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Small Medium Enterprise (SME)'s Competitiveness within a volatile regulatory environment in South Africa

Gift Shai

WITS Business School

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DECLARATION

I, Gift Shai, declare that this research report entitled 'Small Medium Enterprise (SME)'s Competitiveness within a volatile regulatory environment in South Africa' is my own unaided work. I have acknowledged, attributed, and referenced all ideas sourced elsewhere. I am hereby submitting it in partial fulfilment of the requirements of the degree of Master of Business Administration at the University of the Witwatersrand, Johannesburg. I have not submitted this report before for any other degree or examination to any other institution.

Gift Shai

Signed at Johannesburg on 31st March 2021

Name of candidate	**Gift Tshifhiwa Shai**
Student number	**9606409w**
Telephone numbers	**082 308 7929**
Email address	**Gifts.7929@yahoo.com**
First year of registration	**2017**
Date of proposal submission	**30 November 2020**
Date of report submission	**31 March 2021**
Name of supervisor	Leeford Ameyibor and Kambidima Wotela

ABSTRACT

Author: Gift Shai **Supervisor** Leeford Ameyibor

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SMEs have been established as the driving force for developing the South African economy and the main source of competitive advantage. They are recognized as agents of industrial change and innovation; they are also seen as an important vehicle for employment creation and economic development. On the other hand, we have a regulatory environment that is volatile and, as a result, poses challenges to the competitiveness of the SMEs in South Africa. This study is an attempt to determine the level of competitiveness of the SME within the emerging markets as well as how SMEs can monitor their external environment. In addition to that, this study establishes the coping mechanisms of the SMEs and suggests ways to enhance their competitiveness. A case study qualitative strategy was adopted for this study which allowed research to get in-depth understanding about the case. Semi-structured interviews were conducted in which 8 formal SMEs with more than 3 years in existence were targeted. The findings reveal that SMEs need to have research and development measures in place which will enable their organisation to know what is happening around them, which coupled with information technology, can enable them to plan for all anticipated changes. This, in consequence, will help them build their capabilities in a way that it will give them a competitive advantage. It is also of paramount importance for SME to have a Quality Management System consisting of policies and procedures in place that will guide the crafted strategies. Strategies coupled with information gathered from research and development and relevant training initiatives can be put in place. Adaptation to change mechanisms can also be forged that will make the SME sustainable and perform better even under volatile environmental conditions. Lastly, governance within the SME plays a vital role in enhancing competitiveness. Good governance creates an organizational culture that keeps employees motivated, reduces workforce fluctuations and increases value for all the stakeholders, both internal and external.

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TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ACKNOWLEDGEMENTS

I would start by giving thanks to the God almighty for the opportunity and strength to complete this research. There were times my memory and concentration were dropping so much and I was feeling anxious, but through prayer I gained power and managed to complete it.

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As the Managing Director of a small medium enterprise, my absence at work was felt, especially at the time we were facing COVID 19 that had a life changing impact on our lives. I appreciate the support they gave me; the initiatives they took to ensure we were onboard while I was doing the research.

DEFINITION OF KEY TERMS AND CONCEPTS

Key words:

SME, South Africa, Competitiveness, regulatory environment

Definitions:

SME

SME means different things in different countries and in different sectors. So, for the purpose of this report, SME is defined according to the number of employees, turnover and assets as used in the National Small Business Act (1996).

Regulatory Environment

This study adopts OECD'S definition of regulatory environment. According to OECD (1994), regulation is defined as:

"…A set of incentives established either by the legislature, Government or public administration that mandates or prohibits actions of citizens and enterprises. Regulations are supported by the explicit threat of punishment for non-compliance." While OECD (1997) report declare that "regulation can be said to generally refer to policies where the government acts as a referee to oversee market activity and the behaviour of private actors in the economy". The regulatory environment is therefore the set of standards, taxes and laws or regulations that businesses must conform to.

Competitiveness

This study adopts Porter's (1990) conceptualisation of competitiveness. According to Porter (1990) organisational competitiveness is defined as the capability of the firm to entice and maintain activeness that grow the competing outlook for future which concur with scholars like Singh, Gard and Desmukh (2007), they claim competitiveness can be defined as "its ability to sustain its long-term performance better than its competitors in the market". On the other hand, Zelga (2017) argues that competitiveness of a company must be characterized by internal capability and flexibility, its ability to adapt to changing operating conditions and obtain specific benefits from this process.

1 INTRODUCTION TO THE RESEARCH

1.1 Background and context

Broadly, this research investigates the SMEs' competitiveness within a volatile regulatory environment in South Africa However, before delving into research conceptualisation (Section 1.2), it is pertinent to provide a general introduction to the terms and concepts that we have used in this research (Section 1.1). While the research conceptualisation section provides the research problem statement (Section 1.2.1), it is followed closely with the purpose of the research (Section 1.2.2) and the research questions (Section 1.2.3). The delimitations and assumptions of the research study are highlighted in Section 1.3 while the significance of the research is delineated in Section 1.4, followed with a preface to the research report in Section 1.5. Chapter 2 contains a more specific and detailed discussion on the research context.

1.1.1 Profile of a Small Medium Enterprise in South Africa

In comparison to peer economies, South African's SMEs accounts for a small proportion of the country's economy. A Small Business Institute (SBI) (2019) study shows that formal SMEs in South Africa contribute almost 98.5% of the total number of formal enterprises in the economy while their employment is around 28% of total formal jobs. The study by Nieuwenhuizen (2019) shows that in 2008 South Africa had around 2.18 milliom SMEs which grew to 2.25 million in 2015 while Small Enterprise Development Agency indicates that in quarter one of 2019 there were 2.55 million SMEs. The bulk of SMEs operate within the wholesale and retail industry (30%), community and social services industry (23%), finacial industry (14%) and construction (11%) (Bhorat, et al., 2018). Informal SME are categorised as own account enterprises while formal as employment-creating enterprises of which 87% of employers operate in the informal scetor, and 69% in the formal sector (Bhorat et al., 2018). Despite the fact that the SME's are increasing in numbers, the rate of their growth is not commensurate with the national economic growth (Small Enterprise Development Agency, 2016).

1.1.2 SME's Competitiveness and the South African Regulatory Enviornment

If South African SMEs want to grow at the rate at which the nation's economy is growing, if they want to meet the vision of the Government which, accroding to the National Development Plan, projects that 90% new jobs will be created by SMEs by

2030, then they will need to become more competitive. Competitiveness of firms has become of paramount concern to a great extend due to the open and unified global economy. SMEs are considered incubators of innovation, employment and growth which in turn are imperative for advancing economic growth, poverty alleviation and job creation (Wolmarans, 2015). Yet we have 70% of the SMEs in South Africa that fail within the first 5 – 7 years of inception while their success and failure are extremely important among national strategic priorities in the wake of many economic hardships (vital to economic success) (Bushe, 2019). It is for this reasons that this study looks into the competitiveness of the SMEs in South Africa.

The regulatory environment as according to the definition above, pertain to environmental policy, employment legislation, fiscal and tax issues (Poutziouris & Chittended, 2003). Regulations are established to guide and regulate the behaviour of certain groups or individuals, which in turn establish a controlled environment. It is therefore of paramount importance that there are regulations in place as they influence sector and organisational performance (Aryeetey & Ahene, 2005). On the other hand, excessive regulations and changing regulatory environment occasionally are one of the barriers to the survival and growth of SMEs (Khan, Raziq, & Ghouri, 2019). Tambe, (2019) is also of the view that the regulatory environment has negative impact on the growth and competitiveness of the SME, while it is much needed to attain social and economic goals valuable to the country at large.

That being said, the regulatory environment and restrictive legislation have been idenfied as the most important constraint to SME growth (Nieuwenhuizen, 2019). In fact, Bhorat et al., (2018) argues that those regulations impose explicit costs and are time-consuming. Zwane (2009) also concedes that the costs of regulatory compliance constitute a bigger volume of the SME's revenue. All these challenges, in turn, sabotage the ability to create jobs and maximise profit and further expose SMEs to the vulnerability of litigation. Trade and Industrial Policy Strategies (TIPS) was contracted by the government in 2017 to find ways of alleviating regulatory burden on SMEs. Their study mentions that the regulatory framework continues to impose unnecessary and often inappropriate strain on SMEs.

1.2 Research conceptualisation

1.2.1 The research problem statement

SMEs are recognized as agents of industrial change, an important vehicle for employment creation and economic growth (Poutziouris & Chittended, 2003). Research conducted by Olawale and Garwe (2010) indicates that South African government considers SMEs as a significant component of the solution to South African's development issue and, as a result, contributions made by the SMEs cannot be ignored. Also, according to Olawale and Garwe (2010), South African SMEs contribute 56% of private sector employment, 36% of the gross domestic product. The report by Nair (2020) also shows that as of 2019, SMEs in South Africa represent more than 90% of all enterprises in South Africa and they contribute around 20% to GDP and account for 30% of jobs. From the foregoing, we can see that SMEs have the capacity to compete in the business environment and become sustainable and profitable which, in consequence, can create jobs and intensify competition.

The challenge for SMEs to survive in the 21st century is global competitiveness (Ocloo, Akaba, & Worwui-Brown, 2014). Not only must the SMEs compete for the market in South Africa, they do not have an option but to compete in global markets. Kadocsa (2006) indicates that even though the market environment is typified by global competition, consumers need to be afforded with services of a perceived quality and trustworthy and constant products. It is therefore essential that all SMEs prepare, react and conform to the global competitive environment.

The factors that hinder the competitiveness of the SMEs and thus contributing to the failure of the SMEs can be categorised into internal and external factors (Wolmarans, 2015). Regulatory environment is one of the external factors which present a critical and vital role in firm performance and cannot be controlled by the owner. The regulatory environment in South Africa is very volatile, it takes place in the form of labour laws, high taxes, corruption and red tape, which inflict costs on SMEs which in turn impact negatively on the SMEs performance and growth (Tambe, 2019). The study by (Adomako & Danso, 2014) also confirms that the volatile regulatory environment is negatively related to the SME's competitiveness and thus resulting in the SMEs performing poorly.

Despite the concerted efforts by the South African government to stimulate SME growth over the years through different initiatives, the study by Nieuwenhuizen (2019) indicates that government regulations and policies, ironically, constituted a major inhibiting factor for, and key obstacle to, entrepreneurial activity due to excessive red tape, especially in the area of compliance. In the same vein, a report by Thulo (2019) also indicates that more than 53% of the SMEs in South Africa are complaining about the impact of red tape and government regulations which are restrictive on their businesses. A study by Herrington and Kew (2016) also shows how regulations inhibit the SME growth by 60%, while the study by Cant and Wiid (2013) indicates that it is inhibited by 80%. The study by Muriithi (2017) agrees that the red tape is one of the common causes of failure of the SMEs.

Small, Medium Enterprises (SMEs) in South Africa has many definitions. The study by SBI (2019) identifies the lack of coherence in SME definition which, evidently, is inconsistent across 70 different laws, regulations and key government strategies. It further reveals that while formal SMEs contribute nearly 98% of the number of formal firms in the economy, they only account for 28% of the jobs. Another study done by Nair (2020) shows that SMEs account for 30% of jobs; it reveals that while SMEs represent more than 90% of all enterprises in South Africa, their failure rate is about 70% (Nair, 2020).

SMEs also do not have the capacity of monitoring and adapting to the changing environment. The government is coming up with a lot of regulations, initiatives and support mechanisms yet they are not making necessary changes to improve the competitiveness of the SMEs in South Africa. In view of this, the research conducted by Phillips, Moos and Nieman (2014) indicates that although South Africa has shown an interest of developing entrepreneurship and small businesses, their efforts have failed. In the same breath, government regulations are required to accomplish a variety of economic and social goals which are constructive and profitable to the nation at large (Tambe, 2019). It is of this reason that the study seeks to study the competitiveness of the SMEs within a volatile regulatory environment as the SMEs are of fundamental importance to the growth and success of the South African economy.

1.2.2 The research purpose (aim and objectives) statement

The most serious restraints to economic development peculiar to South Africa are unemployment, inequality and poverty (Phillips, Moos, & Nieman, 2014). South African government therefore has a task of focusing on how these problems can be addressed as this will stimulate economic growth and subsequently create wealth and jobs. Nair (2020) argued that SMEs are recognised as the propulsive force of the South African economy. In fact, president Cyril Ramaphosa once said, "the growth of our economy will be sustained by small business, as in the case of many countries" (SBI, 2019). Competitiveness of the SME is one of the main objectives that can be used to attain economic growth. The environment in which the SMEs operate is volatile and the regulatory framework is changing so fast that the growth and competitiveness of the SMEs are being significantly affected. Research conducted by Nieuwenhuizen (2019) also demonstrates that the regulatory environment, related legislation and compliance are recognised as primary inhibitors of SMEs' start-up and growth due to excessive red tape with regards to compliance in South Africa.

The objectives of this research are:

- To determine the levels of competitiveness of the SME within an emerging market
- To explore how SMEs monitor the changes in their external environment especially the regulatory environment and related legislations.
- To establish the coping mechanisms of the SMEs in a volatile regulatory environment

To achieve the objectives mentioned above, the research will conduct a case study which will be done in two stages. The first stage shall focus on secondary research of the existing sources of information that is reliable and reputable, while the second stage will be an empirical study. The empirical study consists of interviews with the practitioners. The designed tool/questionnaire will have questions that will be asked in interviews.

1.2.3 The research questions

1.2.3.1 Question 1:

How do practitioners determine the level of competitiveness of the SME within emerging markets?

1.2.3.2 Question 2:

How do SMEs monitor their external environment?

1.2.3.3 Question 3:

What are the coping mechanisms of the SME in a volatile regulatory environment?

1.3 Delimitations and assumptions of the research study

It has been very clear from several studies that have been conducted that governments around the world are focusing their attention on promoting economic growth through developing the SMEs including South Africa (Adeniran & Johnston, 2012; Bhorat, et al., 2018; Olawale & Garwe, 2010; SEDA, 2016). Rogerson (2004), for instance, argues that it is through competitiveness of the SMEs that countries can achieve economic growth. In the same vein, the study by Olawale and Garwe, (2010) indicated 30 perceived obstacles to the growth of SMEs in South Africa. Olawale and Garwe, (2010) classified these obstacles into five components which include the financial, economic, market, management and infrastructural obstacles. Also, Hendricks (2003) diagnosed five relevant challenges that South African SMEs face and they include regulatory framework, management training, educations opportunities and systems, cultural factors as well as societal views and perception. We also have a report commissioned by (SEDA, 2016) which outlines the challenges faced by SMEs in South Africa as access to finance and credit, poor infrastructure, onerous labour laws, low levels of research and development, high levels of crime, lack of access to markets, an inadequately educated workforce and inefficient government bureaucracy. Furthermore, Bhorat, Asmal, Lilenstein and Zee (2018) classified factors constraining SMEs in South Africa as either endogenous or exogenous obstacles. Endogenous obstacles consisted of lack of financial assets, human capital which covered education and training and exposure to entrepreneurial activity. Exogenous obstacles covered the constraints imposed by incumbents and market concentration as a compounding factor. Based on all the factors that have been highlighted, I chose to concentrate on the impact that regulations and legislations have on SMEs in South Africa for two reasons. The first reason being that I am an entrepreneur trying to grow and the biggest challenge my company is facing is the regulatory framework. This research will therefore enable my company to understand the ways to become competitive in the volatile regulatory environment. The second reason is that the regulatory environment and related legislation have been diagnosed as the primary obstacle of SME starting up and those growing to be competitive (Nieuwenhuizen, 2019). The Global Entrepreneurship Monitor (GEM) (2014), South African report, and World Economic Forum (WEF) 2014/2015 Global Competitiveness Report, indexed inefficient government bureaucracy in South Africa as one of the main barriers to entrepreneurial and business activity.

