, 2007; Malagueño et al., 2018; Mamabolo &amp; Myres, 2020; Micheli &amp; Mari, 2014)</p>	<p>Interview guideline (Questions 1, 6, 7 &amp; 10)</p>	<p>Thematic content analysis using ATLAS.ti 8</p>

Research Questions	Literature Review	Data Collection Tool	Analysis
<p><b>Research Question 3:</b> What interventions or support mechanisms are the most successful in promoting small business growth?</p>	<p><b>Section 2.1</b> (Campos et al., 2017; González-López et al., 2019; Lackéus, 2015)  <b>Section 2.6</b> (Alvarez &amp; Barney, 2014; De Mel et al., 2014; Campos et al., 2017; Goswami et al., 2018; Haugh, 2020)  <b>Section 2.10</b> (BER, 2016; Lamine et al., 2015; Matos &amp; Hall, 2020; Oriaifo et al., 2020)  <i>Note: Other literature that has been listed under Research Question 1 may also be applicable.</i></p>	<p>Interview guideline (Questions 1, 5 &amp; 9)</p>	<p>Thematic content analysis using ATLAS.ti 8</p>
<p><b>Research Question 4:</b> How can SD and ED programmes be enhanced to improve its effectiveness in developing entrepreneurial skills?</p>	<p>All the literature that has been presented in support of <i>Research Questions 1, 2 and 3</i></p>	<p>Interview guideline (Questions 2, 3, 8, 11)</p>	<p>Thematic content analysis using ATLAS.ti 8</p>

## APPENDIX B: INTERVIEW GUIDELINE (CORPORATES)

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Position: \_\_\_\_\_ Interview Duration: \_\_\_\_\_

Organisation: \_\_\_\_\_ Industry: \_\_\_\_\_

Interviewee's experience in SD and ED: \_\_\_\_\_ years

Organisation's experience in SD and ED: \_\_\_\_\_ years

### **Script:**

Thank you very much for making yourself available to meet with me, and for being willing to participate in this research. I really appreciate your time and will value your contribution towards my research project.

The title of my research project is: "A managerial perspective on the effectiveness of supplier and enterprise development programmes in entrepreneurial skills development." The aim is to understand how SD and ED programmes could be improved in order to promote entrepreneurial activity, thereby ensuring that businesses that benefit from these programmes become sustainable and contribute towards alleviating poverty.

### **The main objectives of this study are to understand:**

1. How corporates in South Africa contribute towards entrepreneurial skills development in small and medium sized businesses as part of their SD and ED programmes;
2. The types of education and training that corporates provide to these businesses to develop entrepreneurial skills;
3. If these programmes are considered to be effective in developing entrepreneurial skills; and
4. The metrics that corporates use to determine if the interventions have been successful.

The interview will be an informal discussion and I would like to urge you to please feel free to share any thoughts that you may have on any of the questions that I will ask. Please rest assured that the information that you will share with me will be kept confidential and that you will remain anonymous.

Would you be comfortable with me digitally recording the interview to ensure that I capture everything that is said during our discussion?

Please confirm that you have read and signed the consent form—***conform that the signed consent form has been received before proceeding with the interview.***

Do you perhaps have any questions before we begin with the interview?

**Question 1**

Please tell me more about your company's SD and ED programmes.

**Question 2**

Why does your company invest in these SD and ED programmes?

**Question 3**

What are the main objectives of your SD and ED programmes?

**Question 4**

In your experience, what are the most important skills that a small business owner should have to succeed? *Probe to understand why the interviewee regard these as the most important skills.*

**Question 5**

How does your SD and ED programmes contribute towards entrepreneurial skills development? *Prompt for training of skills as highlighted in the Literature Review.*

**Question 6**

How effective is your company's SD and ED programmes in developing entrepreneurial skills? *Probe to understand the interviewee's perception of the effectiveness of his or her company's SD and ED programmes in developing entrepreneurial skills, and what drives this perception.*

**Question 7**

What metrics does your company use to measure the effectiveness of its SD and ED programmes?

**Question 8**

If you had to change three aspects of your company's SD and ED programmes to improve its effectiveness in developing entrepreneurial skills, what would you change? *Probe to understand why the interviewee wants to change these three aspects.*

**Question 9**

What are the biggest challenges that the small business owners—that are supported by your company's SD and ED programmes—face in preventing them from growing their businesses and being sustainable?



**Question 10**

In terms of your BEE scorecard and money spent on SD and ED programmes, how does your company perform?

**Question 11**

In your opinion, what should companies and other stakeholders do differently to improve the effectiveness of SD and ED programmes?

**Question 12**

May I contact you again at a later stage if I need to clarify anything or if I have to ask you one or two more questions?

## APPENDIX C: INTERVIEW GUIDELINE (CONSULTING FIRMS)

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Position: \_\_\_\_\_ Interview Duration: \_\_\_\_\_

Organisation: \_\_\_\_\_ Industry: \_\_\_\_\_

Interviewee's experience in SD and ED: \_\_\_\_\_ years

Organisation's experience in SD and ED: \_\_\_\_\_ years

### **Script:**

Thank you very much for making yourself available to meet with me, and for being willing to participate in this research. I really appreciate your time and will value your contribution towards my research project.

The title of my research project is: "A managerial perspective on the effectiveness of supplier and enterprise development programmes in entrepreneurial skills development." The aim is to understand how SD and ED programmes could be improved in order to promote entrepreneurial activity, thereby ensuring that businesses that benefit from these programmes become sustainable and contribute towards alleviating poverty.

### **The main objectives of this study are to understand:**

1. How corporates in South Africa contribute towards entrepreneurial skills development in small and medium sized businesses as part of their SD and ED programmes;
2. The types of education and training that corporates provide to these businesses to develop entrepreneurial skills;
3. If these programmes are considered to be effective in developing entrepreneurial skills; and
4. The metrics that corporates use to determine if the interventions have been successful.

The interview will be an informal discussion and I would like to urge you to please feel free to share any thoughts that you may have on any of the questions that I will ask. Please rest assured that the information that you will share with me will be kept confidential and that you will remain anonymous.

