

University of Pretoria etd – Dzansi, D Y
Social responsibility of SMMEs in rural communities

By

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DEDICATED TO THE EVERLASTING MEMORIES OF

My late grand mother Theresa Abra Abutia

And

My late aunt Apolonia Akosia Biga

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ABSTRACT

The purpose of this study was to investigate the extent to which the notion of Business Social Responsibility (BSR) has permeated the Small, Medium, and Micro Enterprise (SMME) environment in rural South Africa. It is expected that the determination of the extent of SMME BSR participation will help shed more light on this growing but highly controversial concept.

The empirical investigation was preceded by a literature survey. In particular the literature review provided a discussion on the theoretical foundations of BSR that led to the identification of ethics and stakeholder theory as the two pillars upon which BSR rests. Examination of previous studies led to the identification of the community, employee, and customer related issues as key elements of SMME BSR. These elements were used to construct a measurement instrument for SMME BSR.

The results of the empirical study show that the concept BSR has permeated the SMME mindset in the Greater Taung Local Municipality (GTLM). In particular it identified key factors to measure the BSR construct and shows that BSR is as much an SMME issue as it is a big business issue. Through discriminant analysis it is possible to classify SMME performance based on the determined factors.

The study raises issues which when attended to might increase SMME BSR performance hence increase their contribution to socio economic development especially in rural communities.

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There is need for the SMME enabling environment to be improved. The level of management within SMMEs also needs to be improved. This requires policy makers to put in place extra support beyond what currently exists. There is also the need to educate businesses especially those in the rural areas on their social responsibilities. This will help create awareness of the concept not only because it is ethical but because of its business imperative. This requires commitment from the highest office of the country. But perhaps more importantly South Africa also needs a Minister for Business Social Responsibility like the UK.

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Dennis Yao Dzansi has been a teacher since 1979 and has taught in the following institutions: Anum Secondary School - Ghana, St Kizito's High School - Nigeria, St James High School, Khubetsoana Secondary School, and the Institute of Extra-Mural Studies (National University of Lesotho) – Lesotho and Lephatsimile High School and Mokgareng High School – South Africa. He is currently the Headmaster of Bogosing High School – South Africa (N/W province).

The MBA studies ignited his general interest in entrepreneurship and in particular, the role of entrepreneurship/SMMEs in socio economic development. The pursuit of gaining a better understanding of this phenomenon resulted in the thesis entitled, Social responsibility of SMMEs in rural communities. The promovenda's research has clarified some previous misconceptions about the role of SMMEs in society. In particular it shows that BSR is as much an SMME issue as it is a big business issue. It has also enriched the BSR literature by the addition of the small business perspective that has been lacking.