1.4 Significance of the research study

Several authors have alluded to the issues pertaining to the constraints on growth, sustainability and performance of the SMEs in South Africa (see: Bhorat et al., 2018; Nieuwenhuizen, 2019; Olawale & Garwe, 2010; Phillips, Moos, & Nieman, 2014; Zwane, 2009). As much as all the constraints were identified with suggestions to solutions, there is also extensive research that looked at how the success and sustainability of the South African SME's can be catalysed (Adeniran & Johnston, 2012; Nair, 2020; SBI, 2019). The latest research conducted by Nair (2020) indicates that about 70% of the SMEs fail within their first two years of operations, while the research by Nieuwenhuizen (2019) reveals that less SMEs are set up, current ones cannot expand, many do become formal but are unable to survive, resulting in a tragic decrease in employment in SMEs. With the regulatory environment being identified as the main inhibitor for business start-up and growth, if it is not addressed the South Africa economy will cripple and that will affect government performance negatively (Bhorat et al., 2018). Direct issues like unemployment, economic growth and inequality will persist while indirect issues like poverty, crime and poor education which increase shortage of scarce and critical skills, will impact the South African economic development initiatives, and thus affecting inflation and GDP of the country negatively.

1.5 Preface to the research report

To this end, the report has six chapters. Following this introductory chapter, Chapter 2 provides a literature review covering the problem, the past studies, the explanatory framework and the conceptual framework. Chapter 3 discusses the research strategy, design, procedures, reliability and validity measures as well as limitations. Chapter 4 and Chapter 5 present and discuss the findings, respectively while Chapter 6 summarises and concludes the research.

2 LITERATURE REVIEW

This chapter has three broad objectives; namely to understand the research problem, to identify the knowledge gap, and to develop a framework for interpreting the research findings. Specifically, in Section 2.1, we detail the research problem. In Section 2.2, we review literature on studies that have attempted a similar study or research. With information arising from Section 2.2, we identify and detail qualitative attributes or quantitative variables that are key to this research in Section 2.3 as well as a framework that we will use to interpret our research findings in Section 2.4.

2.1 Research problem analysis [Symptoms, root causes, and consequences of SMEs in South Africa not being competitive]

From the problem statement it is clear that the Government has put a lot of initiatives in place to stimulate the growth of the SMEs in South Africa. The Annual Review of Small Business in South Africa from 2007 till 2014 revealed that South Africa currently has an estimated total of 214 supporting services which provide support to private and public small business sector. Despite the efforts that have been put in place by the Government, the SMEs competitiveness in South Africa is still low compared to its peers around the world because they are not growing at the rate at which the economy is growing (SEDA, 2016). The report by SEDA (2016) revealed that from 2008 till 2015, the growth in the number of SMEs was lower than the economic growth rate.

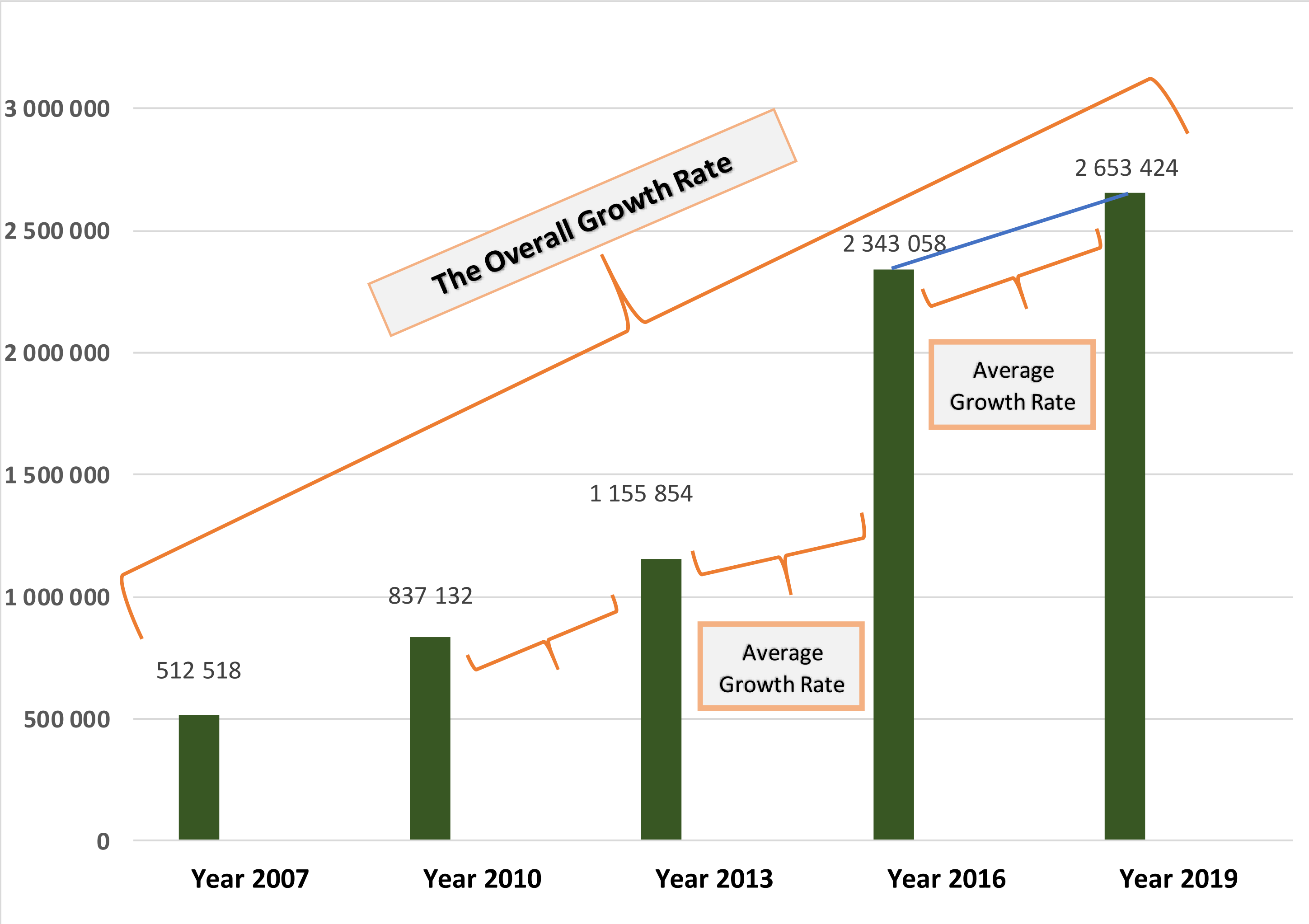
As highlighted in various reports, regulations and policies are the major inhibiting factors to entrepreneurial activity (Nieuwenhuizen, 2019). A report by Thulo (2019) also highlights that more than 53% of the SMEs in South Africa are complaining about the impact of red tape and government regulations which are restrictive on their businesses. The study by Herrington and Kew (2016) shows that regulations inhibit the SME growth by 60%, while the study by Cant and Wiid (2013) indicates that SME growth is inhibited by 80%. Also, the study by Muriithi (2017) agrees that the red tape is one of the common causes of failure of the SMEs. To show that the government is also aware of the burdensome regulations and policies affecting the growth of the SMEs, the Department of Performance, Monitoring and Evaluation in collaboration with Department of Small Business Development (DSBD) requested Trade and Industrial Policy Strategies to conduct a study on the national regulatory burdens on small business with the main aim of "identify practical and viable ways to reduce the effective costs of legislation and regulations for small businesses" (TIPS, 2017). It is therefore safe to say SMEs are not competitive and therefore not growing in South Africa due to the volatile regulatory environment.

Figure 1 below displays growth rate trend of small businesses over a period of twelve years, i.e. 2007 to 2019. The Small Enterprise Development Agency (SEDA) and the Company and Intellectual Property Commission (CIPC) conducted a study in 2013 which revealed that from 2007 to 2010 the average growth rate of SMEs was 17.8% and from 2010 to 2013 it declined to 11.4%. SEDA report indicated that there are 2,55 million SMEs in operation in Quarter 1 of 2019. Measuring the average growth for the next six years, from 2013 to 2019 it declined by 9,4%. The annual review of small businesses in South Africa 2007 – 2014 reported that there are low margins of improvement in entrepreneurs taking part in the South African economy since 2005.

Looking also into the lifespan of the SMEs, the annual review of small busineses in South Africa report by Department of Small Business Development (2014) indicates that most SMEs survive up to three years of operation of which SEDA (2016) concurs that the majority of the the SMEs last for an average of less than 3,5 years. Nair (2020) also argues that most SMEs fail in a period of their first two years of operation. The study by Olawale & Garwe (2010) also points out that most new SMEs in South Africa do not progress from the first phase of existence to other phases like survival, success, take off and resource maturity while Nieuwenhuizen (2019) concurs that while less SMEs are established, current ones are not growing and a lot do become formal but fail to survive. Based on the reseracrh done overtime, the lifespan of the SME is getting lesser and lesser in South Africa.

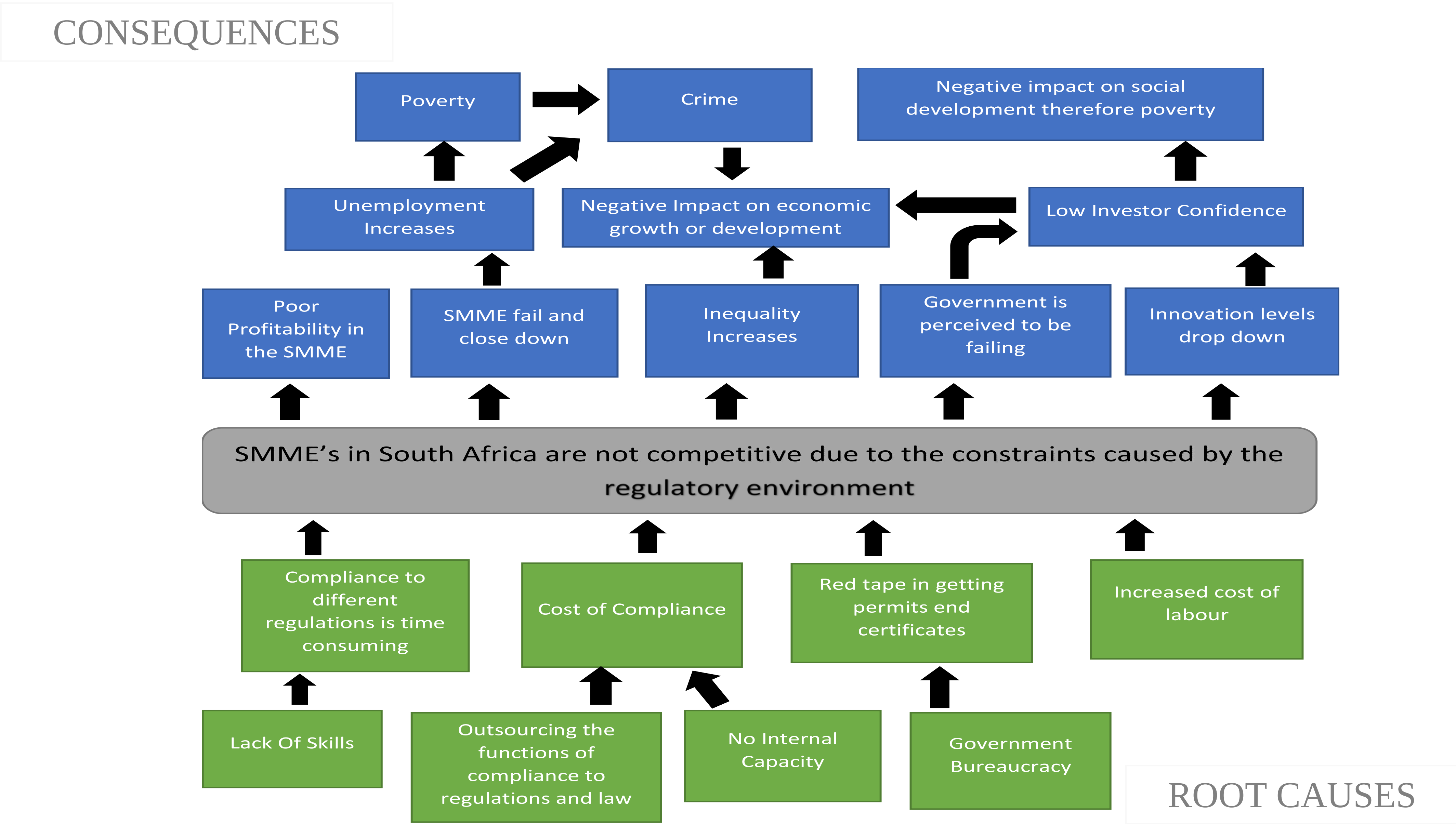
Figure 2 below is showing a problem tree which indicates the symptom, root causes and consequences of the SMEs not being competitive in South Africa. The main problem this study is seeking to address is that South African SMEs are not competetive due to various factors that have been mentioned in the delimination and assumption of this study, under section 1.3. This study will only focus on the symptom of the constraints to the SME's performance caused by the regulatory enviroment and thus making them uncompetitive.

FIGURE 1: Growth rate trends of SMEs in South Africa, 2007 – 2019



Source: (Annual Review of small businesses in South Africa 2007 - 2014)

FIGURE 2: Problem Tree: Symptoms, Root Causes and Consequences of why SMEs are not competitive in South Africa



Source: (Authors construction, 2020)

Root Causes

A study by Nieuwenhuizen (2019) indicates that most times when SMEs do not have employees or capacity to attend to compliance with regulatory requirements, they outsource and that can be very expensive and onerous. For example, Pioneers Skills Development Institute is accredited with different Sector Education and Training Authority (SETA) and according to the regulations for accreditation by SETAs, the accreditation status has to be renewed every three years. There is a lot of requirements for accreditation. Just to mention a few, for an SME to be accredited, SETA will require a letter of good standing with COIDA and UIF, an SME must have an public liability insurance, an office that is operational and must be able to design a quality management system which has all policies and procedures that will show how an organisation will run all its departments. All employees within the organisation must have clear contract that meet labour laws, outlining clear job decriptions and staff development plan. As mentioned earlier, most SMEs do not have the skills and/or internal capacity to fulfill all these requirements, so they resort to outsourcing the functions which is expensive. On the otherhand, a small business that is trying to survive, will try to work on the processes on their own. It becomes a tedious and tiring process because firstly it takes time to work on something that you are not fimiliar with, secondly addressing the shortcoming that will be identified on your application by SETA takes effort, time and money. The small business growth index found that red tape for firms employing less than 50 employees can account for between 4% and 8% of turnover. The study reported that enterprises spend on average 75 hours a month delaing with red tape, or an equivalent of eight working days (DSBD, 2014). Small Business Project (SBP) estimated that total tax compliance cost for formal firms amounted to R20 billions in 2004 (TIPS, 2017).

We have government bureaucracy which is claimed as another root cause for SMEs' lack of competitiveness. While SEDA (2016) claims that Government bueacracy is one of the major obstacles to enterpreneurial and business activity in South Africa, Bhorat, et al, (2018) agrees that firms in SA face constraints in their dealings with government officials and departments. The survey conducted by GEM in 2016 reveals that as much as South Africa has good infrastructure and excellent banking system, government bureaucracy is still a contraint to new businesses. South Africa was ranked 47th of 138 countries in the Global Competitiveness Report due to inefficent government bureaucarcy, which was indicated as the most problemetic factor for doing business in the country, followed by restrictive regulations (Schwab, 2017).