Would you be comfortable with me digitally recording the interview to ensure that I capture everything that is said during our discussion?

Please confirm that you have read and signed the consent form—***conform that the signed consent form has been received before proceeding with the interview.***

Do you perhaps have any questions before we begin with the interview?

**Question 1**

Please tell me more about the SD and ED programmes which your company deliver on behalf of your clients.

**Question 2**

Why do your clients invest in SD and ED programmes?

**Question 3**

What are the main objectives of your clients' SD and ED programmes?

**Question 4**

In your experience, what are the most important skills that a small business owner should have to succeed? *Probe to understand why the interviewee regard these as the most important skills.*

**Question 5**

How do the SD and ED programmes—which you deliver on behalf of your clients—contribute towards entrepreneurial skills development? *Prompt for training of skills as highlighted in the Literature Review.*

**Question 6**

How effective are the SD and ED programmes—which you deliver on behalf of your clients—in developing entrepreneurial skills? *Probe to understand the interviewee's perception of the effectiveness of his or her company's SD and ED programmes in developing entrepreneurial skills, and what drives this perception.*

**Question 7**

What metrics do your clients use to measure the effectiveness of their SD and ED programmes?

**Question 8**

If you had to change three aspects of the SD and ED programmes—which your company delivers—to improve its effectiveness in developing entrepreneurial skills, what would you change? *Probe to understand why the interviewee wants to change these three aspects.*

**Question 9**

What are the biggest challenges that the small business owners—that are supported by your clients' SD and ED programmes—face in preventing them from growing their businesses and being sustainable?

**Question 10**

How do your clients perform in terms of BEE scorecards and money spent on their SD and ED programmes?

**Question 11**

In your opinion, what should consulting firms, corporates and other stakeholders do differently to improve the effectiveness of SD and ED programmes?

**Question 12**

May I contact you again at a later stage if I need to clarify anything or if I have to ask you one or two more questions?

## APPENDIX D: ETHICAL CLEARANCE APPROVAL LETTER

Ethical Clearance Approved Inbox x

MastersResearch2020 <MBAResearch2020@gibssa.mail.onmicrosoft.com>  
to me ▾

1 Sep 2020, 11:17 (21 hours ago)

**Gordon Institute  
of Business Science**  
University of Pretoria

**Ethical Clearance  
Approved**

Dear Johannes (Barries) Barnard,

Please be advised that your application for Ethical Clearance has been approved.  
You are therefore allowed to continue collecting your data.  
We wish you everything of the best for the rest of the project.

[Ethical Clearance Form](#)

Kind Regards

This email has been sent from an unmonitored email account. If you have any comments or concerns, please contact the GIBS Research Admin team.

## APPENDIX E: LETTER OF INVITATION TO CONTRIBUTE TO RESEARCH PROJECT

Dear Sir or Madam,

My name is Barries Barnard and I am studying towards an MBA qualification at the University of Pretoria's Gordon Institute of Business Science (GIBS). I am required to complete a research project in partial fulfilment of the MBA qualification, and the title of my research project is: "*A managerial perspective on the effectiveness of supplier and enterprise development programmes in entrepreneurial skills development.*"

The aim of my research is to understand how supplier and enterprise development programmes could be improved in order to promote entrepreneurial activity, thereby ensuring that small businesses that benefit from these programmes grow and become sustainable. A better understanding of these dynamics will also enable large enterprises to improve their supplier and enterprise development programmes.

I would like to conduct interviews with the managers of supplier and enterprise development programmes of companies that meet the following criteria:

- i. The company must be considered a Large Enterprise from a turnover perspective;
- ii. The company must have well established Corporate Social Responsibility (CSR) practices; and
- iii. The company must have been providing supplier development or enterprise development programmes as part of their CSR initiatives for at least the last five years.

Thanking you in advance for your consideration in this regard.

With appreciation,



**Barries Barnard**

Phone Number: 083 557 2515

Email Address: [94161454@mygibs.co.za](mailto:94161454@mygibs.co.za)

## APPENDIX F: INFORMED CONSENT LETTER



### INFORMED CONSENT LETTER

I am conducting research on the effectiveness of supplier and enterprise development programmes in entrepreneurial skills development. The purpose of this research is to gain an understanding of which training and development interventions are effective in developing entrepreneurial skills. This knowledge may provide insight into how supplier and enterprise development programmes could be improved in order to promote entrepreneurial activity, thereby ensuring that businesses that benefit from these programmes become sustainable and contribute towards alleviating poverty.

The interview is expected to last approximately 45 minutes. Your participation is voluntary and you may withdraw at any time without penalty. All data will remain confidential and will be reported without identifiers. Please contact my supervisor or me if you have any concerns. Our details are provided hereafter.

Researcher: Barries Barnard

083 557 2515

[94161454@mygibs.co.za](mailto:94161454@mygibs.co.za)

Research Supervisor: Dr Kerrin Myres

083 263 4175

[myresk@gibs.co.za](mailto:myresk@gibs.co.za)

Participant's Name: \_\_\_\_\_

Participant's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Researcher's Name: \_\_\_\_\_

Researcher's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## APPENDIX G: NON-DISCLOSURE AGREEMENT FOR TRANSCRIBING SERVICES



### GIBS CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

#### CONFIDENTIAL INFORMATION

In this Agreement, "Confidential Information" shall mean any information disclosed by the Parties to this Agreement, directly or indirectly, in writing, orally, which by its nature or the circumstances of its disclosure should be reasonably construed as being confidential, including but not limited to any and all information relating to existing and future strategic objectives, business plans and corporate opportunities, scientific, commercial and technical data or statistical information, any information concerning the current or proposed business of the Parties including, without limitation, product innovations, concepts, know-how, trade secrets and trade marks, information regarding the operations, future plans, projected sales, marketing, economic and financial information, costs, production, growth and distribution, technical information, information about its officers, consultants, management, employees, customers, delegates, students and other related parties, patents, intellectual property and information relating to products and/or services, whether patentable or not, or whether able to be copyrighted, or not, and all products and technology in research and development by the Parties, received directly or indirectly by the Parties verbally or in documents, writings, charts, drawings, computer generated data and any other form of data, no matter how acquired, deduced or delivered, as well as notes, correspondence, analyses, documents and any other written or computer generated records containing Confidential Information.

