

**The determinants of business success for small commercial farming  
enterprises.**

**21828921**

A Research project submitted to the Gordon Institute of Business Science, University  
of Pretoria, in partial fulfillment of the requirements for the degree of Master of  
Business Administration.

**01 November 2022**

## **Abstract**

The aim of this research was to determine the drivers of business success for small commercial farming enterprises. The study also sought to identify the financial and non-financial measurements used by small commercial farmers to measure the success of businesses. The study followed the qualitative research design which followed an inductive approach. Primary data were collected from 13 research participants through a semi-structured interview guide. The responses from participants were recorded, transcribed, and analysed in Atlas ti. 9 using an interpretative phenomenological analysis (IPA) analytical approach. The findings from the study revealed some important insights that add to the existing knowledge of business success factors for small commercial farming enterprises. The study showed that the success of small commercial farming enterprises is determined by farmer characteristics, strategic planning activities, and farm resources and features. With regard to farmer characteristics, the study suggests that perseverance of effort, passion for farming, broad farm management skills, and technical knowledge and skills are the main factors influencing the performance of small commercial farming enterprises. As for the farm resources and features, the study has revealed that farm infrastructure, farming equipment, and natural features play a key role in promoting successful farming enterprises. The notable difference between the findings of this research and those reported in other studies on business success factors for SMEs is that this study has revealed some features that are unique to farming but, contribute to overall business success such as topography, rainfall, arable land, permanent source of water, drainage, and sufficient grazing capacity. In the case of strategic planning activities, the results revealed some key strategic planning activities that drive the success of small commercial farming enterprises such as financial planning, marketing planning, and production planning. The study has also demonstrated that small commercial farmers use financial and non-financial measurements to measure the success of their businesses. To tie all the findings together, a conceptual model for analysing the performance of small commercial farming enterprises has been developed. The study recommends that small commercial farmers should receive financial literacy training in order to increase understanding of the basic financial principles which promote farm productivity, profitability and overall business success. In addition, it is recommended that support rendered to small commercial farming enterprises by public and private institutions must focus on variables that improve the performance of their businesses such as the ones found in this study. Future research should focus on testing the validity, relevance and applicability of the conceptual model developed in different farming enterprises.

**Key words:** Small commercial farmers, business success, financial measurements, Non-financial measurements

## List of abbreviations and acronyms

<b>Abbreviation</b>	<b>Meaning</b>
DC	Dynamic Capabilities
FINER	Feasible, interesting, novel, ethical, and relevant
KBT	Knowledge-based theory
NDP	National Development Plan
RBT	Resource-based theory
SMEs	Small and medium-sized enterprises
Stats SA	Statistics South Africa

## **Declaration**

The following declaration should appear on a separate page: 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.

---

Rangarirai Roy Shoko

## Table of contents

Abstract.....	i
List of abbreviations and acronyms .....	ii
Declaration.....	iii
<b>1. CHAPTER 1: INTRODUCTION .....</b>	<b>6</b>
1.1. Problem Statement.....	7
1.2. Purpose Statement.....	7
1.3. Scope of the research.....	8
1.4. Value of small commercial enterprises .....	8
1.5. Business rational .....	8
1.6. Academic rational .....	9
1.7. Structure of the research report .....	9
<b>2. CHAPTER 2: LITERATURE REVIEW .....</b>	<b>11</b>
2.1. Introduction.....	11
2.2. The South African Agricultural Sector .....	11
2.3. Defining small-scale farmer classifications.....	12
2.4. Measuring business success .....	13
2.5. Understanding the determinants of business success .....	14
2.6. Theoretical models for analysing business success.....	16
2.6.1. The resource-based theory .....	16
2.6.2. The Dynamic capabilities theory .....	17
2.6.3. Knowledge-based theory .....	18
2.6.4. The institutional theory .....	19
2.6.5. Upper Echelons theory .....	20
2.6.6. Organizational ecology theory.....	20
2.6.7. A new model of success and performance in SMEs.....	21
2.6.8. The determinant of growth framework.....	23
2.7. Conclusion.....	24
<b>3. CHAPTER 3: RESEARCH QUESTIONS.....</b>	<b>25</b>
3.1. Introduction.....	25
3.2. Research questions.....	25
<b>4. CHAPTER 4: METHODOLOGY .....</b>	<b>27</b>
4.1. Research design.....	27
4.1.1. Theoretical approach .....	27

4.2. Population .....	28
4.3. Sampling .....	28
4.4. Sample size .....	29
4.5. Measuring instrument .....	30
4.6. Data collection .....	30
4.7. Data analysis .....	31
4.8. Quality control.....	32
4.9. Limitations .....	33
4.10. Conclusion.....	33
<b>5. CHAPTER 5: RESEARCH RESULTS .....</b>	<b>34</b>
5.1. Introduction.....	34
5.2. Sample Overview .....	34
5.2.1. Geographical distribution .....	34
5.2.2. Farming experience .....	35
5.2.3. Enterprise type.....	36
5.2.4. Gender distribution .....	36
5.2.5. Key features of the participants.....	37
5.3. Challenges facing small commercial.....	37
5.4. The role of the public sector in promoting small commercial farmers .....	39
5.5. Research Question 1: Determinants of Business Success .....	42
5.5.1. Farmer characteristics: Theme 1.....	42
5.5.2. Perseverance of effort: Sub-theme 1 .....	44
5.5.3. Passion for farming: Sub-theme 2.....	45
5.5.4. Broad management skills: Subtheme 3.....	47
5.5.5. Knowledge and skills about farming: Sub-theme 4.....	48
5.5.6. Farm resources and features: Theme 2 .....	49
5.5.7. Natural features: Sub-theme 5 .....	50
5.5.8. Farming equipment: Sub-theme 6.....	52
5.5.9. Farm infrastructure: Sub-theme 7 .....	52
5.6. Strategic planning activities: Theme 3 .....	53
5.6.1. Financial planning: Sub-theme 8.....	54
5.6.2. Production planning: Sub-theme 9 .....	54
5.6.3. Marketing planning: Sub-theme 10 .....	55
5.7. Research Question 2: Measures of business success.....	56
5.7.1. Financial measurements: Theme 4 .....	56
5.7.2. Non-financial measures: Theme 5 .....	58
5.8. Conclusion.....	60

<b>6. CHAPTER 6: DISCUSSION OF RESULTS .....</b>	<b>61</b>
6.1. Introduction.....	61
6.2. A recap of the research problem, aim, and questions .....	61
6.3. Summary of key findings .....	62
6.4. Overall discussion on the determinants of business success.....	63
6.5. Research question 1: Determinants of business success .....	63
6.5.1. Farmer characteristics. ....	64
6.5.2. Farm resources and features .....	66
6.5.3. Strategic planning activities.....	69
6.6. Overall discussion on the measures of business success.....	71
6.7. Research question 2: Measures of business success.....	71
6.7.1. Financial measurements.....	71
6.7.2. Non-financial measures .....	72
6.8. A conceptual model for analysing the success of small commercial farming enterprises .....	72
6.9. Conclusion.....	75
<b>7. CHAPTER 7: CONCLUSIONS AND RECOMMENDATION .....</b>	<b>76</b>
7.1. Principal conclusions .....	76
7.1.1. Owner characteristics associated with successful small commercial farming enterprises .....	76
7.1.2. Business resources associated with successful small commercial farming enterprises .....	76
7.1.3. Business strategies of successful small commercial farming enterprises .....	77
7.1.4. Measures of business success for small commercial farming enterprises.....	77
7.1.5. Challenges facing small commercial farmers .....	78
7.1.6. The role of institutions in promoting small commercial .....	78
7.1.7. A conceptual model for analysing the success of small commercial farming enterprises .....	78
7.2. Implications for management and other relevant stakeholders .....	79
7.2.1. Farmers must receive training in financial literacy .....	80
7.2.2. Support from institutions should focus on key drivers of success .....	80
7.3. Limitations of the research.....	81
7.3.1. Limited number of similar research conducted in the agricultural sector.....	81
7.3.2. Heterogenous farming enterprises .....	81
7.4. Suggestions for future research.....	81
7.4.1. Testing the validity and applicability of the conceptual model.....	81
7.4.2. Conducting enterprise specific research .....	81
<b>REFERENCES .....</b>	<b>82</b>

Appendix A: Consistency Matrix.....	93
Appendix B – Interview guide.....	94
Appendix C – List of codes grouped into themes .....	95
Appendix D – Ethical Clearance Approval.....	100

## Table of figures

Figure 2.1: A model for success and performance in SMEs. ....	22
Figure 4.1: Number of new codes generated per each interview transcript .....	30
Figure 4.2: Data analysis procedure.....	32
Figure 5.1: Geographical distribution of the research participants per province.....	35
Figure 5.2: Farming experience .....	35
Figure 5.3: Type of farming enterprise type.....	36
Figure 5.4: Gender distribution.....	36
Figure 5.5: A network of codes explaining the challenges facing small commercial farmers	38
Figure 5.6: A network of codes associated with the role of public institutions .....	41
Figure 5.7: A network of codes and sub-themes associated with farmer characteristics.....	43
Figure 5.8: A network of codes and themes associated with perseverance of effort.....	44
Figure 5.9: A network of codes and sub-themes associated with passion for farming .....	46
Figure 5.10: A network of codes associated with broad farm management skills. ....	47
Figure 5.11: A network of codes associated with good farm management skills.....	49
Figure 5.12: A network of codes and sub-themes associated with farm resources and features.....	50
Figure 5.13: A network of codes and sub-themes associated with strategic planning activities .....	53
Figure 5.14: A network of Financial measures used by Participants to measure business success.....	56
Figure 5.15: A network of non-Financial measures used by Participants to measure success .....	58
Figure 6.1: A conceptual framework for analysing the determinants of business success for small commercial farming enterprises .....	73
Figure 7.1: A conceptual model for analysing the success of small commercial farming enterprises.....	79



## **Table of Tables**

Table 2.1: Summary of studies on business success factors for SMEs .....	15
Table 5.1: Characteristics of the research participants .....	37

# **The determinants of business success for small commercial farming enterprises**

## **1. CHAPTER 1: INTRODUCTION**

Growth in agriculture is regarded as an effective pathway out of poverty (Goals, 2018). With the continuous increase in population, agriculture remains the mainstay in achieving the Sustainable Development Goals (Dhahri & Omri, 2020). Although South Africa has a high fraction of the GDP that is attributed to the service sector (Fedderke, 2018), agriculture plays an important role in the South African economy. Dhahri & Omri, (2020) argues that the agriculture sector is a source of foreign exchange and contributes to food security (Dhahri & Omri, 2020). Meanwhile, (Alves & de Oliveira, 2022) has shown the economic value of agriculture and the role of urban agriculture in promoting sustainable livelihoods.

Agriculture has the potential to contribute to the employment target by creating one million jobs by 2030 (National Development Plan, 2012). This sounds far-fetched, however, the government has introduced mechanisms to improve growth in the agricultural sector, one of which is to increase support for small-scale farmers (Aliber & Hall, 2012). It is well documented that the performance of small commercial farming enterprises has a bearing on the development of the agricultural sector, and directly promotes economic growth and employment (Organisation for Economic Cooperation and Development, 2020). In support (Mellor & Malik, 2017) argues that increased growth and development of small commercial farmers is the pathway to reducing rural poverty.

Although the government has made efforts to promote small-scale farming enterprises in South Africa, challenges persist. Small-scale farmers are still operating on the fringes of agricultural value chains, and their contribution in terms of production is significantly small and cannot be compared to that of their big commercial farming counterparts. In light of the above, accelerating the growth of SMEs within the agricultural sector has become more important than ever and necessitates an in-depth examination of the key drivers of business success for small commercial farming enterprises.

## **1.1. Problem Statement**

Small-scale farming enterprises play an important role to promote food insecurity (Carelsen et al., 2021), and their economic activities in the agricultural sector have the potential to create livelihoods, absorb labour and reduce poverty (Aliber & Hall, 2012). Despite, the substantial contribution to economic growth and poverty alleviation, (Orsi et al., 2017), argues that farm enterprises continue to bear the brunt of insufficient resources, inputs, and infrastructure; difficult access to markets, high transaction costs, and low bargaining power. Further, small-scale farming enterprises have become vulnerable to natural disasters, climate change and failed land reform programmes (Ubisi et al., 2017).

These challenges have pushed many of these enterprises to the brink of bankruptcy and dissolution. (Makarenko et al., 2019) revealed that only 5 to 10% of firms survive the first 5 years of operation. These statistics are even much lower for businesses operating in the agricultural sector. Botha and Botha (2016) argued that the number of businesses filing for bankruptcy in the agricultural sector will continue to increase more than businesses operative in other industries.

Given the strategic importance of small-scale farming enterprises to the government of South Africa in their drive to create jobs, alleviate poverty and increase economic growth, it becomes valuable to examine key factors that stimulate business success so that the number of farms going out of business is minimised. Although many studies around the world have examined the drivers of business success for small and medium enterprises, majority of them have focused predominantly on direct relationships and correlations between antecedents of business success and business performance. Hence this study uses qualitative methods which incorporate in-depth interviews with key stakeholders in order to explore the critical success factors for small-scale farmers.

## **1.2. Purpose Statement**

This study seeks to examine the determinants of business success for small commercial farming enterprises in South Africa. While some of these key success factors for SMEs are documented in the literature (S. Li et al., 2022; Lobos & Wojciech, 2021; Omeje et al., 2022) little research has been conducted on the determinants of business success for small farming enterprises. Therefore, exploring the determinants of business success for these

farming enterprises will shed light on how successful small farming enterprises operating in the agricultural sector can compete and survive in a hostile and unpredictable environment dominated by large commercial farmers. The findings of this study will also help policymakers and key stakeholders to devise business success mechanisms critical for the survival of small commercial farming enterprises in South Africa.

### **1.3. Scope of the research**

This study focuses on small commercial farming enterprises which operate within the borders of South Africa. In the context of this study, we define small commercial farming enterprises as those that have formally registered their farms as a business and have the technical ability to grow cash crops on at least five hectares of land (Technoserve, 2019). This study does not focus on a specific farming enterprise, but rather focuses on various small commercial farming enterprises that meet the stated selection criteria. Although it is not a requirement in qualitative research to have a representative sample, the selected farming enterprises are located in various provinces of the country.

### **1.4. Value of small commercial enterprises**

The small commercial farming sector can be directly linked to several economic and non-economic benefits, particularly in rural communities where farming is the primary source of income. The sector also promotes rural development hence, the increased growth of small commercial farming enterprises is critical and contributes to poverty reduction, employment, food security, and economic growth (Aliber & Hall, 2012; Mellor & Malik, 2017; Orsi et al., 2017). It is also important to note that small commercial farming enterprises are of strategic importance to the South African economy (National Development Plan, 2012) and can be considered key enablers to achieving the sustainable development goals and the national development plan.

### **1.5. Business rational**

Small commercial farmers face numerous challenges such as low crop yields, lack of finance, and lack of property rights (Orsi et al., 2017). This explains why the majority of small firms often struggle to stay afloat and remain profitable in a sector dominated by large commercial farmers who account for 67% of total income when they constitute only 6.5% of the total population of commercial agriculture (Statistics South Africa, 2020). It is also important to note that the number of farm businesses filing for bankruptcy in the agricultural sector is growing rapidly (Botha and Botha, 2016). Despite these challenges, some small commercial farmers are doing well and have enjoyed periods of sustainable growth and development. However,

other farming enterprises are struggling and in dire need of support in order to stay afloat. Under such circumstances, it becomes critical to explore key mechanisms that promote the success of small commercial enterprises so that we save these farms from going out of business. In addition, the findings of this study will help promote the growth of and development of small-commercial farming businesses in South Africa and other African countries.

## **1.6. Academic rational**

Although many studies have been conducted focusing on the critical success factors for SMEs, (Rehman & Anwar, 2019; Nguyen & Canh, 2020; Ngo, 2021) majority of them have focused predominantly on direct relationships and correlations between antecedents of business success and business performance. Hence, this study uses qualitative methods which incorporate in-depth interviews with key stakeholders in order to explore the critical success factors for small-scale farmers. Due to the diversity of small-scale enterprises, it is challenging to isolate those critical success factors that are relevant and unique to farming using quantitative methods. Hence this study intends to bridge that gap by exploring some key factors that influence the success of small farming enterprises.

In addition, a lot of work on the performance of SMEs has largely focused on firms operating in non-agricultural sectors (Al-Tit et al., 2019; Arshad et al., 2020; Srhoj et al., 2021; Bacinello et al., 2021) where the context is much different from that of farming businesses. Unlike the majority of literature that has focused on non-agricultural businesses, this study focuses on an agricultural-specific context where little work has been conducted on key success factors for small commercial farming enterprises.

## **1.7. Structure of the research report**

This research project is organised as follows: The first chapter presents the problem statement and the research purpose statement. The second chapter provides a detailed review of relevant previous studies conducted on similar research and the theoretical framework. The research questions this study seeks to answer are presented in chapter three. This is followed by chapter four which presents the methodology used in the study and outlines the approach, techniques, and tools used to address the research questions. Some of the key sections of the chapter include research design, population, sample size and sampling techniques, and data collection, to mention but a few. The findings of the study are presented and discussed in the fifth and sixth chapters, respectively. The study concludes with chapter seven which

provides the summary of findings, recommendations to stakeholders, limitations of the study, and recommendations for future research.

## **2. CHAPTER 2: LITERATURE REVIEW**

### **2.1. Introduction**

Several studies have been conducted focusing on key business success factors for small business enterprises (Hazudin et al., 2015; Barkhatov et al., 2016; Makarenko et al., 2019; Anwar & Shah, 2021). These studies define business performance differently and evaluate business success from several viewpoints focusing on the determinants of business success and causes of business failure. This chapter provides a detailed review of previous studies related to the topic in order to shed light on the research problem, key arguments, theories and, possible gaps in the literature that may exist to date.

### **2.2. The South African Agricultural Sector**

The South African agricultural sector is dual comprising a well-developed large commercial sector on one side and small-scale farmers on the opposite end of the spectrum (Zantsi et al., 2021). The majority of the large commercial farmers are white, whereas the small-scale sector is dominated by black farmers (Hendriks, 2014). It should be noted that there are about 42122 commercial farmers in South Africa, and they account for 90% of the national food supply (Statistics South Africa, 2020). Meanwhile, there are more than 2.3 million small-scale farmers in the Agriculture sector who produce mainly for home consumption and sell excess production (Statistics South Africa, 2020). These statistics are indicative of the huge disparity between commercial farmers and small-scale farmers within the agricultural sector.

According to Aliber & Hall, (2012) small-scale farming is considered a seedbed from which successful commercial farmers will emerge. Hence, the government has made efforts to encourage small-scale farming by introducing various agricultural programmes and policies targeted at increasing support for small-scale farmers. A significant increase in the amount of government spending to promote small-scale farmers since the 1990s (Aliber & Hall, 2012) is a testament to the government's effort.

Despite the support from the government, Conradie, (2019) argues that little progress has been made to date. In support, Aliber, (2019) attributed the minimal progress to the lack of understanding of small-scale farmer needs and characteristics. To bridge the gap between commercial farms and small small-scale farms, Aliber & Hall, (2012) suggest strategies aimed at promoting the transition (graduation) from small-scale farmers to commercial farmers.

### 2.3. Defining small-scale farmer classifications

Several researchers and scholars have attempted to define small-scale farmers (Carelsen et al., 2021; Kirsten & van Zyl, 1998; Mellor & Malik, 2017). This is an indication that there is not one particular definition of small-scale farming enterprises. (Fanadzo & Ncube, 2018) argued that the diversity among small-scale farmers within the agricultural sector presents many challenges when defining small-scale farmers. This explains why small-scale farmers are often painted with the same brush when in fact they are not a homogenous group, and their contexts are different in terms of production methods, farming experience, access to finance, and markets. The combination of these factors shapes their economic viability and their operation within agricultural value chains.

The measures that have been used in literature to define and classify small-scale farmers include land size (Nyange et al., 2019), gross farm income (Tritsch et al., 2021), availability of resources (DAFF, 2012), and level of support required (Kirsten & Van Zyl, 1998). One study (Nyange et al., 2019) asserted that small-holder farmers represent farms cultivating between 0 and 5 ha of land. However, (Kirsten & Van Zyl, 1998) argued that the size of the land is not an ideal measure for defining small-scale farmers since high income can be achieved on a small piece of land. The authors defined a small-scale farmer as one whose overall production is significantly small to attract key services needed by the farm to improve and achieve growth. Meanwhile, the Western Cape department of agriculture, (2018) as cited in (Carelsen et al., 2021) defined small-scale farmers as those who have limited access to land and produce predominantly for consumption or sale and have commercial aspirations.

In this study, the term “small commercial farmer” was used instead of small-scale farmer. Thus, it becomes important to define what small commercial farmers are, and how they distinguish themselves from small-scale farmers in the context of this research. In many of the studies, the term “small-scale” has been used to refer to a *smallholder farmer*, *subsistence farmer*, *emerging farmer*, or *small commercial farmer*. Therefore, it is imperative to consider how other studies have defined small commercial farmers. One of the early definitions was presented by (Kirsten & Van Zyl, 1998) who described small-scale farmers as those that attract the necessary support needed to increase production due to their limited scale of operations. More recently, (Mellor & Malik, 2017) defined small commercial farmers as those that have enough land to produce more than they consume by a minimum of 30 percent, and earn an income that is above the world-bank-defined poverty level.

This study adopted a definition coined by (Technoserve, 2019) which defines small commercial farmers as those that have formally registered their farms as a business and have



the technical ability to grow cash crops on at least five hectares of land. This definition was used as a criteria for selecting research participants for this study.

#### **2.4. Measuring business success**

There is an abundance of research on business success for small businesses. However, business success is a dynamic concept that has been described and measured differently by many scholars and researchers (Ayiku & Grant, 2021). Just like any other business, farming success has been traditionally measured by financial metrics such as net income, return on investment (ROI), and profitability (Tritsch et al., 2021). Recently, scholars and researchers have also used non-financial metrics such as level of satisfaction and quality of life to measure business success (Sharma & Sharma, 2020).

In another study, Walker & Brown, (2004) argued that non-financial measures are relatively more important than financial measurements are more important than financial measurements. Meanwhile, several other studies have measured business success in terms of perceived success (Ayiku & Grant, 2021; Muda et al., 2020). Hence, not only do non-financial factors motivate people to be in business, but they also allow business owners to perceive their success (Sharma & Sharma, 2020).

Measures that have been used to evaluate business success among small enterprises can be divided into financial measurements (i.e. net income) and non-financial measures (self-perceived success). Ludigdo et al., (2021) used both financial and non-financial indicators to evaluate business performance. The study reported a positive association between business success, financial measurements and non-financial measurements. Another study, (Forth & Bryson, 2019) used financial measurements such as employment growth, turnover growth, and productivity growth to measure firm performance. Business success in (Srhoj et al., 2021) was measured by capital stock, the number of employees, total bank loans, inventories and sales.

Muda et al., (2020) used financial and non-financial measurements to evaluate company performance. The study used a self-assessment 5-point Likert scale in the range of 1 (strongly agree) to 5 (strongly disagree). The financial measurements used include return on assets (ROA), profit growth, and sales growth. The non-financial measurements include customer satisfaction, productivity, quality development, and cost management. Similarly, business success in (Ayiku & Grant, 2021) was measured by a five-point Likert scale in the range of 1 (very low) to 5 (very high). The study used sales growth and increased customer base as financial and non-financial measures, respectively.

The review of literature on business success measurements for small businesses has shown that most studies have used financial measurements (i.e. profitability, income) to evaluate business success. However, many researchers have also incorporated non-financial measurements (such as customer satisfaction, and quality of life) in their evaluations of businesses. This explicitly suggests there is not one single measure of business success. However, a mixture of both financial and non-financial measurements provides a comprehensive and in-depth evaluation of business success. Thus, for the purposes of this research, both financial and non-financial measurements were used to evaluate business success for small commercial farming enterprises.

## **2.5. Understanding the determinants of business success**

The determinants of business success represent drivers, variables, factors and mechanisms that stimulate the success of small businesses. Several studies in the literature have looked at how these success drivers/factors influence the performance of small businesses. The majority of these studies have used quantitative methods to establish relationships between antecedents of success and the performance of firms. The antecedents of business success documented in these studies can be categorised into people characteristics, firm characteristics, and firm strategies (Storey, 1994).

People characteristics refer to attributes/or qualities of the business owner responsible for the day-day management of the business such as education, number of founders, age, functional skills, and management experience, to mention but a few (Storey, 1994). These attributes can be identified before a business is established, however, some are easier to measure than others. Some of the owner characteristics cited in the literature include entrepreneurial orientation (Anwar & Shah, 2021); financial literacy (Wahyono & Hutahayan, 2021); market orientation (Ngo, 2021); intellectual capital (Muda et al., 2020); social capital (X. Li et al., 2020); and education (Klepić, 2021).

Firm characteristics refer to those elements relating to the business and are usually observable once a business starts operating and can be divided into two categories (Storey, 1994). The first category includes those elements that arise from the decisions made by the owner at the start of the business such as the location of the business, legal entity, ownership status, and operating industry. The second category includes those elements that form part of the firm including size and age. Some of the firm characteristics observed in previous studies include the age and size of the enterprise (Blackburn et al., 2013).

Finally, business strategy refers to actions taken by the business owner once the firm starts operating such as planning, management training, state support, and training (storey, 1994).

Key business strategies found in the literature include branding, marketing diversification, and business planning (Williams & Ramdani, 2018a). Other strategies include education and training (Klepić, 2021, and a thorough market assessment (Makarenko et al., 2019).

It is important to note that majority of studies on business success factors for SMEs fall outside the agricultural sector. Table 2.1 presents a summary of some of the reviewed studies on business success factors for SMEs. The studies were conducted in different parts of the world focusing on various sectors including agriculture, textile, retail, and construction, to mention but a few.