Consequences

When the SMEs are not competitive because of the root causes discussed above, we see the following consequences:

There is poor profitability in the SMEs and eventually SMEs fail and close down. The studies conducted around 2011 by Fatoki and Smit, and another in 2003 by Van Feden et al, showed that "South African SMEs fail at a rate of between 70 and 80%". The study by Olawale and Garwe (2010) mentions that the failure rate of SMEs in South Africa is at 75%, which is higher than most countries in the world and Nair (2020) also concedes that the failure rate of the SMEs in South Africa is seriously high at 70%.

- When SMEs fail and close down, people loose their jobs and unemployment increases. When unemployment increases, we have crime and poverty. SMEs in South Africa are affected by the high level of crime. In the 2015 economic survey of South Africa, the OECD found out that high crime was forcing SMEs to increase security spending. Increased spending on security has a ripple effect on the overall cost of doing business. GEM (2014) highlights the business cost of crime and violence as one of the key drags on investment confidence in South Africa. South Africa struggles with an alarming high national unemployment rate of 25% which is partly exacerbated by a chronic shortage of skilled labour (SEDA, 2016).

Innovations levels drops and that ultimately affcets the company's growth impacted negatively. In essence, when SMEs are continually innovative, they grow and accomplish and keep up their competitive advantage (Adeniran & Johnston, 2012).

When the Government is perceived as failing, the confidence of investors drops significantly. Low investor confidence has a negative impact on the economic growth and development of South Africa, and it eventually affects the social development and then leads to poverty.

2.2 Research knowledge gap analysis [Methods, data, findings, and conclusions of studies on SMEs in South Africa not being competitive]

In order to achieve the objectives of the research, the literature review will look into a lot of studies that seek to understand what competitiveness is, how SME is defined, competitiveness and the regulatory burden to SMEs in South Africa, what has been done so far in terms of the regulatory burden and, lastly, how the SMEs themselves monitor the regulations and the changes thereof and what mechanisms they have in place to cope with the regulatory burdens or changes.

What is Competitiveness

According to the oxford dictionary, competitiveness means "the quality of being as good as or better than others of a comparable nature". The competitiveness of an organisation can be defined as "its ability to sustain its long-term performance better than its competitors in the market" (Singh, Gard, & Deshmukh, 2007). Zelga (2017) argues that competitiveness of a company must be characterized by internal capability and flexibility, its ability to adapt to changing operating conditions and obtain specific benefits from this process.

This study adopts Porter's (1990) conceptualisation of competitiveness. According to Porter (1990) organisational competitiveness is defined as the capability of the firm to entice and maintain activeness that grow the competing outlook for future which concur with scholars highlighted above.

Definition of SME

Looking at different countries around the world –both developed countries and the ones that are still developing– how SMEs are defined, classified and supported seem quite irregular. In view of this, Storey (1994) notes there is no single uniformly acceptable definition of SME, while Hooi (2006) also mentions that there is no accepted worldwide definition of SMEs. In Malaysia, the definitions are solely based on a fixed quantitative measure which is the total number of workers, the total number of capitals, total assets and lately by determining sales turnover (Sarah, Arokiasamy, & Ismail, 2009). The Central Statistics Agency in Indonesia defines SME based on the quantity of labour which has a number of workers 5 to 19 people (Anggadwita & Mustafid, 2014).

According to Lee et al., (2005), in China, SMEs are organisations that have less than 250 employees. Venture Capital Trust Fund Act, 2004 (Act 680) in Ghana defines SME as an industry, project undertaking or economic activity whose total asset base (excluding land and building) does not exceed the cedi equivalent of 1 million US dollars in value (Hayford, 2012). Government Gazette of the Republic of South Africa (2003) defines a SME according to number of employees, the turnover and the balance sheet that a small enterprise has. SME is defined as having 1 – 49 employees, with a maximum turnover of R 13 million and balance sheet of R 5 million.

In South Africa alone, the definition of SME is inconsistent across 70 different laws, regulations and key government strategies (SBI, 2019). The government's failure to apply a common definition of what constitutes micro, small or medium business, has led to serious challenges which impact the performance of the SMEs. Similarly, according to the report by SBI (2019), the inconsistency of not having a common definition for SME has led to ambiguity, ever-multiplying red-tape challenges and less desirable support for entrepreneurs starting, running and growing their enterprises. There is also a challenge of accurate data on SMEs because if the definition is applied inconsistently, different results will be reported, which will show gaps in SME reporting, data tracking and scarcity of accurate SME information. This, in turn, makes analysing and measuring the success of intervention aimed at promoting and sustaining SME challenging in South Africa (Nair, 2020). The Annual Review of the SME in South Africa (2007 – 2014) made a recommendation to the government to improve the quality of SME data because it has an important bearing on policies and also because it is intensely difficult to determine accurate performance of the country's SMEs. Quoting the words of the Chairman of SBI, Mr. Bernard Swanepoel, "right now, we are flying in the dark, it's no surprise then that we can't seem to make headway tackling unemployment and inclusive economic recovery and growth if we're relying on guesswork. No matter how good government's intentions are, without the facts and policy to help, SMEs will be based on ideology or ignorance".

For the purpose of this research, the definition of small business will be defined according to number of employees, turnover and assets as used in the National Small Business Act (1996) which is indicated in the table below.

Table 1: Definition of small business by number of employees, turnover and assets

Size	Number of Employees (a)	Turnover	Assets(b)
Medium	100 to 200	R 5 mn. - R 64 mn.	R 3 mn. – R 23 mn.
Small	50	R 3 mn. – R 32 mn.	R 1mn. – R 6 mn.
Very Small	10	R 0.5 mn. – R 6 mn.	R 0.5 mn. – R 2 mn.
Micro	5	R 0.2 mn.	R 0.1 mn.

Source: (Trade and Industrial Policy Strategies 2017)

Competitiveness and Regulatory Burden on SMEs within South Africa

The business regulatory environment is a fundamental key to develop entrepreneurship and national competitiveness, because economic activity does well when regulations are alive, accessible, coherently spoken, implementable and proficient (Khan, Raziq, & Ghouri, 2019). The Government has a very important role of ensuring that regulations empower SMEs to innovate and eventually transform into large internationally competitive firms. Furthermore, the Government must deal with inefficient, duplicative regulations that changes more than often because they lay an onerous administrative burden on the SMEs and the chance spent on administration is oftentimes lost to innovation (OECD, 1997).

When a SME operate in a volatile regulatory environment, it is compelled to run with its limited resources for continuance in the short time frame and on the other hand sustain competitiveness in the long run (Ozsahin, 2019). Restraint due to competency and resources initiate the force that challenges SMEs to pursue exploration and exploitation concurrently, referred to as ambidexterity, and is recognised as a source of competitiveness by several researchers because of its ability to establish both current and future viability of those organizations (Ozsahin, 2019).

We are in an era where technological breakthrough is growing and changing faster, speed is therefore a compelling impetus for the activities within the SME to be successful (OECD, 1997). The Government is then forced to become more regulatory and collaborative simultaneously (Davis, 2020). Performance and regulation are intimately linked and as a result how the sector is regulated can have ramifications to the way in which a SME give description to its performance.

<u>What has been done so far in terms of dealing with the challenges created by regulatory environment</u>

Government policy on the development of the SMEs in South Africa was originally documented in the 1995 White Paper. A lot of research has been done to check the impact and progress that the government has made since 1995 to date. Most reports show that there has been growth in terms of the numbers of SMEs but the growth rate is rather declining over the years. We see the government has come with a lot of initiatives to support and empower the SMEs; currently in South Africa we have about 124 variety of support services (Department of Small Business Development, 2014). A large number of government departments are also involved in these initiatives with different mandates to assist the SMEs in South Africa (Zwane, 2009). Despite the number of initiatives, support structures and all government departments playing a role in supporting the SMEs, we see the regulatory burden still being one of the challenges amongst the SMEs, impacting the growth and sustainability and thus making them uncompetitive. In the GEM report 2015-2016 South Africa was scored 3.1 out of 9 in terms of supportive government policies, bureaucracy and taxes. We have the government appointing TIPS (2017) with the aim of identifying main focal points that were causing regulatory burdens and to come up with options of improvement. The study revealed that most informal SMEs are less impacted by regulatory environment like tax, company registration, BBBEE and most national laws, they are only constrained by labour laws. GEM SA report 2019/2020 indicates that South African government over the past two decades have come up with different programmes to promote entrepreneurship development, but the findings indicate that there has been a very low return on effort and investment done by the government.

How SMEs monitor and cope with the regulatory environment

As much as we have discussed that a lot of support programmes have been put in place in South Africa, SMEs are not aware of the support programmes that have been put in place. A report by Zwane (2009) looking at the support programmes and regulations that have been put in place by the government since 1997-2009, indicates that many SMEs still find it difficult to get the support they need because they are not aware of the programmes available to them. Also, the institutions providing these support programmes are not visible and accessible. Similarly, Phillips, Moos & Nieman (2014) stated that the government from 1995 to 2004 failed to get to SMEs because of accessibility, lack of raising awareness of the existence of support initiatives, not meeting financial and non-financial needs of small business and mistrust of SMEs to external agencies. A research conducted by Bhorat et al, (2018) also concede with the fact that government programmes were not visible and accessible. It is highlighted in the SME Growth index (2013), that 81% of the SME owners did not partake in any government programme because they were not aware that the programme existed while other said they did not know who to contact.

However, the GEM SA 2019/2020 report shows a different view of the accessibility and visibility of the government programmes. When it measures ways that have been put in place for the businesses to access the relevant information on government programmes to support SMEs, South Africa scored better than the past years. What this has brought to light is that entrepreneurs often fail to properly investigate the market to a certain extent; therefore, SMEs need to also take an initiative to search for information as entrepreneurship is about having the requisite personal attributes such as resilience and passion. Very few studies relate the failure of the country on developing the SMEs to the business itself. Very few studies point out the fact that some SMEs businesses do not take sustainable initiatives; rather, they put all the blame on the government for not doing what is appropriate.

Knowledge Gap

In most literature reviewed, empirical results show that the government has failed to reach out to SMEs because the support programmes are not accessible and visible enough. The slow growth of the SMEs coupled with the high failure rate, low performance and lack of sustainability (all factors which influence competitiveness), are all due to the government failing despite the support and continual investment in SME development and sustainability. Most of these researches focus on constraints facing SMEs in South Africa, leading to their failings. No research has indicated the initiatives or coping mechanisms that the SMEs do take to improve their performance, be sustainable and competitive, but they rather blame the whole issue of failure of the SMEs on the government. On the list of obstacles mentioned, SMEs mention issues related to government not giving enough support or imposing regulations and laws while on the other hand, government has not stopped giving support to SME, instead the support has grown and currently we have 124 support institutions in SA (Department of Small Business Development, 2014). I am of the view that the studies should start looking at how SMEs themselves take initiatives and find coping mechanisms within this volatile regulatory environment and when this is coupled with the support that the government is providing, they will be competitive and sustainable.

Section 2.1, figure 2, which shows the problem tree, highlights lack of skills as one of the root causes hindering competitiveness of the SMEs in South Africa. This is probably the main factor responsible for lack of competitiveness despite the support, initiatives and continual investment in SME development and sustainability. This study seeks to find out the coping mechanisms that SMEs put in place to cope with the volatile regulatory environment as well as how they manage to remain competitive. Actually, several authors have alluded to lack of skill as one of the obstacles that hinders SMEs to be competitive. The study by Moloi (2013) point out the cause of SMEs' failure as internal environment which refers to the capacity of the business being able to function successfully, and have total control off the factors of its environment. The factors include: "quality management, skilled labour, management skills, effective human resource, effective human resources, effective leadership and risk management" (Moloi, 2013, pg. 21), which all can be classified under lack of skill in the root causes on the problem tree in figure 2. In a similar study by Olawale and Garwe (2010) which investigated the internal and external environmental obstacles to the growth of the new SMEs in South Africa, the discussions indicated that as much as the government has to seriously market the support programmes for awareness and also deal with issues pertaining to the regulatory environment, SMEs should have the capacity to choose the right location, have strategic planning to position the business and conclude on the kind of competition, consider the choice of the product or service that will please the customers, and the training initiatives within the organisation so that entrepreneurs become the expertise in the areas they work in. Looking at the findings of the report by Olawale and Garwe, (2010) and comparing internal and external obstacles to growth from that study, 40% were internal, which implies that SMEs have a responsibility to ensure that they remain sustainable and grow. If the obstacles to growth of the SMEs were 100% external, then SMEs will rely 100% on the government, but the literature that have been reviewed showed that SMEs also have to take initiatives for them to grow and become competitive. The study by Zwane, (2009) also highlights low research levels as one of the problems that causes the SMEs not to be competitive because they do not have enough knowledge about the regulations on SMEs in South Africa and all these boils down to lack of skills as highlighted on the problem tree.

Competence of human resources is required to confront new challenges in the face of accelerated fierce market competition caused by the volatile regulatory framework (Anggadwita & Mustafid, 2014). Singh, Gard and Deshmukh (2007) are of the view that Human Resource Development is a strategic tool that SMEs can use to develop and cope for lifelong survival and be able to respond to the changes in the regulations, which will increase workforce competence, quality, motivation, commitment, development of skills and development of the organisation. While Hylton (2002) indicates that SMEs must strive to have knowledge management because knowledge itself is a commodity that presents the only 'sustainable competitive edge'. Lee et al (2005) also agree that knowledge management may assist SMEs develop for future and have more sustainable business practices, build them to be less vulnerable to the economic phases of the industry, prepare them to be able to understand the regulatory changes, and be in a position to adopt, cope and gain competitive advantage.

2.3 Qualitative attributes key to the research

The variables and attributes help with deciding what questions to populate on the information or collection instrument. The attributes to be decided upon in this study will be based on the research questions in section 1.2.3. The first question the research seeks to find out is how practitioners determine the level of competitiveness of the SME within emerging markets. Several literatures were reviewed to try and find out what are the variables and/or attributes for determining the level of competitiveness in an organisation. According to Schmuck, (2008, pg 207), the variables to measure the competitiveness of a SME are: "research and development, changing of target markets, adaption to changes, rate of marketing budget and participation in strategic alliances". Taking an example of our company which is classified as a SME, since the owner completed some of the courses in Master and Business Administration, there has been major changes which has led to the company being competitive. The staff turnover is very low, the marketing budget has been put aside for the past two years and the rate of marketing budget has increased (we have a website in place, our staff diaries have been branded, we have advertising banners and branded shirts and T-shirts in place). The company has changed the target market and diversified into the transport business in the mining sector when COVID-19 had an impact on our sales in the current market, which also shows the ability to adopt to changes. This study will use all the six variables as attributes to collect information during interviews with the targeted stakeholders.

The second research question is to determine how SMEs monitor their external environment. According to Alvero, Bucklin, and Austin (2001), supervisor coaching is another way that the leader can use to provide feedback on performance and also educate the employees on their tasks. This improves employee behaviour by empowering them and creating an environment in which employees are creative, and innovative and as a result can easily monitor the external environment. The SME must have strategies in place so that when changes occur, they can adapt. In other words, SMEs need long and short-term strategies which enable them to adjust not only to the current changes, but also the anticipated future (Mocholi-Arcel, Sala-Garrido, & Molinos-Senante, 2020; Dolinayova & Loch, 2015).