It is a condition of engagement that the Parties shall preserve and aid in preserving all Confidential Information, in particular any confidential company information, which may be revealed during the course of interactions of the Parties. Such Confidential Information relates to information that is not in the public domain.

1. The Parties shall at all times keep the contents of the initiative/s being proposed by either Party, and this agreement, confidential and shall use its best endeavours to keep confidential any information which it has acquired or may acquire pursuant to this initiative/s. For the purposes of this clause, Confidential Information excludes information which:
  - 1.1 is publicly available or becomes publicly available through no act or default of any Party;
  - 1.2 was in the possession of a Party prior to its disclosure otherwise than as a result of a breach by any Party of any obligation of confidentiality to which it is subject;
  - 1.3 is disclosed to either Party by a person which the person did not acquire the information under an obligation of confidentiality; and

Two handwritten signatures in black ink, one appearing to be "Bernard" and the other a stylized name, possibly "John".



- 1.4 is independently acquired by either Party as a result of work carried out by a person to whom no disclosure of such information has been made;
2. The Parties undertake in relation to the Confidential Information, as follows:
  - 2.1 not to use any Confidential Information for any purpose (including any technical or commercial purpose) other than for the Permitted Use;
  - 2.2 not to disclose any part of the Confidential Information to any third party; and
  - 2.3 not to disclose any part of the Confidential Information to its employees or professional advisors, except to those employees or professional advisors who are required to receive the Confidential Information for purposes of the permitted use, it being understood that the Parties shall –
    - 2.3.1 inform such employees or professional advisors of the confidential nature of such information; and
    - 2.3.2 instruct them to treat such information confidentially in accordance with the terms of this Agreement; and
    - 2.3.3 be responsible if its employees or professional advisors to whom it has disclosed the Confidential Information should fail to treat such information confidentially in accordance with the terms of this Agreement.
3. Neither Party shall use or disclose Confidential Information except with prior written consent or in accordance with an order of a court of competent jurisdiction or in order to comply with any law or governmental regulations by which any Party concerned is bound or as may be lawfully requested in writing by any governmental authority.
4. In the event that the receiving party should breach the provisions of this agreement and fail to remedy such breach within 7 (seven) days from date of a written notice to do so, then the disclosing party shall be entitled to invoke all remedies available to it in law including the institution of urgent interim proceedings and/or an action for damages.
5. The Parties undertake to permanently delete any electronic copies of Confidential Information received, and destroy any confidential printed documentation or similar material in their possession promptly once they are no longer required for the negotiation of a proposed services or on completion of the contracted services.
6. Upon termination of negotiations for a proposed service or on completion of the contracted service, the Parties are to confirm to each other that they are no longer in possession of any Confidential Information.
7. In the event of any one or more of the provisions of this Agreement being held for any reason to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect



any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision was not a part of this Agreement, and the Agreement shall be carried out as nearly as possible in accordance with its original terms and intent

8. The confidentiality obligations as contained in this Agreement shall commence from the date of signature of this Agreement and shall remain in force indefinitely irrespective of the termination of the contracted services.

Signed at Randpark on this 7th day of September 2020.

On behalf of: Researcher

Name: Barries Barnard Signature:   
duly authorised and warranting such authority

Signed at Pretoria on this 7 day of September 2020.

Name: Tanya Grobler Signature: 

## **APPENDIX H: ATLAS.TI 8 CODES LIST**

### **Unique Codes (283 codes)**

Beneficiary - Customer  
Beneficiary - Ex-Employees  
Beneficiary - Not Part of Value Chain  
Beneficiary - Supplier  
Bias Towards SD vs. ED  
Budgetary Constraints  
Challenge - Access to Funding  
Challenge - Access to Markets  
Challenge - Access to Networks  
Challenge - Access to Right Business Support  
Challenge - Administrative Skills  
Challenge - Building a Reputation/Trust/Relationships  
Challenge - Business Opportunities Not Investigated Thoroughly  
Challenge - Cash Flow / Financial Management  
Challenge - Delivering on Commitments/Opportunities  
Challenge - Dependency  
Challenge - Desperate (Offer/Sell Everything)  
Challenge - Do Not Separate Personal & Business Finances  
Challenge - Don't Understand Business  
Challenge - Education/Skills  
Challenge - Focus Too Much On Corporates  
Challenge - Funding Not Primary Challenge  
Challenge - Governance  
Challenge - Inability to Adapt/Scale  
Challenge - Inability to Market the Business/Products/Services  
Challenge - Inability to Network/Partner  
Challenge - Inability to Pay Back Loans  
Challenge - Incubators Do Not Create Sustainable Businesses  
Challenge - Lack Best Practice/Technology  
Challenge - Lack of Basic Economic Understanding of the Business  
Challenge - Lack of Commitment/Personal Drive  
Challenge - Lack of Creativity/Innovation/Entrepreneurial Spirit  
Challenge - Lack of Discipline  
Challenge - Lack of Effective Management of the Business  
Challenge - Lack Professionalism  
Challenge - Low/Flat Demand  
Challenge - Managing Boundaries  
Challenge - Misalignment Between Corporate and Beneficiary  
Challenge - No Ambition to Grow the Business  
Challenge - Non-Compliance with Safety Standards  
Challenge - Not Securing Long Term Contracts  
Challenge - Pricing Strategy  
Challenge - Quality of Tenders Submitted