Table 2.1: Summary of studies on business success factors for SMEs

Study	Country	Sector	Methodology	Success Factors
(Hu et al., 2021)	China	Agriculture	Quantitative	Education, training, and intrinsic motivation affect self-efficacy which leads to entrepreneurial behaviour.
(Muhammad et al., 2004)	USA	Agriculture	Quantitative	Government policies, timing, and attention to detail promote the success of small farming entrepreneurship.
(Key, 2022)	USA	Agriculture	Quantitative	Access to credit impacts the survival and growth of farming businesses
(Anggraeni & Selamat, 2021)	Indonesia	Various	Quantitative	Brand reputation and government support affect the growth of SMEs
(Abalala et al., 2021)	Saudi Arabia	Various	Quantitative	Top management's qualities, ethical commitment, organisational culture, and external forces influence business performance.
(Yakob et al., 2021)	Malaysia	Various	Quantitative	Financial literacy has a positive impact on the performance of SMEs
(Ayiku & Grant, 2021)	Ghana	Various	Quantitative	Entrepreneurial marketing skills enable business owners to understand the market which in turn leads to business performance.
(Wahyono & Hutahayan, 2021)	Bali, Indonesia	Textile	Quantitative	Learning orientation, market orientation, and innovation positively affect the performance of SMEs operating in the textile industry

## 2.6. Theoretical models for analysing business success

Theories provide a framework for understanding firm growth and development (Hafiz et al., 2022). They describe, instead of predict (Storey, 1994), and are the lens through that we see, analyse and interpret data from different viewpoints (Fisch & Block, 2018). Theories also help to identify the linkages among various antecedences and help close the gaps in assumptions (Fisch & Block, 2018).

Various researchers have used different theoretical lenses in an attempt to understand why some businesses perform better than others. Researchers have attributed a firm's success to various features of which some of them include institutions, technology, leadership, and knowledge, to mention but a few. Interestingly (Anantadjaya, 2008) stressed the significance of flexibility as a source of competitive advantage for firms due to the unpredictable nature of the business environment. Meanwhile, (Nedzinskas et al., 2013) posited that crucial to a firm achieving a competitive advantage are its resources that are unique, valuable and non-substitutable.

Many theories have been used in literature to examine business performance and growth. However, this study explored the following theories that are relevant and linked to the objectives of this research; the resource-based theory (RBT), knowledge-based theory, dynamic capabilities theory, upper echelons theory, institutional theory and organisational ecology theory.

### 2.6.1. The resource-based theory

The Resource Based theory (RBT) is a prominent theory of firm growth strategy and has been used by several scholars to explain a firm's resource endowment vs growth and performance (Lockett et al., 2009). The RBT states that the firm maintains its competitive advantage by a combination of unique internal resources a firm possesses (Barney Jay, 1991; Coates & McDermott, 2002). The theoretical framework also helps to understand how competitive advantage within firms can be maintained for a long period of time (Barney Jay, 1991).

The theory is permeable, broad, unregulated, and generates key insights into firm behaviour (Lockett et al., 2009). The RBT also assists in identifying how a firm's resources can become the source of competitive advantage (Barney Jay, 1991). The RBT's focus is on the firm's internal environment, and this explains why it has often been substituted for Porter's five forces model (Hafiz et al., 2022).

The theory is regarded as one of the most important frameworks in entrepreneurship research and has been used in many studies to analyse small firm success (Safari & Saleh, 2020).

Alvarez & Busenitz, (2001) conducted a study in which they examined the relationship between RBT and entrepreneurship. The authors developed key insights for improving the RBT and addressing critical issues in entrepreneurship. Alvarez & Busenitz, (2001) argues that the differentiation of assets is necessary to gain a competitive advantage over competitors, but it is not sufficient for a sustainable advantage. For instance, a firm can have unique and differentiated assets as compared to its competition, however, those assets will only provide a short-term advantage before the competition imitates them.

Holdford David, (2018) used the RBT to explain how innovative practices can be sustained in pharmacy business markets. The author suggests that the RBT addresses issues of competition for businesses in the healthcare sector and provides avenues to compare relevant research findings from various research frameworks. Holdford David, (2018) argues that RBT can be applied in health care practice and social sciences fields for research purposes.

#### 2.6.2. The Dynamic capabilities theory

The dynamic capabilities theory (DC) was derived from RBT, and may be defined as the ability of a firm to build and arrange its resources to achieve sustained competitive advantage in an ever-changing business environment (Bleady & Ali, 2018). The authors also argued that dynamic capabilities (DC) provide an avenue for firms to reorganise their resources and strategy to achieve superior performance over their competition. The dynamic capabilities theory is an upgrade of the RBT because of its ability to clarify how and why some firms have a competitive advantage in a volatile business environment.

The dynamic capabilities theory allows firms to adapt to an ever-changing business environment by building, incorporating, and rearranging their unique resources and capabilities. The firm's dynamic capabilities are embedded in its managers to work and learn, change, motivate, team-playing, agility, change and tolerate uncertainty (Hafiz et al., 2022).

The dynamic capabilities theory can be categorised into three dimensions (Teece, 2012) which are as follows: a) Sensing involves identifying opportunities that are aligned with consumer needs b) Seizing involves mobilising resources to look for opportunities and generate value d) Transforming is about continuous renewal and rearranging of intangible and tangible assets of the business.

Akenroye et al., (2020) used the dynamic capabilities theory to explain how small and medium enterprises (SMEs) exploit internal capabilities to handle the common obstacles encountered in the public-sector markets. The authors also looked at how SMEs can build and use their resources and capabilities to enhance their participation in public procurement.

Another study by Nedzinskas et al., (2013) examined how dynamic capabilities influence the performance of small SMEs. The findings of the study suggest that dynamic capabilities influence non-financial firms' performance. The authors argue that the competitive advantage in the dynamic capabilities of a small firm lies in their application and use.

### 2.6.3. Knowledge-based theory

The knowledge-based theory (KBT) is an extension of the resource-based theory and shows that implicit knowledge is an important and key strategic resource of a firm (Hafiz et al., 2022). The theory assumes that knowledge is the principal production input and the main source of value (Grant, 1996). The author also assumed that knowledge is created by individuals, and organisations use available knowledge to produce goods and services. (Grant, 1996) argued that knowledge production is key to the establishment of organisational behaviour. It is a process and constitutes various activities that collect, store, manage, and disseminate knowledge in the organisation (Grant, 1996). Knowledge is explained by many aspects and part of it stems from outside through advisers

In the knowledge-based theory, knowledge accumulation is key to the development and maintenance of organisational behaviour (Hughes et al., 2021) and enables a firm to effectively convert its inputs into outputs (Nickerson & Zenger, 2004). Knowledge is also regarded as a source of competitive advantage and plays a pivotal role when launching new products, and innovation processes (Schütz et al., 2020). It is important to note that the management of knowledge plays a pivotal role in firms and improves the ability of an organisation to meet its targets. (Hafiz et al., 2022) argues that knowledge forms part of organisational culture, values, policies, routines, and processes. Meanwhile, (Grant, 1996) posits that knowledge is a firm's most strategic resource. Hence, the availability and correct configuration of knowledge is related to higher levels of organisational performance. Knowledge-based resources are often hard to imitate, socially complex, heterogenous, and are a source of sustainable competitive advantage (Grant, 1996).

Managers play a pivotal role in accumulating and protecting knowledge within an organisation and are also responsible for increasing the ability to produce more efficiently through knowledge advancement (Nickerson & Zenger, 2004). Organisations exploit and protect this knowledge by internalising it (Nickerson & Zenger, 2004) in order to keep it from the rest of their competitors. So the key question is, how can organisations organise this knowledge in a way that generates capabilities?

Nickerson & Zenger, (2004) examined how the decisions an organisation make such as the choice of whether to vertically intergrate or subcontract the service impacts the ability to

produce and protect valuable knowledge and capabilities (Nickerson & Zenger, 2004). In another study, Schütz et al., (2020) applied the knowledge-based view to study how purchasing knowledge influence cost and strategic performance. The research findings showed that purchasing knowledge contributes significantly to savings and strategic purchasing performance.

#### 2.6.4. The institutional theory

The institutional theory is concerned with how institutional context encourages or hinders the rise, growth and development of new firms. The theory postulates that the existence and survival of a firm are influenced by potential expectations from regulatory, social, and cultural factors (Basco et al., 2020). The authors further argue that the national context plays a big role in explaining overall business success. Some of the national constraints or regulatory factors include government policies, laws, and regulations that can support or harm entrepreneurship.

These regulatory factors decrease or enhance the risks for someone starting a new business and play a facilitative role for an entrepreneur seeking to acquire resources (Veciana & Urbano, 2008). For example, regulatory factors around property rights, contracts, and social security can make the formation of a new business more attractive or risky (Veciana & Urbano, 2008). The regulatory factors can be formal, such as legislations, contracts, policies and so forth, or informal such as social norms, and a culture of a particular community (Aparicio et al., 2016).

Several studies have applied the institutional theory, however, many of them have focused on formal or informal constraints within the business environment. (Stenholm et al., 2013) identified four factors that influence entrepreneurship such as economic policies, financial system, labour laws, and financial arrangements. These institutional factors represent structures that contribute to successful entrepreneurial activity (Stenholm et al., 2013) and business success.

Interestingly, Aparicio et al., (2016) argue that institutions do not have an automatic effect on business growth as highlighted in many business growth models. However, structures that create entrepreneurship opportunities must be put in place first in society. Aparicio et al., (2016) investigated how institutional factors influence opportunity entrepreneurship by looking at formal institutions (number of regulations to start a business) and informal institutions (confidence in one's skills). The study found that there is a positive association between entrepreneurship and institutional factors. Veciana & Urbano, (2008) posit that institutional factors promote or prevent the emergence, growth and development of businesses. The



authors have also argued that formal institutions influence entrepreneurship more than informal institutions.

#### 2.6.5. Upper Echelons theory

The upper echelon theory was introduced by (Hambrick & Mason, 1984), and it states that the growth and performance of a firm are determined by the values, characteristics, experience, risk appetite, and motivation of the top management team of an organisation. (Hambrick & Mason, (1984) looked at how top management's characteristics such as career experiences, age education, and socio-economic roots, influence the performance of the firm. Meanwhile, Hooi et al., (2016) argues that bricolage and entrepreneurship characteristics provide a good explanation for why some firms achieve growth and competitive advantage more than others.

Age has also been found to be one of the key characteristics of the top management team that affects business performance. (Dolz et al., 2019) argues that older members of the top management tend to be risk averse and prefer short-term solutions rather than longer ones. The author further argues that as people get older they become rigid and resistant to change. Therefore, incorporating young people into the top management team of the organisation increases age diversity and allows the firm to improve its seizing capabilities and take advantage of opportunities, that require changes in the organisation.

Dolz et al., (2019) argued that in SMEs management and ownership play diverse roles in sensing, seizing and transforming the business. Thus, SMEs rely largely on the top management team's experience and diversity to sense changes in the business environment and explore and exploit alternatives. Meanwhile, owners provide capabilities that allow the establishment and development of resources in the firm.

#### 2.6.6. Organizational ecology theory

The organisation ecology theory examines organisational populations change over time and how social, economic, and political systems increase or decrease organisational diversity. (Hannan & Freeman, 1989). The organisational theory seeks to explain include the following: the distribution of various firms in different environments, the impact of the environment on firms, changes in organisational forms, and why so many firms exist. The theory also aims to explain how short-run processes build up over long periods to form organisational characteristics (Turunen & Finne, 2014).

The organisational ecology theory looks at the dynamic environment within which an organisation operates and examines how social factors affect the rate of creation of new organisations, organisational failure, and changes in organisational forms(Singh et al., 1990)



Organisational ecology incorporates ideas from different fields of science including biology, economics, and sociology to explain the conditions under which organisations emerge, grow, and die (Turunen & Finne, 2014).

Although many studies have used these theoretical lenses to explain business success and growth, (Blackburn et al., 2013) criticised some of the theories for having limited empirical evidence. The author argued that the complexity of small businesses makes it harder for these frameworks to evaluate the success of a small business. It is important to note that the studies that have used theoretical frameworks to evaluate a firm's success have also used different combinations of success characteristics.

#### 2.6.7. A new model of success and performance in SMEs

The new model of success and performance in SMEs was coined by Simpson et al., (2012) to analyse the performance of small and medium-sized enterprises. The model provides a credible set of critical success factors influencing the performance and success of SMEs. Simpson et al., (2012) argued that the previous studies conducted on SMEs performance merely looked at direct relationships between independent variables (some critical success factors) and dependent variable they thought represented the performance of SMEs (i.e. ROI) without taking into account the business environment in which the firm operates. Simpson et al., (2012) further criticised the quantitative studies conducted on critical success factors in SMEs by highlighting that the studies omitted a variety of important moderating variables that were supposed to be identified and held constant.

Figure 2.1 shows a more holistic model for analysing the performance and success of SMEs. According to the model, the success of a small and medium sized enterprise is determined by the business environment and the enterprise consisting of owner-manager and the business. The business environment consist of various external variables such as competitors, suppliers and customers, banks, government, support agencies, and infrastructure, to mention but a few. In terms of the owner-manager, Simpson et al., (2012) argued that the owner/entrepreneur plays a critical role in the success of the business. According to the author, the owner manager should possess certain qualities such as experience, socio-economic, background, skills and knowledge, personality attributes, and reasons for start up, to mention but a few. The author also showed that to achieve success, the business depend on the industry sector, labour and technology, financial base, strategies, culture, and to name but a few. The model also include non-financial and financial measures of success. The author stressed the need to define the success of the business before identifying a suitable performance measurement.

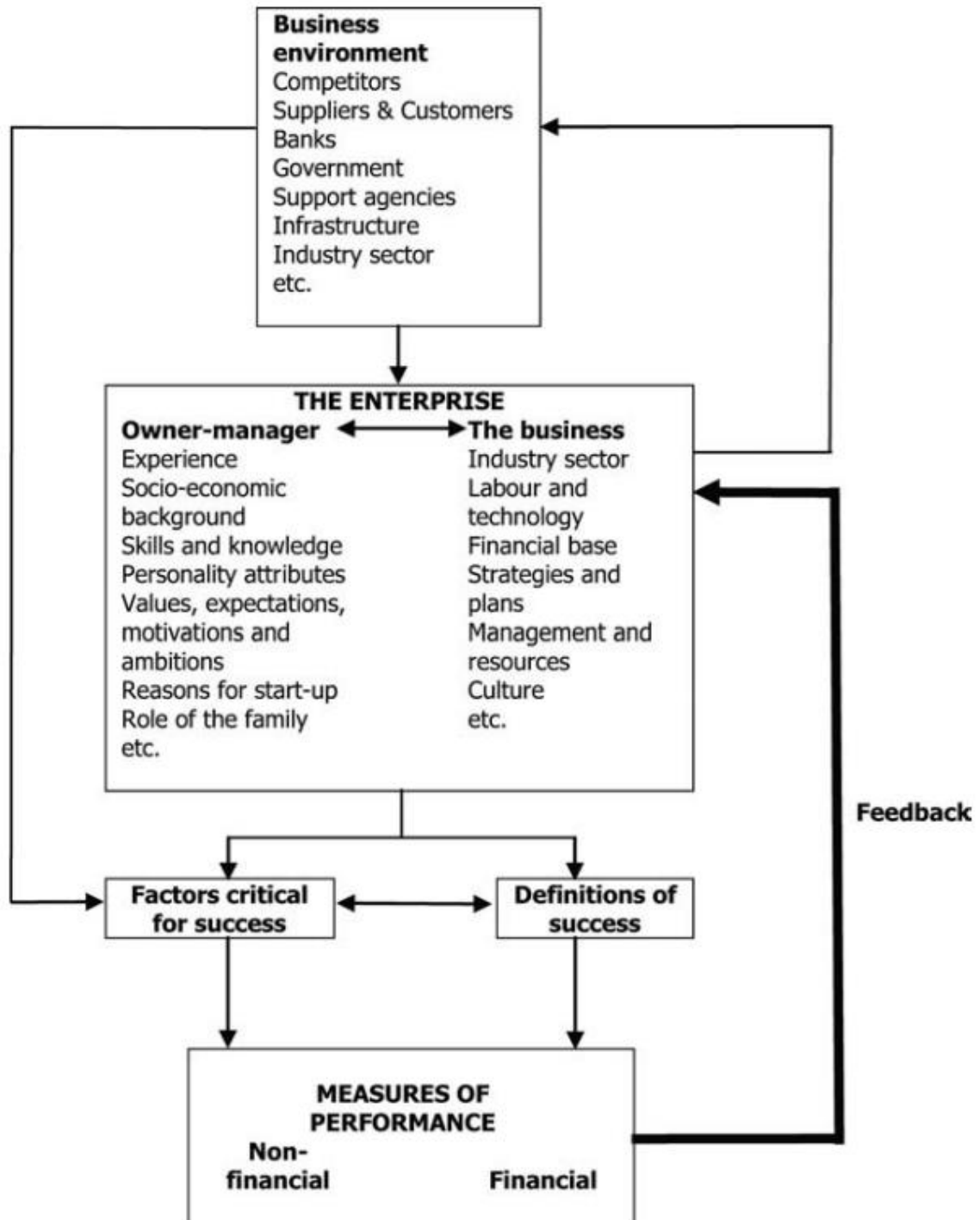


Figure 2.1: A model for success and performance in SMEs.

Source: (Simpson et al., 2012)

Simpson (2012)'s new model for success and performance in SMEs is comparable with the determinant of growth model postulated by (Storey, 1994). Both models share some similarities in that they recognise the importance of owner characteristics, and the internal conditions of the business in promoting the success of SMEs. The following sections provides a detailed discussion of determinants of growth model.

### 2.6.8. The determinant of growth framework

The determinant of growth framework was introduced by Storey (1994), who argues the performance of a small business is explained by three components including the owner characteristics, firm characteristics, and the business strategy). Figure 1 below represents the theoretical framework for analysing business success for small firms.

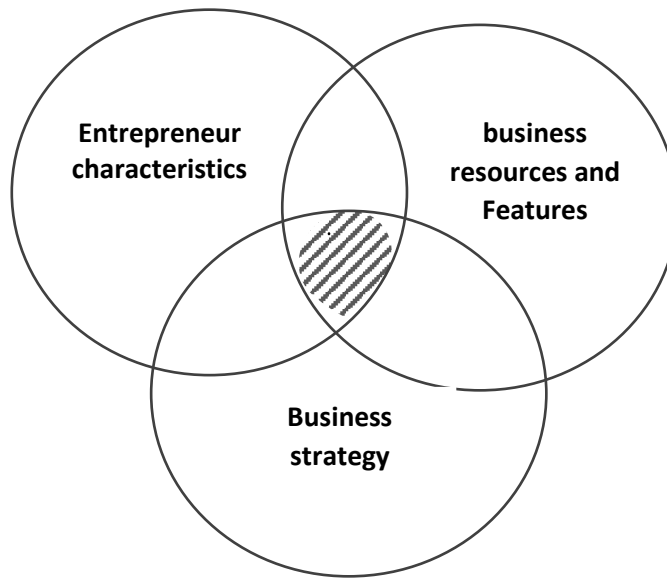


Figure 1: Theoretical framework

Source: Adopted from (Storey, 1994)

The three components of the framework cannot be viewed separately/or independently and must combine appropriately for a firm to realise increased growth (Storey, 1994). The shaded area represents the area where the combination of all these components is appropriate. Firms that are growing, not growing and those that are struggling may possess some good characteristics in the owner, firm and business strategies, however, it is in the shaded area where all three combine to form a fast-growing firm.

The owner/entrepreneurship component consists of 15 separate elements which represent the characteristics of the owner/or the individual who manages the firm and their access to resources. Some of the separate elements include motivation, management experience, education, family history, social marginality, age, prior business failure, functionality skills, and gender.

The firm resources represent those elements associated with the business and are usually observable once a business starts operating and can be divided into two categories (Storey, 1994). The first category includes those elements that arise from the decisions made by the owner at the start of the business such as the location of the business, legal entity, ownership status, and operating industry. The second category includes those elements that form part of the firm including size and age. The Business strategy component represents the actions taken by the business owner once the firm starts operating (Storey, 1994) identified 14 such as planning, management training, state support, and training.

This research used Storey, (1994)'s determinants of growth framework to examine the determinants of business success for small commercial farmers. Unlike other business performance models, the framework is applicable and well suitable to this type of study. It should be noted that the framework has also been used in previous studies to explain the performance, success and growth of small business enterprises (Hansen & Hamilton, 2011; Blackburn et al., 2013; Williams & Ramdani, 2018). The fact that the model has been used in other studies makes the findings of this research more generalisable to other settings.

## **2.7. Conclusion**

This chapter has reviewed several literature on small business success in an attempt to shed insights into the key arguments, theories and the identified gaps in the literature about the topic. The literature review showed that there is not one definition of small scale farmers since the concept is defined differently in several studies. The review also showed that small-scale farmers have often been identified as one group when in fact they are not a homogenous group, and their contexts are different in terms of production methods, farming experience, access to finance and markets. The chapter also reviewed several theoretical models for analysing business success and performance. These theories provided an in-depth understanding of small business success in general, and what is required to attain it.

### **3. CHAPTER 3: RESEARCH QUESTIONS**

#### **3.1. Introduction**

This chapter presents the research questions this study seeks to answer. The majority of these questions were generated from the comprehensive literature which helped to increase knowledge and understanding of the topic and assisted in developing the research questions. (Farrugia et al., 2010) posit that research questions may be generated from in-depth knowledge about a subject. This study's research questions define what this research seeks to answer and influences all the steps taken to conduct this project. They also influence the choice of research design, sampling methods, data collection and analysis approach. Poorly constructed research questions may affect the choice of research design and could compromise the subsequent results. Hence, research questions must be relevant and answerable.

Hulley et al., (2007) suggest the FINER criteria for evaluation the quality of research questions by looking at whether the questions are feasible, interesting, novel, ethical, and relevant. This study also applied this criterion to evaluate the quality of the research questions presented below.

#### **3.2. Research questions**

Drawing from Storey's (1994)'s theoretical framework, the main research question and sub-questions are presented as follows;

- I. What are the determinants of business success for small commercial farming enterprises?

The sub-questions are;

- a) What are the owner characteristics associated with successful small commercial farming enterprises?
- b) What are the business resources associated with successful small commercial farming enterprises?
- c) What are the business strategies of successful small commercial farming enterprises?

The second research question and sub-questions include the following;

II. How do small commercial farmers measure business success?

The sub-questions are;

- a) What are the financial measurements used to measure the performance of small commercial farming enterprises?
- b) What are the non-financial measurements used to measure the performance of small commercial farming enterprises?

## **4. CHAPTER 4: METHODOLOGY**

This chapter discusses the methodology that was used to answer the research questions provided in the previous chapter. The first part of the chapter covers the research design, philosophy, theory development approach and research strategy. The second part of the chapter provides the target population, sample size, measurement instrument, data collection, analytical approach, quality controls, and limitations

### **4.1. Research design**

This study is grounded on a qualitative research design which follows an inductive approach. Qualitative research is defined as a study of phenomena in a natural setting and includes data that is in the form of words (Busetto et al., 2020). These phenomena can include, people's life experiences, individual or group behaviour, and organisational function (Teherani et al., 2015). To highlight the importance of qualitative research, (Jack & Anderson, 2002) underscored the rich insights, detailed descriptions and greater clarity the method provides. Meanwhile, Anderson, (2010) reported qualitative research is usually unbiased, indepth, credible and reliable when it is done correctly. Qualitative research design has been used by several scholars to study business success factors for SMEs (Lampadarios, 2017; Williams & Ramdani, 2018a)

#### **4.1.1. Theoretical approach**

This study sought to establish the key features that are common among successful small commercial farmers with the intention to contribute to existing literature. Therefore, the Interpretative Phenomenological Analysis (IPA) approach coined by (Smith, 2004) was used in this study. The approach is interested in exploring people's lived experiences and how they make meaning of those experiences (Smith, 2004), and it is particularly useful when the research study is subjective and contextual and involves important issues such as identity and sense-making (Smith, 2011).

The IPA approach has an interpretative phenomenological epistemology (Harper & Thompson, 2011), and is concerned with the lived experience of participants (Smith, 2004). The approach necessitates a rigorous qualitative analysis of participants' accounts captured through in-depth or semi-structured interviews (Smith, 2004). IPA is popular in psychology research, however, it has also been used by several scholars in entrepreneurial research to study business performance (Cope, 2011; Dias & Teixeira, 2017)

For the purposes of this research, the IPA approach was used to examine in great detail the determinants of business success for small commercial farming enterprises. The main reason for selecting this approach is that it can thoroughly investigate a person's experiences and development over time which is important to answer the research questions. It is important to note that of the studies that have been conducted on business success, very few of them have been conducted focusing on small farming enterprises. Hence, unlike quantitative methods that focus on establishing direct relationships and causality, qualitative methods such as IPA provide a deeper examination of the specific characteristics associated with successful small commercial farming enterprises.

Storey (2011) argued that quantitative methods cannot capture the entire mix of characteristics sufficient to achieve firm growth due to differences in growth experiences among small firms. Hence, a qualitative research design is an appropriate approach for this study as it enriched existing entrepreneurial literature by unravelling key characteristics that are common among successful small commercial farmers.

This study applied a cross-section design whereby data is collected from various participants at one point (Creswell, 2009). The cross-section design is appropriate for this research given the limited amount of time available to collect data. A semi-structured interview guide was used to collect qualitative data. One key benefit of using semi-structured interviews for IPA is that the researcher can follow up on important issues that arise during the interview (Smith, 2004). Furthermore, the IPA approach is flexible and allows the researcher to ask relevant questions to achieve a fitting depth of exploration which is usually achieved by paying attention to context and process (Dias & Teixeira, 2017)

#### **4.2. Population**

The actual population of small commercial farmers in South Africa is unknown. However, the target population for this study was a group of small commercial farmers operating in South Africa. The units of analysis for this research were the determinants of business success. Meanwhile, the unit of observation was small commercial farmers defined by Technoserve, (2019) as those that have formally registered their farms as a business and have the technical ability to grow cash crops on at least five hectares of land. This definition was used as a criteria for selecting research participants for this study.

#### **4.3. Sampling**

It is not a requirement in IPA qualitative research to obtain a representative sample (Chapman & Smith, 2002) and hence, a purposeful sampling strategy was used to select the participants



for this research. According to (Creswell & Poth, 2012) purposeful sampling strategy entails the selection of participants who understand the research problem and the phenomenon of the research.

For the purposes of this study, a farmer selection criteria adopted from (Technoserve, 2019) description of a small commercial farmer was used to select the research participants. Thus, to achieve the aim of this study, the small commercial farmers that were chosen for this study met the criteria below;

- At least 5 hectares of land
- Cash crop production oriented
- Formally registered business
- Experience to use mechanisation and production inputs
- Access to formal finance and available bank account
- Capacity and willingness to expand production

Access to contact these farmers was granted through commodity organisations with whom the farmers are registered. Commodity organisations know their farmers very well and hence, they assisted in identifying potential research participants based on the selection criteria provided. The participants of this study represent a homogenous group of small commercial farmers, hence, a total of 13 small commercial farmers were interviewed as guided by the suggestion of (Guest et al., 2006). The author postulated that for studies that seek to understand the experiences and perceptions of participants a sample size of 12 should be fairly adequate. The IPA method supports the use of small samples allowing the development of a strong theoretical perspective (Chapman & Smith, 2002).