The third question this research seeks to address is the coping mechanisms of the SMEs in a volatile regulatory environment. According to Kurma et al (2020), for an organisation to adapt to the changes, it must be resilient and be prepared in body and mind to predict and respond to forthcoming crisis. The study identifies variables that are required to assist in building resilient organisations. The first one is the role of governance, which is the role that the management takes in an SME. It is rated as the most important and critical one because it is the one that provides strong and prompt decision-making and efficient implementation of suggestions, proposals and concepts. The second one is the organizational culture –where the organization blends as a team– which enables the team to be motivated, creative and resilient when dealing with the changes the organization will be facing (Khurana, et. al, 2020). The role of leadership in the two variables discussed above plays an important part. An empowering leader will be required because empowering leadership moderates the relationship of trust between the leaders and employees, enabling the employees to voice their ideas and opinions within the organization (Chen et al., 2011).

This lead to the third variable which is change management. Here, the leaders must ensure that the morale of the employees is boosted, employees are assured that they are valued and are important to the organisation, which removes fear and instill the spirit of motivation (Khurana et. al, 2020). The fourth one is capacity building, which enables the organisation to cope with the changes through policies that have been put in place to allow for "realignment, retraining and re-skilling of their employees" (Khurana et. al, 2020). The last variable, IT preparedness, compliments other variables within the SME. The SME must have the IT infrastructure in place, they must have capacity to utilise and update to the latest technologies as it will enable the organisation to cope with change (Khurana et. al, 2020).

The variables mentioned above are interrelated and, in conclusion, will be summarized into the following attributes that will be used for this study:

- Research and Development
- Adaptation to Change
- Rate of Marketing Budget
- Participation in Strategic Alliances
- Workforce Fluctuation
- Organisational Culture
- IT Preparedness
- Role of Governance
- Good Strategy

Brugha and Varvasovszky, (2000) define a stakeholder analysis as a tool with distinctly detailed phases and applications for scanning the current and anticipated future of the environment of the SME. On the other hand, Schmeer, (2000) define it as "a process of systematically gathering and analysing qualitative information to determine whose interests should be taken into account when developing and/or implementing a program". The stakeholders in this process should be the ones with vested interest in the development of the SMEs. The aim of utilising the stakeholder analysis is that it will enable the study to evaluate and understand the selected stakeholders from the perspective of an SME relevant to the above summarised attributes (Brugha & Varvasovszky, 2000). It also generates accurate and useful information that the organisations / practitioners use to make reliable and valid research findings (Schmeer, 2000).

2.4 Framework for interpreting research findings: Stakeholder's Theory

Several authors have discussed the concept of stakeholder theory. Stakeholder theory was entrenched in the study of management in 1970 and gradually refined by Freeman (1984) incorporating "corporate accountability" to a wider range of stakeholders. According to Freeman, Wicks, and Parmar (2004), stakeholder's theory relies on the fact that values and ethics in the business are the ones that can bring stakeholders together where they work in truth and freedom. It is directed more to managers in that it reflects and points out how managers function instead of primarily addressing "management theorists and economists" and that the managers have interest of employees and stakeholders at heart, keep the interest aligned and moving consistently in the same direction. Whilst Donaldson and Preston (1995) argue that the stakeholder theory concentrates more on the managerial decision making and that the interests of all stakeholders have inherent value with no confirmed sets of interest assumed to overtop the others. However, Albasu and Nyameh (2017) claim that stakeholder's theory suggests that "the purpose of a business is to create as much value as possible for stakeholders in order to succeed, and be sustainable over time". It is much apparent that all the authors are about the fact that stakeholder theory is about building healthy relationships and valuing all stakeholders. We have examples of big successful organisations that features in *Built to last and Good to Great* (Collins 2001, Collins & Porras 1994) which illustrated that as much as both the stakeholders and profitability are important and valued, none of the organisations make profitability the elemental driver of what they do.

The stakeholder's theory gives a clear picture to the stakeholders about purpose of the organisation because it causes managers and core stakeholders to create a common sense of value and coherently share what brings them together (Freeman, Wicks, & Parmar, 2004). This drives the organisation to move forward and bring about excellent performance and in turn the organisation becomes competitive. Secondly it clearly expresses the responsibility that the management has on stakeholders. Managers are forced to be transparent on how they intend to carry out the business, most importantly the type of relationships they desire to create with the core stakeholders in order to deliver on their purpose (Freeman, Wicks, & Parmar, 2004). Not only does it point on the role of the manager and it also empower the manager because "it creates appropriate incentives for managers to assume entrepreneurial risks" (Freeman, Wicks, & Parmar, 2004, Pg 366).

The best deal for all is that leaders must try their outmost best to create as much value for stakeholders as possible, but of course facing the reality of life, there will be conflicts based on stakeholders' interest. Freeman, Wicks, and Parmar (2004) argue that the stakeholder's theory empowers the leaders with the resources and capabilities of resolving conflicts in a way that they can offer rewards and further display in language and actions that they value the stakeholders, which will progress their interest in time. The study by Ackerman and Eden, (2011) uncovered that managers at all times have solid, ample, embedded knowledge about stakeholders which, if emerged and utilised in a coordinated way, can serve to manage and resolve conflicts.

In a stakeholder's theory, managers must form relationships, influence their stakeholders positively and shape communities in which everyone is motivated to do to their best and discharge the value the organisation's promises (Freeman, Wicks, & Parmar, 2004). This relates to the attributes of this study in section 2.3 on the role that governance, staff turnover and the organisational culture within the organisation play. It also has an impact on research and development because when there is low staff turnover and they are motivated enough to conduct research on important issue at hand within the organisation, they can easily adapt to changes, attend to capacity building, and come up with better ways of developing the organisation to deliver on its objectives.

Managers must identify who their stakeholders are and oversee their stakeholders effectively so as to comprehend and accomplish their strategic goals and thus helping reassure its long-term viability (Ackerman & Eden, 2011). If the organisation can manage its stakeholders effectively and ensure that the workforce does not fluctuate, the organisation will easily cope with the volatile regulatory environment. The capabilities formed over time enables the organisation to be competitive and sustainable. Also, because the stakeholder theory focuses more on the relationships that have been formed and take their interest into heart, it becomes easy for the organisation to attend to stakeholder dynamics and cope with changes faster and easier, ensuring competitiveness and meeting the goals of an organisation.

According to Adbullah and Valentine (2009), ethics is the "study of morality". Also, Crane & Matten (2007) write about a morality that is attentive to beliefs, values and norms locked in the social development which assist in recognising right and wrong for an individual or social community. This make the employees feel valued and important because it will ensure that the fundamental motive of the manager is not profit-making but ensuring that the healthy relationships with all stakeholders are formed. This in turn will have a positive impact on the culture within an organisation and how employees handle change which are attributes necessary for competitiveness as articulated in section 2.3 above.

2.5 Summary and conclusion

2.5.1 Summary of literature reviewed

The problem tree was used to analyse the root causes of the lack of competitiveness among South African. The study focused on the lack of skills and came to the conclusion that although there are challenges due to the volatile regulatory environment, SMEs also need to take initiatives to ensure that they have skills to be able to cope with changes. Despite the fact that there are challenges ranging from red tape, bureaucracy, inaccurate access to information about SME (which are responsibilities of the government), the government has put in place different support programmes and has introduced a new ministry, Department of Small Business which looks directly into matters affecting the growth of the SMEs. A lot of research that has been conducted focused more on the obstacles impacting the growth of the SMEs with the recommendation of what the government can do to empower and support the SMEs, but little research has been done to find out what the SMEs are doing to ensure that they also play their role, have coping mechanisms when the environment is changing and also have the capacity to ensure sustainability and competitiveness.

The study ended up with nine attributes based on the literature reviewed and it was informed by the research objectives and questions. The attributes addressed the factors that informs the competitiveness of an SME being research and development, adaptation to change, participations in strategic alliances, workforce fluctuation, IT preparedness, rate of marketing budget, organisational culture, role of governance and an SME having a good strategy in place. The stakeholder analysis was proposed as the tool that will be used to evaluate and get accurate information about the SMEs in relation the attributes that have been identified in order to make reliable and valid research findings. The selected framework that will be used to interpret the findings is the stakeholder theory because it gives a clear picture about purpose of the organisation and drives the organisation to move forward and bring about excellent performance and in turn the organisation becomes competitive.

2.5.2 Proposed research strategy, design, procedure and methods arising from the literature reviewed

Most of the literatures that have been reviewed from section 2.1 to section 2.4 are mainly use qualitative strategy and involve conducting interviews and research on secondary data. There are few studies that combined qualitative and quantitative strategies. Having looked at the research strategies and designs that have been applied on the reviewed literature that talk to issues similar to this study, case study design has been frequently used. The next section will look more into the type of strategy that will be used, the design, procedure and methods. When making decisions on these issues, the lessons learnt from the literature reviewed will also be taken into consideration.

3 RESEARCH STRATEGY, DESIGN, PROCEDURE AND METHODS

In Section 1.2.3, we have posed three questions that this research report intends to answer—that is, 'how do practitioners determine the level of competitiveness of the SME within the emerging markets?', 'How do SMEs monitor their external environment?', and 'What are the coping mechanisms of the SME in a volatile regulatory environment?'. We have since reviewed literature and developed an interpretative as well as conceptual framework that will guide the choices of techniques we will use. This chapter identifies and describes research approach, design as well as procedure and methods that we employ in this research to collect, process, and analyse empirical evidence. Broadly, it has three objectives; namely, to identify and describe the research strategy (Section 3.1), the research design (Section 3.2), as well as the procedure and methods (Section 3.3). The chapter also describes the reliability and validity measures (Section 3.4) that this research applies to make it credible as well as the technical and administrative limitations of the choices we make (Section 3.5).

3.1 Research strategy / Research paradigm

Research strategy gives the framework and complete direction of the research from which proceed the detailed structure of the research method, and its compelling technique of addressing the research questions or problem (Farquhar, 2012). According to Basias & Pollalis (2018), there are two primary research strategies –qualitative and quantitative strategies– with the additional third strategy being mixed strategy which is a combination of both qualitative and quantitative. According to Creswell & Poth (2018), qualitative research "begins with assumptions and the use of interpretive or theoretical frameworks that inform the study of research problems addressing the meaning individuals or groups ascribe to social or human problem". Qualitative research takes into account research methodologies that deal with concepts by analysing behaviours, experiences and relationships, not taking into account the application of statistics, mathematics and numerical data. (Basias & Pollalis, 2018; Hennink et al., 2010; Merriam, 2009). It is the strategy that provide responses to research questions like: (a) how, (b) when, (c) what and (d) where (Miles & Huberman, 1994).

On the other hand, quantitative strategy is when a "research involves systematic and empirical investigation of phenomena through statistics and mathematics and the processing of numerical data" (Basias & Pollalis, 2018, p92). Seale (2018) notes that quantitative research comprises of deductive reasoning, in which we identify all the related variables before data collection commence. Mixed strategy is an approach used in a research that combine both qualitative and quantitative strategies. For some of the studies to be effectively carried out, we require both strategies because they need to address issues that combine both numbers (quantitative) and words (qualitative) (Miles & Huberman, 1994). The study by Basias and Pollalis (2018) outlined the similarities and differences of the qualitative and quantitative strategies. Both strategies have a main aim or investigating or probing into something that is known but has not been proved, whilst the major difference between the two strategies is precisely described in the table below.

Table 2: Similarities and Differences of Quantitative and Qualitative Research Approaches

Key Features	Qualitative Research	Quantitative Research
Examines	Phenomena	Phenomena
Interpretation	"Qualitative research includes a sequence of interpretive techniques that seek to describe, decode and translate concepts and / or phenomena instead of capturing the frequency of certain phenomena in society".	"The quantitative research approach usually refers to the systematic empirical investigation of phenomena through statistical and mathematical analysis and the processing and analysis of numerical data".

Source: (Basias & Pollalis, 2018, p96)

Selected Research Paradigm

This study firstly seeks to determine the levels of competitiveness of the SME within an emerging market, then explore how SMEs monitor the changes in their external environment especially the regulatory environment and related legislations and lastly establish the coping mechanisms of the SMEs in a volatile regulatory environment. According to the differences in qualitative and quantitative strategy, and the fact that Basias and Pollalis (2018) indicate that qualitative strategy is frequently used to evaluate and analyse, the appropriate one that will ensure that the objectives and aims of the study are reached is qualitative strategy. Also taking into consideration the literature reviewed on the interpretive framework that will be used to interpret the results, (i.e., the stakeholder theory) and the attributes in section 2.3, this study is looking more into finding out the information about ways the SME can remain competitive despite the volatile environment they operate in. The stakeholder theory focuses more on the relationship that the managers form with the stakeholders, which is linked to the attributes in section 2.2 that informs the competitiveness of an SME. The literature reviewed further showed different strategies that were used, with qualitative strategy being the one used mostly. To mention one, the research by Nieuwenhuizen, (2019) which is similar to this study, with its aims and objectives that "identified and investigated employment and wealth creation factors inhibiting the establishment and growth of SMMEs". The study used qualitative empirical research in which structured interviews were used and the main reason for using qualitative strategy was to extract detailed information on background and knowledge of SMEs with regards to issues impacting their growth, sustainability and establishment. The qualitative strategy benefited the researcher because from the findings, the report clearly outlined what challenges SMEs are facing and with the major one being the volatile regulatory environment, which is impacting also the economy of the country and further suggested what the government can implement to improve on the situation. Similarly, in this study the qualitative strategy will give an advantage to the reader in that the nature and complicatedness of the SME's failing at such a high rate in South Africa, despite all the support programmes from the government in place, will be understood and informed decisions can be implemented that will make a positive impact on both the SMEs and the government at large.

3.2 Research design

A research design is a way that a researcher collects data; it guides the execution of research procedure and methods during data collection. Seale (2018) notes that a research design is the one that offers a configuration for a research project and may at times vary due to the type of question posed. According to Bryman, (2012), there are five generic research designs: comparative, comparative, cross-sectional, longitudinal, experimental and case study.

Taking into consideration the reviewed literature, this study will utilise a case study approach. Several authors have deliberated on the concept of a case study and almost all of them are of the view that case study allows a research to get in-depth understanding about the case. Yin, (2009, p18) is of the view that a case study "is an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident". Tysiachniuok, (2012) also notes that the case study is the best research design to be considered when specific phenomena are investigated within the real-life context. Creswell & Poth, (2018). In the same vein, Farquhar, (2012) avows that a case study enables the researcher to study the problem, issue or concern in real-life situation and its intent is to dig deeper, search for clarifications and acquire understanding that will be used to enhance or test theory. Although Basias & Pollalis (2018) also agrees with all writers above that a case study provides a 'holistic' view and understanding of the topic that is researched, he adds that it is also utilised to test the proposed framework of the research. This study, considering the five research designs as proposed by Bryman (2012), and what the aforementioned authors have brought into light, will settle for case study research. The hallmark of an excellent qualitative case study is that it produces a comprehensive understanding of the case, it is the appropriate approach that allows one to critically analyse in-depth processes and it is the type of the research design that will be able to respond to the research questions on 'how' and 'what'.

As a researcher that is new into doing formal research studies, I am very keen to learn about the topic, and further gain knowledge about the processes of conducting quality research, and therefore as I do literature review, I peeped into what others have done specifically, those who have long been in the field. For example, I looked into a study by Albasu and Nyameh, (2017) on relevance of stakeholder's theory with an objective "to investigate if internal corporate social responsibility practices have influence on employees' performance in the Nigerian banks". The study selected qualitative case study design because it was central to understanding the 'internal corporate social responsibility practices' within the banks and it was fundamental that the data gathering is flexible. In addition, with the case study design, the study came up with a number of recommendations that not only can benefit the banks but other sectors such as the government, labour unions and community-based organisations. This study also makes further suggestions about informed development of policies, regulatory and institutional framework which can promote and reinforce corporate social responsibility.