Challenge - Relationship (Understanding Business, Funding & Access to Market)  
 Challenge - Resilience  
 Challenge - Risk Averse  
 Challenge - Sense of Entitlement/Comfort Zone  
 Challenge - Survivalists  
 Challenge - Taking a Short Term View  
 Challenge - Tenderpreneurship  
 Challenge - Too Much Bureaucracy  
 Challenge - Understanding the Customer  
 Challenge - Understanding the Economy/Market  
 Challenge - Use Training Programmes as Means to Access Markets  
 Challenge - Visibility of Opportunities  
 Community Focus  
 Develop Youth Owned Businesses  
 Duration of Programme < One Year  
 Duration of Support = Few Years  
 Financial Contribution by Beneficiaries  
 Highly Qualified Beneficiaries' Businesses became Sustainable  
 In-House Programme Delivery/Support  
 Large Corporates as Customers  
 Limited Beneficiaries (SMMEs)  
 Local Government as Customers  
 Medium Sized Corporates as Customers  
 Metrics - Access to Funding Achieved  
 Metrics - Adoption of Technology  
 Metrics - Agricultural Yield  
 Metrics - Assignments/Portfolio of Evidence  
 Metrics - Beneficiary Satisfaction  
 Metrics - Business Plan/Objectives Execution  
 Metrics - Company's BEE Scorecard Rating on SD & ED  
 Metrics - Competitiveness  
 Metrics - Compliance  
 Metrics - Concentration Risk  
 Metrics - Decrease in Dependency  
 Metrics - Difficult to Measure  
 Metrics - Financial Management/Sustainability  
 Metrics - Growth in Client Base  
 Metrics - Increase in Economic Activity  
 Metrics - Migration Through Programmes/Segments  
 Metrics - Money Spent on Beneficiary  
 Metrics - New Jobs Created  
 Metrics - No Formal/Effective Metrics Established  
 Metrics - No. of Beneficiaries That Passed Through Programme  
 Metrics - No. of Businesses Liquidated  
 Metrics - No. of Jobs Supported/Sustained  
 Metrics - No. of New Contracts Won / Increase in Sales Volumes

Metrics - Performance Against Transformation Action Plan  
 Metrics - Performance/Service Delivery  
 Metrics - Profitability  
 Metrics - Quality  
 Metrics - Rate of Reinvestment in Business  
 Metrics - Revenue  
 Metrics - Revenue Growth  
 Metrics - Safety Performance  
 Metrics - Skills Developed  
 Metrics - Spent on Supplier  
 Metrics - Supply Chain Type of Metrics  
 Metrics - Who are Products Sold to  
 Objective - "Right thing to do"  
 Objective - Alleviate Poverty  
 Objective - Alleviate Unemployment  
 Objective - Business Continuity  
 Objective - Business Sustainability  
 Objective - Compliance  
 Objective - Create Opportunities for Small Businesses  
 Objective - Create Small Businesses that are Sustainable  
 Objective - Empower/Build Capacity  
 Objective - Entrepreneurial Development  
 Objective - Entrepreneurial Spirit of the Company  
 Objective - Food Security  
 Objective - Grow Small Businesses  
 Objective - Improve Efficiencies/Costs of the Company  
 Objective - Integrate Into Value Chain  
 Objective - Linked to Business Strategy  
 Objective - Localisation of Products  
 Objective - Manage Public Image  
 Objective - Nation Building  
 Objective - Pressure from Clients/Shareholders/Stakeholders  
 Objective - Serve Other Customers  
 Objective - Serve Other Suppliers  
 Objective - Shared Value  
 Objective - Skills Development/Transfer  
 Objective - Sustainable Communities  
 Objective - To Spend Money on SD/ED Wisely  
 Objective - Transformation  
 Partnership - Business Support to Beneficiaries  
 Partnership - Development Programmes  
 Partnership - Funding  
 Partnership - Training  
 Post Development Programme Support  
 Results - Effective in Developing Entrepreneurial Skills  
 Results - Not Effective in Developing Entrepreneurial Skills

SD/ED Improvement - Accountability

SD/ED Improvement - Align Regulatory/BEE Code Requirements to Entrepreneurial Development

SD/ED Improvement - Align to Core Business/Strategy

SD/ED Improvement - Align to Value Chain

SD/ED Improvement - Alignment Between Service Providers

SD/ED Improvement - Alignment within the Organisation

SD/ED Improvement - Beneficiaries to Contribute Towards Own Development

SD/ED Improvement - Beneficiaries to Network Better

SD/ED Improvement - Better GAP Analysis

SD/ED Improvement - Break Up Large Businesses/Contracts

SD/ED Improvement - Bridge Gap Between Black and White

SD/ED Improvement - Coaching/Mentoring on Technical Skills

SD/ED Improvement - Contract Formally with Beneficiaries

SD/ED Improvement - Create a More Generic Accessible Solution for Masses

SD/ED Improvement - Customised Approach

SD/ED Improvement - Dedicated Resources to Drive SD/ED

SD/ED Improvement - Develop a More Structured Approach

SD/ED Improvement - Develop Based on Future Long Term Demand

SD/ED Improvement - Ensure Funding Reaches Beneficiaries

SD/ED Improvement - Establish Partnerships/Collaboration

SD/ED Improvement - Focus Less on Programmes and More on Opportunities

SD/ED Improvement - Focus on Building the Foundation

SD/ED Improvement - Focus on Customer Side of Value Chain

SD/ED Improvement - Focus on Exports

SD/ED Improvement - Focus on Outcome of Training

SD/ED Improvement - Focus on Sustainability of New Businesses

SD/ED Improvement - Formal Certification

SD/ED Improvement - Frequent Interaction with Beneficiaries

SD/ED Improvement - Improve Financial Controls

SD/ED Improvement - Improve Management's Competency & Involvement

SD/ED Improvement - Improve Skills of Mentors/Coaches

SD/ED Improvement - Incorporate Entrepreneurial Skills Development

SD/ED Improvement - Increase Diversity of Beneficiaries

SD/ED Improvement - Increase Duration of Programmes/Support

SD/ED Improvement - Larger Budget to Implement Programmes

SD/ED Improvement - Less Focus on No. of Incubatees/Trainees

SD/ED Improvement - Less Profit Driven and More Focus on Developing Entrepreneurs