#### **4.4. Sample size**

The initial targeted interviews for this were were 16, however, 13 interviews were conducted as this was the number of interviews needed to reach saturation. Guest et al., (2006) have also suggested a similar number of interviews. The authors stressed the importance of coding the interview transcripts as soon as they become available in order to determine saturation. Thus, data coding began whilst data collection was still being conducted. As a result, the research was able to determine saturation at the 11th interview transcript before reaching the target of 16 interviews. However, the researcher decided to conduct two additional interviews in order to confirm the saturation, however, no new codes and themes were identified after the 11th interview. Thus saturation was determined after the 12th interview.

It is important to note that 77 percent of the total unique codes were generated during the first five interview transcripts.

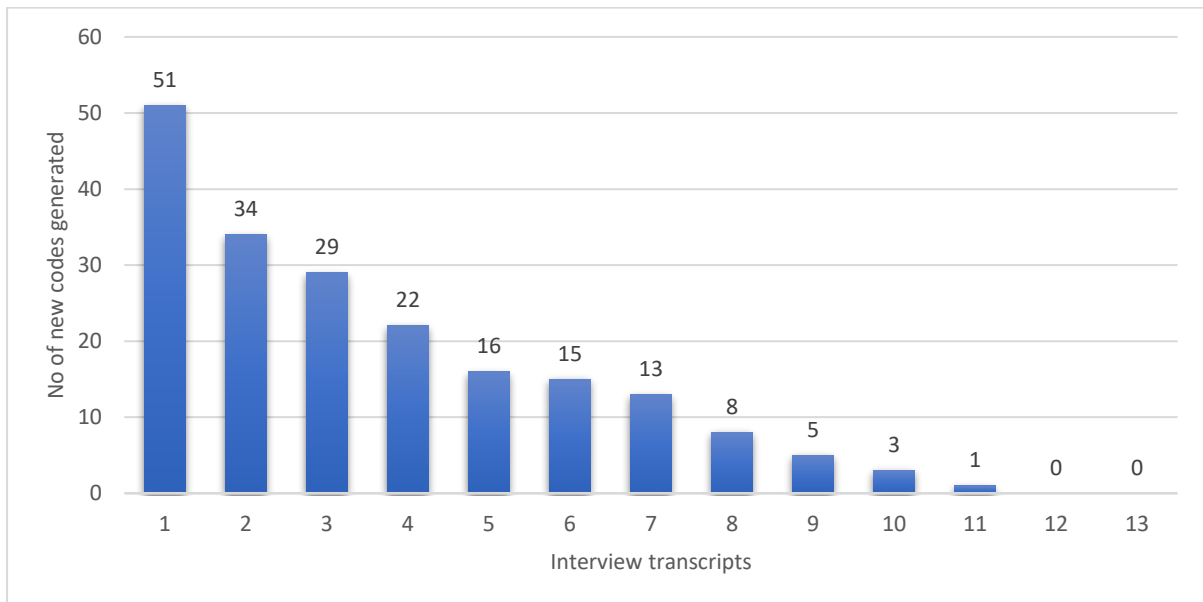


Figure 4.1: Number of new codes generated per each interview transcript

#### 4.5. Measuring instrument

A semi-structured interview guide was developed in line with relevant literature to address the research questions. One key benefit of using semi-structured interviews for IPA is that the researcher can follow up on important issues that arise during the interview (Smith, 2004). The interview guide focused on the strategic planning activities, characteristics of the owner and the farm resources. Some of the questions that were included in the interview guide include; tell me about your journey of running a successful small commercial farm? What are some of the financial measurements you use to measure the success of your farming business? The semi-structured interview guide was in English, and a pilot study was conducted before the main data collection to determine the validity and quality of the interview guide.

#### 4.6. Data collection

Primary data was collected through virtual calls using semi-structured interviews. Some farms are located remotely, and hence virtual calls reached all 13 research participants. The interviews took place over three weeks, and each semi-structured interview took approximately 30 to 40 minutes to administer. Appointments with the research participants were made at least 3 days before the actual date of the interview to allow enough time to plan

and prepare for the interview. It is important to note that all interviews were conducted in English. All interviews were recorded throughout the data collection process, and all interview recordings were transcribed by the researcher using the premium version of an online translation tool called Otter.ai (<https://otter.ai>).

It is important to note that no data were collected from vulnerable participants who lack the ability to give a voluntary consent to participate in the study. In addition, this research did not pose any risk or harm (such as legal, reputational and so forth) to participants, and there were no aspects or areas of this research in which participants were informed.

This study adhered to the GIBS research Ethics procedures during data collection and informed consent was obtained from participants beforehand and their names, locations, and identities were kept strictly confidential. All collected data were stored without any identifiers; for instance, the names of participants were not included in interview transcripts. In addition, voluntary participation was encouraged throughout the data collection process.

#### **4.7. Data analysis**

All the completed interviews were analysed using the IPA approach (Smith, 2004) which follows a multistage process. First, the interview audio recordings were converted to text. This was followed by identifying codes in the data through a detailed interpretive examination of the data transcripts. This was done by reading each interview transcript in detail in order to identify similar codes. Thereafter, relevant themes were drawn from identified codes, and connections between themes were established in some structure resulting in the creation of sub-themes and main themes (Smith & Osborn, 2007). Related sub-themes were grouped to form the main themes. Usually, the themes may be presented in the form of a table (Harper & Thompson, 2011), and hence this study applied the same format.

Once all the main themes were established, subjective interpretation of themes and a complete chain of reasoning was used to construct valid answers to the research questions. Atlas.ti. qualitative analysis software was used to conduct the data analysis procedure.

Figure below shows the IPA data analysis procedure that was used to answer the research questions.

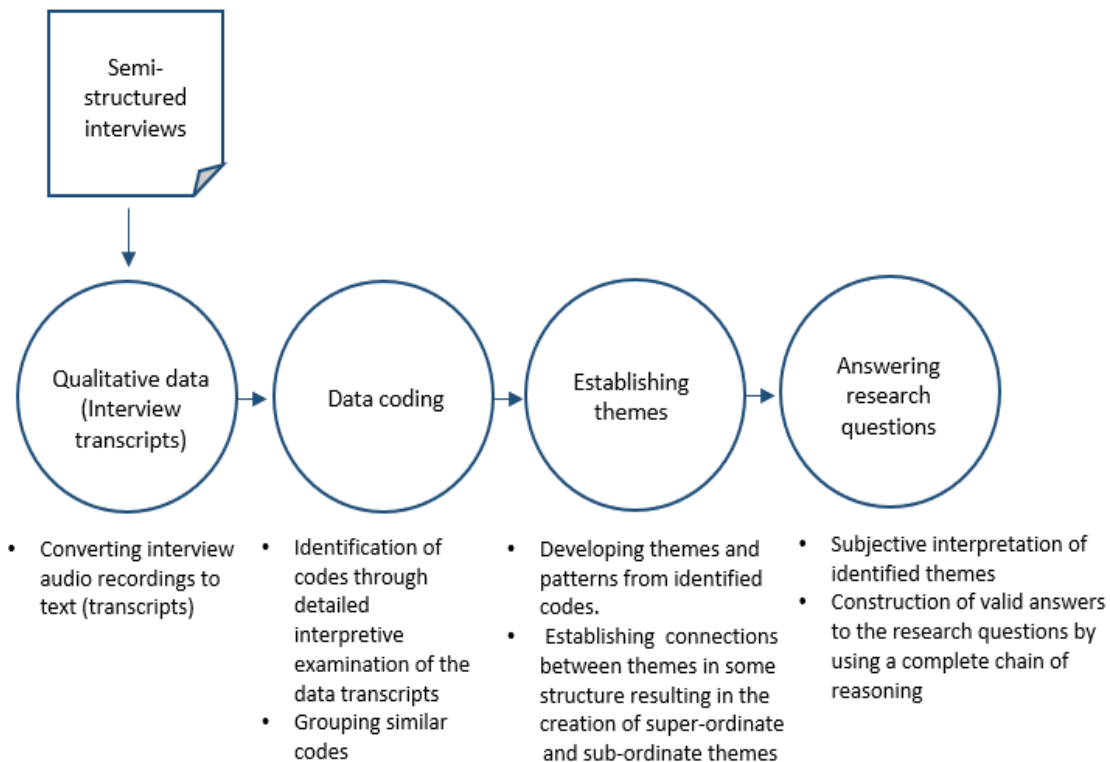


Figure 4.2: Data analysis procedure

Source: Own elaboration

#### 4.8. Quality control

Over the years, the way that researchers demonstrate the quality of their research has significantly increased (Roulston, 2010). In qualitative research, quality is demonstrated in several ways including; interview data use, interaction during the interview, research design and analysis, consistency between theoretical underpinnings and quality interpretation strategies (Roulston, 2010). To ensure that the best outcomes of this research are achieved, the quality of this research was evaluated through four principles; credibility, transferability; dependability, and confirmability (Creswell & Poth, 2012). The credibility of data was evaluated by checking for coding quality and triangulation. Meanwhile, recording and transcribing, triangulation, and researcher flexibility were used to evaluate the confirmability of the research. Transferability was evaluated through comprehensive descriptions and purposive sampling. Finally, triangulation and field notes were used to evaluate the dependability of the research (Creswell & Poth, 2012)

The study also used evaluation strategies for credibility and reliability suggested by (Morse et al., 2002). The verification strategies include checking the following; alignment between

research questions and methodology, sample size sufficiency, theoretical thinking, sufficiency and theory development.

#### **4.9. Limitations**

This section has identified several limitations that may have had an impact on the implementation of the research project. One limitation of this study is that the findings of this research are not generalisable to other populations (Kisfalvi, 2002). The other limitation is that the selected sample size is not a true representation of the entire population of small commercial farmers operating in South Africa.

A sample size of 12 to 15 participants may not be sufficient to provide a true picture of business success mechanisms critical for the survival of small commercial farming enterprises in South Africa. There are a limited number of studies conducted on a similar topic, particularly for firms operating in the agricultural sector.

The researcher does not have extensive experience in data collection and hence there is a possibility that the implementation of data collection may have not been completely accurate. In addition, interview participants may not have been completely honest with their answers resulting in a potential research bias.

#### **4.10. Conclusion**

This chapter has presented the methodology used to answer the research questions provided in this study. The chapter also demonstrates how each question was answered, and with what research techniques. It has covered key areas of the research methodology such as research design, philosophy, theoretical approach, and research strategy in the first part of the chapter. The second part of the chapter provided the target population, sample size, measurement instrument, data collection, analytical approach and quality controls. Lastly, the chapter presented some limitations of the study that may have potentially affected the implementation of the research project.

## **5. CHAPTER 5: RESEARCH RESULTS**

### **5.1. Introduction**

This chapter presents the findings from the data analysis conducted to answer the main research question which was to explore the determinants of business success for small commercial farming enterprises. The sub-questions were to determine the farmer characteristics, farm features, and planning activities undertaken by small commercial farmers to measure business performance. Overall, 13 participants were interviewed, and their responses were recorded, transcribed, and analyzed in Atlas ti. 9 software using an Interpretative Phenomenological Analysis approach as stipulated in chapter 4. The chapter also sought to answer the second research question which sought to examine the financial and non-financial measurements used by small commercial farming enterprises to measure business success. The chapter is divided into distinct sections and begins with a description of the demographics of the research participants. The section uses figures and tables to describe the key features of the participants such as type of farming, age of participants, and geographical location. Thereafter, the chapter presents some themes identified from participant responses concerning challenges facing small commercial farmers and the role of institutions in promoting small commercial farming enterprises. Following this, the chapter presented the findings of each research question using themes, subthemes, and network diagrams. The data was further supported by narratives and quotations extracted from participants' responses.

### **5.2. Sample Overview**

This section presents the demographic features of the 13 participants that were interviewed in this study. The key characteristics presented include farming experience, age, enterprise type, and gender.

#### **5.2.1. Geographical distribution**

Figure 5.1 presents the distribution of research participants per province. It is clear from the figure that the majority (36 percent) of the interviewed participants were from the Gauteng province. As for the other provinces, 27 percent of the participant were from the Free State province, while 18 percent were from Mpumalanga and Eastern Cape provinces.

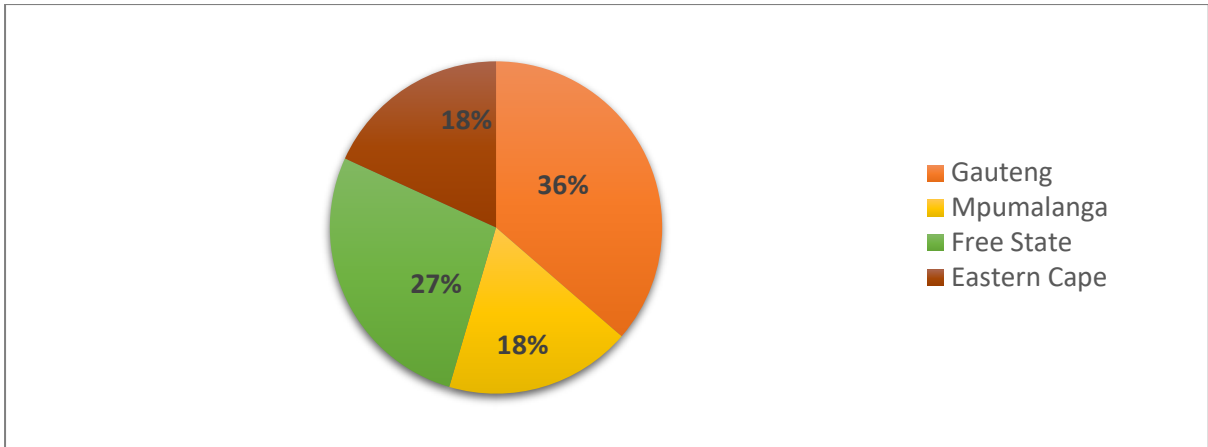


Figure 5.1: Geographical distribution of the research participants per province.

Although this study did not require a representative sample, participants were selected from various geographic regions of South Africa. This was done to ensure that valuable information was collected from farmers located in different parts of the country.

#### 5.2.2. Farming experience

Figure 5.2 shows the farming experience of the 13 participants represented by the number of years in farming. From the figure, it is clear that 64 percent of the respondents indicated that they had 6 to 10 years of farming experience, whereas, 18 percent of the respondents had 11 to 20 years of farming experience. It should be noted that the majority of the respondents that were interviewed had decent farming experience.

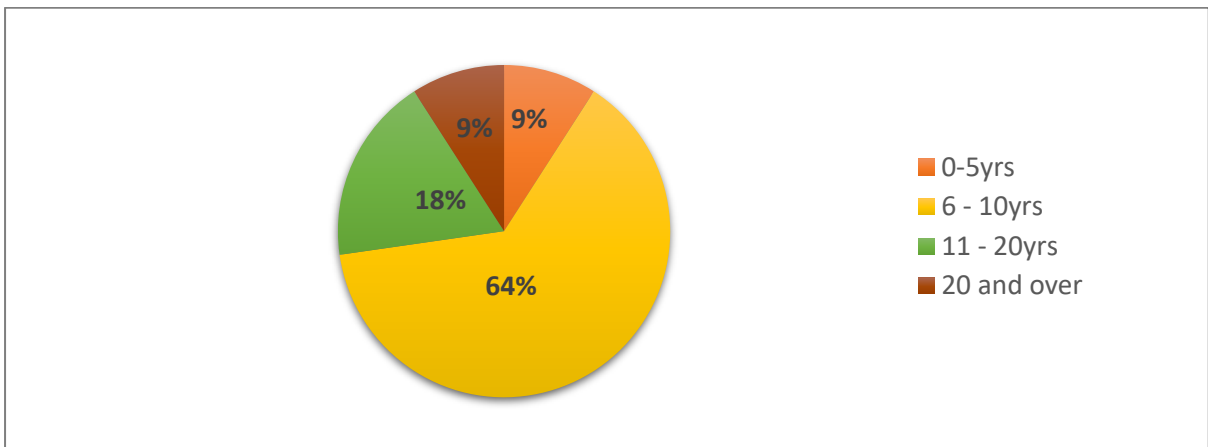


Figure 5.2: Farming experience

### 5.2.3. Enterprise type

In terms of enterprise type, figure 5.3 below shows that 36% of the respondents practiced mixed farming, while 27% percent produced grain production and vegetables, respectively. It is important to note that farmers who practiced mixed farming produced grain crops and also looked after large and small animals such as cattle, sheep, and goats.

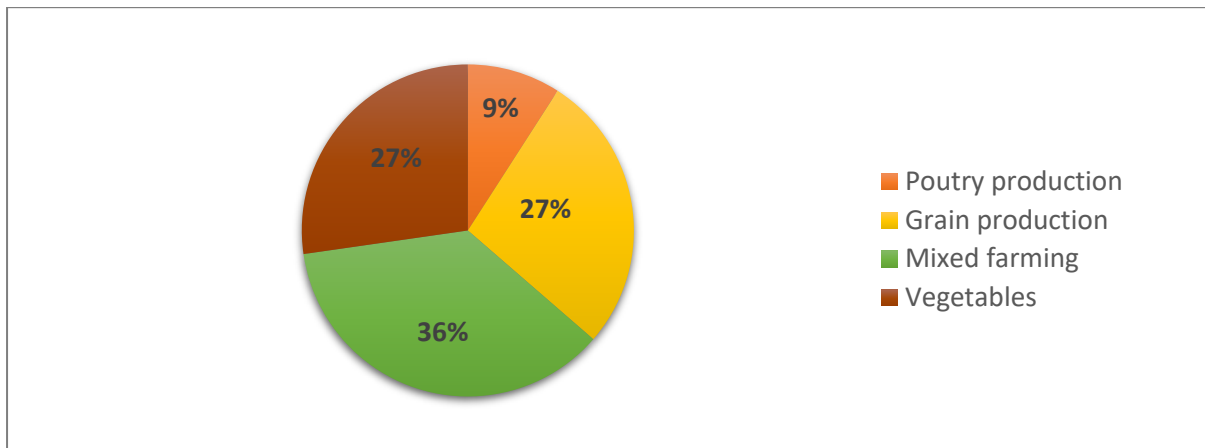


Figure 5.3: Type of farming enterprise type

### 5.2.4. Gender distribution

Figure 5.4 below shows the percentage of male and female participants who took part in the study. From the figure, 55 percent of the participants were male, whereas 45 percent were female. It is clear that the interviewed sample was not gender-balanced as there were more male than there were female participants interviewed during data collection

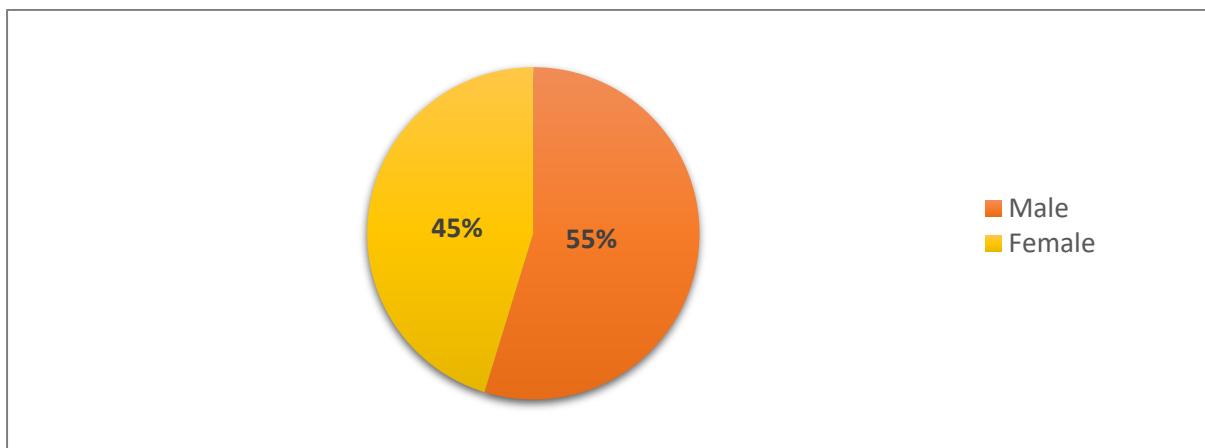


Figure 5.4: Gender distribution



### 5.2.5. Key features of the participants

Table 5.1 below shows the key features of each one of the 13 participants that were interviewed. It is important to note that the participants belonged to different regions of the country and the majority of them had been in farming for more than five years.

Table 5.1: Characteristics of the research participants

Participant	Gender	Type of farming	Province	No// of years in farming
Participant 1	Female	Poultry production	Gauteng	10 years
Participant 2	Male	Grain production	Mpumalanga	22 years
Participant 3	Female	Mixed Farming	Mpumalanga	8 years
Participant 4	Male	Mixed Farming	Gauteng	8 years
Participant 5	Female	Mixed Farming	Free State	8 years
Participant 6	Female	Vegetables	Gauteng	5 years
Participant 7	Female	Vegetables	Gauteng	7 years
Participant 8	Male	Mixed Farming	Eastern Cape	12 Years
Participant 9	Male	Vegetables	Eastern Cape	8 years
Participant 10	Male	Grain farming	Eastern Cape	15 years
Participant 11	Male	Grain	Eastern Cape	8 years
Participant 12	Male	Grain	Free State	3 Years
Participant 13	Male	Mixed Farming	Gauteng	18 Years

### 5.3. Challenges facing small commercial

This section presents some key findings about the challenges facing small commercial farmers based on the responses from the interviews. Doing so helped to obtain a clear narrative of some limitations that affect small commercial farming enterprises. The section was included to add context without losing the direction of our study.

The interviews helped to explore the lived experiences of small commercial farming enterprises as the participants shared rich information given that most of them had been in farming for so many years, and had so much to share about their journeys and experiences in farming. They shared some great stories, as well as some stories of failure, disaster, disappointment, and defeat. This got to show that although small commercial farming enterprises are important for the growth and development of agriculture, they are subjected to many challenges which hinder their growth and transition into large commercial farming. This explains why it was important to identify some of the challenges so that we acknowledge and find ways to minimise them.

Figure 5.5 shows some of the challenges highlighted by the participants summarised visually in a network diagram.

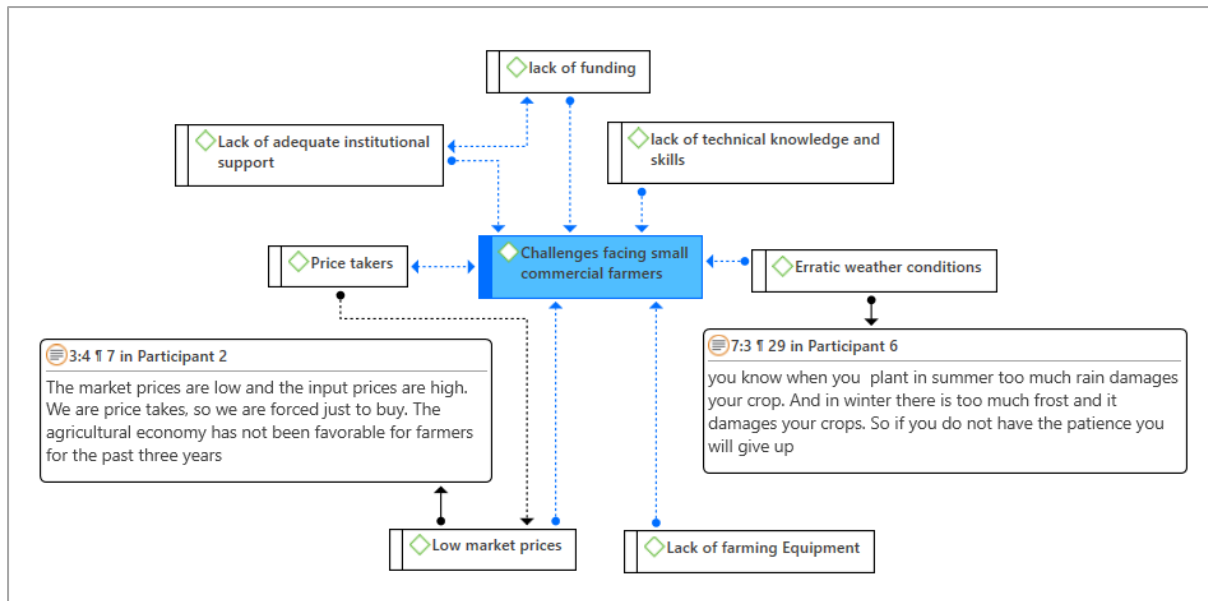


Figure 5.5: A network of codes explaining the challenges facing small commercial farmers

As shown in figure 5.5, some of the challenges highlighted by the participants include lack of funding, lack of technical knowledge and skills about farming, erratic weather conditions, lack of farming equipment, and low bargaining power. Participant 11 had this to say about the lack of funding:

*“The biggest challenge that we come across is getting access to funds. That is the most challenging thing, and the opportunity for youth to practice what they’ve been studying at school. Getting land is one of the challenges, to find a space where they can practice what they learned during their studies is one of the biggest challenges, and for those who have managed to get some land the problem is the funds “ Participant 11*

Meanwhile, participant 9 had this to say about the lack of knowledge and skills in farming:

*“Yeah, the only thing that perhaps hinders us would be the lack of know-how, mostly when it comes to record-keeping your finances, and just to keep records indicating that today I sprayed herbicide, tomorrow I’ll be doing pesticides and when I’ll be doing this is something that I know the department is trying very hard to take us through that journey, but we struggle when it comes to that.” Participant 9*

In terms of lack of institutional support, participant 8 underlined the difficulties farmers face when applying for funding from financial institutions:

*“The financing institutions were never made aware of the upcoming farmer’s situation were also as hot as we are as farmers because you are just like thrown into the deep end if you do not have access to finance” Participant 8*

Participant 9 spoke about some of the challenges farmers encounter when selling their produce at the fresh produce market:

*“They will take your product, and when you take the produce there, you don’t know how much is it. They decide the prices, they don’t even ask you how much you put in to get the product to the market. So, they will take your product, they will sell it at the price that they decide. And they will take whatever percentage that they are taking and they will give you the remainder” Participant 9*

In agreement, Participant 7 went on to say the following about the challenges farmers face when selling their products in formal markets.