This study's interest in the competitiveness of the SME is informed by my personal investment as an entrepreneur who wants her organisation to become competitive and sustainable and eventually have a positive impact on the economic growth of the country. Therefore, case study research is of personal benefit because I will gain insights on the factors inhibiting the growth and performance of the SME and will deliberate on what can be done to improve the growth, sustainability and competitiveness among SMEs in South Africa despite the volatile environment which we operate in.

3.3 Research procedure and methods

This section documents the actual procedure and the methods employed in this research to collect, collate, process, and analyse empirical evidence. Broadly, we detail the data and information collection instruments (Section 3.3.1), the target population and sampling of respondents (Section 3.3.2), the ethical considerations during the research process (Section 3.3.3), data and information collection process and storage (Section 3.3.4), data and information processing and analysis (Section 3.3.5) as well as the background description of the respondents who provided empirical evidence for this research study (Section 3.3.6).

3.3.1 Research data and information collection instrument

The effectiveness in a case study is when it shows its capability in investigating the research problem in-depth within its real-life context and is able to answer the research problems. It is therefore imperative that the data collection procedures complement the attributes of the case study. Based on the literature reviewed and according to Farquhar (2012), a lot of case studies give prominence to qualitative strategy as they are suitable for in-depth investigations. Farquhar (2012) indicates three viable techniques for gathering primary data for any research that employs the case study research design and they include "survey, observation and interview". It is up to the researcher– based on the objectives, research design and strategy chosen to decide on the technique they want to use to collect research data. For every chosen technique, a collection instrument will have to be developed. Farquhar (2012) described the data collection instrument as "the means by which you will collect your data", while Adorean, et.al. (2017) argue that collection instruments "enables researchers to explore respondents' lived situations through either observation (what the researcher sees) and through interviewing (what respondents tell researchers)". The developed collections instruments can either be observation schedule or interview schedule where scheduling simply refers to positioning the questions in a similar sequence for every person you interview (Seale, 2018).

Several authors have described the context of observation, Farquhar (2012) is of the view that observation is an approach used commonly when researchers want to engross themselves in their research and gather notes on the observed behaviour, recording, chats or discussions. Angrosino (2007) refers to observation as one of the fundamental tools for gathering information in qualitative research, he describes it as an "act of noting a phenomenon in the field setting through the five senses of the observer, often with a note-taking instrument, and recording it for scientific purposes". The researcher may watch physical setting, participants, activities, interactions, conversations, and behaviours during the observation and use her senses, including sight, sound, touch, smell, and taste (Creswell & Poth, 2018). The second research collection instrument is the interview scheduling in which knowledge is formed when the interviewee and the interviewer are interacting (Brinkmann & Kvale, 2015). The qualitative research interview is further described as "attempts to understand the world from the subjects' point of view, to unfold the meaning of their experience, to uncover their lived world" (Creswell & Poth, 2018, p3).

Comparing the intentions of the two research collection instruments, the interview schedule will be best suited for this study. This is backed up by two reasons, firstly interviews constitute a valuable research instrument in a qualitative setting because they give the researcher the means of connecting with the interviewees' values and attitudes, which you cannot be easily observed or integrated within a formal questionnaire (Seale, 2018). Secondly, the objectives and research questions of the study should be the ones assisting in selection interview instrument that will be chosen, the person whom will be interviewed and the questions which will be asked (Creswell & Poth, 2018). From the discussions with the Supervisor, it was mentioned that the objectives of the case study must link to the research questions and the fact that objectives of this study is to dig deep and find out how can an SME remains competitive, the interview schedule appears to be the perfect type of instrument to use to collect information for this study.

Having decided on the type of research data collection instrument to utilise, it is important to consider its structure. The structure of the research data collection instrument should be both scheduled and standardised, implying that the positioning of the questions must be in a similar sequence for every person interviewed (Farquhar, 2012; Seale, 2018). The intention is that each respondent is provided with the same impetus; therefore, differences in responses can be attributed to real distinctness among respondents, rather than to dissimilar ways in which questions were posed (Seale, 2018). If structure, standardisation and scheduling of the data collection instrument are all completed accordingly, error will be prevented. The designed research data collection instruments vary in the degree of structure. There are three structures that normally the data instruments follow up being unstructured, which is used when less is known on research topic; then semi-structure which is a structured but is still flexible to allow for extra questions and responses and fully structured one which is used when more is already known on the research topic. This implies that either observation schedule or interview schedule, can be unstructured, semi-structured or fully structured.

This study commits to the utilisation of semi-structured interview information collection instrument. Different authors have elaborated on the semi-structured interview data collection instrument. The semi-structured interview consumes time and therefore cannot cover a large sample, but rather ensure that the appropriate representatives have been sampled in order to attain an explicit understanding of the subject of your research (Seale, 2018). Tom Wengraf (2001, pg 5) describes semi-structured interviews as "high-preparation, high-risk, high-gain, and high-analysis operations". Ayres (2008) and Longhurst (2012) related the semi-structured interview to the qualitative strategy where there is communication between the interviewer and the interviewee, the interviewer communicates in a self-conscious, asking scheduled but open-ended questions.

Based on the advice that comes from different authors who have done qualitative case studies extensively before, this study will use semi-structure interviews. Farquhar (2012), for instance indicates that most researches that have been designed to use the qualitative strategy often use a semi-structured interview because it allows the researcher to follow the scheduled and standardised interview while still being flexible and contextual. Seale (2018) suggests that the open-ended questions that provide flexibility are inclined to produce a grater considered response than closed questions because they enable the researcher to get access to the views of the interviewees, better explanations of experiences, events, opinions and understandings. Adorean et al., (2017) also support semi-structured interview because they believe it is advantageous in that it let interviewees give answers that are open rather than assertive or negative.

Lastly based on the literature reviewed, most case studies using qualitative methods, adopt interviews as their research collection instrument. For instance, the book, *Qualitative Research in Regional Geography: A methodical Approach* (Adorean et al., 2017), which was written with the aim of encouraging Romanian students and geographers to take an interest in qualitative research reviewed different case studies. One of such case studies explore the "determining factors for local economic development" (Wong 1998). The aim of the study was "to rank the determinant factors for the local economy, in the regions of North-West and the east of UK, from the perspective of those who contribute to the development process" and the objective of the study was "to assess the importance of key factors for the development of the local economy and to listen to local actors' point of view about the significance that each actor has in the development process" (Adorean et at., 2017). This particular case study applied the semi-structured interviews because it proved to be a very useful research method for collecting information in a relatively short time and further it allowed the interviewee to express a more comprehensive point of view, without being limited by a number of questions or answers. The study also used the interview as the collection instrument because it brought into light the conditions which numerous regions may possibly experience; namely, 'industrial decline and high unemployment rate' (Adorean et at., 2017). The semi-structured interviews will be of benefit to this qualitative case study in a way that the study be able to get deep and clear information about how the SMEs are coping within the volatile environment and what they are doing to remain competitive and sustainable.

There are four points that were considered when drafting questions of the data collection instrument for the semi-structured interviews: relevance which indicates if the questions are related to the research problem; comprehensiveness which verifies if all facets of the research problem are represented; feasibility which checks if the interview is too lengthy and if the interviewees can respond to the questions; and comprehensibility which refers to whether the interviewees understand the questions in the way they are meant to be understood (Seale, 2018). A pilot study will be done to ensure that the questions on the data collection instrument are clear, simple, short and cover the four points discussed above (Farquhar, 2012; Seale, 2018). The questions on the research data collection instrument are informed by the objectives, research questions and the attributes discussed in section 2.3. The research data collection instrument has been placed in Appendix 1.1

3.3.2 Research target population and selection of respondents

3.3.2.1 Research target population

Having decided on the strategy, design, interview schedule and structure, one needs to decide who are the people that are going to be targeted for interviews, i.e. target population. Population refers to the whole set of entities that will be targeted in the research insight, and the population should have the same characteristics throughout all cases (Farquhar, 2012). Several studies have alluded on the issue of selecting the target populations. Creswell (2007), Farquhar (2012) and Polkinghorne (2005) are of the view that selection is driven mainly by the kind of information that the researcher seeks and the individual selected must have experiences that will elucidate– and provide important perspectives to different– aspects of the study. Selection of the targeted population to be interviewed for this particular study, will be done strategically in a way that will ensure that the individuals selected are likely to influence the development of an emerging premise and have characteristics that are required as according to the objectives and selected attributed of this study (Seale, 2018).

For this particular study our targeted population will be the individuals who own/manage the SMEs and further involved in managing the organisation. The dimensions on the data collection instrument that have been informed by attributes advised on the kind of questions that should be asked during interview. That prompted that formal SME's be eyed. The targeted SMEs were registered entities, that have survived for minimum three years as one of the questions required rate of marketing for the past three years. The targeted SMEs had experience and shew zeal of being sustainable and competitive. When planning was done, the intention was to do mainly face to face interviews, but due to changes in COVID-19 regulations, only three interviews were face to face while the rest were done online using Zoom. The targeted SMEs were the ones that were accessible, willing to participate and provide information about how they approach some of the problems being investigated. (Creswell & Poth, 2018). For accessibility the aim was to interview SMEs within Gauteng province, but having used Zoom we ended up having an access to one respondent based in KwaZulu Natal province.

3.3.2.2 Sampling or selecting respondents from the target population

Sampling is a segment of a population, where the population can be the entire measure of the objects or cases which are the topic of the research (Etikan, Musa, & Alkassim, 2016). Seale (2018) refers to sampling as people that have been nominated for interviewing or object that have been nominated for analysis. He further alludes to the fact that one needs to take into account the characteristics or attributes the sample possess. In a qualitative strategy, sampling is considered in order for researchers to acquire ideas and knowledge about issues being investigated from the interactions they will be having with the people or objects they are studying (Seale, 2018). There are two approaches that a researcher can opt for, probability sampling, which looks into random sampling and non-probability sampling in which sampling is non-random. This study will settle for a non-probability sampling which is the method that is used mainly for case studies researches (Farquhar, 2012).

Literatures mention different examples of non-probability sampling, but the common ones are purposive, convenience, theoretical and judgement (Easterby-Smith et al., 2008; Farquhar, 2012). Based on the nature and objectives of this research, the purposive, convenience non-probability sampling will be used – especially considering the fact that the attributes of this study are not quantitative in nature (i.e. are not variables) (Etikan, Musa, & Alkassim, 2016). Purposive sampling will enable me to purposefully select a group of people that can best communicate information about the research problem (Creswell & Poth, 2018; Etikan, Musa, & Alkassim, 2016). Convenience sampling on the other hand will enable me to collect information from the purposefully selected group of SMEs that are accessible, at a time they are available and willing to participate. An example of the literature reviewed with a topic on "effects of regulations and legislation on small, micro and medium enterprises in South Africa", aiming at identifying and investigating factors that inhibit the formation and growth of the SMEs (Nieuwenhuizen, 2019). The study used purposive convenience sampling selecting only SMEs based in Gauteng because they represent the majority of SMEs in South Africa, Gauteng constitute 46% of the formal SMEs in South Africa. The purposive and convenience sampling will benefit this study because its affordable, the sampled SMEs are readily obtainable, at a close proximity and also taking into consideration the limited time given to complete the study.

In the process of consulting multiple literatures in order understand what is the appropriate size when conducting an interview in a quantitative case study, different considerations were brought to light. (Mason, 2010), for instance, indicates that the numbers to sample in a qualitative research are commonly smaller compared to those in quantitative and therefore it is easy to determine the size of the quantitative sample. By the virtue of the type of the strategy that this study has selected i.e. qualitative case study, its main objective is to have in-depth understanding about the research topic; therefore, a small sampling will do, because for a case study research, the number could be lower without certainly having a negative bearing on the research (Farquhar, 2012). Baker and Edwards, (2012) conducted a research with an aim to answer the question "how many qualitative interviews is enough". The study revealed that when conducting qualitative interviews, the size of the sample is determined by nature and purpose of the research, taking into account the practical issues like the time and resources available, institutional committee requirements and the level of degree of the study. In the preparation phase, a further test on the interview data collection instrument was done on two of SMEs to assess that the questions are intelligible, that the answers provided are answering the research questions as intended and that the interview is not going to be too time consuming to complete.

The last issue to consider when making the decision on the size of sample to settle for is the concept of saturation. A number of scholars have examined the concept of saturation. Mason (2010) ,for example, is of the view that a number of issues can have an impact on the size of the sample selected of the qualitative research but the fundamental principles that will guide the researcher in making the decision is the concept of saturation. Seale (2018) describes it as a "concept of informational redundancy". When you conduct a study, the main aim is to gather information in order to generate new or additional insights into something. When further information is gathered and it gets to a point that further data collection is not providing new information, then you would have reached information redundancy / saturation. According to (Constantinou, Georglou, & Perdikogianni, 2017) in order to measure if you have achieved saturation point in your interviews you apply a method called "Comparative Method for Themes Saturation (CoMeTS)". The method requires one to first compare all themes from the interviews and then place the sequence of interviews in order and the sequencing must be done multiple times in order to recheck and confirm saturation point.

Having done the test of the data collection instruments and taking into account the strategy chosen for this study, the literature support, and time available to conclude the study, a decision was taken to interview 8 SMEs. Using purposive and convenience sampling, SMEs in the Gauteng geographical area were considered because they were easily accessible. I work in an SME environment myself and using that advantage, I approached the SMEs that I have relationships with. Letters requesting permission to conduct an interview at their organisation were send through email to 10 SMEs. Most of them confirmed by WhatsApp that they will avail themselves and five did the interviews within the agreed slots. More follow ups had to be done on the remaining five and eventually managed to get three more interviews. Again, this study looks mainly into how the SMEs cope in the face how regulatory changes and how that affects competitiveness. The sampled SMEs, had an indication of survival as all of them have been in existence for more than three years and from the outwards observation they showed characteristics of growth and sustainability. Taking into consideration the attributes of this study, such SMEs needed to be interviewed so that their coping mechanisms can be learnt / studied and so that the factors that drive their competitiveness can be explored.

Out of the eight SMEs that were interviewed, three were done face to face, while five were done using zoom. The face-to-face interviews were conducted in my office situated in Midrand. Two were travelling from around Midrand while one was from Johannesburg. The office we used was without disturbance. One of the respondents came on a Saturday as that was the convenient time for her. To ensure that the respondents were prepared for the interview, a consent form and data collection instrument with the questions that will be asked were sent to them so that they can select the right person to participate in the interview as soon as the date, time and venue were confirmed. A participant information sheet was also sent so as to give to exact person that will be participating in the interview the details about the objective of the research, ethical considerations as well as how the interview will roll out. The face to face interviews were recorded with the consent and comfortability of the interviewees. With zoom it was easier because the app had recording option on it, which was utilised.

3.3.3 Ethical considerations when collecting research data

The target population of this study is human beings and when it concerns human participants, the research project should carefully and strictly keep to ethical considerations. Interviews are regarded as encroachment into the respondents' private lives with respect to time set aside and the sensitivity of the questions on the information collection instrument that they will have to respond to. It is therefore pertinent that ethical considerations must be upheld (Alshenqeeti, 2014). Several authors have tried to define the concept of ethics and as Homan, (1991, pg1) noted, 'Ethics is the science of morality: those who engage in it determine values for the regulation of human behaviour'. Seale, (2018) on the other hand is of the view that "a central issue in academic discussion of research ethics is the relationship between the individual and the social world, with consideration being given to how the imposition of the research on individuals (with their consent or otherwise) can be balanced with the benefit of making the world a better place to live in, or 'doing good'" (Seale, 2018). Ethical research is a central issue that constitutes an important part of the research process especially because as a researcher you have to plan about who am you are going to talk to, what information will you collect as well as how you are going to capture and store the information. All of this, it turns out, make up the fundamentals of ethical research (Farquhar, 2012).