SD/ED Improvement - Less Training

SD/ED Improvement - Managing Beneficiary's Expectations

SD/ED Improvement - Measure Effectiveness Through Correct KPIs

SD/ED Improvement - More Cost Effective Delivery of Programmes

SD/ED Improvement - More Rigorous Selection Criteria

SD/ED Improvement - Move from Compliance Driven to Intent

SD/ED Improvement - Move from Funding to Business Development

SD/ED Improvement - Narrower, In-Depth Focus

SD/ED Improvement - None Required

SD/ED Improvement - One-on-One Training  
SD/ED Improvement - Projects Must Make Business Sense  
SD/ED Improvement - Provide Access to Markets  
SD/ED Improvement - Quality of Training to be Improved  
SD/ED Improvement - Scale Initiatives that are Successful  
SD/ED Improvement - Share Knowledge  
SD/ED Improvement - Short Interval Control  
SD/ED Improvement - Stop Open Tenders  
SD/ED Improvement - Stop Outsourcing (to Incubators)  
SD/ED Improvement - Support Through Cross-Functional Team  
SD/ED Improvement - Target Other/Smaller Entrepreneurs  
SD/ED Improvement - Transfer Learnings from Successful Initiatives to Other Initiatives  
SD/ED Improvement - View ESD as Competitive Advantage and Not Compliance  
SD/ED/BEE Scorecard - Does Not Perform Well  
SD/ED/BEE Scorecard - Performs Well  
Selection/Recruitment Process/Due Diligence  
Skills Development - Basic/General Business Skills  
Skills Development - Compliance/Legal/SHE  
Skills Development - Do Not Focus on Entrepreneurial Skills  
Skills Development - Entrepreneurial Skills  
Skills Development - Financial Management  
Skills Development - How to Network  
Skills Development - HR  
Skills Development - Leadership / Management  
Skills Development - Lean / Six Sigma  
Skills Development - Operations  
Skills Development - Personal Skills  
Skills Development - Sales & Marketing  
Skills Development - Supply Chain Management  
Skills Development - Technical Skills  
Skills Development - Triangle (Understanding Business, Funding, Access to Markets)  
Skills Required - Ability to Collaborate  
Skills Required - Ability to Develop Others  
Skills Required - Ability to Develop/Grow One's Business  
Skills Required - Ability to Make Things Happen  
Skills Required - Ability to Prepare Good Tenders  
Skills Required - Ability to Price Well  
Skills Required - Administrative Skills  
Skills Required - Appetite for Risk  
Skills Required - Basic/General Business Management Skills  
Skills Required - Cashflow Management  
Skills Required - Compliance/Legal Knowledge  
Skills Required - Customer Management  
Skills Required - Defining a Value Proposition  
Skills Required - Empathy  
Skills Required - Financial Management

Skills Required - Flexibility/Willing To Change  
Skills Required - Innovation/Creativity/Entrepreneurial Skills/Spirit  
Skills Required - Long Term View  
Skills Required - Management/Leadership Skills  
Skills Required - Managing Oneself  
Skills Required - Marketing/Sales  
Skills Required - Operational Management/Knowledge/Skills  
Skills Required - Personal Skills  
Skills Required - Playing the Politics  
Skills Required - Problem Solving Skills  
Skills Required - Recruiting/Selecting Right People/HR Skills  
Skills Required - Resilience  
Skills Required - Right Attitude & Mindset  
Skills Required - Strategic Planning/Thinking  
Skills Required - Technical Skills  
Skills Required - Understand Your Products  
Small Sized Companies as Customers  
Support - Access to Markets  
Support - Access to Networks  
Support - Business Development  
Support - Business Management Support  
Support - Circular Economy  
Support - Coaching & Mentoring  
Support - Collaborative Platforms  
Support - Compliance  
Support - Customised Approach  
Support - Develop an Individual  
Support - Economies of Scale  
Support - Entrepreneurial Role Model  
Support - Financial Management  
Support - Funding  
Support - HR Management  
Support - Incubator Model  
Support - Legal  
Support - Management/Business Consulting  
Support - Managerial Oversight  
Support - Marketing  
Support - Operational Support  
Support - Practical/Hands-On Experience  
Support - Preferential Payment Terms  
Support - Progressive Development Programme  
Support - Provide Inputs  
Support - Provide PPE  
Support - Regular Interaction  
Support - Relationship & Trust Building  
Support - Secure Business from other Companies



Support - Start-Up of a Business  
Support - Technical Support  
Support - Technology  
Support - Training  
Support - Turn Side Hustle into Main Hustle  
Support (Consultant) - Advises Corporates  
Support (Consultant) - Source Suppliers/Beneficiaries for Customers  
Transformation Increases Risk in Supply Chain  
Underestimating Entrepreneurs' Intelligence  
Youth/Women Education & Development

**Code Groups (67 groups)**

Beneficiaries  
CH-Access to Networks & Markets  
CH-Business Knowledge or Skills Gaps  
CH-Desperation/Survivalist  
CH-Execution Deficiencies  
CH-Funding & Financial Challenges  
CH-Incubation/Training Programmes Ineffective  
CH-Lack Entrepreneurial Spirit  
CH-Personal Skills or Mastery  
CH-SD/ED Programme Deficiencies  
CH-Structural Influences or Barriers  
Community/Youth/Women Focus  
Consultants' Customer Base  
Duration of Support  
Effectiveness of SD/ED Programmes  
IMP - Beneficiary Improvements  
IMP - Change Focus from Compliance to Intent  
IMP - Create More Opportunities  
IMP - Establish Correct Metrics to Measure Effectiveness  
IMP - Exploit Learnings  
IMP - Improve Collaboration  
IMP - None required  
IMP - Positioning of SD/ED Programmes  
IMP - Programme Delivery Improvements  
IMP - Regulatory / Structural Reforms  
IMP - Selection / Onboarding of Beneficiaries  
IMP - Training & Skills Development  
MTX - Ability to Access Funding or to Reinvest Retained Profits  
MTX - Access Gained to Other Markets  
MTX - BEE Scorecard Rating for SD/ED  
MTX - Beneficiary/Programme Metrics  
MTX - Execution of Plans/Objectives  
MTX - Financial Performance  
MTX - Jobs Sustained & Created