*“We are selling our products at fresh produce markets in Welkom, Klegsdorp, Bloemfontein, and then the others to the feeding scheme, even though it’s on and off, we are just price takers” Participant 7*

Participant 5 raised an important issue about the lack of farming equipment during production. According to the participant, the farm had previously received support from the government, however, the support was not enough for the farm.

*“Again in crop farming, we struggle with the resources, especially mechanisation. We need more mechanisation so that we can be productive. So that we can be really commercialised, female farmers. I was assisted, and I got two tractors and their implements, but, although they are not enough compared to the business plan that I had” Participant 5*

#### **5.4. The role of the public sector in promoting small commercial farmers**

Having presented some of the challenges highlighted by the participants, it was also important to look at the role of public institutions in alleviating some of the challenges raised in the previous section. Hence, participants were asked to comment on what they thought was the role of public and private institutions in promoting small commercial farmers. Several codes were captured from the responses and some were then grouped into themes. Figure 5.6 below shows a visual representation of some of the codes and themes that were drawn from the analysis.

As shown in figure 5.6, some of the roles of institutions identified in this study include monitoring and evaluation, policy-making, provision of funding, advising farmers, and advising farmers, mentorship, to mention but a few.

When asked what the role of government was in promoting small commercial farmers, the participants highlighted the following:

*“Government plays a huge role in creating an enabling environment. What do I mean by that? By enabling the environment, I mean, the farmers must be able to get access to loans from financial institutions”. Participant 8*

In addition participant 2 made the following interesting remarks about the role of government in educating farmers about grants:

*“The role of the government is to educate the recipients of the grants that they are not handouts but development tools for startups”. Participant 2*

In the following extract, participant 8 described the role of government in promoting small commercial farmers whilst also raising concerns about inefficiencies that come with government support, particularly in terms of monitoring and evaluation;

*“The government has very good ideas, however, the implementation is the problem. The government must provide continuous skills development for three to five years. The government gives the grant and then goes. Further training is important. The government is lacking in monitoring and evaluation” Participant 8*

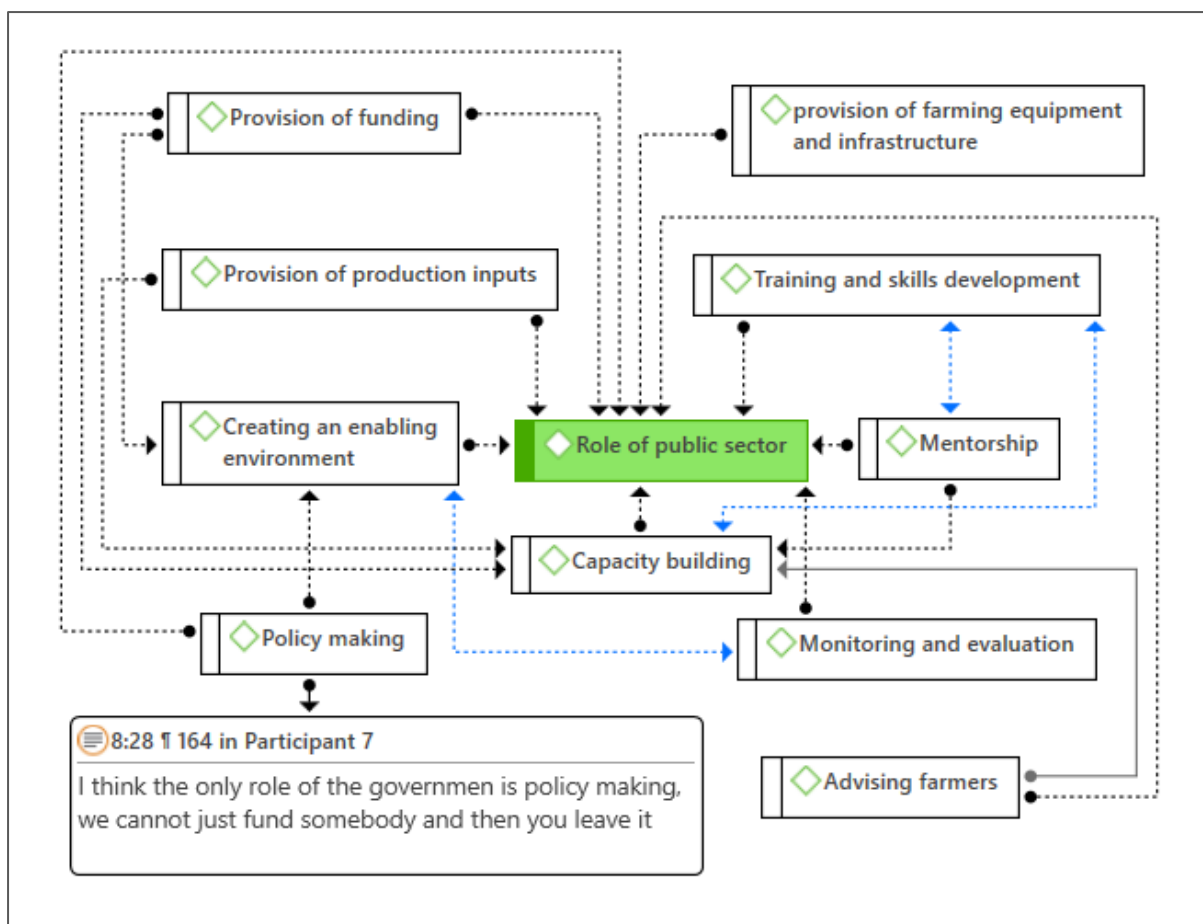


Figure 5.6: A network of codes associated with the role of public institutions

Interestingly, some participants held the view that the government had done a lot to promote small commercial farmers by providing inputs, farming equipment, infrastructure, and technical support. In their responses the following extracts were captured;

*“So yeah, so they play a great deal in supporting the small farmers, and honestly. They are investing their time in us, you know, they also have this training that they provide for anyone who’s able to attend”. Participant 6*

*I was assisted, and I got 2 tractors and their implements, but, although they are not enough compared to the business plan that I had. Participant 5.*

To sum up the responses from the participants, it is important to note that the participants highlight the role of public institutions in promoting small commercial farming enterprises in the country.

The following sections present the key findings of each of the research questions of this study

## **5.5. Research Question 1: Determinants of Business Success**

The determinants of business success were drawn from multiple codes identified in the responses from the participants. Subsequently, the codes were grouped into three main themes, namely farmer characteristics, planning activities, farm resources, and features. These main themes were further subdivided into sub-themes in order to explicitly unpack and explore the key business success factors of small commercial farming enterprises.

### **5.5.1. Farmer characteristics: Theme 1**

Figure 5.7 shows a network diagram representing the established connections between the identified codes, sub-themes, and main themes drawn from the interviews in order to explore the farmer characteristic captured from the participants' responses. It is important to note that farmer characteristics represent personal attributes and/or qualities inherent to the farmer and have an impact on business success.

A network of codes and sub-themes identified from the participant's responses are shown in figure 5.7 below.

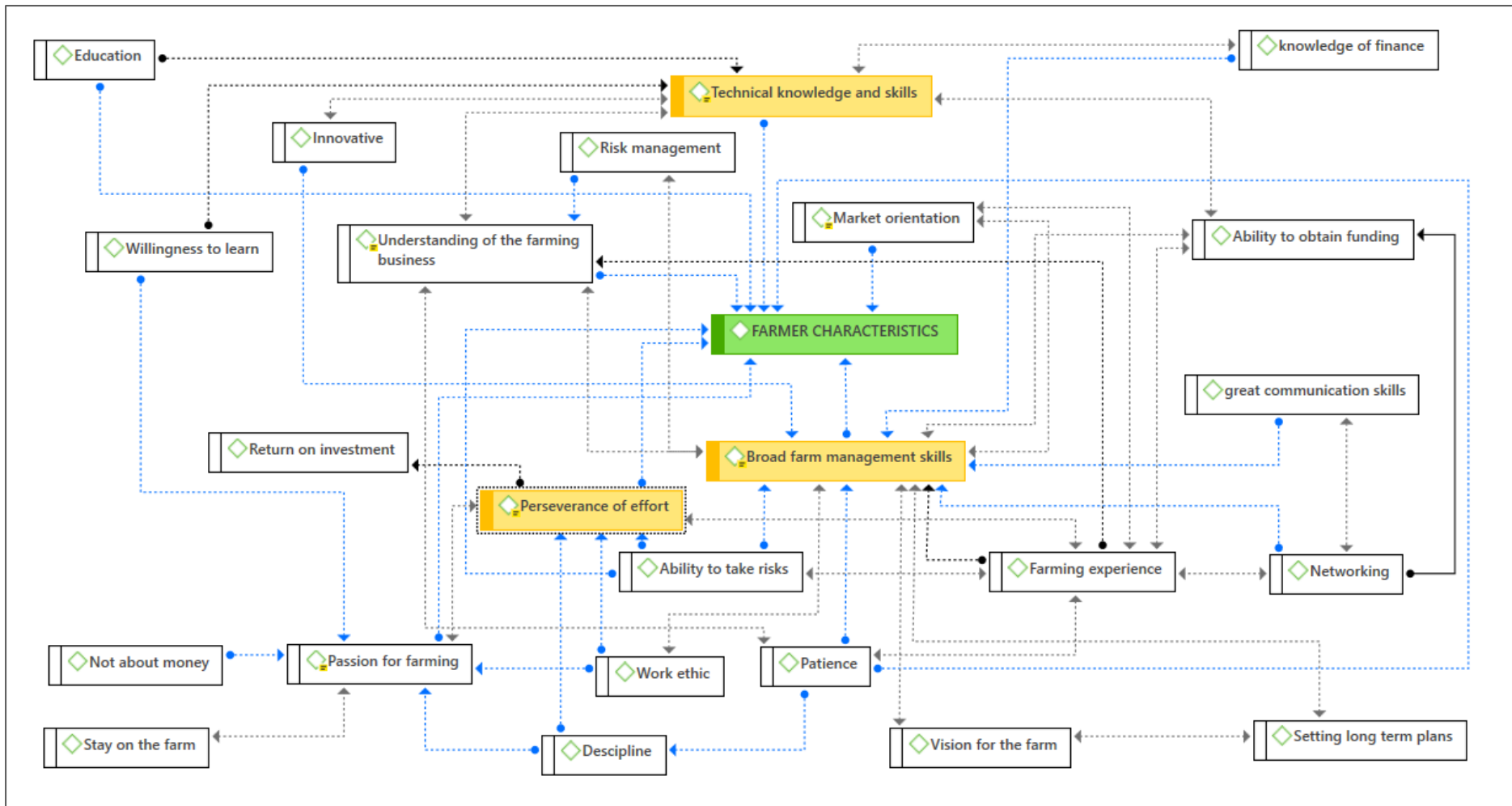


Figure 5.7: A network of codes and sub-themes associated with farmer characteristics

The farmer characteristics were further broken down into four sub-themes comprising technical knowledge, perseverance of effort, passion for farming, and broad farm management skills. These subthemes are discussed in detail in the section below.

### 5.5.2. Perseverance of effort: Sub-theme 1

The participants identified perseverance of effort as a key quality small commercial farmers must have to succeed. As shown in figure 5.8, the sub-theme was established from a group of individual codes such as work ethic, ability to take risks, discipline, and passion. These codes were identified from participants' responses, and, some were more prevalent than others, such as farming experience which came out in many of the interview responses. Interestingly, the analysis also showed that perseverance of effort may also be associated with passion for farming, and the other identified codes related to perseverance of effort include determination, perseverance, commitment, dedication, and diligence.

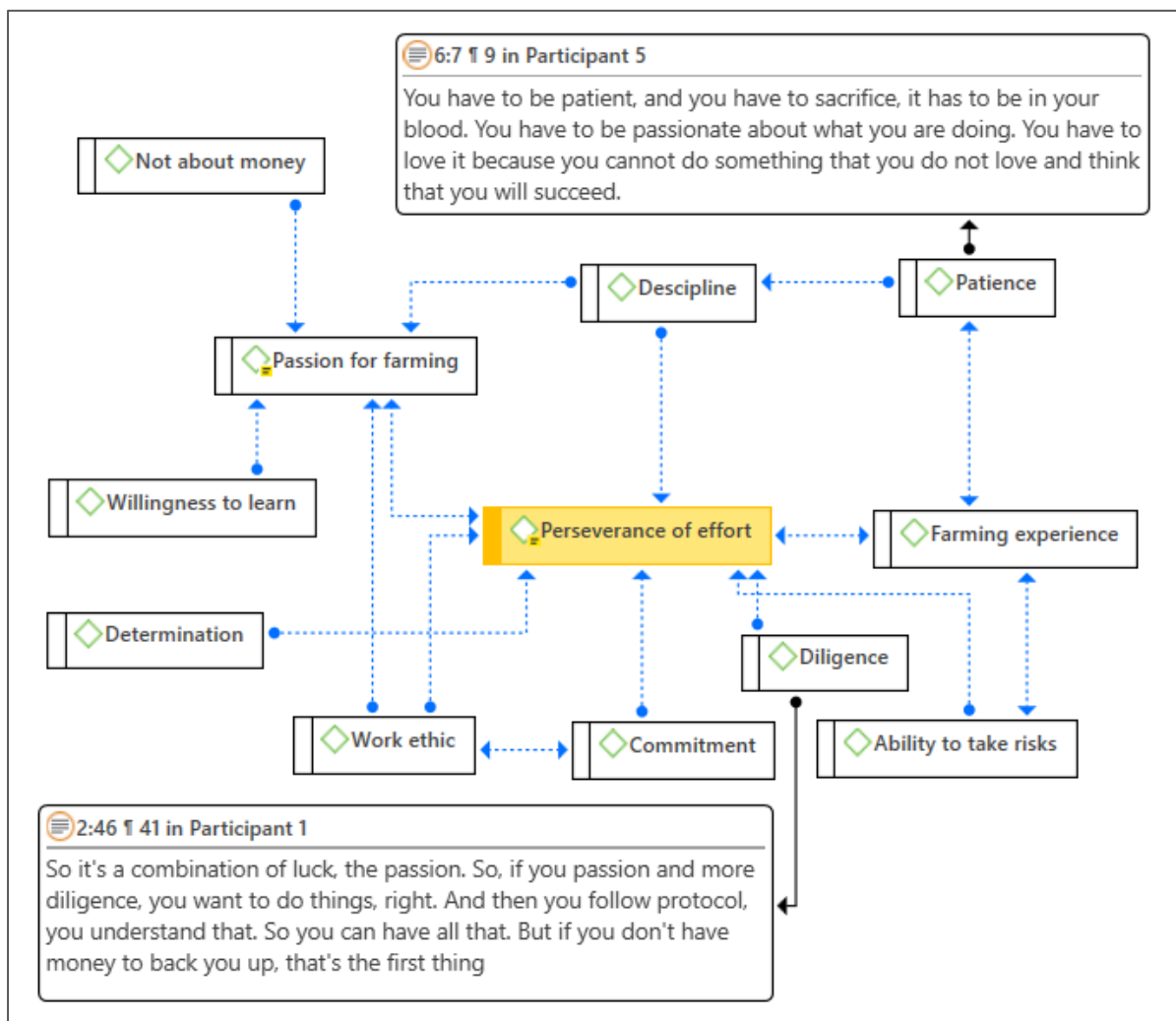


Figure 5.8: A network of codes and themes associated with perseverance of effort



When asked what are the personal characteristics small commercial farmers need to succeed, the participants tended to believe that a farmer must be disciplined and able to take risks to survive the harsh farming business environment. Participant 1 spoke about luck, passion, and diligence:

*“So it's a combination of luck and passion. So, if you have passion and are more diligent, you want to do things, right” Participant 1*

Participant 1 went on to speak about the importance of receiving adequate support and being diligent and driven:

*“So, it becomes a challenge unless you've got good support. Then obviously, as an individual, you need to be driven you need to be diligent and that goes without saying, but the back end needs to be able to be supported” Participant 1*

Other characteristics that may be linked with the perseverance of effort identified from the interview responses include sacrifice, commitment, persistence, and determination. Below are some notable remarks made by the participants:

*“As a farmer, you must improve every year. And also check on what you have experienced in the last season and work on it. And also the commitment to what you are doing. And you have to focus on what you are doing. And also sacrifice, farming is about sacrifice” Participant 5*

Participant 3 stressed the importance of being persistent and trying until one gets it right. The participant had this to say:

*“You must be persistent, or you must persevere. If you do something, and you are not successful, the second time around you try again, you try, and you keep trying until you get it right” Participant 3.*

### 5.5.3. Passion for farming: Sub-theme 2

In analysing the responses from the participants, passion for farming was a regular aspect that was mentioned as a key personal characteristic associated with business success for small commercial farming enterprises. As part of the analysis, several codes were identified, analysed, and combined into sub-themes. Figure 5.9 shows a network of codes and sub-themes that may be associated with passion for farming. It is important to note that passion for farming came out in almost all the interview responses as one of the key farmer characteristics.

When asked to respond to an open-ended question about the personal characteristics a farmer must have to succeed, the responses from the selected participants were analysed

and several codes associated with passion were captured. The identified codes include work ethic, not about money, willingness to learn, and discipline. Interestingly some participants were of the opinion that staying on the farm was a key determinant of success. For instance, participant 2 had this to say:

*“He must always be available on the farm. And preferably he must stay on the farm so that he knows what is happening” Participant 2*

In agreement, participant 9 remarked:

*“You cannot do farming remotely. You must be there most of the time, most of the time, you must be there” Participant 9*

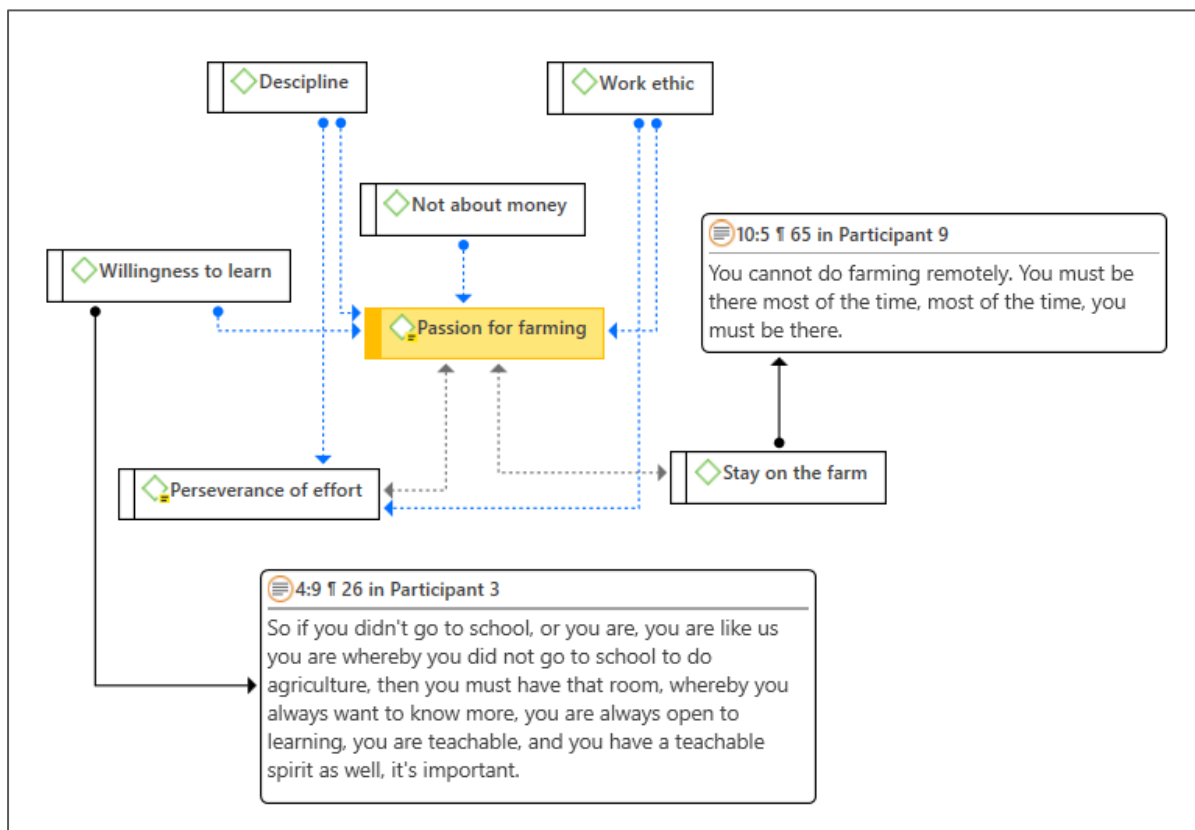


Figure 5.9: A network of codes and sub-themes associated with passion for farming

The analysis also showed that the business of farming is not all about making money, but, most importantly, it is about making a difference in society. The remarks by the participants were captured as follows:

*“A farmer must also have commitment especially when you are determined you are not focused on making money, but you are focused on improving the standard of living, food*

security, and reducing the unemployment rate in our country. As a farmer, you must improve every year.” Participant 5

Agreeably, Participant 6 went on to say:

“Have the heart for it now, And yeah, you get it's not really about the money even though you have to make a profit” Participant 6

#### 5.5.4. Broad management skills: Subtheme 3

The analysis revealed that good management skills are an important quality for small commercial farmers, and have an impact on their overall business success. Participants shared their experiences on the importance of having broad management skills, and the codes identified from the responses are shown in figure 5.10. The participants identified knowledge of finance, vision for the farm, risk management, ability to take risks, networking, ability to obtain funding, and patience as some of the key farm management skills that are essential to the success of a farming business.

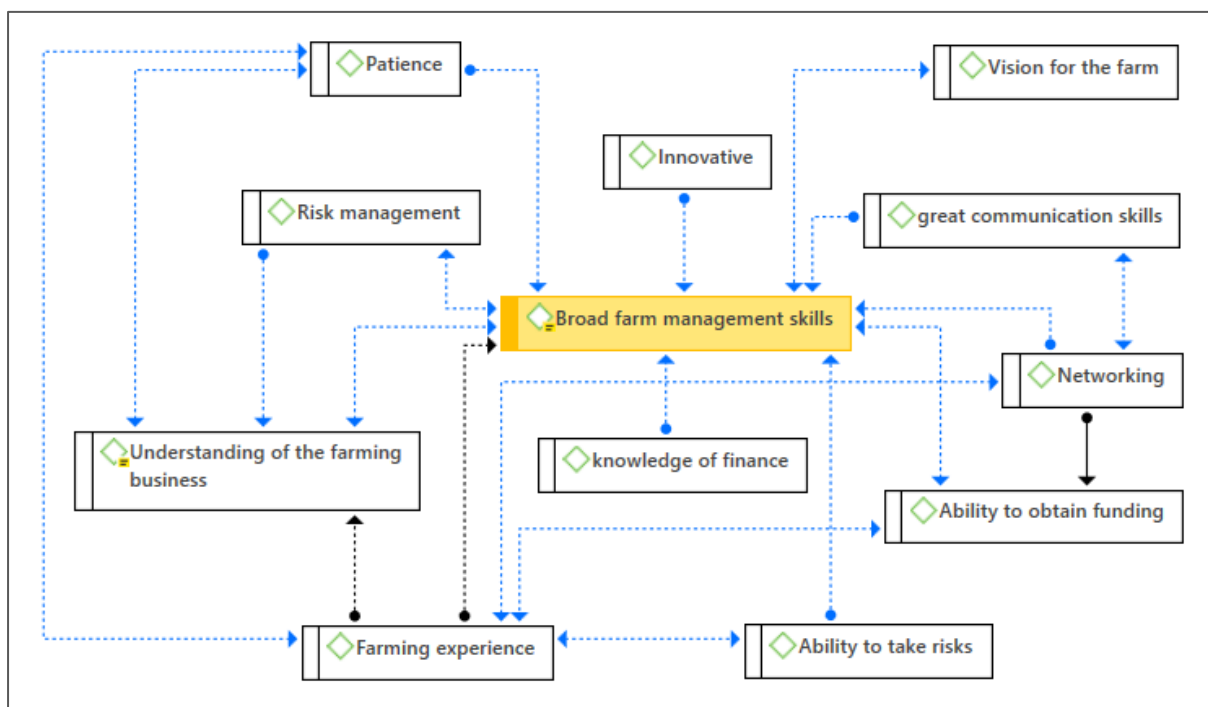


Figure 5.10: A network of codes associated with broad farm management skills.

Noting the participant's narratives about the importance of broad farm management skills, participant 2 had this to say about the impact of having a vision for the farm:

*"He must be able to see the bigger picture of the future of the farm. He must be a steward of the farm and be able to train the next generation, his children. He must have a quality to think things ahead"* Participant 2

Meanwhile, participant 10 raised an interesting point about the importance of communication skills on overall business success. The participant made the following remarks:

*" You know, that's why I'm saying communication, you must have good communication with your human resources otherwise my brother, you will be alone on that farm. So that is one of the most important characteristics that will make your farm to be the most successful one"* Participant 10

Networking and innovation also came out as key personality traits associated with good farm management skills. Participant 4 remarked that " a farmer must value contacts, and networks and must be prepared to travel and traverse the continent or planet" participant 4. On the other hand, Participant 2 underscored the importance of innovation in a farming business:

*"The farmer must have the ability to innovate. He must be able to take new initiatives and be innovative"* Participant 2

The analysis showed that broad management skills stem from a combination of several personality traits such as patience, networking, innovation, and the ability to take risks, to mention but a few.

#### 5.5.5. Knowledge and skills about farming: Sub-theme 4

With regard to knowledge and skills about farming, some of the participants underscored the importance of technical knowledge and skills in promoting business success for small commercial farming enterprises. The identified codes associated with technical knowledge and skills include innovation, willingness to learn, ability to obtain funding, knowledge of finance, and understanding of farming business. Figure 5.11 shows a network diagram representing the connections between the relevant codes and the established sub-theme.