In order to ensure that ethics have been upheld in this study, different steps will be followed. Creswell and Poth, (2018) advise that ethical issues pertain to three fundamental principles informing ethical research: ensure that people are respected by respecting their privacy and allowing them to consent to participating in the interviews; show concern for the interviewees' welfare by lessening harm and supplement reciprocity and treating them equitably and embellish inclusivity. Will ensure that my behaviour is in a manner that will cause no harm and also be sensitive to all information presented all the time. In order to ensure that the information that has been collected during interviews is protected, the information and back-up will be stored in a secured place and will also code the data in advance to minimise any risk of information and people being linked (Farquhar, 2012) and (Seale, 2018). Confidentiality is also another important aspect of conducting research that conforms with ethical values (Seale, 2018). This study will cautiously handle all the sensitive information and will not in any condition reveal sensitive information linked to the SME's market competition, image or insider's data as it might have a negative impact on the interviewees and the SME as a whole.

It is also significant to make certain that procedures have been adhered to and that targeted participants have been notified and have consented (Seale, 2018). When approaching the owner / manager of the SME selected for interviews, will provide them with a consent form and a permission letter which have the university letter head. A consent form allows the interviewees to agree that they will participate in the interviews and understand that their involvement together with all the information they will provide will remain confidential and also consenting to be recorded during interviews. The permission letter will give a brief background about the study and the person to participate in the SME will be assured that for any particular reason they can stop the interview (Seale, 2018). A brief profile about me together with the information collection instruments will also be included alongside the consent form and permission letter (in a form of an access pack) to the SMEs concerned so that they will need to know me and that will also show that how organised and professional I am (Farquhar, 2012). For an organisation to be keen on supporting the research, the permission letter that will be send will include detailed information about the organisation's role, the information or data will be required as well as the time that will be taken to complete the interview (Farquhar, 2012).

Having done the literature review, looked into the importance of ethical consideration and proposed how I intend to undertake it, the remaining part of this study will include the actual application. In respecting the privacy of the respondents, they were allowed to consent to participating in the interviews by completing and signing the consent form. In instances where the respondents representing an organisation were more than one, all of them were provided with a consent form individually to sign. Copies of all signed consent forms have been attached as appendix 2.2. When interviews were done face to face, they were done in my office in which we were behind closed doors. Because of the pandemic, we were working in shifts and the days in which interviews were done, there were no people in my division, allowing me space for privacy. One of the interviews we did face to face, the participant preferred a Saturday when there was no one at the office. In all the interviews time allocated was respected as indicated on the permission letter that it will be 45 minutes. None of the interviews was more than 45 minutes.

Interviews where zoom was used, for privacy they will not switch on the video, but we only used the microphone and recorded the audio.

To ensure that the participants were at ease, they were told to relax before commencement of the interviews, as it was a case study and there is no right or wrong with the answer. During the interviews, smiling and nodding was used at all times, and elaborated when they did not understand the question. Examples were even provided so that they can have a better understanding of what the study intend to find out. Nodding during the interview also assisted in indicating to the participants that they can continue, especially when they were showing a feeling that they don't know what to say or what they are saying its wrong. Where possible, further questions were asked to enable the participants to explain more on the issue. Storage of the recordings of the interviews conducted, were saved on my personal laptop which is password protected and only accessed by the interviewer. Recordings and transcriptions thereof were saved on memory stick which was stored at home in my personal safe which is password protected. Pseudo names were used for the names of the SMEs and the respondents that participated in the interview for the research report for this study.

3.3.4 Research data and information collection process

Data collection in a research is a sequence of correlated activities intended to gather information that will respond to research questions (Creswell & Poth, 2018). There are a lot of issues that have been taken into consideration that involves data collection which are: accomplishing a suitable qualitative sampling strategy, ethical matters in relation to gaining permissions to conduct interviews, secure storage of data and act in response to matters as they stem from the field. In a study that has settled for qualitative strategy, the types of data and the processes for gathering that data must be taken into consideration (Creswell & Poth, 2018). Recently, forms of qualitative data are increasingly arising in the literature, (see: Creswell, 2012; Merriam & Tisdell, 2015; Warren & Xavia Karner, 2015), but all these forms have been categorised into four key types of information which are: interviews, observations, focus groups and documents. This study will use the interviews as a way of collecting the information to answer the research questions.

According to Brinkmann and Kvale (2015, pg 4), an interview is where "knowledge is constructed in the interaction between the interviewer and the interviewee". The qualitative research interview is further described as "attempts to understand the world from the subjects' point of view, to unfold the meaning of their experience, to uncover their lived world". In Interviews, we can communicate face to face (where the interviewer meets the interviewee and ask questions), via the telephone (interviewer asks questions over the phone) or using internet-based means such as Microsoft teams, Zoom, Skype etc (Farquhar, 2012; Seale, 2018). Due to the predicament of COVID 19 that the world is facing, will settle for face to face and internet-based options. Telephonic interviews will not be considered for this study because this will not be suitable for an interview that has been planned to take 45 minutes (might be considered longer on the telephone) and also some of the research questions in the instrument might appear to be sensitive. The advantage of using internet-based method in a qualitative data collection process is that it saves time and is less costly considering data transcriptions and travelling. The internet-based methods also allow the interviewees to be comfortable in their own environment, not feel threatened by the characters of the interviewer, allowing the interviewees to be at ease deliberating on sensitive questions and thus allowing deeper deliberation of the research topic (Creswell & Poth, 2018).

From the literatures reviewed, the interviews are recorded and the entire transcripts are composed (Farquhar, 2012). The process of recording the information can be done using interview write ups, census taking, observational field notes, mapping, photographic and sound recording (Creswell & Poth, 2018). Same with this study, all interviews (either face to face or internet-based) with the SMES will be recorded and transcripts will be made. There will also be usage of a pre-designed form in which notes will be taken during interviews about the answers from the interviewees as this will assist in my thoughts on certain issues like information about introduction to the interview, concluding ideas, information on how to winding-up the interview and thanking (Creswell & Poth, 2018). All raw data including the recordings, will be stored safely on my laptop and the folder will require a password. There will also be a back-up which will be safely stored in a different location. The laptop used for the research is personal and it is only used and accessed by me.

Two methods of communication were used, i.e. Zoom and face to face. Zoom had more advantages than face to face because I could easily interview people that were far without having to incur travelling costs. I managed to interview an SME that was based in KwaZulu Natal, which would have been difficult to do physically given the time frames to complete the study and expenses that would have been incurred. Zoom had an option of recording the interview, which automatically recorded the whole interview without me having to using another device for recording. Most of the respondents felt comfortable when only voice option was used rather than video (also showing their faces) during interviews. Using the application of zoom, it gave me an opportunity of accommodating more than one interview a day (based on the respondents' schedule) as there was no travelling involved.

The data collection instrument was present at all times during the interviews, with a pre-designed form which had introduction questions to be asked during the interviews. That assisted in gathering information about brief background of the SMEs. Minor note taking was done during interviews because of the concentration on what the respondents were saying. During face-to-face interviews note taking was even more difficult as one had to make them feel at ease by looking at them and smiling at most times. The raw data of the recordings together with the transcribed texts were stored safely / securely a personal laptop and back up was done and stored in a safe at home which both were password protected.

3.3.5 Research data and information processing and analysis

3.3.5.1 Research data and information processing

Data and information processing is the stage in which managing and organising of the data occurs. At an early stage before analysis of the data can actually take place, data and information collected from the interviews will be organised into digital files and generate a file naming system (Creswell & Poth, 2018). When file naming system is done consistently, location of materials in huge databases of text can be done easily when analysing either by computer or by hand stage comes, (Bazeley, 2013). Beside the files being organised, will change data and arrange for long-term interpretation of the audio-visual information and computer programmes will assist in terms of managing the files and analysing the information (Creswell & Poth, 2018).

Data coding is regarded as reduction of data into segments and naming those segments (Creswell & Poth, 2018). Seale (2018) regards coding as the initial step concerning data analysis and regard it as classifying the responses you would have received from the semi-structured interviews as means of transforming quality into quantity with the intention of detecting patterns when doing data analysis or more use it for statistical analysis. Whilst Farquhar (2012) is of the view that without coding, the researcher will not be in a position to interpret or manage the collected data and information in any meaningful manner. The intention is that the managed data must capture what is valuable and in line to the research objectives. The coding process is fundamental to qualitative research as it entails generating meaning of the text collected from observations, interviews and documents, which can be done manually or using computer software.

There are different strategies for coding data as mentioned by Saldana (2013), but thematic coding strategy will be used for this study. It allows for analysing data produced from interviews in case studies mainly using qualitative methods and it becomes easy to understand because qualitative data will have been classified into themes, patterns or categories (Seale, 2018). Themes are "broad units of information that consists of several codes aggregated to form a common idea" (Creswell & Poth, 2018). Thematic coding will begin immediately after the first interview has been completed. The idea is to commence with analysis early to notify if there are gaps that require further data gathering or new themes are emerging; preferably thematic coding finishes when there are no new themes arising from the collected data (Seale, 2018).

The statistical software tools that can be used to guard against errors in data collection or data entry utilises different techniques of cleaning data (Seale, 2018). They are preferable when analysing bigger volumes of data and within seconds they can distribute labour-intensive and potentially unreliable data utilising computer power into something recognisable, meaningful to be used for analysis (Seale, 2018). There are times that when fragmentation occurs when you are coding. Fragmentation is when files are being organised in a specific order and documents get lost or are destroyed, accidentally or deliberately; it is also when files are put various segments which may seem detached from the whole (Seale, 2018). To avoid fragmentation, data will be studied closely, which involved reading and re-reading the collected information numerous times before properly coding it, retaining memos of expressions and wide impressions that seem important (Farquhar, 2012; Seale, 2018).

This study is going to use data coding by a computer. This research will use NVivo program which has tools that can annotate data, search for particular information in it, create ideas and then compare different categories of data (Seale, 2018). It even has more benefits that it offers security for the files and database organised in one file, it allows the researcher to utilise several languages, and permit manipulation of data by the researcher and easy to use search engines (Creswell & Poth, 2018). A study carried out by Albasu and Nyameh (2017) with the aim to "investigate if internal corporate social responsibility (CSR) practices have influence on employees' performance in the Nigerian banks" is instructive for my study. The topic of the study is "relevance of stakeholder's theory, organizational identity theory and social exchange theory to corporate social responsibility and employee's performance in the commercial banks in Nigeria". The study used qualitative structured interviews where the questions were open-ended and only six major banks in Nigeria were interviewed because the study wanted in-depth information in relation to the topic. The NVivo software benefited the researchers because it translated and interpreted the qualitative data into significant information which was used for analysis and it further arranged the answers for coding (Albasu & Nyameh, 2017). Similarly, the NVivo software will benefit me in this study.

Recording of the interviews was very helpful as immediately after the interviews, the recorded data was transcribed using an app called Otter. The app transcribed the voice recordings into text information. One of the challenges was if the respondent talks very soft and the text will be in a form of an unfinished sentence. Recorded interviews had to be replayed so that unfinished sentences could be manually typed until the information from the interview was completely transcribed. There were instances where the respondent would use one word repeatedly and the transcribed text would also show that information. In that case such information was not edited to allow for accurate analysis because that had an interpretation of some sort. All the raw recordings of the interviews were saved in one folder and each recording was saved using the pseudo name of the SME. The transcribed information was also saved in another folder with each saved separately labelled by the pseudo name of the SME. A challenge of fragmentation occurred when data coding was done for one particular SME, some of the information was lost accidentally while busy with transcription as a result of load shedding. The original recorded interview was downloaded from the memory stick and a fresh transcription was done. The old and the second transcription were compared to ensure that all the information was accurate.

The intension was to use NVivo to analyse the data and information collected from the interviews, which required one to watch different you-tube videos in order to learn how to use NVivo. Different versions of NVivo were identified and one was downloaded for analysis. Without the licence, it could not operate and the license was costly. Looking at the size of data collected from the interviews and the fact that there were not enough funds to purchase the license for NVivo programme, a decision to settle for manual analysis was taken. Although the process was tedious, but it enabled the analysis process to carefully and repeatedly study the information collected from the interviews.

3.3.5.2 Research data and information analysis

The main aim of analysing the research information collected from interviews of the case study is that the reader can simply understand and follow the findings of this study and mainly how I arrived to the findings (Farquhar, 2012). According to (Farquhar, 2012), because it is a qualitative research, conducting semi-structured interviews, would allow for the commencement of analysis of data collected from the interviews immediately. Preliminary analysis starts by drafting short notes even though the information is not yet in a structure for the main analysis, because this will assist to reflect on what interviewees have said or might not have said and then influence the succeeding data collection in reviewing the information collection instrument. There is much more in data analysis of a qualitative research which encompasses preparing and organising the data for analysis, then bring it down it into themes by means of coding and condensing the codes, representing the data which can be in tables, figures and /or discussions and developing an interpretation of them (Creswell & Poth, 2018).

From the literature reviewed, all the authors are in agreement that although one can choose to use computer aided programmes to analyse data, but the actual analysis of the data is the work of the researcher herself (see: Creswell & Poth, 2018; Farquhar, 2012; Marshall & Rossman 2015; Seale, 2018). The fundamental issue is that the information must be traceable (be in a position to indicate where the data comes from, who said what and using recognised techniques), reliable (the recordings and transcripts must truthfully record what was discussed during interviews) and complete (recordings, notes and transcripts must be kept in line with ethical standards) (Farquhar, 2012; Maylor and Blackmon 2005).

Having settled for manual coding, data coding was done immediately after every interview. This was done to check if there were no gaps identified and if there were no new themes arising from the collected data. To avoid fragmentation when generating codes, immersion oneself into data by listening to the recordings, printing the transcribed text of the recording, reading them more than once and highlighting the important issues was done. Appendix 3.2 is the table that has the thematic analysis of the information collected from the interviews.

The questions on the data collection instrument were designed in a way that every question asked addressed a specific dimension. When coding was done, the dimensions allocated for every research question were used as categories and also to ensure that as I reduce the data it does not lose it meaning, (Adu, 2016). The categories used are clearly outlines on the table in Appendix 3.2. The type of the research questions of the study were exploratory and open-ended and as such used thematic coding strategy which uses phares and sentences to describe or capture the meaning of an aspect of data was used (Saldana 2013). Interview transcripts were studied one by one, sentences and phrases capturing the essence of the data (codes) where identified, highlighted and allocated for every dimension. The coding was done for all the dimensions as highlighted on the data collection instrument and for all interviews conducted. Then the codes were brought together per dimension in a way that one dimension will have all codes from all interviews in one cell which were clearly labelled within a table. It was a total of 92 codes covering all categories. The codes were sorted taking into account the frequency, relationship and the underlying meaning across the codes and eventually arrived to 4 themes (Adu, 2016). The labelling of the themes was addressing the research questions and also taking into account the research objectives and the attributes. The four main themes are

1. Research and Development
2. The Role of the Governance
3. IT Preparedness

4. Good Strategy

3.3.6 Description of the research respondents

Out of the eight SMEs interviewed, seven were the owners responding to the interviewed questions, while one was the management team comprising of three delegates. 50% were female owned and while 50% were male owned and in all instances, the owners were the ones managing the organisation. The age of the respondents that were interviewed was between 32 and 46 years and all respondents had some form of higher qualification than matric. Each SME was represented by one respondent represented an SME, while with the remaining two, one was represented by three respondents and another by two respondents. The ones in which it was one respondent was the director / owner of the SMEs. In the other two organisations it was people from the management together with the director of the company. Most of the SMEs that were interviewed, understood the kind of business they are in while 10% had an SME because they assumed that people in that kind of business make money.