MTX - None  
MTX - Operational Metrics  
MTX - Skills Development  
MTX - Supply Chain Type Measurements  
MTX - Technology Adopted  
OB - Economic/Business Motives  
OB - Entrepreneurial Intent  
OB - Provide Access to Markets  
OB - Skills Development / Empowerment  
OB - Societal Impact  
OB - Transformational Intent  
Other Challenges  
Programme Delivery  
SD - Entrepreneurial Skills  
SD - General Business Acumen & Management Skills  
SD - Interpersonal Skills  
SD - Personal Skills/Mastery  
SD - Process Optimisation Skills  
SPT - Access to Networks & Markets  
SPT - Business Development & Management Consulting  
SPT - Financial  
SPT - Management of the Business  
SPT - Post Development Programme Support  
SPT - Provide PPE, Technology & Inputs  
SPT - Selection Process & Customised Approach  
SPT - Training & Skills Development  
SPT by Consultants to Companies  
SR - Entrepreneurial Skills  
SR - General Business Acumen & Management Skills  
SR - Interpersonal Skills  
SR - Personal Skills/Mastery  
SR - Strategic Thinking Skills  
Success Factors

## APPENDIX I: THEME AND CODE GROUP DEVELOPMENT

Relevance to Research Question	Themes	Code Groups	Individual Codes (taken from ATLAS.Ti 8)
n/a	No theme assigned	Beneficiaries	Beneficiary - Customer Beneficiary - Ex-Employees Beneficiary - Not Part of Value Chain Beneficiary - Supplier Bias Towards SD vs. ED
		Effectiveness of SD/ED Programmes	Results - Effective in Developing Entrepreneurial Skills Results - Not Effective in Developing Entrepreneurial Skills SD/ED/BEE Scorecard - Does Not Perform Well SD/ED/BEE Scorecard - Performs Well Skills Development - Do Not Focus on Entrepreneurial Skills Skills Development - Entrepreneurial Skills
		Programme Delivery	In-House Programme Delivery/Support Partnership - Business Support to Beneficiaries Partnership - Development Programmes Partnership - Funding Partnership - Training
		Duration of Support	Duration of Programme < One Year Duration of Support = Few Years
		Community/Youth/Women Focus	Community Focus Develop Youth Owned Businesses Youth/Women Education & Development
		Consultants' Customer Base	Large Corporates as Customers Local Government as Customers Medium Sized Corporates as Customers Small Sized Companies as Customers
		Other Challenges	Budgetary Constraints Challenge - Lack Best Practice/Technology Limited Beneficiaries (SMMEs) Transformation Increases Risk in Supply Chain Underestimating Entrepreneurs' Intelligence
		Success Factors	Financial Contribution by Beneficiaries Highly Qualified Beneficiaries' Businesses became Sustainable

Relevance to Research Question	Themes	Code Groups	Individual Codes (taken from ATLAS.Ti 8)
RQ3 - Challenges	Development Programme Factors	CH-Incubation/Training Programmes Ineffective	Challenge - Incubators Do Not Create Sustainable Businesses Challenge - Use Training Programmes as Means to Access Markets
		CH-SD/ED Programme Deficiencies	Challenge - Access to Right Business Support Challenge - Dependency Challenge - Managing Boundaries Challenge - Misalignment Between Corporate and Beneficiary Challenge - Resilience
	Endogenous Factors	CH-Desperation/Survivalist	Challenge - Dependency Challenge - Desperate (Offer/Sell Everything) Challenge - Survivalists Challenge - Taking a Short Term View
		CH-Lack Entrepreneurial Spirit	Challenge - Inability to Adapt/Scale Challenge - Lack of Creativity/Innovation/Entrepreneurial Spirit Challenge - No Ambition to Grow the Business Challenge - Risk Averse
		CH-Personal Skills or Mastery	Challenge - Lack of Commitment/Personal Drive Challenge - Lack of Discipline Challenge - Lack Professionalism Challenge - Sense of Entitlement/Comfort Zone
	Exogenous Factors	CH-Access to Networks & Markets	Challenge - Access to Markets Challenge - Access to Networks Challenge - Building a Reputation/Trust/Relationships Challenge - Focus Too Much On Corporates Challenge - Low/Flat Demand Challenge - Not Securing Long Term Contracts Challenge - Relationship (Understanding Business, Funding & Access to Market) Challenge - Use Training Programmes as Means to Access Markets Challenge - Visibility of Opportunities
		CH-Structural Influences or Barriers	Challenge - Tenderpreneurship Challenge - Too Much Bureaucracy

Relevance to Research Question	Themes	Code Groups	Individual Codes (taken from ATLAS.Ti 8)
RQ3 - Challenges	Knowledge or Skills Gaps	CH-Business Knowledge or Skills Gaps	Challenge - Administrative Skills Challenge - Cash Flow / Financial Management Challenge - Don't Understand Business Challenge - Education/Skills Challenge - Inability to Market the Business/Products/Services Challenge - Inability to Network/Partner Challenge - Lack of Basic Economic Understanding of the Business Challenge - Lack of Effective Management of the Business Challenge - Relationship (Understanding Business, Funding & Access to Market) Challenge - Understanding the Customer Challenge - Understanding the Economy/Market
		CH-Execution Deficiencies	Challenge - Business Opportunities Not Investigated Thoroughly Challenge - Delivering on Commitments/Opportunities Challenge - Governance Challenge - Non-Compliance with Safety Standards Challenge - Pricing Strategy Challenge - Quality of Tenders Submitted
		CH-Funding & Financial Challenges	Challenge - Access to Funding Challenge - Cash Flow / Financial Management Challenge - Do Not Separate Personal & Business Finances Challenge - Funding Not Primary Challenge Challenge - Inability to Pay Back Loans Challenge - Relationship (Understanding Business, Funding & Access to Market)