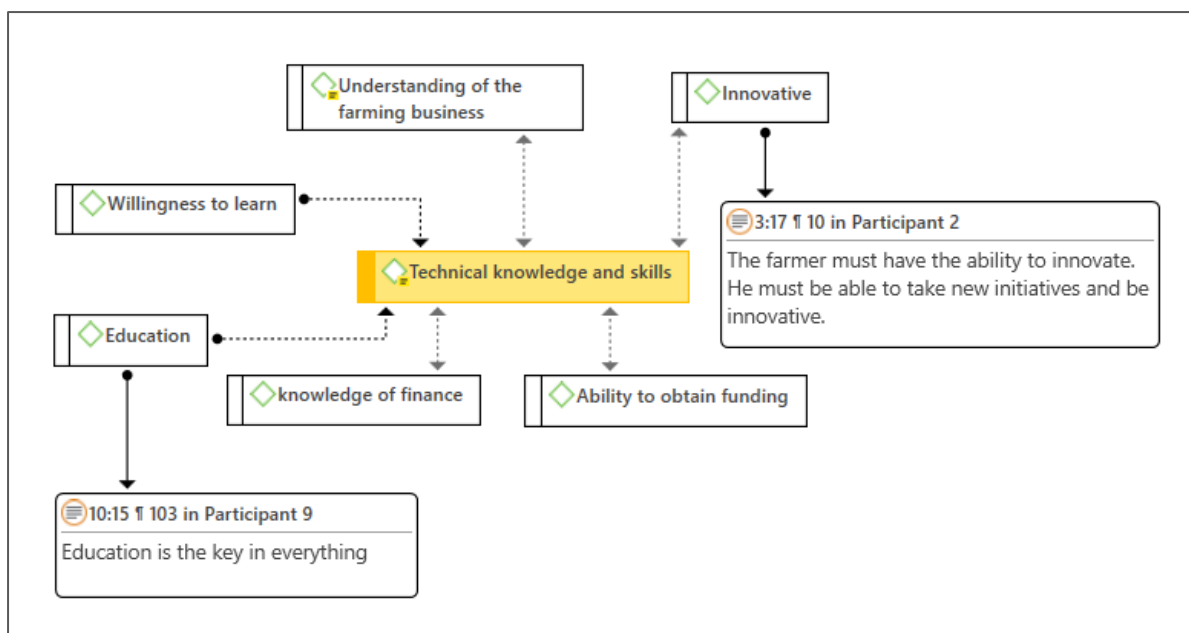


Figure 5.11: A network of codes associated with good farm management skills.

To sum up, the responses associated with technical knowledge and skills, participant 11 stressed the importance of studying the farmlands before production:

*“Study your farm very well because some farms or areas as much as you like planting maize, just do not allow you. So you must do proper research or find out what was planted by the previous owners.” Participant 11*

Meanwhile, Participant 10 highlighted the importance of knowing the right cultivar to plant at any given point in time:

*You must choose the right cultivars you want to plant for the season. That is your responsibility. Know the right cultivar if you want to plant maize, if you want to plant wheat if you want to plant soya, those responsibilities are in your hands as a farm owner. Participant 10*

#### 5.5.6. Farm resources and features: Theme 2

To explore the farm resources and features that are important for the success of a farming business success, participants were asked to outline the farm features and resources that are important for a farm to become viable. Figure 5.12 shows a network of codes grouped to form themes and subthemes associated with farm resources and features. Thus, the established sub-themes from a group of relevant codes associated with farm features and resources include natural features, farm infrastructure, and farming equipment. The findings of each of the three sub-themes are discussed in detail in the following section.

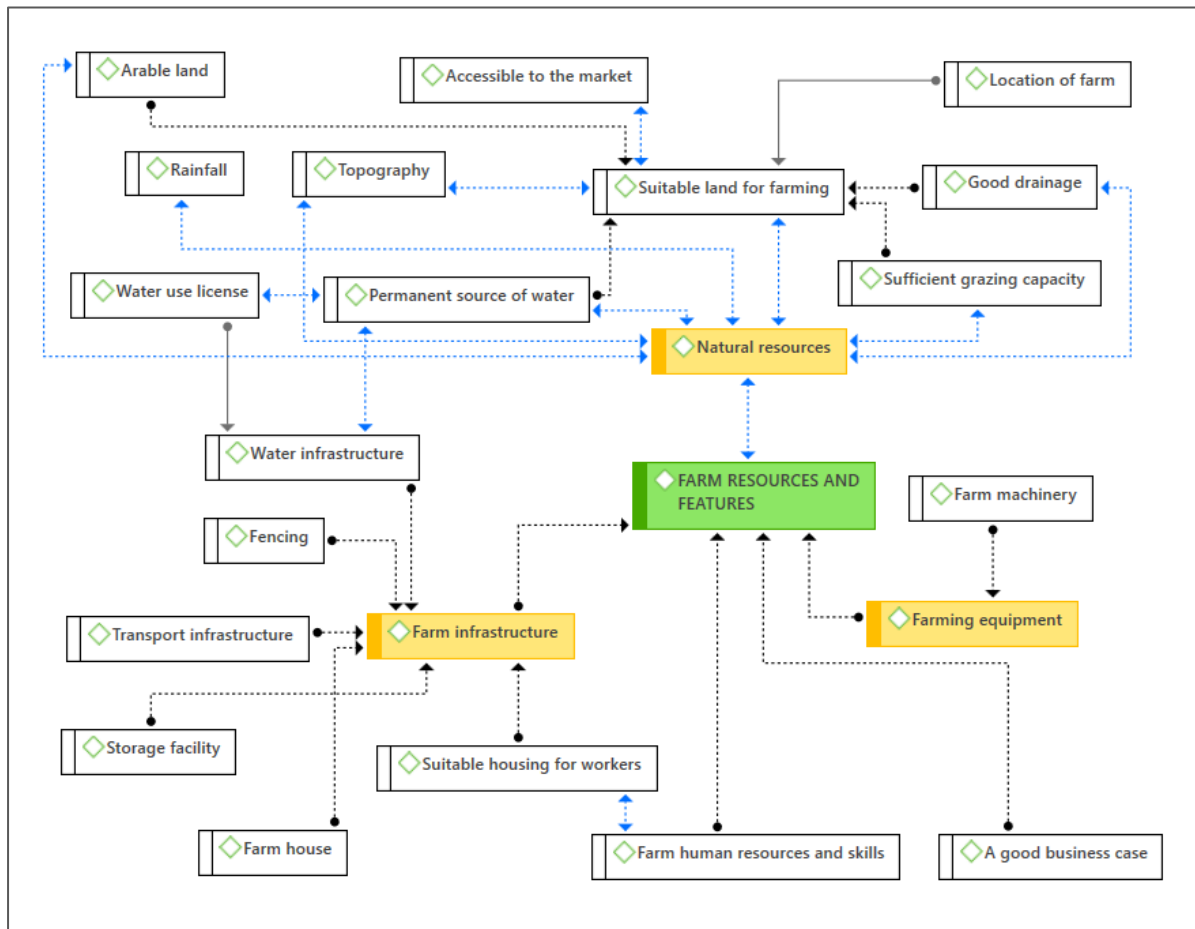


Figure 5.12: A network of codes and sub-themes associated with farm resources and features

### 5.5.7. Natural features: Sub-theme 5

The responses from participants underscored the importance of natural features on the viability of a farming enterprise. Some of the natural features identified from the interview responses include a permanent source of water, arable land, topography, drainage, rainfall, and grazing pasture, to mention but a few. As shown in figure 5.12, the codes related to the natural features sub-theme suggest that a viable farm should have good grazing capacity, a permanent source of water, good drainage, arable land, and most importantly, it should receive optimal rainfall. In addition, the farm must be in a good location that is accessible to markets and other key amenities and hot spots.

In order to explicitly outline the findings from the interviews with regard to natural features, the passages were extracted from the participant's responses.

While highlighting the importance of having good drainage on a farm, participant 2 made the following remarks:

*“Topography is important, so if it is sloppy it means it is not good for cultivation. If it is in a sloppy area that might lead to soil erosion. It means you need to do a lot of conservation work which might be expensive. Topography differs with the kind of farming you are doing” Participant 2.*

Meanwhile, participant 3 stressed the importance of having a permanent source of water on the farm. The participant had this to say:

*“That land must have water, that's number two, which is another critical resource. Water is important it can either be a dam, or boreholes. But the farm must have water and then equipment.” Participant 3*

In support, participant 4 made the following remarks about the importance of having water on a farm:

*“Water should be the first one on the list that is because even when we go around and may be trying to buy a farm, the first thing you should look at is whether there is water” Participant 9*

Participant 2 spoke about the importance of having key natural features on a farm such as good drainage, topography, and underground water. The participant remarked the following:

*“Your lands must have good drainage, and underground water must move freely. Topography is important, so if it is sloppy it means it is not good for cultivation” Participant 2*

On the other hand, Participant 11 had this to say about the importance of understanding the natural features and features of a farm and its suitability for different kinds of farming enterprises:

*“First of all, you need to know your demarcation so that at least you can be able to plan to say okay, I've got so much arable land so much grazing land. How many camps do I have? If ever I need to farm with livestock you know? If it's grain how many hectares of arable land do I have? Do I have some water because you need water for your livestock? I think a farmer must have camps, a farm must have demarcation so that you know how many hectares you need. If you farm with livestock, there is a certain limit number of animals that you can own so that you do not exceed the carrying capacity of your farm as well”. Participant 11*

To sum up the responses from participants, it is important to note that the presented natural features and features are important and unique to farming enterprises.

#### 5.5.8. Farming equipment: Sub-theme 6

The analysis revealed that farm equipment was an important resource and a farm must-have to remain viable. Figure 5.12 shows the codes associated with farming equipment captured from the responses given by the participants. It is important to note that most of the participants underscored the importance of having suitable farming equipment (such as a tractor, ripper, plough, planter, etc) depending on the type of farming enterprise.

While emphasising the significance of having adequate farming equipment, Participant 9 outlined some of the key equipment required for successful crop farming:

*“As a crop farmer, you need at least a tractor and implements which would be your plough, your disc plough, your harrow, and your, boom sprayer” Participant 9*

Interestingly, participant 5 raised concern about the lack of farming equipment for small commercial farmers. The participant had this to say:

*“Again in crop farming, we struggle with resources, especially mechanisation. We need more mechanisation so that we can be productive. So that we can be really commercialized female farmers. I was assisted, and I got two tractors and their implements, but, although they are not enough compared to the business plan that I had” Participant 5.*

#### 5.5.9. Farm infrastructure: Sub-theme 7

When asked to comment on the key farm resources and features essential for small commercial farming enterprises, the participants out some key instructions needed on a farm such as fencing, farmhouse, storage facilities, suitable housing for workers, and water infrastructure (see figure 5.12). It is important to note that water infrastructure includes boreholes, artificial dams, pumps, and irrigation equipment, to mention but a few.

Noting the responses from participants about the importance of farm infrastructure, the following extracts were captured:

*“The farm must have good infrastructure like fencing to protect your crops or livestock. Or to demarcate your grazing lands so that you practice controlled grazing” participant 2*

Participant 7 who is a vegetable farmer underscored the importance of having a pack house on the farm in order to prepare the product before it goes to the market. The participant made the following remarks:



*“We do have structures like the greenhouses and whatever, and then there must be a pack house so that you comply with the South African good agriculture practices” Participant 7*

Interestingly, Participant 10 acknowledged the importance of farm infrastructure, but, also stated that the lack of farming infrastructure should not be a stumbling block to successful farming, particularly in crop and livestock enterprises. The participant had this to say:

*“You can have the infrastructure, it is important. But, in other farms, there is no infrastructure as long as you have some trees to keep your implements under the trees so that they must not get exposed to direct sunlight” Participant 10.*

### 5.6. Strategic planning activities: Theme 3

With regard to strategic planning activities, participants were asked to describe the planning activities they conduct on their farmers. Figure 5.13 shows the responses from the participants plotted on a network diagram, and depicted as codes, sub-themes, and themes. Some of the planning activities outlined by the farmers include budgeting, business planning, record keeping, cash flow assessments, production forecasting, and value chain assessments. The identified codes were grouped into three sub-themes, namely financial planning, marketing planning, and production planning.

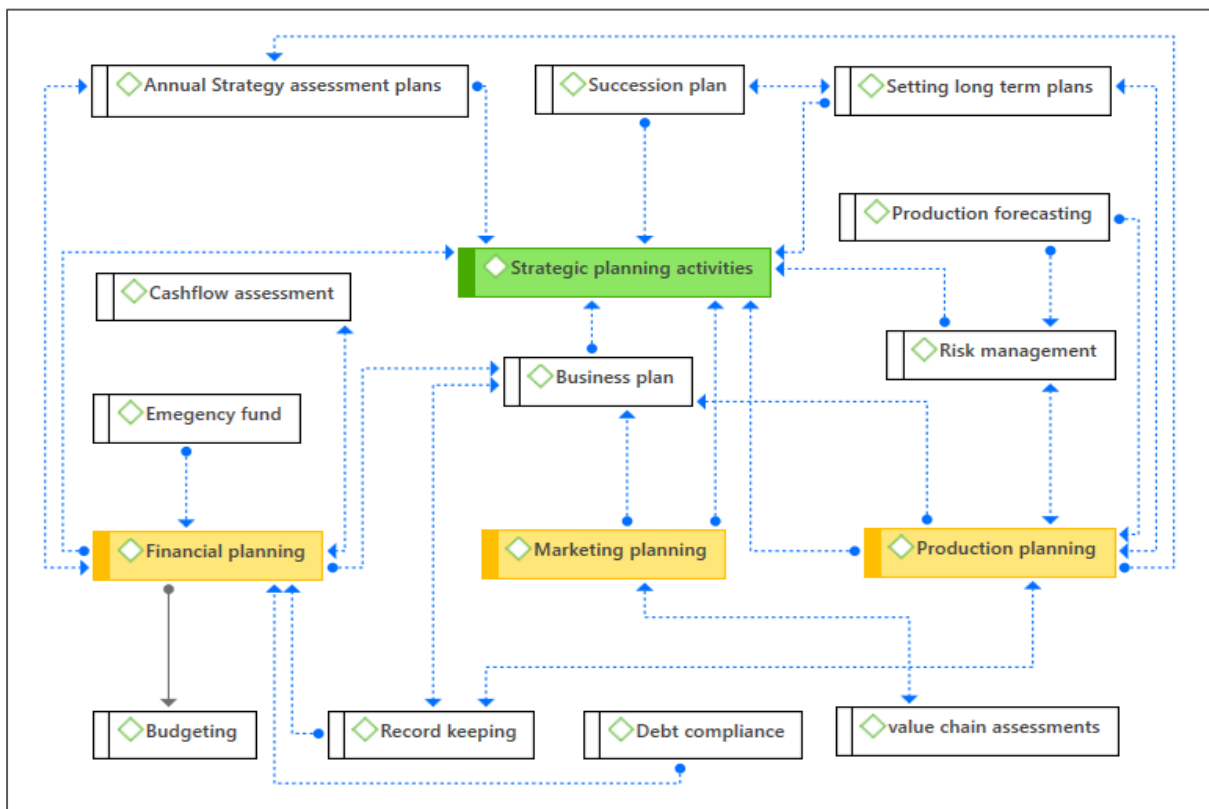


Figure 5.13: A network of codes and sub-themes associated with strategic planning activities

### 5.6.1. Financial planning: Sub-theme 8

The data revealed some important planning activities small commercial farmers undertake to succeed. As shown in figure 5.13, the identified codes that may be associated with financial planning include debt compliance, record keeping, budgeting, emergency fund, cashflow assessment, and business planning.

The narratives below capture some of the responses from participants and underscored the importance of financial planning in small commercial farming businesses. To gain some perspective, participant 11 had this to say about estimating the costs of production before the planting season starts:

*Financial wise do your proper research to identify how much the crops you want to plant cost, And for harvesting as well, the grain that you plant, the vegetables that you're planting, and how much are they going to cost. am I going to be able to make a profit from it? What plan do you need to achieve that? Participant 11*

The participant also underscored the importance of having an accountant and described some of the planning activities undertaken in the business to track the financial decisions taken in the business.

*“First of all, you need to have your finances in place. You must have an accountant. So, I do receive government grants and I also do receive production loans from different funding institutions. In order to receive those funds your business should show how you handle your finances, and whether you are making money. You need to have your management accounts, you need to have your financial statements. you need to have your projections for the season, and how are you going to be spending money. So basically, you need to have your accountant who's going to be running your books on a monthly basis” Participant 11*

### 5.6.2. Production planning: Sub-theme 9

With regard to production planning, the majority of the participants indicated that they do engage in some form of production planning. Figure 5.13 shows some of the codes captured from the participant responses and reveals that production forecasting, setting long-term plans, record keeping, and annual strategy assessment plans are some of the key codes associated with production planning.

Participant 9 made the following remarks regarding the importance of planning before planting and getting the timing right:

*“You must get your seasons and your timing right, you must know if it's cabbage I must have planted at this time. You don't plant early or later, you can skip maybe a week or two weeks but, not more than that because you're not going to get the required quality because you'd be a little bit off-season by then” Participant 9*

As part of production planning, participant 11 stressed the importance of conducting soil tests before the production season starts in order to gain an understanding of the different soil types available on the farm. The participant had this to say:

*“Make sure that you go back to the basics. Make sure you test your soil. First of all, classify which soils you have on the farm” Participant 11.*

The significance of production planning was further underscored by participant 7 who highlighted that production plans may vary relative to the enterprises available on the farm. According to the participant, the production plan for livestock is usually long-term focused whereas that of crops or vegetables is usually for a short period.

### 5.6.3. Marketing planning: Sub-theme 10

In terms of marketing planning, the data analysis revealed some interesting findings about some of the marketing activities participants undertake in their businesses. Figure 5.13 shows some of the identified codes that may be linked with marketing planning such as business planning and value chain assessments.

When asked about the planning activities they conduct in their farming businesses, most participants highlighted the importance of identifying the market way before the crop matures. Participant 9 made the following remarks in support of marketing planning:

*“When you put your seed on the ground you should know, where are you taking it after four months. So you must know where you will take your crop because without that you will be stuck with the crops that do not have buyers and that will hit your pocket” participant 9.*

On the other hand, Participant 6 made an interesting point about gaining intelligence about consumer needs and producing in line with what is required in the market. The following extract was captured from the responses:

*“You need to know the growing needs in the market. So that's what people look for, the changes that we can make otherwise, you know, you sit down and plan for whatever year” Participant 6.*

## 5.7. Research Question 2: Measures of business success

This section presents the findings on the financial and non-financial measures used by small commercial farmers to measure the success of their businesses. The participants were asked to highlight some of the financial and non-financial measurements they use to measure the success of their businesses. The results and findings from the analysis are highlighted below beginning with the financial measurements of business success.

### 5.7.1. Financial measurements: Theme 4

The participants were asked to outline some of the financial measurements they use to measure business success. Their responses are displayed in the network diagram displayed in figure 5.14 presented as codes, and quotations. The financial measurements identified from the interview responses include return on investment, break-even analysis, growth in sales, profit, expenses/costs, and comparing actual production versus target.

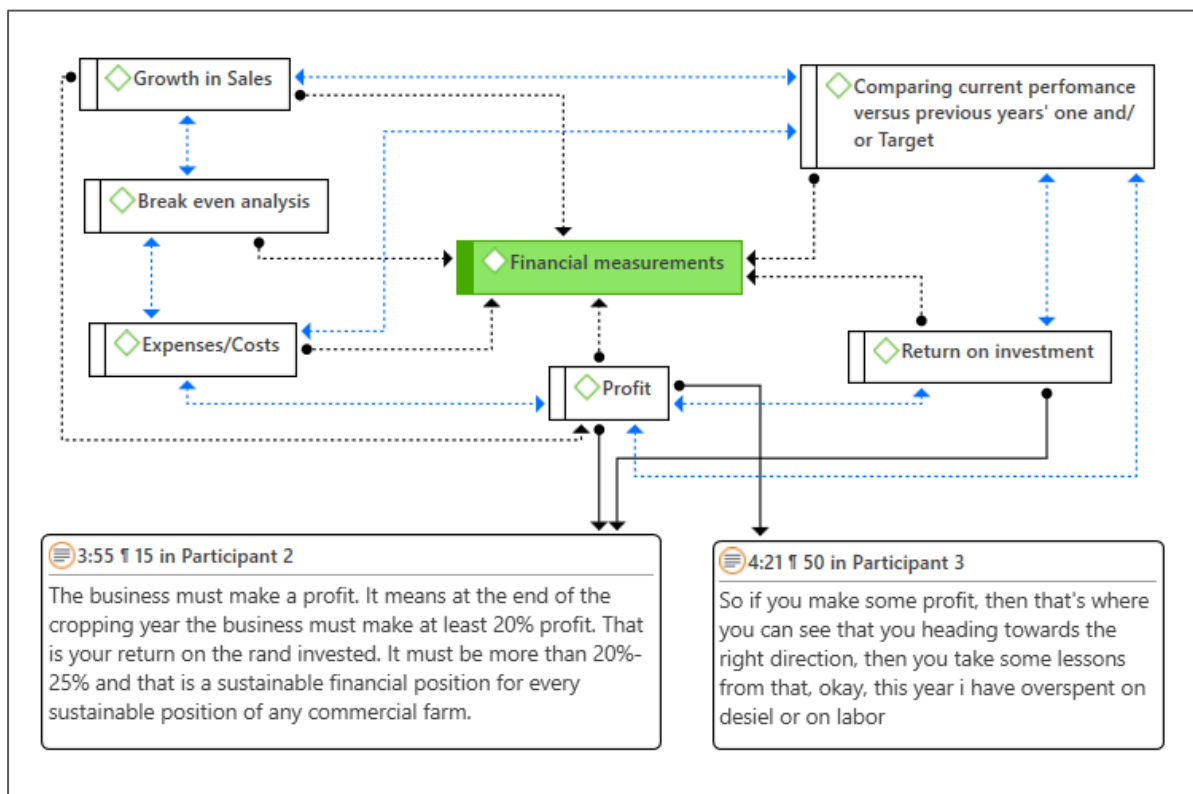


Figure 5.14: A network of Financial measures used by Participants to measure business success

Although some of the participants struggled to answer the question, they did however indicate some form of financial measures they use to track the performance of their businesses. What was interesting about their responses was that they all indicated that they track their expenses

and sales and use them to determine their performance. Interestingly, Participant 4 highlighted that he looks at the unit cost which must be industry-aligned or lower. Meanwhile, Participant 5 had this to say:

*“Check your income whenever you have sold the goods and whatever that comes you subtract whatever you have taken from your pocket or savings and check whatever you make”*  
Participant 5

Profit is another financial measure that was common in most participants' responses. For instance, Participant 3 made the following remarks:

*“You must keep records of the output costs and must be able to show what you have spent this much on planting elements this year. And then after harvest, you work out everything that you've spent all the costs, and then you check if you've made profit”* Participant 3

Another interesting financial measurement that was indicated by the participants is the return on investment (ROI) and, Participant 2 made some important remarks about the importance of tracking the profit margins against the amount invested:

*“The business must make a profit. It means at the end of the cropping year the business must make at least 20% profit. That is your return on the rand invested. It must be more than 20%-25% and that is a sustainable financial position for every sustainable position of a commercial farm”* Participant 2.

Participant 7 also highlighted another common and interesting financial measurement of business success. The participant compares the current financial performance with the previous year's performance and the current year's target. The Participant made the following remarks:

*“Every year when we make financial statements, and then we compare them with the previous year's one. We check that this year, we have made so much, and then at the beginning of the financial year we made a target for ourselves. So, we know the target we have set. like this year, in the financial statements, we said our target should be 1 million this year. So we are working towards to see to it that at the end of the financial year, we have achieved our goal”*  
Participant 7

Noting the responses from participants, it is important to note that the findings have revealed some important financial measurements used by the participants to measure business performance such as profit, growth in sales, return on investment, breakeven, and expenses/cost, to mention but a few.

### 5.7.2. Non-financial measures: Theme 5

The analysis revealed some important findings on the non-financial measurements used by participants to measure business success. As shown in figure 5.15, some of the non-financial measures highlighted by the participants include job creation, growth in production, the erection of new infrastructure, having healthy animals, and the ability to self-fund, to mention but a few.

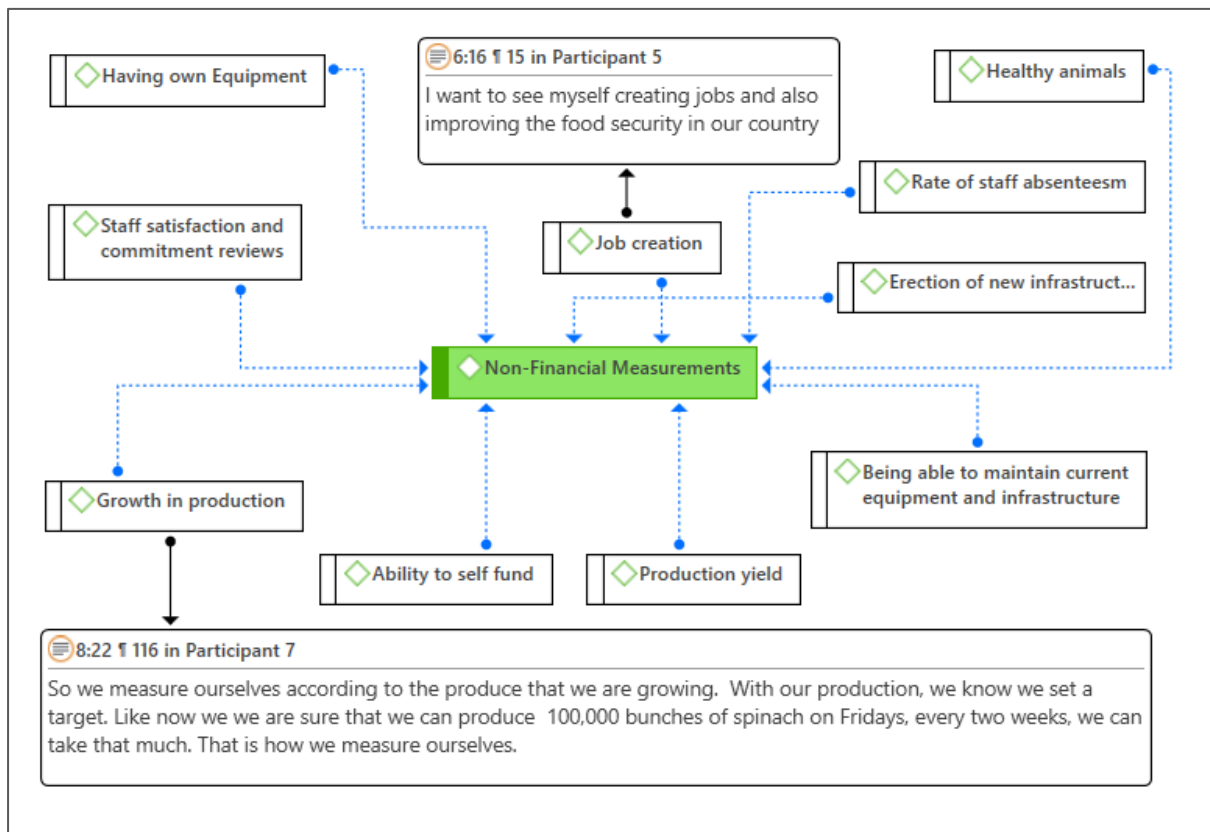


Figure 5.15: A network of non-Financial measures used by Participants to measure success

It is important to note that the identified non-financial measurements are unique to farming and play a key in measuring business performance. When asked what were some of the non-financial measures they used to measure business success, Job creation was the popular response given by the participants. This is an important business success measurement considering the high rate of unemployment in the country.