SMEs that were interviewed were from different sectors, i.e., finance, construction, training, information technology and engineering. They have a minimum of three years and maximum of ten years in the business. From all the interviews conducted, the respondent considered the questions that were asked as a way of improving their performance. The closing remarks with all the respondents indicated that the questions asked from the interview afforded them an opportunity to reflect on their processes and strategies, and mainly on the issue that can better their competitiveness and coping mechanisms in a volatile environment. While one SME's priority was about making money, the rest were in the business because that is what they love doing. They responded with passion and commitment in ensuring that they business grow and become competitive.

3.4 Research strengthens—reliability and validity measures applied

For the researcher to discuss the quality of research, they will regularly start with the ideas of reliability and validity (Seale, 2018). Alshenqeeti (2014) notes that validity signifies the extent to which a research reflects the specific concepts it seeks to study, while Seale (2018) describes validity as "the truth-value of the research project". In simple terms, validity searches if the conveyed results are true and of quality. On the other hand, reliability refers to when the data collection instruments produce the same results if used repeatedly, in the absence of random error (Alshenqeeti, 2014; Farquhar, 2012). To claim reliability of the results, one must consider transparency, accuracy and consistency with which researchers produce their result (Gibbert & Ruigrok, 2010; Seale, 2018).

The matter of reliability and validity of the research instruments is of great importance to the findings of any research because it acts as an assurance of the results of the interviewees' performance (Alshenqeeti, 2014). There are four types of validity i.e.: measurement validity, internal validity, external validity and ecological validity. Internal validity refers to the degree to which contributing arguments and declarations are supported by the study and which in turn will convince the reader that the findings are founded on critical investigation of the information or data (Farquhar, 2012; Seale, 2018). External validity refers to the degree to which results can be generalised to populations or to more settings beside the one in which the study was conducted (Alshenqeeti, 2014; Farquhar, 2012; Seale, 2018). Measurement validity refers to the extent to which the questions on the data collection instrument successfully measure the indicated concept of the research (Seale, 2018).

To ensure that validity and reliability of this study is maintained, a trail interview will be conducted, will avoid asking leading questions during interviews, will give the interviewee an opportunity to summarise and clarify the points they will be making, and as much as will be having a recorder to record the whole interview session, will also take notes (Alshenqeeti, 2014). Transparency will be established by cautiously documenting and referencing to the case study research database (Yin 2009). To ensure higher validity will minimise the possibility of bias by ensuring that any misperceptions in the responses are disregarded and even shy away from the tendency of seeing the interviewee on his/her own merits or tendency to seek answers to support the preconceived notions are disregarded (Alshenqeeti, 2014). Even if the questions are open-ended will ensure that when asking them does not deviate from the core of what the questions intend to find out, which will ensure reliability of the information collected (Moloi, 2013).

On the literature reviewed, the studies revealed what other researchers using semi-structured interviews did to ensure validity and reliability. Drawing from the study by

Moloi (2013) which is about "the sustainability of construction small-medium enterprises in South Africa" with an aim of "identifying the factors affecting the South Africa's construction SMEs sustainability and plan the mitigation strategies to ascertain their continued operations". To ensure validity and reliability of her study, the settings were constructed in a way that permitted the interviewees time and possibility to talk about their sentiments. The data collection instrument was designed in a standardised form with open ended questions which allowed data obtained to be reliable. As explained above, reliability and validity benefit the study in that the conveyed results are true and of quality.

Having reviewed different literature and showed the intentions of measures that will put in place for ensuring that reliability and validity is applied, will now look into the actual measures that have been applied after all the planning. When interviews were conducted, to ensure validity and reliability a trial interview was done twice. That ensured that the questions were simplified and can be easily understood by the respondents. Also, the questions were reduced from twelve to nine, three questions were merged with others as they were addressing the same dimension or attributes as named on the data collection instrument. During interviews respondents were given an opportunity to clarify where they did not understand. Questions during interview were asked in the sequence as on the data collection instrument for all the participants, and as they are written on the data collection instrument; will only give example if the interviewee wanted clarity on the question. In the interviews were zoom was utilised, most the participants requested to switch off the video so that they can relax and be free to talk about their sentiments. For example, we had one respondent who, instead of feeling bad or shy that they do not have the budget for marketing when requested to explain the rate of the marketing budget over the past three years in their organisation, laughed before explaining how they have been considering marketing for the past years and their intentions of the future. Even in the process of explaining, this respondent agreed that they don't have a marketing budget yet. On the discussion of research findings, referencing some of the respondents was done cautiously in relation to the case study research database.

3.5 Research weaknesses—technical and administrative limitations

From the discussions above especially starting from section 3.3 to section 3.4, the study showed positive aspects of the techniques applied in the research. This section will look into the technical and administrative limitations encountered during research. Starting with technical limitations of this qualitative case study using semi-structured interviews, there were challenges with in-depth knowledge of the IT methods that were used to transcribe information and do thematic analysis. It consumed time to first get them downloaded and secondly learning how to utilise the it. When doing face to face interviews, interviews had to be recorded. The positioning of the equipment we used to record had to be closer because when the respondent is sitting too far, the voice was soft and, as a result, the recorder could not accurately capture the whole information which made transcription to be difficult to do. When transcription was done, manual transcription on some parts of the interview was done as the voice was too low to be picked by the computer software.

In terms of the administrative issues, the main challenge was time because of the set deadline to submit the research. Taking into account the normal workload at work and the responsibilities at home, finishing the research on time was more of a challenge. As indicated above, time was set aside in order to first learn the usage of the IT and then continue with the practical implementation of the processing and analysation of the information. Despite the fact that the respondents were told before the interviews begin that there is no right or wrong answer, some of the respondents felt like one was measuring the performance of their organisation. Some looked uptight, jittery and very careful about what they were saying. Finance was also another challenge as the NVivo software required one to have a licence before it can function, which came with a cost. A lot of data was required to conduct all online interviews, which also came with a cost.

4 PRESENTATION OF RESEARCH RESULTS

Through literature that has been reviewed from section 2.1 till section 2.5, it is very evident that the volatile regulatory burden is posing so many challenges to the growth of the SME and as a result the failure rate of SMEs in South Africa is very high. This study seeks to investigate what initiatives the SMEs are taking to enhance their competitiveness in spite of the regulatory burdens that the government has been trying to improve on for the past years. According to Schmuck, (2008: 207), the variables to measure the competitiveness of a SME are: "research and development, changing of target markets, adaption to changes, rate of marketing budget and participation in strategic alliances". Furthermore, the SME must have strategies in place so that when changes occur, they can adjust not only to the current changes, but also the anticipated future (Mocholi-Arcel, Sala-Garrido, & Molinos-Senante, 2020; Dolinayova & Loch, 2015). Lastly, the study by Tracey, Vonderembse, & Lim, (1999) indicates that for an SME to be succesful in this competitive, briskly changing environment, the forged strategic plans must be consistent with investment made. If an organisation has invested in advanced IT, and empowered its managers to take part in strategy formulation, it will have improved competitive capabilities and performance.

Data Analysis

Data analysis of the information that was collected from semi-structured interviews of the qualitative case study commenced immediately after interviews. The study settled for manual thematic coding rather that computer aided coding due to the reasons outlined in section 3.3.5.1. Preliminary analysis started by drafting short notes even though the information was not yet in a structure for the main analysis. This assisted to reflect on what interviewees have said or might not have said and then influence the succeeding data collection in reviewing the information collection instrument.

The data analysis of this qualitative research encompassed preparing and organising the data for analysis, then bringing it down it into themes by means of coding and condensing the codes, representing the data which was in tables and discussions and developing an interpretation of them (Creswell & Poth, 2018). The questions on the data collection instrument were designed in a way that every question asked addressed a specific dimension. When coding was done, the dimensions allocated for every research question were used as categories and also to ensure that as data is reduced, it does not lose it meaning (Adu, 2016). The categories used are clearly outlined on the table in Appendix 3.2. The type of the research questions of the study were exploratory and open-ended and as such used thematic coding strategy which uses phares and sentences to describe or capture the meaning of an aspect of data was used (Saldana 2013). Interview transcripts were studied one by one, sentences and phrases capturing the essence of the data (codes) where identified, highlighted and allocated for every dimension. The coding was done for all the dimensions as highlighted on the data collection instrument and for all interviews conducted. Then the codes were brought together per dimension in a way that one dimension will have all codes from all interviews in one cell which were clearly labelled within a table. It was a total of 92 codes covering all categories. The codes were sorted taking into account the frequency, relationship and the underlying meaning across the codes (Adu, 2016). The labelling of the themes was addressing the research questions and also taking into account the research objectives and the attributes.

Presentation of results below is done according to the three research objectives highlighted in Section 1.1.2 of this study guided by the dimensions used during analysis of the information from the interviews.

4.1 Determining the level of competitiveness of the SME within emerging markets

4.1.1 Research and Development

The study by Zwane, (2009) highlighted how low research levels is one of the problems that cause the SMEs not to be competitive enough because of lack of knowledge about the regulations on SMEs in South Africa. Participants were asked to explain what mechanisms they have in place for research and development in their organisation. All participants had common understanding that research and development is needed in an organisation. Although all participants beside one indicated that they do not have a division within the organisation that dealt directly with research and development, they had mechanisms for research and development in their organisation. The mechanisms included relying on research conducted by other bodies in their sector, building relationships and continuous studying.

Participant eight, who is a scientist, explained that they are continuously studying to keep abreast with all the changes and development in their sector. "…*one continuously invested myself in terms of studying and also keeping abreast with relevant technologies and so forth within the industry*".

Participant 3 who is in the telecommunication sector indicated that, through the affiliations, they have built relationships with other organisations and have what they call 'focus groups' where they share what is currently happening as well as future trends. Another participant mentioned making partnerships with other business which in turn form a relationship that is useful for future developments. Participant 9 specifically said:

"it's generally keeping in touch with all these organisations and colleagues and friends and so forth, in the field"

Most participants indicated that relying on the research conducted by other organisation seems beneficial to them. It allows them to get information about what is happening around them, changes that are coming that will have either negative or positive impact on them and mostly how are the competitors developing and learn form the best practices. Participant five mentioned that:

"Well, currently, we for research and organizing, seeing that is really a small company. So, we just use pure marketing, where we just research on Google, nothing really, in terms of system in place that we are using. So, we will rely mostly on the public research that has been done in different SETAs. We normally go to database that are related to our services, and go through the research that have been conducted in our training and development space. And that's where we get most of the information in terms of development".

Participant seven also echoed by saying:

"So, based on that, we will normally follow other companies in the same industry to find out how they operate, and how they are doing their business, how are they able to sustain especially companies that are older than ours, in terms of years of experience? So, we follow them and we check how they are able to run their business and we take tips from them. So that's how we were able to do our research through other existing companies that have been there before us and yeah, develop further as an organization"

Participant 4 that works in the construction industry indicated that they do have research and development department that ensures that as an SME they remain competitive and when regulations change, they know and can plan accordingly. She gave an example of legislative requirement that required that construction projects within public sector allocate 30% of the total profit to the community. After having done research, they decided to cut the middle man and to own plant/equipment rather than hiring it. Having their own hardware proved to be beneficial because it made their pricing to become lower compared to their competitors. This, as a result, ensured that they remained competitive. "…*we own a lot of plant and equipment instead of hiring it out. Because we know that it's not a one-time use thing, we still can use it in other projects. So, we own a lot of equipment instead of renting out we look we make sure that we continuously buy plant and equipment that we own as a company, and in that we will also drop our costs. As a company also, we also patent that or we own hardware as well. When we procure material for those hardwares, which will then be used in our project, we cut out the middleman. We make sure that we get material directly from the manufacturers in South Africa, instead of buying including a middleman by or buying for another hardware or something like that. Even if it's a small item as little as screws or lintels to as big as sand to bricks, cement and all that*".

4.1.2 Information Technology (IT) Preparedness

IT was mentioned by all participants as a vehicle used to get the information when doing research and development and also something an organisation cannot function without. According to the study by Tracey, Vonderembse & Lim (1999), organisations that invest in technology will have enhanced competitive capabilities and improved performance than organisations that do not. Most of the participants mentioned that they google, use the internet, some of the relationships were built through people they met online and through websites. Participant 1 indicated that technology is one of the key drivers within their organisation. *"…that has been one of our key drivers within the organisation, to really help align ourselves with all these changes.*" On the other hand, Participant 2 concur by showing another importance of IT in their organisation. "we are using this website called Data Built whereby it shows you active constructions projects…". Participant 7 also mentioned the use of IT for research and development, "*we are in the space where by now, a lot of people know about us. So sometimes some people just reach out because they just want to know us. Some of them is through mutual friends and then some most of them is through the internet. We google or we just search using key words on social media. If we want to see a certain company, we then go to their website and see how the website is set up. To find out how they operate, how they are doing their business, how are they able to sustain especially companies that are older than ours, in terms of experience.*"

Furthermore, the participants were asked how their organisation is prepared to meet innovations in IT. While most participants do not have IT department, others have IT department but not fully resourced, specifically in terms of infrastructure. As small enterprises that do have complete IT systems in place, they are planning to beef up their IT skills and infrastructure so that their organisations is prepared enough to meet innovations and challenges that come with IT. We have Participant 6 that works in the education, training and skills development sector. He indicated that IT is important as we are living in a digital age and as a result have upgrade plans in place. *"We have a massive budget in terms on information technology, the structure of our centres is going to be in a way that it caters to all new technologies in terms of IT. So, like for example, our boardrooms will be having this boardroom where you've got projector screen, the smart ones as we have tried to do away with the olden way of doing things".* Although others were confident of their IT department, they still experienced problems of outsiders hacking their systems or identifying a gap where their clients are not up to the stage where they can handle IT innovations to do business with them from their side. Participant 5 mentioned that"

"In terms of IT, we have realised that we need to improve on that, and therefore it's our main focus. We are aligning all out training, our modules, our systems, our audits to be online, most of our activities are currently done remotely. However, we do see a gap in terms of the clients at times where they're not really mature, to be able to handle the fourth industrial revolution."

Outsourcing was another option used for those that did not have an IT department internally. Participant 3 who works in the telecommunication sector indicated that they have not yet grown to a point of having a fully fletched IT department internally. "*we have, outsourced all of our IT operations. We are not in a space where we can have an IT department, so we have outsourced it.*" Participant 8 who is a Scientist also highlighted that as a small enterprise that is still growing, they can't afford the fully fletched IT department and as a result they outsource. "*...for future long plan or dream would like to have an in-house IT specialist that would attend to day to day needs of the organization. But again, that can only happen if the organization secures a bigger contract of at least a minimum of three years contract and so forth. And such that we can be in a position to afford the services of the IT specialist and at the same time having sufficient workforce that will require the services of the of IT".*

4.1.3 Organisational Culture

Van Der Post (1998) conducted a study that revealed that competitive organisations assign their source of success to the culture that they have developed. The culture within those organisations was distinguished by a clear set of core values that describe how the business is conducted as well as how internal and external stakeholders are treated, specifically the employees. It was very evident that most SMEs understand the importance of organisational culture; their core values showed how internal and external stakeholders are treated. Although most the SMEs interviewed are in a situation where most work is done by the directors themselves because of the size of the organisation, they still portray the organisational culture that values employees they have and more so the customers and supplies they work with. Participant 7 mentioned that as an organisation that works in the finance sector, at times doing trading for their clients, they need to be honest in all their dealing. "*We pride ourselves in honesty, we pride ourselves with our work ethic*". Participant 2 concurred that organisational culture has an impact on the competitiveness of an organisation. She mentioned that employees within their organisation are treated as family and with respect. When that is done, employees feel empowered and performance of an organisation grow. Participant 8 highlighted that their organisation is small, but is composed of diverse disciplines which include chemical scientist, environmental scientist, hydrologist, mechanical and electrical engineers. For them to work with minor conflicts and better performance, they value openness, commitment, honesty and integrity in everything they are doing. *"…we value openness, we value commitment to whatever we undertake, we value honesty and integrity within whatever we are doing. We deal with processes or technologies which if one is not able to discuss challenges or mistakes we have done, lives could be at risk. So, honesty and integrity are on top of the list of our core values as a company*."