Relevance to Research Question	Themes	Code Groups	Individual Codes (taken from ATLAS.TI 8)
RQ4 - Improvements	Beneficiary centric improvements	IMP - Beneficiary Improvements	SD/ED Improvement - Beneficiaries to Contribute Towards Own Development SD/ED Improvement - Beneficiaries to Network Better SD/ED Improvement - Focus on Exports
	Companies' strategic considerations	IMP - Change Focus from Compliance to Intent	SD/ED Improvement - Less Profit Driven and More Focus on Developing Entrepreneurs SD/ED Improvement - Move from Compliance Driven to Intent SD/ED Improvement - Move from Funding to Business Development SD/ED Improvement - View ESD as Competitive Advantage and Not Compliance
		IMP - Positioning of SD/ED Programmes	SD/ED Improvement - Align to Core Business/Strategy SD/ED Improvement - Align to Value Chain SD/ED Improvement - Develop Based on Future Long Term Demand SD/ED Improvement - Focus on Customer Side of Value Chain SD/ED Improvement - Narrower, In-Depth Focus SD/ED Improvement - Projects Must Make Business Sense
	Exogenous factors	IMP - Regulatory / Structural Reforms	SD/ED Improvement - Align Regulatory/BEE Code Requirements to Entrepreneurial Development SD/ED Improvement - Ensure Funding Reaches Beneficiaries SD/ED Improvement - Stop Open Tenders
	Exploit learnings synergies	IMP - Exploit Learnings	SD/ED Improvement - Scale Initiatives that are Successful SD/ED Improvement - Transfer Learnings from Successful Initiatives to Other Initiatives
		IMP - Improve Collaboration	SD/ED Improvement - Alignment Between Service Providers SD/ED Improvement - Bridge Gap Between Black and White SD/ED Improvement - Establish Partnerships/Collaboration SD/ED Improvement - Share Knowledge
	Programme centric improvements	IMP - Create More Opportunities	SD/ED Improvement - Break Up Large Businesses/Contracts SD/ED Improvement - Focus Less on Programmes and More on Opportunities SD/ED Improvement - Provide Access to Markets SD/ED Improvement - Target Other/Smaller Entrepreneurs
		IMP - Establish Correct Metrics to Measure Effectiveness	SD/ED Improvement - Focus on Sustainability of New Businesses SD/ED Improvement - Less Focus on No. of Incubatees/Trainees SD/ED Improvement - Measure Effectiveness Through Correct KPIs

Relevance to Research Question	Themes	Code Groups	Individual Codes (taken from ATLAS.Ti 8)
RQ4 - Improvements	Programme centric improvements	IMP - None required	SD/ED Improvement - None Required
		IMP - Programme Delivery Improvements	SD/ED Improvement - Accountability SD/ED Improvement - Alignment within the Organisation SD/ED Improvement - Customised Approach SD/ED Improvement - Dedicated Resources to Drive SD/ED SD/ED Improvement - Develop a More Structured Approach SD/ED Improvement - Frequent Interaction with Beneficiaries SD/ED Improvement - Improve Financial Controls SD/ED Improvement - Improve Management's Competency & Involvement SD/ED Improvement - Increase Duration of Programmes/Support SD/ED Improvement - Larger Budget to Implement Programmes SD/ED Improvement - More Cost Effective Delivery of Programmes SD/ED Improvement - Short Interval Control SD/ED Improvement - Support Through Cross-Functional Team
		IMP - Selection / Onboarding of Beneficiaries	SD/ED Improvement - Better GAP Analysis SD/ED Improvement - Contract Formally with Beneficiaries SD/ED Improvement - Increase Diversity of Beneficiaries SD/ED Improvement - Managing Beneficiary's Expectations SD/ED Improvement - More Rigorous Selection Criteria
		IMP - Training & Skills Development	SD/ED Improvement - Coaching/Mentoring on Technical Skills SD/ED Improvement - Focus on Building the Foundation SD/ED Improvement - Focus on Outcome of Training SD/ED Improvement - Formal Certification SD/ED Improvement - Improve Skills of Mentors/Coaches SD/ED Improvement - Incorporate Entrepreneurial Skills Development SD/ED Improvement - Less Training SD/ED Improvement - One-on-One Training SD/ED Improvement - Quality of Training to be Improved SD/ED Improvement - Stop Outsourcing (to Incubators)

Relevance to Research Question	Themes	Code Groups	Individual Codes (taken from ATLAS.Ti 8)
RQ2 - Metrics	Beneficiary performance focused metrics	MTX - Ability to Access Funding or to Reinvest Retained Profits	Metrics - Access to Funding Achieved Metrics - Rate of Reinvestment in Business
		MTX - Access Gained to Other Markets	Metrics - Concentration Risk Metrics - Decrease in Dependency Metrics - Growth in Client Base Metrics - No. of New Contracts Won / Increase in Sales Volumes Metrics - Who are Products Sold to
		MTX - Execution of Plans/Objectives	Metrics - Business Plan/Objectives Execution Metrics - Financial Management/Sustainability Metrics - Performance Against Transformation Action Plan
		MTX - Financial Performance	Metrics - Competitiveness Metrics - Financial Management/Sustainability Metrics - Increase in Economic Activity Metrics - No. of New Contracts Won / Increase in Sales Volumes Metrics - Profitability Metrics - Revenue Metrics - Revenue Growth
		MTX - Operational Metrics	Metrics - Agricultural Yield Metrics - Compliance Metrics - Performance/Service Delivery Metrics - Quality Metrics - Safety Performance
		MTX - Technology Adopted	Metrics - Adoption of Technology
	Company / Compliance centric metrics	MTX - BEE Scorecard Rating for SD/ED	Metrics - Company's BEE Scorecard Rating on SD & ED
		MTX - Beneficiary/Programme Metrics	Metrics - Beneficiary Satisfaction Metrics - Money Spent on Beneficiary Metrics - No. of Beneficiaries That Passed Through Programme Metrics - No. of Businesses Liquidated
		MTX - Supply Chain Type Measurements	Metrics - Spent on Supplier Metrics - Supply Chain Type of Metrics
	Effectiveness of development programme in knowledge transferred or skills developed	MTX - Skills Development	Metrics - Assignments/Portfolio of Evidence Metrics - Migration Through Programmes/Segments Metrics - Skills Developed
	No formal metrics established	MTX - None	Metrics - Difficult to Measure Metrics - No Formal/Effective Metrics Established
	Social impact	MTX - Jobs Sustained & Created	Metrics - New Jobs Created Metrics - No. of Jobs Supported/Sustained