Participant 5 identified creating jobs and improving food security as the key non-financial measurements the business uses to measure success.

In support, participant 6 had this to say about using job creation as a non-financial measurement:

*“Me, personally, I want to be on the next level, at least to be known nationally, you know, for what we do. And be able to hire more people. So people don't have to go hungry” Participant 6*

On the other hand, participant 7 used production growth as a non-financial measurement of business performance. The participant made the following remarks about how the business used production /output as a measure of success:

*“So we measure ourselves according to the products that we are growing. With our production, we know we set a target. Now we are sure that we can produce 100,000 bunches of spinach on Fridays, every two weeks, we can take that much. That is how we measure ourselves.” Participant 7*

Having own farm equipment is another popular non-financial measure underscored by the research participants. Participant 3 made the following interesting comments about how having own equipment can be a good measure of business success:

*“To be able to obtain the necessary equipment that will enable me to farm successfully, and to have my own harvester. But, that one is quite a tough one because the harvesters are expensive. But to be able to have my planter and farming equipment that is needed to run the farm successfully. For me, if I can have that then I can confidently say I am successful” Participant 3*

Another intriguing point was made by participant 4, who mentioned that he used staff satisfaction as one of the non-financial measurements of business success. The participant made the following comment:

*“Staff satisfaction and commitment reviews in roles played in the past 12-24 months. This is done to re-invigorate commitment to managing tasks freshly. All tasks are repetitive so they tend to bore staff. Changes just make and keep each one fresh”. Participant 4*

The findings revealed that participants use several non-financial indicators to measure business success. Interestingly, the majority of these non-financial measures are unique to farming (such as production yield and healthy animals) and apply to specific farming enterprises.

## **5.8. Conclusion**

This chapter presented the findings from the data analysis conducted to answer the main questions and sub-questions of the study. The findings were presented in the form of themes, subthemes, and network diagrams, and were further supported by narratives and quotations from participants' responses. The identified key drivers of business success presented in the chapter include farmer characteristics, strategic planning activities farm resources, and features. Interestingly, the study showed that natural features are an important farm feature that is unique to farming enterprises. The chapter also presented the financial and non-financial measures used by the participants to measure the success and performance of their farming enterprises.



## **6. CHAPTER 6: DISCUSSION OF RESULTS**

### **6.1. Introduction**

The previous chapter has presented some important insights into the determinants of business success for small commercial farming enterprises as well as the financial and non-financial measurements used by farming enterprises to measure business performance. The chapter also shed light on the challenges faced by small commercial farmers, and the role of public institutions in promoting small commercial farming enterprises. The purpose of this chapter is to synthesize and interpret the findings in order to capture the importance and relevance of this research in relation to what is already known about the determinants of business success for small businesses.

The chapter is organised as follows: the first part provides a brief recap of the research problem, aim and questions highlighted in chapters 1 and chapter 3 of the study. This is followed by a summary of the key research findings presented in chapter 5. Thereafter, the findings are discussed at length with the support of the key observations found in chapter 5 and relevant literature and theories discussed in chapter 2. The chapter concludes with a conceptual framework for analysing the determinants of business success for small commercial farming enterprises.

### **6.2. A recap of the research problem, aim, and questions**

It is important to note that although several studies have been conducted focusing on the critical success factors for SMEs, the majority of them have focused predominantly on direct relationships and correlations between critical success factors and business performance. In addition, the majority of these studies largely focused on firms operating in non-agricultural sectors where the context is much different from that of farming businesses. Hence, this study used qualitative methods which incorporated in-depth interviews with small commercial farmers in order to explore the critical success factors for small commercial farming enterprises. Overall, the study sought to examine the determinants of business success for small commercial farming enterprises as well as the measures for business success for small commercial farming enterprises.

The section below provides a summary of the key findings presented in the previous chapter in order to increase understanding of the main results of the study before getting into the overall discussion sections.

### 6.3. Summary of key findings

Exploring the determinants of business success for small commercial farming enterprises revealed some important insights that add to the existing knowledge of business success factors for SMEs. Firstly, it is important to note that the study supports the findings of (Storey, 1994) indicating that owner characteristics, business resources, and business strategies are important variables explaining the performance of small enterprises. With regard to personal/farmer characteristics, the study suggests that perseverance of effort, passion for farming, broad farm management skills, and technical knowledge and skills are the main factors influencing the performance of small commercial farming enterprises. These findings are similar to those reported in previous research done on business success factors for SMEs (Klepić, 2021; S. Li et al., 2022; Muda et al., 2020; Storey, 1994; Wahyono & Hutahayan, 2021)

As for the farm resources and features, the findings have revealed that farm infrastructure, farming equipment, and natural features (such as arable land, topography, rainfall etc.) play a key role in promoting successful farming enterprises. The notable difference between the findings of this research and those reported in other studies conducted on business success factors for SMEs is that this study has revealed some firm features that are only unique to farming such as natural features. Some important natural features that are unique to farming and have been identified in this study include topography, rainfall, arable land, permanent source of water, drainage, and sufficient grazing capacity.

In the case of strategic planning activities, the results revealed some key strategic planning activities that drive the success of small commercial farming enterprises such as financial planning, marketing planning, and production planning. These findings agree with previous studies conducted on SMEs operating in other sectors such as (Ayiku & Grant, 2021; Bleadly & Ali, 2018; Yakob et al., 2021)

The findings have also demonstrated that small commercial farmers use financial measurements such as profit, return on investment (ROI), expenses, break-even, and sales to measure the performance of their businesses. Meanwhile, the non-financial measurements identified in the analysis include growth in production, having own equipment, number of jobs created, healthy animals, production yield, ability to self-fund, and erection of new infrastructure. It should be noted that the financial and non-financial measures of success identified in this study such as profit, growth in sales, ROI, break-even, job creation, and growth in production have been reported in other studies on SMEs such as (Forth & Bryson, 2019; Muda et al., 2020; Tritsch et al., 2021).

Surprisingly, the study identified some non-financial measurements that may only be applied to farming such as maintaining healthy animals, and production yield.

The study has also reported several challenges facing small commercial farming enterprises such as lack of farming equipment, lack of technical knowledge and skills, erratic weather conditions, lack of funding, lack of adequate institutional support, and low market prices. These challenges create significant barriers to achieving success for small commercial farmers. On the other hand, the study has also provided some insight into the role of public institutions in promoting small commercial farming enterprises.

The interesting aspect of this study is that, unlike the majority of previous studies on business success factors for SMEs, this study presents some unique success drivers that are unique to farming such as topography, rainfall, and drainage, to mention but a few.

#### **6.4. Overall discussion on the determinants of business success**

The section below provides a detailed discussion of the determinants of business success for small commercial enterprises based on the feedback in chapter 5 received from the research participants.

#### **6.5. Research question 1: Determinants of business success**

The evidence from the findings appears to suggest that farmer characteristics, farm features, and strategic planning activities are important success factors for small commercial enterprises. Although these factors are not exhaustive, they do provide clarity regarding what drives the success of these farmers. These findings support the findings reported by (Storey, 1994), who observed that the growth and success of small commercial enterprises are determined by owner characteristics, farm resources, and business strategies (represented by strategic planning activities in this study).

Somewhat surprisingly, the study has also found that these three success factors may not be sufficient to drive the performance of small commercial farming enterprises. The challenges facing small commercial farmers presented in the previous chapter together with the role of public institutions in promoting the success of farmers have uncovered the importance of institutional support in promoting the growth and development of small commercial enterprises. In light of the above, it is important to note that farmers also require institutional support in the form of access to funding, mentorship, skills development, extension services, production inputs, farming inputs, and infrastructure, to mention but a few.

To explicitly answer research question 1, this section is structured according to the main themes, and sub-themes presented in chapter 5 of this study. These themes and subthemes are discussed in detail below.

#### 6.5.1. Farmer characteristics.

The present study has shown that farmer characteristics are an important driver of business success for small commercial farming enterprises. The findings support Storey's (1994) determinants of the growth model which argued that owner characteristics are important success factors for SMEs. Although owner characteristics are a popular determinant of success, the reviewed literature is silent about how they are measured.

The sub-themes associated with farmer characteristics found in this study include perseverance of effort, passion for farming, good farm management skills, technical knowledge and skills.

##### **Perseverance of effort**

The findings of this study have shown that perseverance of effort is an important determinant of business success for small commercial farming enterprises. It should be noted that perseverance of effort is a combination of various personal qualities such as determination, persistence, diligence, discipline, and work ethic, to mention but a few. The findings suggest that for a farmer to succeed it takes more than a single personal trait because perseverance is normally associated with the ability to keep going regardless of the circumstances. These results are consistent with (Storey, 1994) who found motivation as a key owner quality that drives business success for SMEs. Similarly, (Hu et al., 2021) also found that intrinsic motivation affects self-efficacy which results in entrepreneurial behaviour.

Considering the challenges highlighted by participants in chapter 5 (such as erratic weather conditions, lack of funding, and lack of farmer support), small commercial farmers may need perseverance and motivation to stay in the farming business season after season. This explains why it was not surprising to have persistence as one of the key personal characteristics identified from the participant responses.

##### **Passion for farming**

Another interesting and popular success driver that came out of data analysis is passion for farming. Most participants underscored the importance of passion as one of the qualities farmers must have to succeed. Interestingly, it should be noted that passion can be linked with determination, because normally when you are passionate about something you tend to exhibit some traits such as determination and perseverance. Passion has also been previously

linked with entrepreneurial behaviour (Gielnik et al., 2015). The study viewed passion as an important construct of entrepreneurship and characterised the word passion as a hot feeling, or the fire of desire. Consequently, Gielnik et al., (2015) argued that entrepreneurs endure a lot of challenges and invest considerable time and effort to start and grow their businesses. Most importantly, the author observed that passion increases when entrepreneurs make significant progress to invest effort out of their free will.

Consequently, passion can also be linked with motivation since people usually get motivated by the things they are passionate about. So, these findings agree with the observations made by (Hu et al., 2021), who stressed the importance of motivation in driving the entrepreneurial behaviour of farmers. According to the author, Intrinsic motivation develops from undertaking a particular activity. Similarly (Gielnik et al., 2015) have associated entrepreneurial passion with a motivational function to engage in entrepreneurship.

What these findings are telling us is that farmers need to have a burning desire to engage in farming, and this is what motivates and drives entrepreneurial effort which eventually results in business success.

### **Broad farm management skills**

The findings of the study suggest that broad farm management skills is an important construct of business success for small commercial farming enterprises. It should be noted that the participants identified knowledge of finance, vision for the farm, risk management, ability to take risks, networking, ability to obtain funding, and patience as some of the key farm management skills that are essential to the success of a farming business (see figure 10 in the chapter). These results tie well with the findings of (Abalala et al., 2021) who found that top management's qualities and ethical behaviour influence the financial and non-financial performance of SMEs. In support, the Upper echelons theory discussed in chapter 2, posits that the growth and performance of a firm are determined by the values, characteristics, and experience, all of which are associated with management skills.

What is also interesting about the findings of this study is that the participants identified marketing skills as an important quality farm owners must possess to succeed. Similarly, (Ayiku & Grant, 2021) underscored the importance of entrepreneurial marketing skills in driving the performance of SMEs. In the findings, some participants highlighted the challenge of receiving low prices in the formal markets. Hence, good marketing skills help farmers to select the right pricing methods as well as negotiate better prices with off-takers. Consequently, good marketing skills help farmers to position their products in segments where the customer is willing and able to pay decent prices for their produce.

To sum up, farming like any other business requires the owners/farmers to have good management skills as this may influence the overall performance of the business.

### **Technical knowledge and skills**

The findings of the study suggest that technical knowledge and skills are important drivers of business performance for small commercial farmers. The results were not surprising because farming is a technical practice that requires extensive knowledge and skills to undertake. Usually, farmers gain technical knowledge through lived experiences, mentorship, formal and information education and training. Some of the key characteristics linked with technical knowledge and skills identified in the findings include an understanding of the business, education, knowledge of finance, and ability to obtain funding. These results tie well with the knowledge-based theory which states that implicit knowledge is an important and key strategic resource of a firm (Hafiz et al., 2022). Knowledge is also regarded as a source of competitive advantage and plays a pivotal role when launching new products, and innovation processes (Schütz et al., 2020).

It is important to note that the findings are also comparable with those obtained by (Yakob et al., 2021) who stressed the importance of financial literacy on the performance of small and medium-sized enterprises. The author further acknowledged the need for SMEs to obtain additional financial literacy training in order to improve their performance.

The interviewed participants identified the willingness to learn as an essential avenue to enhancing technical knowledge and skills. Similarly, Wahyono & Hutahayan, (2021) showed that learning orientation speeds up the learning process for companies which then improves the knowledge and skills required to enhance business performance. Generally, it takes the willingness and effort of the farmer to acquire knowledge and skills that are important to the business. Thus, farmers need to constantly acquire knowledge and skills in order to survive in an ever-changing business environment of farming.

#### **6.5.2. Farm resources and features**

In terms of farm resources and features, the findings have underscored the importance of farm resources and features on the success of small farming enterprises. In particular, some of the identified resources include farm infrastructure, farming equipment and natural features such as arable land, rainfall, topography, good drainage, and permanent sources of water. These results agree with the resource-based theory (RBT) discussed in chapter 2 which states that the firm maintains its competitive advantage through a combination of unique internal resources the firm possesses (Coates & McDermott, 2002). Similarly, storey's 1994

determinants of growth model acknowledge the impact of the firm itself (in this case the farm) on the overall business growth and performance. However, the firm features highlighted in the model such as the age of the firm, size, ownership, and legal form do not explicitly agree with the resources and features identified in this study.

The reason for that is that the determinants of the growth model is a general model for analysing the performance of small firms, and do not necessarily outline some elements that are unique and specific to farming enterprises such as natural features. The farm resources and features identified in this study were grouped into the following three distinct themes, namely farming equipment, farm infrastructure, and natural features. These themes were discussed in detail in the following section;

### **Farming equipment**

The findings of this study provide insight into the importance of farming equipment in driving business success for small commercial farming enterprises. The study has highlighted the impact of farming equipment on farm business performance, particularly in crop production where farming equipment is used for land preparation, planting, spraying and harvesting activities. The challenges regarding the lack of farming equipment highlighted by the participants in chapter 5 suggest that the lack of farming equipment is a barrier to a successful farming business. In support, Orsi et al., (2017) have highlighted the lack of farm resources as one of the limitations of a small commercial farming business.

Putting it in the context of the resource-based theory (RBT), having adequate farming equipment gives a farm a competitive advantage over its competitors. Hence, this might explain why small commercial farmers often struggle to compete with their large commercial counterparts due to the lack of adequate farming equipment. While the determinants of the growth model (Storey, 1994) looked at the firm features that are important for the success of small businesses, it does not include business-specific resources and features such as production equipment. Hence, these results should be taken into account when deciding the farm-specific resources and features important for the growth and development of small commercial farming enterprises.

### **Farm infrastructure**

The results have demonstrated the importance of farming infrastructure on the success of small commercial farming enterprises. More specifically, the identified farm infrastructure includes fencing, water infrastructure (boreholes, pumps and artificial dams), storage facilities, and housing for workers, to mention but a few. These resources and features give small

commercial farmers a competitive advantage over their competition and thus ensuring their survival over the long term.

The determinants of growth model (Storey, 1994), do not include any elements that have to do with infrastructure and buildings. Hence, these results build on existing literature by providing insight into the farm-specific infrastructure that is important for the growth and development of small commercial farming enterprises.

Surprisingly, some participants stressed the importance of having a farmhouse which creates an opportunity for farm owners to stay on the farm and monitor the day-to-day operations of the business. However, some farmers prefer not to reside on the farm and leave the farming operations under the supervision of a farm manager until the farm owner returns. However, some of the interviewed participants did not agree with the “weekend farming” arrangement as they underscored the importance of being present as a major contributing factor to farming business success.

### **Natural features**

The results of the study found clear support for the importance of natural features on the success of small commercial farming enterprises. Natural features in agriculture consist of three pillars; the soil, climate (water, rainfall) and terrain (Paterson Garry, 2014). The notable difference between the findings of this research and those reported in other studies on business success factors for SMEs is that this study has revealed some firm/farm features that are only unique to farming such as arable land, a permanent source of water, topography, good drainage, rainfall, and suitable grazing capacity. These features are important to any farming business and influence its growth and performance. In addition, it should be noted that farmers may be subjected to greater production risk as compared to SMEs operating in other sectors due to the farming businesses’ heavy reliance on natural features.

Although land is an important natural feature in farming, It is important to note that location is an equally important variable and should be considered when selecting the ideal land for agricultural production. Thus, the findings have revealed the connection between farm location and accessibility to the market. Farms located closer to the market may enjoy lower transaction costs as compared to farms located remotely.

In addition, the findings also underscored the importance of locating a farm close to a permanent source of water. The results tie well with the determinants of the growth model (Storey, 1994) which also found location as a key success factor influencing the performance and growth of small businesses. Contrary to the determinants of the growth model, the study



has identified other important resources and features such as permanent sources of water and arable land.

It is important to note that these findings contribute to a greater understanding of farm resources and features that make up a viable farm ideal for a successful farming business. However, the type of land also depends on the farming enterprises available on the farm. For example, crop production requires arable land, whereas livestock farming needs more grazing land.

### 6.5.3. Strategic planning activities

The study revealed some important planning activities undertaken by small commercial farmers in their farming businesses. Some of the important planning activities highlighted by the participants include budgeting, record keeping, business planning, budgeting, cashflow assessment, and succession planning, to mention but a few. These planning activities were analysed and grouped into the following three themes; financial planning, marketing planning, and production planning.

The findings of the study seem to suggest that farmers do engage in various planning activities as part of their farm business strategy aimed at improving the performance of their business. These planning activities are not just limited to financial planning, but they also include other activities such as production and marketing. Several studies have underscored the importance of planning activities on the overall performance of small businesses (Donkor et al., 2018; Kiwira et al., 2020; Skokan et al., 2013). The planning activity is also included in Storey's (1994) determinants of growth model, however, the framework does not explicitly unpack the different planning activities undertaken in a business as done in this study. The following section discusses the financial planning activities identified in this study.

#### **Financial planning**

The findings of this study suggest that financial planning has beneficial effects on the performance of small commercial farming enterprises. Some of the important financial and planning activities conducted by small commercial farmers include business planning, budgeting, record keeping, and cash flow assessments. Although some of the farmers were not familiar with some of the terminology used in financial planning and accounting, they did show an understanding of financial planning, and how it influences the performance of their business. It should be noted that financial literacy may be one of the key factors that contribute to financial planning in farming.

According to (Yakob et al., 2021) business owners or managers who are financially literate have a good understanding of financial concepts (such as budgeting, savings e.tc) which is beneficial to overall business performance. The author further argued that sound financial planning can help SMEs reduce business costs and lead to profitable investment decisions. In farming, financial planning is done way before the season starts, and it is influenced by the production plans stipulating the type of crop to be produced, hectares to be cultivated, and the inputs required. This however differs relative to the type of farm enterprise.

### **Production planning**

The data reported in chapter 5 appear to suggest that production planning is beneficial to overall business performance and success. The findings also revealed some important production planning activities, small commercial farmers, undertake in their businesses such as production forecasting, setting long-term plans, risk management, and record keeping. Previous studies have also underscored the importance of production planning in small commercial farming. For example, Bienabe & Vermeulen (2007) observed that production planning promotes increased participation of small commercial farmers in agricultural supply chains.

It appears that farming is a dynamic business and requires agile business owners who are able to adapt to the ever-changing environment such as weather patterns, pests and diseases, and soil requirements. Production planning can provide dynamic capabilities farmers can use to reorganise their resources and strategy to achieve superior performance over their competition. (Bleady & Ali, 2018) defines dynamic capabilities as the ability of a firm to build and rearrange its internal and external resources to achieve sustained competitive advantage.

### **Marketing Planning**

While exploring the planning activities identified by the participants, the findings revealed some important insight that supports and extend the existing knowledge on marketing planning. Firstly, the study showed the marketing planning activities undertaken by small commercial farmers such as value chain assessments. Interestingly, some of the participants did highlight the importance of gathering marketing intelligence in terms of consumer needs so that production is done in line with the customer's requirements.

These findings support previous studies that underscore the importance of marketing planning on overall business performance. For example, Ayiku & Grant (2021) argued that the success of small-scale firms depends on application marketing planning skills. The author holds the view that it is difficult to attain the objective of the business without marketing planning. 'Taken

together, these findings seem to suggest that marketing planning is an important planning activity that is beneficial to the success of small commercial farming enterprises.

## **6.6. Overall discussion on the measures of business success**

The section below provides a detailed discussion of the measures of business success for small commercial farming enterprises based on the responses received from the research participants.

## **6.7. Research question 2: Measures of business success**

The study also sought to identify the financial and non-financial measures small commercial farming enterprises use to measure success. The participant's responses revealed some important findings which support and extend the existing literature on the measures of business success for small commercial farming enterprises. The study also revealed key financial and non-financial measures used by small commercial farmers to measure the success of their farming enterprises. The section below provides a discussion of the financial and non-financial used by small commercial farmers to measure the success of their businesses.

### **6.7.1. Financial measurements**

Evidence from the research findings suggests that small commercial farming enterprises use financial measurements to measure the performance of the businesses. Some of the financial measurements identified by the participants include; expenses/costs, profit, sales, break-even and return on investment. This study supports previous studies that have used financial measurements to measure the performance of their businesses. For example (Ludigdo et al., 2021) used financial measurements to evaluate the performance of small businesses. The study found a positive association between business success and financial measurements. Another study, (Forth & Bryson, 2019) used financial measurements such as turnover growth, and productivity growth to measure firm performance.

It is important to note that some of the farmers were not familiar with some of the terminology used in finance and accounting, but, they did show an understanding of financial measurements, and how they influence the performance of their business. Surprisingly, none of the interviewed participants mentioned that they used financial ratios as one of the measurements of business success. This may have been attributed to the lack of financial literacy. According to (Yakob et al., 2021) business owners or managers who are financially

literate have a good understanding of financial concepts (such as budgeting, savings e.tc) which is beneficial to overall business performance.

#### 6.7.2. Non-financial measures

With regard to non-financial measurements, the study revealed some key non-financial measurements used by the participants to measure the success of their businesses. The non-financial measurements identified from participants' responses include production yield, staff satisfaction, ability to self-fund, job creation, erection of new infrastructure, and having own equipment, to mention but a few. These findings support the previous literature that has used non-financial measurements to measure the performance of small businesses. For example (Muda et al., 2020) used non-financial measurements such as customer satisfaction, productivity, and quality development. Interestingly, this study also found some unique non-financial measurements that extend the existing literature on measures of business success for small commercial farming enterprises. For example, non-financial measurements such as having own equipment, erection of new infrastructure, having healthy animals, and ability to maintain current equipment and infrastructure. It is important to note that the non-financial measurements used may also depend on the type of enterprise available on the farm. For example, the non-financial measurements used in the livestock enterprise may be different from the measurements used in the vegetable enterprise.

What we can draw from these findings is that small commercial farmers do set non-financial goals for their businesses and use non-financial measurements to monitor and track progress against targets. The study also revealed some important non-financial measures that may only be applied to farming such as healthy animals and production yield

### **6.8. A conceptual model for analysing the success of small commercial farming enterprises**

This study aimed to explore the determinants of business success for small commercial farming enterprises. The findings of the study were discussed and synthesised in this chapter. Each research question was addressed by interpreting the findings while incorporating findings reported in previous studies.

Therefore, to sum everything up, figure 6.16 presents a conceptual framework for analysing the determinants of business success for small commercial farming enterprises. The model is made up of the main results of the study and seeks to address the research questions in a clear, succinct and visual manner.

The model can be analysed as follows; The inner part of the model represents the main findings of the study which addresses the two research questions and the sub-questions of the study. Thus, each pocket represents the main themes and sub-themes identified during data analysis. The farmer characteristics, planning activities and farm resources and features represent the determinants of business success for small commercial farmers. Each one of these themes is supported by the bulleted sub-themes/elements. It is important to note that the sub-themes shown in the diagram are not exhaustive and may vary from one enterprise to another.

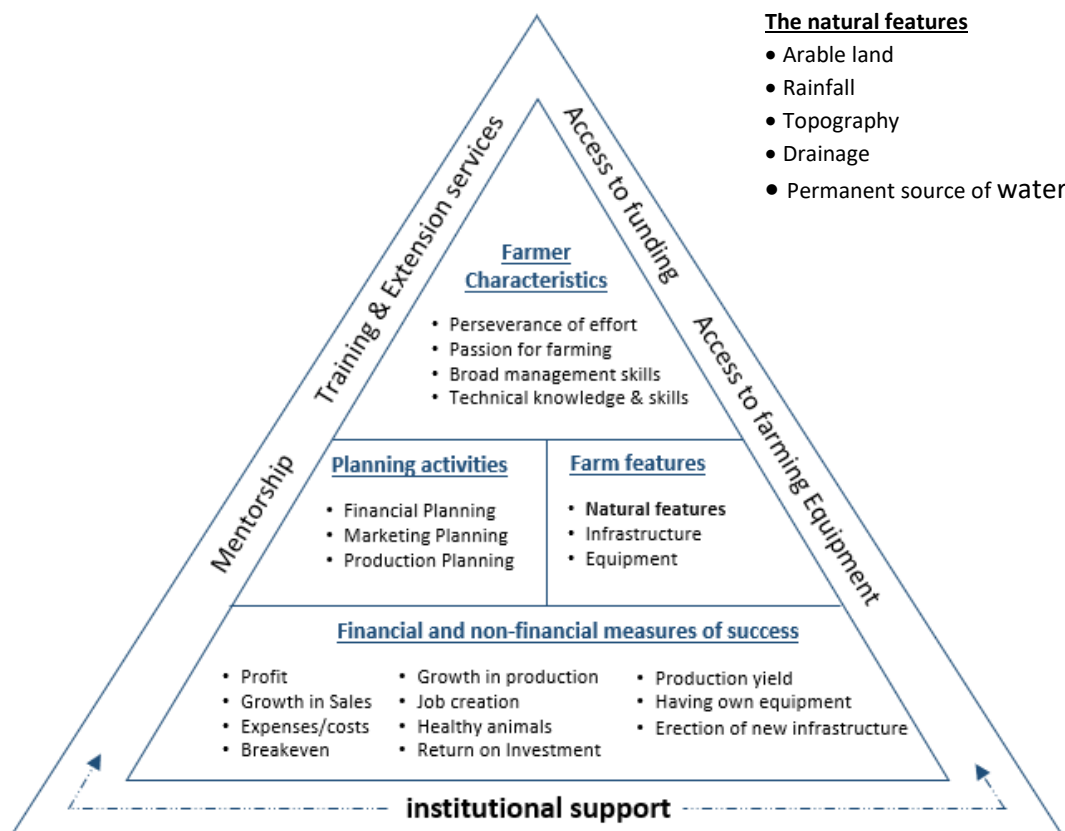


Figure 6.1: A conceptual framework for analysing the determinants of business success for small commercial farming enterprises

Source: Own elaboration

The farmer’s characteristics represent the personal qualities of the owner/manager of the farming business. Hence, this study found that the farm owner/manager must possess the following qualities to succeed; perseverance of effort, passion for farming, broad management skills, and technical knowledge and skills. These results support previous research conducted on business success factors for SMEs. For example, (Simpson et al., 2012) argued that the owner/entrepreneur plays a critical role in the success of the business. According to the

author, the owner-manager should possess certain qualities such as experience, socio-economic, background, skills and knowledge, personality attributes, and reasons for start-up, to mention but a few. Similarly, Storey, (1994) found evidence to support the importance of the owner/manager qualities in influencing the success of small and medium-sized enterprises.

In terms of strategic planning activities, the findings of this study appear to support that production planning, financial planning and marketing planning are important to farming and influence the performance of small commercial enterprises. Similarly, (Storey, 1994) and (Simpson et al., 2012) also found evidence to support the importance of strategies and plans in small and medium-sized businesses. While these previous studies have simply acknowledged the importance of planning, these findings explicitly unpack the planning activities undertaken in a small commercial farming business.

The farm resources represent the features that are associated with the business and influence the production activities conducted on the farm. The farm resources and features identified in this study include natural features, infrastructure, and equipment. While previous studies have found evidence to support the importance of firm resources in SMEs (Simpson et al., 2012; Storey, 1994), this study has revealed some natural features that are unique to the farming business and have a huge influence on overall production outcomes. The identified natural features include arable land, rainfall, topography, drainage, and a permanent source of water.

The financial and non-financial measurements represent the metrics small commercial farming enterprises use to measure the success/performance of their businesses. It should be noted that the list of financial and non-financial is not exhaustive and may vary relative to the type of farming enterprise. These findings are comparable with those obtained by (Simpson et al., 2012). The study also included financial and non-financial measurements in their new model for success and performance in SMEs.

The study also presented the challenges facing small commercial farmers and the roles of public and private institutions in promoting farming enterprises. The challenges and roles were identified from the participants' responses. Thus, the outer layer of the model represents the institutional support small commercial farming enterprises need to succeed. The support needed based on the findings of the study includes mentorship assistance, training and extension services, access to funding and farming equipment, to mention but a few.

It is important to note that the conceptual model presented in figure 16 support and extends storey's (1994) determinants of the growth model which postulates that the growth of a small firm is determined by owner characteristics and firm features. However, contrary to the

determinants of the growth model, the conceptual framework for this study included the natural features that are unique to a farming business. In addition, the model incorporated the financial and non-financial measures of business success as well as institutional support required by small commercial farmers to succeed.

## **6.9. Conclusion**

This chapter has discussed and synthesized the findings of the study. Each research question was addressed by interpreting the results of the study while incorporating findings reported in previous studies. The chapter also introduced and discussed the conceptual framework for analysing the determinants of business success for small commercial farming enterprises. The following chapter discusses the conclusion and recommendations for future studies.

## 7. CHAPTER 7: CONCLUSIONS AND RECOMMENDATION

This final chapter presents the principal conclusions of the study together with theoretical contribution, and implications for management and other relevant stakeholders. In addition, the chapter outlines the limitations of the research, and suggestions for future research

### 7.1. Principal conclusions

Exploring the determinants of business success for small commercial farming enterprises revealed some important insights that add to the existing knowledge of business success factors for SMEs. Firstly, it is important to note that the study supports the findings of (Storey, 1994) which state that owner characteristics, business resources, and business strategies are important variables explaining the performance of small enterprises. In addition, the findings of the study are comparable with Simpson et al., (2012)'s model for success and performance in SMEs. The model demonstrates that the business environment and the enterprise play a critical role in the success of the business.

#### 7.1.1. Owner characteristics associated with successful small commercial farming enterprises

With regard to personal/farmer characteristics, the study suggests that perseverance of effort, passion for farming, broad farm management skills, and technical knowledge and skills are the main factors influencing the performance of small commercial farming enterprises. These findings are similar to those reported in previous research done on business success factors for SMEs (Klepić, 2021; Li et al., 2022; Muda et al., 2020; Storey, 1994; Wahyono & Hutahayan, 2021). The participants viewed passion as an important quality for a successful small commercial farmer. These results are also consistent with those reported by Gielnik et al., (2015) who viewed passion as an important construct of entrepreneurship and characterised the word passion as a hot feeling, or the fire of desire. Consequently, Gielnik et al., (2015) argued that entrepreneurs endure a lot of challenges and invest considerable time and effort to start and grow their businesses.

#### 7.1.2. Business resources associated with successful small commercial farming enterprises

As for the farm resources and features, the findings have revealed that farm infrastructure, farming equipment, and natural features (such as arable land, topography, rainfall, etc.) play a key role in promoting successful farming enterprises. These results agree with the resource-based theory (RBT) which states that the firm maintains its competitive advantage through a combination of unique internal resources the firm possesses (Coates & McDermott, 2002).



Similarly, storey's 1994 determinants of growth model acknowledge the impact of the firm itself (in this case, the farm) on the overall business growth and performance.

The notable difference between the findings of this research and those reported in other studies conducted on business success factors for SMEs is that this study has revealed some natural features that are only unique to farming but have a huge influence on business success. Some of the natural features identified by the participants include topography, rainfall, arable land, permanent source of water, drainage, and sufficient grazing capacity.

#### 7.1.3. Business strategies of successful small commercial farming enterprises

In the case of business strategies, the results revealed some key strategic planning activities that drive the success of small commercial farming enterprises. The participant's responses were analysed and it was established that the following planning activities (such as financial planning, marketing planning, and production planning) influence the success of small commercial farming enterprises. These findings agree with previous studies conducted on SMEs operating in other sectors such as (Ayiku & Grant, 2021; Bleadly & Ali, 2018; Yakob et al., 2021). The findings are also consistent with Yakob et al., (2021) who remarked that business owners or managers who are financially literate have a good understanding of financial concepts (such as budgeting, savings e.tc) which is beneficial to overall business performance. The author further argued that sound financial planning can help SMEs reduce business costs and lead to profitable investment decisions.

#### 7.1.4. Measures of business success for small commercial farming enterprises

The findings have also demonstrated that small commercial farmers use financial measurements such as profit, return on investment (ROI), expenses, break-even, and sales to measure the performance of their businesses. Meanwhile, the non-financial measurements identified in the analysis include growth in production, having own equipment, number of jobs created, healthy animals, production yield, ability to self-fund, and erection of new infrastructure. It should be noted that the financial and non-financial measures of success identified in this study such as profit, growth in sales, ROI, break-even, job creation, and growth in production have been reported in other studies on SMEs such as (Forth & Bryson, 2019; Muda et al., 2020; Tritsch et al., 2021). The findings of this study also support previous literature that has used non-financial measurements to measure the performance of small businesses. For example (Muda et al., 2020) used non-financial measurements such as customer satisfaction, productivity, and quality development. Interestingly, the study identified some non-financial measurements that may only be applied to farming such as maintaining healthy animals, and production yield.

#### 7.1.5. Challenges facing small commercial farmers

The study also revealed several challenges facing small commercial farming enterprises such as lack of farming equipment, lack of technical knowledge and skills, erratic weather conditions, lack of funding, lack of adequate institutional support, and low market prices. These challenges create significant barriers to achieving success for small commercial farmers. Similarly, Orsi et al., (2017), reported that farm enterprises continue to bear the brunt of insufficient resources, inputs, and infrastructure; difficult access to markets, high transaction costs, and low bargaining power. Further, Ubisi et al., (2017) showed that small-scale farming enterprises have become vulnerable to natural disasters, climate change and failed land reform programmes

#### 7.1.6. The role of institutions in promoting small commercial

The study has also provided some insight into the role of public institutions in promoting small commercial farming enterprises such as mentorship, training and extension services, access to funding, and access to farming equipment, to mention but a few. It is important to note that majority of the interviewed participants had received some form of assistance from public institutions. According to Aliber & Hall, (2012) small-scale farming is considered a seedbed from which successful commercial farmers will emerge. Hence, the government has made efforts to encourage small-scale farming by introducing various agricultural programmes and policies targeted at increasing support for small-scale farmers. A significant increase in the amount of government spending to promote small-scale farmers since the 1990s (Aliber & Hall, 2012) is a testament to the government's effort.

#### 7.1.7. A conceptual model for analysing the success of small commercial farming enterprises

A conceptual model for analysing the success of small commercial farming enterprises was developed to identify the linkages among various key success factors and help close the gaps in assumptions (see figure . The model states that the success of a small commercial farming enterprise depends on farmer characteristics, strategic planning activities, farm features, and institutional support,

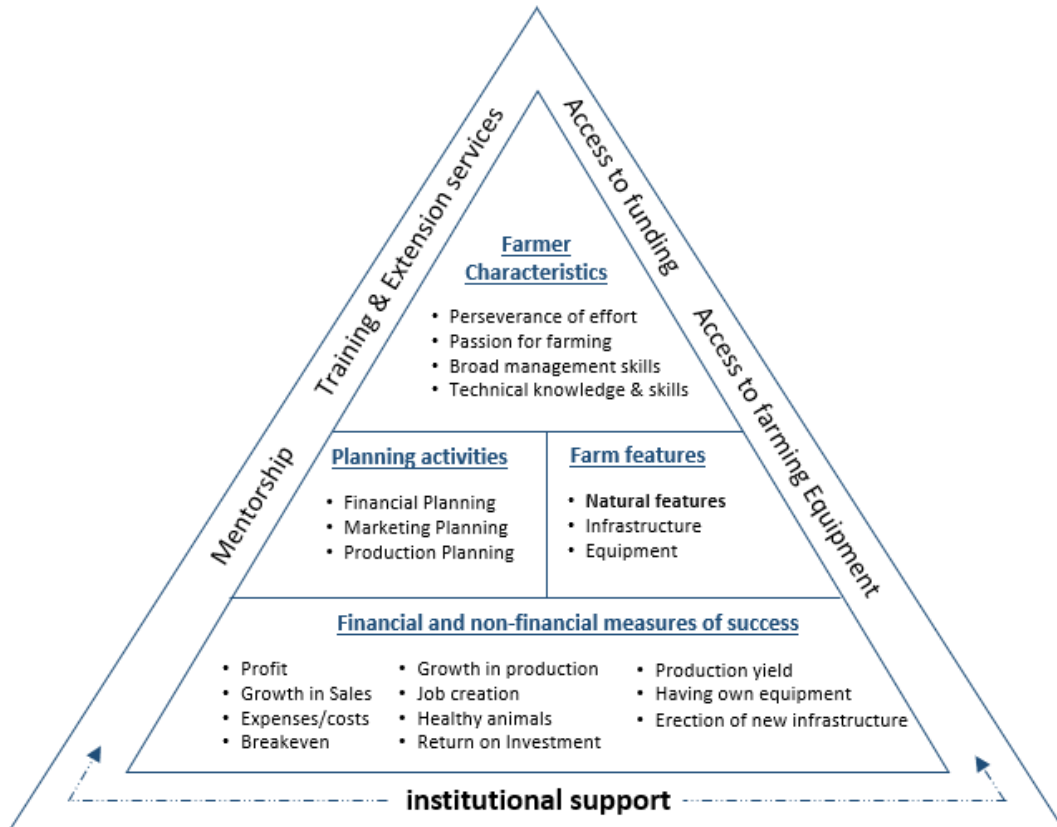


Figure 7.1: A conceptual model for analysing the success of small commercial farming enterprises.

It is important to note that the conceptual model support and extends storey's (1994) determinants of the growth model which postulates that the growth of a small firm is determined by owner characteristics and firm features. However, contrary to the determinants of the growth model, the conceptual framework for this study included the natural features that are unique to a farming business. In addition, the model incorporated the financial and non-financial measurements of business success as well as institutional support required by small commercial farmers to succeed.

## 7.2. Implications for management and other relevant stakeholders

This study revealed some important findings management and relevant stakeholders can use to promote the growth and success of small commercial farming enterprises.

### 7.2.1. Farmers must receive training in financial literacy

The findings of the study underscored the importance of financial planning on the success and performance of small commercial farming enterprises. However, it should be noted that financial literacy may be one of the key factors that contribute to financial planning in farming. Hence, farmers must be encouraged to take financial literacy training in order to increase their understanding of the basic financial principles which promote farm productivity, profitability and overall business success. According to (Yakob et al., 2021) business owners or managers who are financially literate have a good understanding of financial concepts (such as budgeting, savings e.tc) which is beneficial to overall business performance. The author further argued that sound financial planning can help SMEs reduce business costs and lead to profitable investment decisions.

### 7.2.2. Support from institutions should focus on key drivers of success

The findings have revealed some key success drivers in small commercial farming enterprises such as farmer characteristics (broad management skills, technical knowledge), strategic planning activities (financial planning, marketing planning, and production planning), and farm resources (natural features, equipment, infrastructure). Therefore support from the public and private institutions must focus on providing these elements as they are the key drivers of business success in small commercial farming enterprises. It is important to note that small commercial farming enterprises are different from other SMEs and hence, the support from institutions should consider the key success factors that are specific to farming. For example, the results have revealed the importance of a permanent source of water in farming. Hence, institutions could drill boreholes and build artificial dams in order to solve the water crisis and the unreliable rainfall patterns facing the majority of farming enterprises. The resource-based theory states that the firm maintains its competitive advantage through a combination of unique internal resources the firm possesses (Barney Jay, 1991; Coates & McDermott, 2002). These resources and features give small commercial farmers a competitive advantage over their competition and thus ensuring their survival over the long term

Consequently, training support from institutions should focus on building capacity in the areas of management, technical skills, financial planning, marketing planning and production planning.

### **7.3. Limitations of the research**

The sections presents some limitations of the study apart from the methodology limitations discussed in chapter 4.

#### **7.3.1. Limited number of similar research conducted in the agricultural sector**

The first limitation of the study is that There are a limited number of studies conducted on a similar topic, particularity for firms operating in the agricultural sector. Hence, the majority of literature used focuses on SMEs operating in other sectors such as retail, manufacturing, and textile.

#### **7.3.2. Heterogenous farming enterprises**

The second limitation is that this study was based on interviews conducted with 13 small commercial farmers involved in various farming enterprises. Hence, the results obtained may not fully present a specific farming enterprise since the conditions for success may differ based on the type of farming enterprise. It is important to note that small commercial farmers are not a homogenous group, and hence, the determinants of success may vary slightly according to farming enterprise type.

### **7.4. Suggestions for future research**

Below are a few suggestions for future research;

#### **7.4.1. Testing the validity and applicability of the conceptual model**

Future research should focus on testing the validity of the conceptual model (in figure 7.1) developed in this study. Other researchers should test its relevance and applicability in different farming enterprises.

#### **7.4.2. Conducting enterprise specific research**

Another avenue for future research could look into exploring the determinants of business success for a specific farming enterprise. It is important to note that farming enterprises are different and their conditions of success may also vary significantly based on the specific enterprise requirements. For example, the conditions for success in a poultry enterprise may differ from those of a grain enterprise.

## REFERENCES

- Abalala, T. S., Islam, M. M., & Alam, M. M. (2021). Impact of ethical practices on small and medium enterprises' performance in Saudi Arabia: An partial least squares-structural equation modeling analysis. *South African Journal of Business Management*, 52(1), 1–12. <https://doi.org/10.4102/SAJBM.V52I1.2551>
- Akenroye, T. O., Owens, J. D., Elbaz, J., & Durowoju, O. A. (2020). Dynamic capabilities for SME participation in public procurement. *Business Process Management Journal*, 26(4), 857–888. <https://doi.org/10.1108/BPMJ-10-2019-0447>
- Aliber, M. (2019). How can we promote a range of livelihood opportunities through land redistribution? *Working Paper Series*, March, 23.
- Aliber, M., & Hall, R. (2012). Support for smallholder farmers in South Africa: Challenges of scale and strategy. *Development Southern Africa*, 29(4), 548–562. <https://doi.org/10.1080/0376835X.2012.715441>
- Al-Tit, A., Omri, A., & Euch, J. (2019). Critical success factors of small and medium-sized enterprises in Saudi Arabia: Insights from sustainability perspective. *Administrative Sciences*, 9(2). <https://doi.org/10.3390/admsci9020032>
- Alvarez, S. A., & Busenitz, L. W. (2001). The entrepreneurship of resource-based theory. *Journal of Management*, 27(6), 755–775. <https://doi.org/10.1177/014920630102700609>
- Alves, D. de O., & de Oliveira, L. (2022). Commercial urban agriculture: A review for sustainable development. *Sustainable Cities and Society*, 87, 104185. <https://doi.org/10.1016/j.scs.2022.104185>
- Anantadjaya, S. P. (2008). Comparative Literature Study on The ResourceBased Theory of the Firm and KnowledgeBased Theory of the Firm. *Jurnal Sistem Informasi*, 3(1), 41–49. <http://ssrn.com/abstract=1107729> Electronic copy available at: <http://ssrn.com/abstract=1107729>
- Anderson, C. (2010). *Presenting and Evaluating Qualitative Research*. <http://www.ajpe.org>
- Anggraeni, S., & Selamat, F. (2021). Critical Success Factors for Micro, Small and Medium Enterprises in Indonesia. *Proceedings of the International Conference on Economics, Business, Social, and Humanities (ICEBSH 2021)*, 570(Icebsh), 201–206. <https://doi.org/10.2991/assehr.k.210805.032>

- Anwar, M., & Shah, S. Z. A. (2021). Entrepreneurial orientation and generic competitive strategies for emerging SMEs: Financial and nonfinancial performance perspective. *Journal of Public Affairs*, 21(1). <https://doi.org/10.1002/pa.2125>
- Aparicio, S., Urbano, D., & Audretsch, D. (2016). Institutional factors, opportunity entrepreneurship and economic growth: Panel data evidence. *Technological Forecasting and Social Change*, 102, 45–61. <https://doi.org/10.1016/j.techfore.2015.04.006>
- Arshad, A. S., Kamaruddin, L. M., Buyong, S. Z., & Osman, C. A. (2020). Entrepreneurial Orientation towards Business Performance of Women-Owned Small and Medium Enterprises in Sabah: A Conceptual Study. *Global Business and Management Research*, 12(2), 15–23. <https://search.proquest.com/docview/2436414348?accountid=32819>
- Ayiku, A., & Grant, E. S. (2021). Entrepreneurial Marketing Skills and Small-Scale Business Performance: The Case of Ghana. *Journal of Comparative International Management*, 24(1), 43–60. <https://doi.org/10.7202/1081421ar>
- Bacinello, E., Tontini, G., & Alberton, A. (2021). Influence of corporate social responsibility on sustainable practices of small and medium-sized enterprises: Implications on business performance. *Corporate Social Responsibility and Environmental Management*, 28(2), 776–785. <https://doi.org/10.1002/csr.2087>
- Barkhatov, V., Pletnev, D., & Campa, A. (2016). Key Success Factors and Barriers for Small Businesses: Comparative Analysis. *Procedia - Social and Behavioral Sciences*, 221, 29–38. <https://doi.org/10.1016/j.sbspro.2016.05.087>
- Barney Jay. (1991). Firms resources and Sustained competitive advantage. *Journal of Management*, 17(1), 99–120.
- Basco, R., Hernández-Perlines, F., & Rodríguez-García, M. (2020). The effect of entrepreneurial orientation on firm performance: A multigroup analysis comparing China, Mexico, and Spain. *Journal of Business Research*, 113(May 2019), 409–421. <https://doi.org/10.1016/j.jbusres.2019.09.020>
- Blackburn, R. A., Hart, M., & Wainwright, T. (2013). Small business performance: business, strategy and owner-manager characteristics. *Journal of Small Business and Enterprise Development*, 20(1), 8–27. <https://doi.org/10.1108/14626001311298394>
- Bleady, A., & Ali, A. H. (2018). Dynamic Capabilities Theory: Pinning Down A Shifting Concept. In *Academy of Accounting and Financial Studies Journal* (Vol. 22, Issue 2).

- Busetto, L., Wick, W., & Gumbinger, C. (2020). How to use and assess qualitative research methods. *Neurological Research and Practice*, 2(1). <https://doi.org/10.1186/s42466-020-00059-z>
- Carelsen, C. P. R., Ncube, B., & Fanadzo, M. (2021). *Classification and characterisation of smallholder farmers in South Africa: a brief review*. 49(2), 1–4.
- Chapman, E., & Smith, J. A. (2002). Interpretative phenomenological analysis and the new genetics. *Journal of Health Psychology*, 7(2), 125–130. <https://doi.org/10.1177/1359105302007002397>
- Coates, T. T., & McDermott, C. M. (2002). An exploratory analysis of new competencies: A resource based view perspective. *Journal of Operations Management*, 20(5), 435–450. [https://doi.org/10.1016/S0272-6963\(02\)00023-2](https://doi.org/10.1016/S0272-6963(02)00023-2)
- Conradie, B. (2019). Land Use and Redistribution in the Arid West: The case of Laingsburg Magisterial District. *Agrekon*, 58(3), 281–291. <https://doi.org/10.1080/03031853.2019.1637591>
- Cope, J. (2011). Entrepreneurial learning from failure: An interpretative phenomenological analysis. *Journal of Business Venturing*, 26(6), 604–623. <https://doi.org/10.1016/j.jbusvent.2010.06.002>
- Creswell, J., & Poth, C. (2012). Second Edition QUALITATIVE INQUIRY& RESEARCH DESIGN Choosing Among Five Approaches. In *Design: Choosing Among Five Approaches* (Vol. 3, Issue June).
- DAFF. (2012). *A framework for the development of smallholder farmers through cooperative development*.
- Dhahri, S., & Omri, A. (2020). Foreign capital towards SDGs 1 & 2—Ending Poverty and hunger: The role of agricultural production. *Structural Change and Economic Dynamics*, 53, 208–221. <https://doi.org/10.1016/j.strueco.2020.02.004>
- Dias, A., & Teixeira, A. A. C. (2017). The anatomy of business failure: A qualitative account of its implications for future business success. *European Journal of Management and Business Economics*, 26(1), 2–20. <https://doi.org/10.1108/EJMBE-07-2017-001>
- Dolz, C., Iborra, M., & Safón, V. (2019). Improving the likelihood of SME survival during financial and economic crises: The importance of TMTs and family ownership for ambidexterity. *BRQ Business Research Quarterly*, 22(2), 119–136. <https://doi.org/10.1016/j.brq.2018.09.004>



- Donkor, J., Donkor, G. N. A., & Kwarteng, C. K. (2018). Strategic planning and performance of SMEs in Ghana. *Asia Pacific Journal of Innovation and Entrepreneurship*, 12(1), 62–76. <https://doi.org/10.1108/apjie-10-2017-0035>
- Fanadzo, M., & Ncube, B. (2018). Challenges and opportunities for revitalising smallholder irrigation schemes in South Africa. *Water SA*, 44(3), 436–447. <https://doi.org/10.4314/wsa.v44i3.11>
- Farrugia, P., Petrisor, B., Farrokhyar, F., & Bhandari, M. (2010). CONTINUING MEDICAL EDUCATION FORMATION MÉDICALE CONTINUE PRACTICAL TIPS FOR SURGICAL RESEARCH. *Canadian Journal of Surgery*, 53(4), 278–281.
- Fedderke, J. W. (2018). Exploring unbalanced growth: Understanding the sectoral structure of the South African economy. *Economic Modelling*, 72, 177–189. <https://doi.org/10.1016/j.econmod.2018.01.012>
- Fisch, C., & Block, J. (2018). Six tips for your (systematic) literature review in business and management research. In *Management Review Quarterly* (Vol. 68, Issue 2, pp. 103–106). Springer Verlag. <https://doi.org/10.1007/s11301-018-0142-x>
- Forth, J., & Bryson, A. (2019). Management practices and SME performance. *Scottish Journal of Political Economy*, 66(4), 527–558. <https://doi.org/10.1111/sjpe.12209>
- Gielnik, M. M., Spitzmuller, M., Schmitt, A., Klemann, D. K., & Frese, M. (2015). *I put in effort, therefore I am passionate: Investigating the path from effort to passion in entrepreneurship*. *Academy of Management Journal*.
- Goals, M. D. (2018). *Agriculture , structural transformation and poverty reduction : Eight new insights*. 109, 413–416. <https://doi.org/10.1016/j.worlddev.2018.05.027>
- Grant, R. M. (1996). TOWARD A KNOWLEDGE-BASED THEORY OF THE FIRM. In *Strategic Management Journal* (Vol. 17).
- Guest, G., Bunce, A., & Johnson, L. (2006). How Many Interviews Are Enough?: An Experiment with Data Saturation and Variability. *Field Methods*, 18(1), 59–82. <https://doi.org/10.1177/1525822X05279903>
- Hafiz, N., Latiff, A. S. A., Islam, M. A., Saif, A. N. M., & Wahab, S. A. (2022). Towards the Underlying Theories of Small Firm Growth: A Literature Review. In *FIIIB Business Review* (Vol. 11, Issue 1, pp. 36–51). Sage Publications India Pvt. Ltd. <https://doi.org/10.1177/23197145211049627>