Relevance to Research Question	Themes	Code Groups	Individual Codes (taken from ATLAS.Ti 8)	
RQ4 - Objectives	Altruistic motives	OB - Societal Impact	Objective - Alleviate Poverty Objective - Alleviate Unemployment Objective - Food Security Objective - Shared Value	
		OB - Transformational Intent	Objective - "Right thing to do" Objective - Nation Building Objective - Transformation	
	Egocentric motives	OB - Economic/Business Motives	Objective - Business Continuity Objective - Business Sustainability Objective - Compliance Objective - Improve Efficiencies/Costs of the Company Objective - Integrate Into Value Chain Objective - Linked to Business Strategy Objective - Manage Public Image Objective - Pressure from Clients/Shareholders/Stakeholders Objective - To Spend Money on SD/ED Wisely	
			OB - Entrepreneurial Intent	Objective - Create Small Businesses that are Sustainable Objective - Entrepreneurial Development Objective - Entrepreneurial Spirit of the Company Objective - Grow Small Businesses
			OB - Provide Access to Markets	Objective - Create Opportunities for Small Businesses Objective - Localisation of Products Objective - Serve Other Customers Objective - Serve Other Suppliers Objective - Shared Value
	Transformational / Developmental motives	OB - Skills Development / Empowerment	Objective - Create Small Businesses that are Sustainable Objective - Empower/Build Capacity Objective - Entrepreneurial Development Objective - Skills Development/Transfer	

Relevance to Research Question	Themes	Code Groups	Individual Codes (taken from ATLAS.Ti 8)
RQ1 - Skills Development	Business Acumen & Skills	SD - General Business Acumen & Management Skills	Skills Development - Basic/General Business Skills Skills Development - Compliance/Legal/SHE Skills Development - Financial Management Skills Development - HR Skills Development - Leadership / Management Skills Development - Operations Skills Development - Sales & Marketing Skills Development - Supply Chain Management Skills Development - Technical Skills Skills Development - Triangle (Understanding Business, Funding, Access to Markets)
	Entrepreneurial Skills	SD - Entrepreneurial Skills	Skills Development - Do Not Focus on Entrepreneurial Skills Skills Development - Entrepreneurial Skills
	Interpersonal Skills	SD - Interpersonal Skills	Skills Development - How to Network Skills Development - Triangle (Understanding Business, Funding, Access to Markets)
	Personal Skills	SD - Personal Skills/Mastery	Skills Development - Leadership / Management Skills Development - Personal Skills
	Process Optimisation Skills	SD - Process Optimisation Skills	Skills Development - Lean / Six Sigma

Relevance to Research Question	Themes	Code Groups	Individual Codes (taken from ATLAS.Ti 8)
RQ3 - Support	Business management support	SPT - Business Development & Management Consulting	Support - Business Development Support - Management/Business Consulting
		SPT - Management of the Business	Support - Business Management Support Support - Compliance Support - Financial Management Support - HR Management Support - Legal Support - Managerial Oversight Support - Marketing Support - Operational Support Support - Regular Interaction Support - Technical Support
		SPT - Post Development Programme Support	Post Development Programme Support
	Knowledge transfer and skills development	SPT - Selection Process & Customised Approach	Selection/Recruitment Process/Due Diligence Support - Customised Approach
		SPT - Training & Skills Development	Support - Coaching & Mentoring Support - Develop an Individual Support - Entrepreneurial Role Model Support - Incubator Model Support - Practical/Hands-On Experience Support - Progressive Development Programme Support - Start-Up of a Business Support - Training Support - Turn Side Hustle into Main Hustle
	Consultants' support to corporates	SPT by Consultants to Companies	Support (Consultant) - Advises Corporates Support (Consultant) - Source Suppliers/Beneficiaries for Customers
	Provision of resources	SPT - Financial	Support - Economies of Scale Support - Funding Support - Preferential Payment Terms
		SPT - Provide PPE, Technology & Inputs	Support - Provide Inputs Support - Provide PPE Support - Technology
	Support with gaining access to networks and markets	SPT - Access to Networks & Markets	Support - Access to Markets Support - Access to Networks Support - Circular Economy Support - Collaborative Platforms Support - Relationship & Trust Building Support - Secure Business from other Companies

Relevance to Research Question	Themes	Code Groups	Individual Codes (taken from ATLAS.Ti 8)
RQ1 - Skills Required	Business Acumen & Skills	SR - General Business Acumen & Management Skills	Skills Required - Ability to Prepare Good Tenders Skills Required - Ability to Price Well Skills Required - Administrative Skills Skills Required - Basic/General Business Management Skills Skills Required - Cashflow Management Skills Required - Compliance/Legal Knowledge Skills Required - Customer Management Skills Required - Defining a Value Proposition Skills Required - Financial Management Skills Required - Management/Leadership Skills Skills Required - Marketing/Sales Skills Required - Operational Management/Knowledge/Skills Skills Required - Recruiting/Selecting Right People/HR Skills Skills Required - Technical Skills Skills Required - Understand Your Products
	Entrepreneurial Mindset	SR - Entrepreneurial Skills	Skills Required - Ability to Develop/Grow One's Business Skills Required - Ability to Make Things Happen Skills Required - Appetite for Risk Skills Required - Innovation/Creativity/Entrepreneurial Skills/Spirit Skills Required - Problem Solving Skills
	Interpersonal Skills	SR - Interpersonal Skills	Skills Required - Ability to Collaborate Skills Required - Ability to Develop Others Skills Required - Empathy Skills Required - Management/Leadership Skills Skills Required - Playing the Politics
	Personal Skills	SR - Personal Skills/Mastery	Skills Required - Flexibility/Willing To Change Skills Required - Managing Oneself Skills Required - Personal Skills Skills Required - Resilience Skills Required - Right Attitude & Mindset
	Strategic Mindset	SR - Strategic Thinking Skills	Skills Required - Long Term View Skills Required - Strategic Planning/Thinking