- Hambrick, D. C., & Mason, P. A. (1984). Upper Echelons: The Organization as a Reflection of Its Top Managers. In *Source: The Academy of Management Review* (Vol. 9, Issue 2).
- Hansen, B., & Hamilton, R. T. (2011). Factors distinguishing small firm growers and non-growers. *International Small Business Journal*, 29(3), 278–294.  
<https://doi.org/10.1177/0266242610381846>
- Harper, D., & Thompson, A. R. (2011). Qualitative Research Methods in Mental Health and Psychotherapy: A Guide for Students and Practitioners. *Qualitative Research Methods in Mental Health and Psychotherapy: A Guide for Students and Practitioners*.  
<https://doi.org/10.1002/9781119973249>
- Hazudin, S. F., Kader, M. A. R. A., Tarmuji, N. H., Ishak, M., & Ali, R. (2015). Discovering Small Business Start up Motives, Success Factors and Barriers: A Gender Analysis. *Procedia Economics and Finance*, 31(15), 436–443. [https://doi.org/10.1016/s2212-5671\(15\)01218-6](https://doi.org/10.1016/s2212-5671(15)01218-6)
- Hendriks, M. (2014). *Connecting small-scale farmers in Grabouw , South Africa to formal markets : an assessment of the key constraints* (Issue December). Wageningen University.
- Holdford David. (2018). *Resource-based theory of competitive advantage - a framework for pharmacy practice innovation research | Enhanced Reader*. Pharmacy Practice.
- Hu, B., Zheng, Q., Wu, J., Tang, Z., Zhu, J., Wu, S., & Ling, Y. (2021). Role of Education and Mentorship in Entrepreneurial Behavior: Mediating Role of Self-Efficacy. *Frontiers in Psychology*, 12(November), 1–12. <https://doi.org/10.3389/fpsyg.2021.775227>
- Hughes, M., Hughes, P., Hodgkinson, I., Chang, Y. Y., & Chang, C. Y. (2021). Knowledge-based theory, entrepreneurial orientation, stakeholder engagement, and firm performance. *Strategic Entrepreneurship Journal*. <https://doi.org/10.1002/sej.1409>
- Jack, S. L., & Anderson, A. R. (2002). The effects of embeddedness on the entrepreneurial process. *Journal of Business Venturing*, 17(5), 467–487. [https://doi.org/10.1016/S0883-9026\(01\)00076-3](https://doi.org/10.1016/S0883-9026(01)00076-3)
- John w. Creswell. (2009). Table of Contents PART I - Preliminary Considerations PART II - Designing Research. *Research Design Third Edition*.
- Key, N. (2022). Credit constraints and the survival and growth of beginning farms. *Agricultural Finance Review*, 82(3), 448–463. <https://doi.org/10.1108/AFR-04-2021-0050>
- Kirsten, J. F., & van Zyl, J. (1998). Defining small-scale farmers in the south African context. *Agrekon*, 37(4), 551–562. <https://doi.org/10.1080/03031853.1998.9523530>

- Kirsten, J. F., & Van Zyl, J. (1998). Defining small-scale farmers in the south african context. *Agrekon*, 37(4), 551–562. <https://doi.org/10.1080/03031853.1998.9523530>
- Kisfalvi, V. (2002). The entrepreneur's character, life issues, and strategy making a field study. *Journal of Business Venturing*, 17(5), 489–518. [https://doi.org/10.1016/S0883-9026\(01\)00075-1](https://doi.org/10.1016/S0883-9026(01)00075-1)
- Kiwiya, R. H., Bengesi, K. M. K., & Ndyetabula, D. W. (2020). Succession planning and performance of family-owned small and medium enterprises in Arusha City – Tanzania. *Journal of Family Business Management*, 10(3), 213–230. <https://doi.org/10.1108/JFBM-03-2019-0018>
- Klepić, I. (2021). Correlation Between Training and Education of Human Resources and Business Performance of Small and Medium Enterprises. *Naše Gospodarstvo/Our Economy*, 67(3), 1–16. <https://doi.org/10.2478/ngoe-2021-0013>
- Lampadariou, E. (2017). A Qualitative Perspective of Enterprise Success Factors for SMEs: A case study in the UK Chemical Distribution Industry. *Case Studies in Business and Management*, 4(1), 49. <https://doi.org/10.5296/csbn.v4i1.10359>
- Li, S., Huang, R., Huo, W., & Li, Q. (2022). Does the Leadership of the Board of Directors Affect Corporate Performance? Based on the Empirical Research of China's SMEs. *Emerging Markets Finance and Trade*, 58(5), 1456–1473. <https://doi.org/10.1080/1540496X.2021.1891881>
- Li, X., He, X., & Zhang, Y. (2020). The impact of social media on the business performance of small firms in China. *Information Technology for Development*, 26(2), 346–368. <https://doi.org/10.1080/02681102.2019.1594661>
- Lobos, K., & Wojciech, M. (2021). Management practices and their relation to success of Polish SMEs: The empirical verification. *PLoS ONE*, 16(11 November), 1–18. <https://doi.org/10.1371/journal.pone.0259892>
- Lockett, A., Thompson, S., & Morgenstern, U. (2009). The development of the resource-based view of the firm: A critical appraisal. *International Journal of Management Reviews*, 11(1), 9–28. <https://doi.org/10.1111/j.1468-2370.2008.00252.x>
- Ludigdo, U., Prihatiningtias, Y. W., & ... (2021). Social Capital, Business Stage, Business Type, and Indonesian SMEs' Performance: A Multi-group Approach. *Global Business & ...*, 13(4), 656–670. <https://search.ebscohost.com/login.aspx?direct=true&profile=ehost&scope=site&authtype>

=crawler&jrnl=19475667&AN=155251248&h=5lDnpb0ecDaSNvttE4uYicXw9p1huYPQ6K  
FZi4OSW2bjNnCduU8%2FiLwGSzgU4R4mZLLYTbOkJ5xBxu4JS56Cfg%3D%3D&cr=c

- Makarenko, E. N., Chernysheva, Y. G., Polyakova, I. A., & Makarenko, T. V. (2019). The success factors of small business. *International Journal of Economics and Business Administration*, 7(2), 280–288.
- Mellor, J. W., & Malik, S. J. (2017). The Impact of Growth in Small Commercial Farm Productivity on Rural Poverty Reduction. *World Development*, 91, 1–10.  
<https://doi.org/https://doi.org/10.1016/j.worlddev.2016.09.004>
- Morse, J. M., Barrett, M., Mayan, M., Olson, K., & Spiers, J. (2002). Verification Strategies for Establishing Reliability and Validity in Qualitative Research. *International Journal of Qualitative Methods*, 1(2), 13–22. <https://doi.org/10.1177/160940690200100202>
- Muda, S., Rahman, M. R. C. A., Hamzah, N., & Saleh, N. M. (2020). Intellectual Capital and SMEs' Business Performance from an Organisational Lifecycle Perspective. *The South East Asian Journal of Management*, 14(1), 78–105.  
<https://doi.org/10.21002/seam.v14i1.11939>
- Muhammad, S., Tegegne, F., & Ekanem, E. (2004). Factors contributing to success of small farm operations in Tennessee. *Age (Years)*, 42(4), 15–24.
- National Development Plan, South African Government (2012).  
<https://www.gov.za/documents/national-development-plan-2030-our-future-make-it-work>
- Nedzinskas, Š., Pundziene, A., Buožiute-Rafanavičiene, S., & Pilkiene, M. (2013). The impact of dynamic capabilities on SME performance in a volatile environment as moderated by organizational inertia. *Baltic Journal of Management*, 8(4), 376–396.  
<https://doi.org/10.1108/BJM-01-2013-0003>
- Ngo, Q. H. (2021). How market orientation induces small businesses' performance: the role of strategic fits. *Gadjah Mada International Journal of Business*, 23(1), 55–75.  
<https://doi.org/10.22146/GAMAJB.60623>
- Nguyen, B., & Canh, N. P. (2020). The Effects of Regional Governance, Education, and In-Migration on Business Performance. *Kyklos*, 73(2), 291–319.  
<https://doi.org/10.1111/kykl.12223>
- Nickerson, J. A., & Zenger, T. R. (2004). A Knowledge-Based Theory of the Firm: The Problem-Solving Perspective. *Organisation Science*, 15(6), 617–631.  
<https://doi.org/10.1287/orsc>

- Nyange, D., Wineman, A., Ghebru, H., Stevens, C., Stickler, M., Chapoto, A., Anseeuw, W., & Westhuizen, D. Van Der. (2019). *Are medium-scale farms driving agricultural transformation in sub-Saharan Africa ? October*, 75–95.  
<https://doi.org/10.1111/agec.12535>
- Omeje, A. N., Mba, A. J., Ugwu, M. O., Amuka, J., & Agamah, P. N. (2022). Examining the penetration of financial inclusion in the agricultural sector: evidence from small-scale farmers in Enugu State, Nigeria. *Agricultural Finance Review*, 82(1), 49–66.  
<https://doi.org/10.1108/AFR-05-2020-0074>
- Organisation for Economic Cooperation and Development. (2020, April 22). *Financing SMEs and Entrepreneurs 2020*. Organisation for Economic Cooperation and Development; OECD. <https://doi.org/10.1787/061FE03D-EN>
- Orsi, L., de Noni, I., Corsi, S., & Marchisio, L. V. (2017). The role of collective action in leveraging farmers' performances: Lessons from sesame seed farmers' collaboration in eastern Chad. *Journal of Rural Studies*, 51, 93–104.  
<https://doi.org/10.1016/j.jrurstud.2017.02.011>
- Paterson Garry. (2014). *Natural resource assessments for agricultural planning and development*. Grain SA. [https://www.grainsa.co.za/natural-resource-assessments-for-agricultural-planning-and-development#:~:text=These%20are%20the%20soil%20\(comprising,and%20to%20be%20harvested%20sustainably\).](https://www.grainsa.co.za/natural-resource-assessments-for-agricultural-planning-and-development#:~:text=These%20are%20the%20soil%20(comprising,and%20to%20be%20harvested%20sustainably).)
- Rehman, A. U., & Anwar, M. (2019). Mediating role of enterprise risk management practices between business strategy and SME performance. *Small Enterprise Research*, 26(2), 207–227. <https://doi.org/10.1080/13215906.2019.1624385>
- Roulston, K. (2010). Considering quality in qualitative interviewing. *Qualitative Research*, 10(2), 199–228. <https://doi.org/10.1177/1468794109356739>
- Safari, A., & Saleh, A. S. (2020). Key determinants of SMEs' export performance: a resource-based view and contingency theory approach using potential mediators. *Journal of Business and Industrial Marketing*, 35(4), 635–654. <https://doi.org/10.1108/JBIM-11-2018-0324>
- Schütz, K., Kässer, M., Blome, C., & Foerstl, K. (2020). How to achieve cost savings and strategic performance in purchasing simultaneously: A knowledge-based view. *Journal of Purchasing and Supply Management*, 26(2). <https://doi.org/10.1016/j.pursup.2019.04.002>

- Sharma, M. K., & Sharma, P. (2020). Small Businesses Survival and Success: An Exploration of Socioeconomic Motivators and Restraints. *IUP Journal of Business Strategy*, 17(4), 7–24.
- Simpson, M., Padmore, J., & Newman, N. (2012). Towards a new model of success and performance in SMEs. *International Journal of Entrepreneurial Behaviour & Research*, 18(3), 264–285. <https://doi.org/10.1108/13552551211227675>
- Singh, J. v, Wharton, J., & Lumsden, C. J. (1990). THEORY AND RESEARCH IN ORGANIZATIONAL ECOLOGY. In *Annu. Rev. Sociol* (Vol. 16). [www.annualreviews.org/aronline](http://www.annualreviews.org/aronline)
- Skokan, K., Pawliczek, A., & Piszczur, R. (2013). Strategic Planning and Business Performance of Micro, Small and Medium-Sized Enterprises. *Journal of Competitiveness*, 5(4), 57–72. <https://doi.org/10.7441/joc.2013.04.04>
- Smith, J. A. (2004). Reflecting on the development of interpretative phenomenological analysis and its contribution to qualitative research in psychology. *Qualitative Research in Psychology*, 1(1), 39–54. <https://doi.org/10.1191/1478088704qp004oa>
- Smith, J. A. (2011). Evaluating the contribution of interpretative phenomenological analysis. *Health Psychology Review*, 5(1), 9–27. <https://doi.org/10.1080/17437199.2010.510659>
- Smith, J. A., & Osborn, M. (2007). Pain as an assault on the self: An interpretative phenomenological analysis of the psychological impact of chronic benign low back pain. *Psychology and Health*, 22(5), 517–534. <https://doi.org/10.1080/14768320600941756>
- Srhoj, S., Lapinski, M., & Walde, J. (2021). Impact evaluation of business development grants on SME performance. *Small Business Economics*, 57(3), 1285–1301. <https://doi.org/10.1007/s11187-020-00348-6>
- Statistics South Africa. (2020). *Census of commercial agriculture, 2017 Financial and production statistics* (Vol. 01, Issues 11-02-07 (2007)).
- Stenholm, P., Acs, Z. J., & Wuebker, R. (2013). Exploring country-level institutional arrangements on the rate and type of entrepreneurial activity. *Journal of Business Venturing*, 28(1), 176–193. <https://doi.org/10.1016/j.jbusvent.2011.11.002>
- Storey, D. J. (1994). *UNDERSTANDING THE SMALL BUSINESS SECTOR* (Vol. 17). Routledge.
- Technoserve. (2019). *The Small Commercial Farmer model as a mechanism for rural development*. [www.technoserve.org/wp-](http://www.technoserve.org/wp-)

content/uploads/2019/05/TNS\_Small\_Commercial\_Farmer\_model\_Report\_English\_2019\_sm.pdf

- Teece, D. J. (2012). Dynamic Capabilities: Routines versus Entrepreneurial Action. In *Journal of Management Studies* (Vol. 49, Issue 8, pp. 1395–1401). <https://doi.org/10.1111/j.1467-6486.2012.01080.x>
- Teherani, A., Martimianakis, T., Stenfors-Hayes, T., Wadhwa, A., & Varpio, L. (2015). Choosing a Qualitative Research Approach. *Journal of Graduate Medical Education*, 7(4), 669–670. <https://doi.org/10.4300/JGME-D-15-00414.1>
- Tritsch, K., Mix, K., & Edwards, M. L. (2021). *What Makes a Small Farm Successful ? A Review of Success Factors , Needs , and Challenges What Makes a Small Farm Successful ? A Review of Success Factors , Needs , and. 59(2)*.
- Turunen, T., & Finne, M. (2014). The organisational environment's impact on the servitization of manufacturers. *European Management Journal*, 32(4), 603–615. <https://doi.org/10.1016/j.emj.2013.11.002>
- Ubisi, N. R., Mafongoya, P. L., Kolanisi, U., & Jiri, O. (2017). Smallholder farmer's perceived effects of climate change on crop production and household livelihoods in rural Limpopo province, South Africa. *Change and Adaptation in Socio-Ecological Systems*, 3(1), 27–38. <https://doi.org/10.1515/cass-2017-0003>
- Veciana, J. M., & Urbano, D. (2008). The institutional approach to entrepreneurship research. Introduction. In *International Entrepreneurship and Management Journal* (Vol. 4, Issue 4, pp. 365–379). <https://doi.org/10.1007/s11365-008-0081-4>
- Wahyono, & Hutahayan, B. (2021). The relationships between market orientation, learning orientation, financial literacy, on the knowledge competence, innovation, and performance of small and medium textile industries in Java and Bali. *Asia Pacific Management Review*, 26(1), 39–46. <https://doi.org/10.1016/j.apmr.2020.07.001>
- Walker, E., & Brown, A. (2004). What success factors are important to small business owners? *International Small Business Journal*, 22(6), 577–594. <https://doi.org/10.1177/0266242604047411>
- Williams, D. A., & Ramdani, B. (2018a). Exploring the characteristics of prosperous SMEs in the Caribbean. *Entrepreneurship and Regional Development*, 30(9–10), 1012–1026. <https://doi.org/10.1080/08985626.2018.1515826>

Williams, D. A., & Ramdani, B. (2018b). Exploring the characteristics of prosperous SMEs in the Caribbean. *Entrepreneurship and Regional Development*, 30(9–10), 1012–1026. <https://doi.org/10.1080/08985626.2018.1515826>

Yakob, S., Yakob, R., B.A.M, H.-S., & Ahmad Rusli, R. Z. (2021). Financial Literacy and Financial Performance of Small and Medium-sized Enterprises. *The South East Asian Journal of Management*, 15(1), 72–96. <https://doi.org/10.21002/seam.v15i1.13117>

Zantsi, S., Cloete, K., & Möhring, A. (2021). *Productivity gap between commercial farmers and potential emerging farmers in South Africa : Implications for land redistribution policy*  
*Productivity gap between commercial farmers and potential emerging farmers in South Africa : Implications for land red. April*, 21–31.



## Appendix A: Consistency Matrix

PROPOSITIONS/ QUESTIONS/ HYPOTHESES	LITERATURE REVIEW	DATA COLLECTION TOOL	ANALYSIS
What are the owner characteristics associated with successful small commercial farming enterprises?	(Storey, 1994) (Anwar & Shah, 2021) (Ayiku & Grant, 2021) (Wahyono & Hutahayan, 2021)	Semi-structured interview guide Questions 1,2 and 3	Interpretative Phenomenological Analysis
What are the business resources associated with successful small commercial farming enterprises?	(Storey, 1994) (Blackburn et al., 2013)	Questions 1, 4 and 5, 6	Interpretative Phenomenological Analysis
What are the business strategies of successful small commercial farming enterprises?	(Williams & Ramdani, 2018) (Makarenko et al., 2019) (Klepić, 2021)	Questions 9 and 10	Interpretative Phenomenological Analysis
What are the financial measurements used to measure the performance of small commercial farming enterprises?	(Forth & Bryson, 2019) (Srhoj et al., 2021)	Question 7	Interpretative Phenomenological Analysis
What are the non-financial measurements used to measure the performance of small commercial farming enterprises?	(Muda et al., 2020) (Ayiku & Grant, 2021)	Question 8	Interpretative Phenomenological Analysis

## Appendix B – Interview guide

**Research title:** The Determinants Of Business Success For Small Commercial Farming Enterprises

Interview Guide								
Interviewer's name								
Date	D	D	M	M	Y	Y	Y	Y
Venue	Ms. Teams/Zoom							
<ol style="list-style-type: none"> <li>1) Tell me about your journey of running a successful small commercial farm.</li> <li>2) How long have you been in farming, and how has been your experience?</li> <li>3) What personal characteristics do you think a successful small commercial farmer must have to succeed?</li> <li>4) What features or resources/infrastructure must a farm have for it to become a viable enterprise?</li> <li>5) How would you describe the key features of your farm that are critical to your success?</li> <li>6) How would you describe a successful small commercial farming enterprise? (<i>prompt – how do you measure the success of your business</i>)</li> <li>7) What financial measurements do you use to evaluate the success of your farming enterprise?</li> <li>8) What financial measurements do you use to evaluate the success of your farming enterprise?</li> <li>9) Would you please describe some of the planning activities you do in your business?</li> <li>10) What is the role of the government in promoting small commercial farming enterprises?</li> <li>11) To conclude this interview I would like to know if there are any questions regarding the characteristics of successful small farming enterprises.</li> </ol>								

## Appendix C – List of codes grouped into themes

The below presents a list of codes utilised in this study

Table 3: List of codes grouped into themes

No	Code Groups		Code	Grounded	Density
1	Challenges	●	Discrimination against women	1	0
2	Challenges	●	diversification	1	1
3	Challenges	●	Erratic weather conditions	2	1
4	Challenges	●	High input costs	1	1
5	Challenges	●	Lack of adequate institutional support	2	2
6	Challenges	●	Lack of farming Equipment	2	1
7	Challenges	●	lack of funding	3	2
8	Challenges	●	lack of technical knowledge and skills	1	1
9	Challenges	●	Low market prices	4	2
10	Challenges	●	Peer-to-peer support	1	1
11	Challenges	●	Price takers	4	2
12	Farm resources & Features	●	A good business case	1	1
13	Farm resources & Features	●	Accessible to the market	1	1
14	Farm resources & Features	●	Arable land	1	2
15	Farm resources & Features	●	Farmhouse	1	1
16	Farm resources & Features	●	Farm human resources and skills	4	2
17	Farm resources & Features	●	Farm infrastructure	6	7
18	Farm resources & Features	●	Farm machinery	1	1
19	Farm resources & Features	●	Farming equipment	9	2
20	Farm resources & Features	●	Fencing	1	1
21	Farm resources & Features	●	Frost	1	1
22	Farm resources & Features	●	Good drainage	1	2
23	Farm resources & Features	●	Location of farm	1	1
24	Farm resources & Features	●	Natural resources	11	9

No	Code Groups		Code	Grounded	Density
25	Farm resources & Features	●	Permanent source of water	5	4
26	Farm resources & Features	●	Rainfall	2	1
27	Farm resources & Features	●	Storage facility	4	1
28	Farm resources & Features	●	Sufficient grazing capacity	1	2
29	Farm resources & Features	●	Suitable housing for workers	1	2
30	Farm resources & Features	●	Suitable land for farming	9	8
31	Farm resources & Features	●	Topography	1	2
32	Farm resources & Features	●	Transport infrastructure	1	1
33	Farm resources & Features	●	Utilisation of land optimally	1	1
34	Farm resources & Features	●	Water infrastructure	4	3
35	Farm resources & Features	●	Water use license	2	2
36	Farmer characteristics	●	Ability to obtain funding	2	4
37	Farmer characteristics	●	Ability to take risks	4	4
38	Farmer characteristics	●	Broad farm management skills	8	16
39	Farmer characteristics	●	Discipline	1	3
40	Farmer characteristics	●	Diligence	1	1
41	Farmer characteristics	●	Education	4	2
42	Farmer characteristics	●	Family involvement	1	1
43	Farmer characteristics	●	Farming experience	2	9
44	Farmer characteristics	●	great communication skills	1	3
45	Farmer characteristics	●	Healthy and energetic	1	0
46	Farmer characteristics	●	Innovative	1	2
47	Farmer characteristics	●	Keeping up with technology	1	0
48	Farmer characteristics	●	knowledge of finance	1	3
49	Farmer characteristics	●	Luck	1	1
50	Farmer characteristics	●	Market orientation	7	3
51	Farmer characteristics	●	Networking	2	4
52	Farmer characteristics	●	Not about money	2	1
53	Farmer characteristics	●	Passion for farming	19	7

No	Code Groups		Code	Grounded	Density
54	Farmer characteristics	●	Patience	6	5
55	Farmer characteristics	●	Perseverance of effort	12	10
56	Farmer characteristics	●	positive attitude	1	0
57	Farmer characteristics	●	Stay on the farm	3	1
58	Farmer characteristics	●	Technical knowledge and skills	13	8
59	Farmer characteristics	●	Travelling for exposure	1	1
60	Farmer characteristics	●	Understanding of the farming business	5	6
61	Farmer characteristics	●	Vision for the farm	1	2
62	Farmer characteristics	●	Willingness to learn	3	3
63	Farmer characteristics	●	Work ethic	3	5
64	Farmer characteristics	●	Commitment	1	2
65	Farmer characteristics	●	Determination	1	1
66	Financial measurements	●	Break even analysis	1	3
67	Financial measurements	●	Comparing current performance versus previous years' one and/or Target	2	5
68	Financial measurements	●	Expenses/Costs	6	4
69	Financial measurements	●	Growth in Sales	2	9
70	Financial measurements	●	Profit	5	5
71	Financial measurements	●	Return on investment	3	5
72	Institutional-Access to funding	●	Access to funding	5	2
73	Institutional-Access to funding	●	Government funding	4	2
74	Institutional-Access to funding	●	Received funding to farm	1	1
75	Institutional-Access to funding	●	your pocket must be deep	1	1
76	Non-financial measurements	●	Ability to self fund	1	1
77	Non-financial measurements	●	Being able to maintain current equipment and infrastructure	1	1
78	Non-financial measurements	●	Erection of new infrastructure	1	1
79	Non-financial measurements	●	Growth in production	1	1
80	Non-financial measurements	●	Having own Equipment	3	1
81	Non-financial measurements	●	Healthy animals	1	1

No	Code Groups		Code	Grounded	Density
82	Non-financial measurements	●	Job creation	4	1
83	Non-financial measurements	●	Non-Financial Measurements	1	10
84	Non-financial measurements	●	Production yield	1	1
85	Non-financial measurements	●	Rate of staff absenteeism	1	1
86	Non-financial measurements	●	Staff satisfaction and commitment reviews	1	1
87	Role of Institutions	●	Advising farmers	1	3
88	Role of Institutions	●	Capacity building	1	8
89	Role of Institutions	●	Creating an enabling environment	1	5
90	Role of Institutions	●	Developing farmers	1	1
91	Role of Institutions	●	Farmer to Farmer	1	1
92	Role of Institutions	●	Farmer's days	1	1
93	Role of Institutions	●	fostering collaboration between farmers and private sector	1	1
94	Role of Institutions	●	Government support	8	1
95	Role of Institutions	●	Implementation issues	1	1
96	Role of Institutions	●	Mentorship	5	4
97	Role of Institutions	●	Monitoring and evaluation	1	3
98	Role of Institutions	●	Policy making	1	3
99	Role of Institutions	●	provision of farming equipment and infrastructure	1	2
100	Role of Institutions	●	Provision of funding	1	3
101	Role of Institutions	●	Provision of production inputs	1	3
102	Role of Institutions	●	Red tapes in government	1	1
103	Role of Institutions	●	Support	1	1
104	Role of Institutions	●	Supportive family	1	1
105	Role of Institutions	●	Training and skills development	2	4
106	Role of Institutions	●	Training by officials	1	4
107	Strategic planning activities	●	Annual Strategy assessment plans	1	3
108	Strategic planning activities	●	Budgeting	4	1
109	Strategic planning activities	●	Business plan	3	5

No	Code Groups		Code	Grounded	Density
110	Strategic planning activities	•	Cashflow assessment	1	1
111	Strategic planning activities	•	Debt compliance	1	1
112	Strategic planning activities	•	Emergency fund	1	1
113	Strategic planning activities	•	Financial planning	6	9
114	Strategic planning activities	•	Managing costs	1	2
115	Strategic planning activities	•	Marketing planning	2	4
116	Strategic planning activities	•	Production forecasting	2	2
117	Strategic planning activities	•	Production planning	6	7
118	Strategic planning activities	•	Record keeping	5	3
119	Strategic planning activities	•	Risk management	1	5
120	Strategic planning activities	•	Setting long term plans	2	5
121	Strategic planning activities	•	Strategic planning activities	1	8
122	Strategic planning activities	•	Succession plan	1	2
123	Strategic planning activities	•	value chain assessments	1	1

## Appendix D – Ethical Clearance Approval

Below is the confirmation of Ethical clearance approval

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

**Ethical Clearance  
Approved**

Dear Rangarirai Roy Shoko,

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.