Participants 4 who is in the construction sector is of the view that empowerment is also a tool used to influence positive culture within the organisation. She indicated that their core value is to be able to deliver the output in the best and cost-effective manner. They have cultivated a motto that says: "*whatever it is, every time you touch a brick or you touch a paper, you start thinking, what is the best possible way that we can do it*." So, to ensure that this happens they value empowerment, where continuous training is done. Beside formal training where they offer bursaries for employees that shows potential, they plan for training for all employees within the organisation. When asked as a follow up question on how they plan for empowerment of their employees, she said:

"Definitely is something that we plan, is something that we implement from as the first person as our receptionist to as high as CEO, these weekly trainees with different Institute, your organizational cultural differences, you know, things that you do just to keep the staff or the people alert, your managers on site, how to handle political issues. I mean, today, we find that every contract has a politician when we do projects out there, so obviously, we need to have all this informal, mini kind of trainings it maybe be an hour, two hours or half a day. But we find that we need to have this kind of trainings and refreshments over and over again, I mean even if something that you find that you are a qualified project manager or quantity surveyor, the legislature, government or in public sector, even in public are changing, so much, so that you always need to refresh courses that goes with that.

It could easily be noticeable that SMEs can easily define their culture because of the size of the organisation. Most of them believed in striving for quality work, empowerment, openness and working as a team

4.2 Small Medium Enterprises monitoring their external environment

4.2.1 Participation in Strategic Alliances

SMEs perform better when the type of alliance is strategically chosen in a way that is aligned with the capabilities of the organisation that covers human, physical and financial resources (Brouthers, Nakos, & Dimitratos, 2015). Interviewees were requested to explain how they approach their participation in strategic alliances. While other organisations do affiliations because of the kind of industry they work in, others use it as a vehicle to form relationships that in the long run will provide the organisation with information of what is happening in their external environment. In the construction sector it is of vital importance that the organisation gets registered with bodies like NHBRC, CIDB and COIDA. Without the registrations with these regulatory bodies, the organisation will not be in a position to do the construction work of any public building. On the other hand, we have Participant 7 who, in terms of registration, is not affiliated with any particular body but, because he works in the finance sector, relies on the FSCA to check the guidelines and align his internal processes to those guidelines. We have Participant 8 who, is registered with bodies for engineers and scientists that as much it is for compliance, it also assists the organisation in development and relationship building. When asked if it is a must to be affiliated with those bodies, he said:

"As much as it is not a must, it's my option if I want to affiliate with them. I will go ahead and do so and pay whatever annual fee that one needs to pay as a member. But at the same time, I believe if one is to grow in our industry and remain relevant, if one is to view it in that sense, then one can conclude that it's a must to be affiliated with these bodies. Because whenever you do, for instance an application to operate a water purification plant, there's obviously the standards that need you to comply with. And some of the fundamental requirements would be are you a professionally registered scientists, a professionally registered engineer, because there's like code of conduct and ethics that we obviously need to comply to as scientists."

One of the most the valuable part of strategic affiliations that the participants brought to light was the issues of assisting the organisation in research, development and monitoring of the external environment. Participant 5 outlined that since they work in a safety space, they are affiliated with a body called SAIOH which in turn assists them to develop and update the kind of safety resources they use for safety training and safety management systems implementations. Participant 8 who is a scientist mentioned that the bodies they are affiliated with assist them as scientist in ensuring that they remain relevant to their field of practise and get alerted when new developments come on board. "*…are registered with SEC, which is an organisation that looks at assisting scientists and also ensuring that scientist remain relevant to their field of practice. So, any new developments, normally I get alerted. The likes of water research commission, I get alerted for any new inventions or technologies within our field of practice.*"

We have participants that did not have any affiliations in place and, to monitor what is happening in the external environment, rely on relationships and strategic partners they have formed. Participant 6 who works in the education, training and development sector mentioned that they ensure they are enlisted in the database of the competent authorities in their sectors, so that when they do specific events, they are always part of that. "*…unlike with our alliances, affiliations would be like Sector Education and Training Authorities, like Department of Education and all that. Such organisations would always have like roadshows or any other information sharing sessions. So, we make sure that we enlist in the database to make sure that we're up to date in terms of standards and regulations.*" Also, Participant 3 mentions that they have focus groups which they use to monitor the external environment in their sector. "*…they are called focus groups. So, these are people in the same space,* *we meet online to discuss the trends within the telecommunication space where we operate in terms of what is happening now and what is going to be happening in the near future.*"

4.2.2 Motivated Workforce

Having highlighted above that SMEs participate is strategic alliances and put strategies in place to ensure that they can monitor their external environment. It is of paramount importance that the people to deliver all the activities above are motivated. Sokro (2021) study revealed that when the organisational culture in an organisation is enhanced, the motivational level of the employees gets higher. Participant 4 supported this finding when she mentioned that on specific Fridays, they have various simple events, like braais, sitting for lunch as the employees together with the owner/manager. On those Fridays, they work half a day but still get fully paid. They would sit, eat, laugh and joke together with the main aim of getting to know each other and understanding each other's character. As the leader, she uses the opportunity to share the vision and also hear from them how they are doing and their views, which she always uses them for future plans and strategies, which has had a great positive impact on the organisation. Within the organisation that was represented by Participant 6, it was not only the owner but also some of the employees. One manager mentioned that: "*we are an open company, we welcome every input which the employees might have to advise the company with, because we are not a one man show. So, some of the changes, they don't necessarily come with the top management, they come with a junior staff to say"*

Participants 8 brought about a different view when talking about workforce fluctuations. As a small organisation that is still growing, the workforce fluctuation is unstable due the affordability of keeping them on permanent basis even when there are no projects. They then decide to use freelancers when they get projects that requires more workforce. To ensure that they are motivated and do a quality job, they pay them well by giving them incentives and as a result the freelancers have been giving them priority over others. "*Well established organizations would find your engineers, your scientists, technicians, they normally consider them as having scarce skills, and they would give them incentives such as a scares scale allowance. But for smaller organizations, when it's if you cannot even afford to keep them on permanent basis and meet whatever contractual requirements in terms of salaries, obviously one will not be in a position to even think of paying as scares scale allowance for them. So, what seems to work for me is whenever there's a project when they come on board, I ensure that they are well paid. Whatever* *resources they need to undertake the project that will provide either it be accommodation, loans, your transport if they need a car. They will get that for the duration of the project and their normal day to day needs will obviously be cost to the company."*

The issue of upskilling internal staff was also raised by most participants, while also employee wellness was considered by some. Participant 6 mentioned that to ensure that the employees are motivated to perform better, they attend various courses linked to the needs of their clients and further have employee wellness in their organisation. *"… we make sure that if one want to go and do a new course, which we think it's going to benefit the organisation, we will really support that to make sure that when they come back, also they'll also do some skills transfer to the other colleagues. So, we support and do that a lot."* Participant 7 conceded with upskilling employees when he also said:
"…you learn through other courses, we are in the financial sector, but then we also need to learn how to market our business, how to communicate with business with other people. So, these courses that I purchase, online courses that I purchase, I give access to all my team members so that they also learn. And this are skills that they can use, even outside our business and outside our line of business."

Some participants highlighted that for those that have permanent employees internally, they use performance bonuses and incentives for better performers to maintain stability within the organisation. If an organisation has cultivated a firm culture of acknowledging and rewarding employee's effort, it will result in increased motivated employees with significantly better performance (Sokro, 2012). Participant 3 view of motivating the staff concurred with the findings as he mentioned that: "*Most of our employees through incentives and performance bonuses that we introduced, we have KPIs and if people meet that, we try to recognise their hard work, by revising them on regular basis*." Participant 6 also concurred with that as he said performance assessments are done quarterly and not only as a way of rewarding but also as a way of empowerment because if gaps are identified, relevant support will be provided.

4.3 Coping mechanisms of the SME in a volatile regulatory environment

4.3.1 Adaptation to Change

Zelga (2017) highlights that competitiveness of a company must be characterised by internal capability and flexibility – which is its ability to adapt to changing operating conditions and obtain specific benefits from the process. The idea of flexibility is linked to the ability of an organisation to easily and quickly put changes into action in reaction to internal or mostly external environment (Matejun, 2014). Participant 8 echoed the above point in that, when asked what does he do when there are changes in their organisation? He replied by saying:

"*Yeah, as much as it does matter, it opens up or presents an opportunity for an organisation to grow. But at the same time, its not easy because of discrepancies within an organisation foreseen, need to move away from and be acquainted to the new environment.*"

It was very clear from all interviews conducted that they all understand that in a business change happens. Even though some could not clearly articulate what mechanisms they have in place to adapt to changing operating conditions. Most of the participants indicated that they only adapt to new ways of doing business at that particular point when change happens. Participant 1 mentioned that it was only when a long-term contract in the telecommunication space ended that they looked into training in the telecommunication. Participant 3 also working in the telecommunication space mentioned that they only come up with new ways of doing business based on the customer needs. *"…we mostly depend on customers. For example, there are new products that they are introducing like 4G, 5G, then you know there will be a quest for things like installation, web to be done.*" Participant 7, after showing an instance of how they have handled some of the changes that occurred in their organisation, was further asked a follow-up question about the polices they have in place to manage change and he said: "*No, no, no, we don't have anything, we just look at this as the changes as they happen."*

On the other hand, we have some of the participants that could easily articulate the strategies they have in place to adapt to change. Participant 4 who works in the construction industry indicated that they have a strategy that immediately they pick something that might affect the project, they take measures that will ensure they deal with the changes. *"… we have in the company, of course, as a strategy, which a minute there is an* *effect on a project, either it impact is financially, or it is time, or whatever it is, we've got what we call early warning*." That assists them to take precautionary measure in advance, plan accordingly and adapt to the change that might affect them immediately or in the future. Participant 6 indicated that they have change management policy in their organisation that govern anything that has to do with change. Participant 5 echoed the importance of having a strategy in place to adapt to changes in an organisation by saying:

"Yeah, normally we have to adjust into the changes. So, part of what we do is risk assessment to make sure that we covered any risk of what might come in our business. For example, any changes that might be unforeseen, we've got a change management system that we follow in the event that we need to change, could be in our project. So, during the risk assessment, we normally identify areas in the event that the target has to change. We do actually have a quality management system, and is the latest version, which focuses mostly on the risks and opportunities."

Lastly few highlighted that, not having strategies in place, they have learnt how to adapt to change through experience, which has costed them money and time. We have Participant 3 who indicated that for about 10 to 11 months because of the fast changes in the telecommunication sector, they tried to be agile and focused on attracting technology and human capital that they think was also agile and could help them to know exactly what's going to happen tomorrow. Participants 7 when discussing workforce fluctuations, he indicated that they had an impact on the stability of the organisation. "*So, in the past two years that I haven't changed any staff members, it's because of learning from the past. That has helped the business to be stable and avoid fluctuations."*

4.3.2 Role of the Governance and Having Good Strategies in Place

According Dragicevic, Letunic and Velobor (2011), the role of governance is a fundamental concept for understanding the process, and it is also treated as an important factor to backup competitiveness. During interview SMEs were asked how do they ensure effective governance and how do they build leadership capacity within their organisation? In all interviews the owners were part of the respondents and different elements were pointed out. The pointed elements either highlighted the influence and skills the owner(s) have on the employees to lead the organisation into bigger heights or the mechanisms and strategies they have put in place that can help the organisation to cope with the volatile regulatory environment.

Starting with the issue of the personal influence that the leaders have on the employees, in all the responses what was very prevalent is that SMEs do not have a lot of employees, and the few employees that are there are involved in most activities within the organisation. During interviews one could see the values that were portrayed of listening to each other, everybody's view being important and continuously improving oneself within the leadership of Participant 4. *"Maybe just to start with a personnel principle that I have for myself it's continuously look at improving myself so it's a culture that I have also passed over to everybody that if I look at this document, I presented it this way today what can I do to make it better tomorrow? So, it's something that we pass around to everybody. 'Yes, you did it, it looks good, but tomorrow, how do we better this'? So, in terms of governance as a whole, to ensure it is that as much as you in management you also have to have that balance of also being able to listen to people at classrooms level.*" She further pointed out that being a good leader, at times it has nothing to do with money, but understanding your employees, where they come from and how can you help and be relevant to them.

We also see the influence of team work and sense of belonging that Participant 7 flagged out where he mentioned that he repeatedly trains the employees within the organisation to have ownership in terms of decisions they take. When he addresses them all the time, he will use 'we' instead of 'I' and when they show growth of ownership in what they are doing, they will be rewarded. He insisted that even when they communicate to the clients, they never use the word 'boss said', but rather say 'we'. *"… when they talk to clients, if they own the company, they must say 'we', must not say 'my boss', they must not say this company, they must include themselves, I basically give them a sense of ownership.*"

Throughout when doing interviews, the role of the governance kept on being inter twined with other elements like having a good strategy, organisational culture and adaptation to change and simply because these are influenced by the role that governance take within the organisation. When having a system in place, its performance is limited if in that chain of that system there is a weakest link. It will be effective if all links within the chain are made stronger and complement each other. Rumelt, (2012) when he wrote a book differentiating between a good and a bad strategy he said, "the excellence achieved by a well-managed chain-link systems is diffiual to replicate." That shows that if leadership within an organisation can build a strong complementary system, it will be able to forge strategies in place that competitiors will find difficult to replicate. During interviews, participants were asked to describe how they go about creating a good strategy to ensure the competitiveness of the organisation.

We have three participants that indicated that they have a Quality Management System that guides the strategies they put in place. Participant 5 mentioned that they are a quality management driven organisation where they have policies and procedures in place. When doing strategies, they first conduct risk assessment which will guide all strategies and plans they put in place. *"… when we're doing in terms of risk assessment, looking at aligning the current staff with the current needs in the industry, having mentioned that, we do attend a lot of meetings with our affiliations, just to understand what are the changes, and what we need to do for our people or our resources to bring them up to speed. As a result of that we have a matrix on a yearly basis that we plan to say in this area, this is the training that we're going to look at, that we're going to look at in terms of, you know, empowerment, etc."*

We also have Participant 8 who indicated that as the owner he is continuously invested in studying, and has influenced most the employees through coaching and mentoring to continue studying to better their skills and keep abreast with what is happening in their field. Being an organisation that works with engineers and scientist, they even have one of their employees that understand both fields based on the influence that the leadership has on the employees. "*We do a lot of coaching and mentoring amongst ourselves. You have your two engineers we have a guy by the name of Mthokosizi. He's been in the water sector for years and years, and Mthokosizi is our encyclopaedia. There's nothing that you wouldn't find from Mthokosizi, either its water, its wastewater related, Mthokosizi has the answer. Mthokosizi will refer you to that particular book, that particular article that you need to go and get answers.*"

Participant 6 mentioned that when you are given responsibility of leading a particular department, you take leadership and have ownership of whatever you do. The governance makes sure that they monitor closely and have reporting quarterly meeting in which performance is assessed and awarded annually. Some of the changes within the policy in the organisation came with junior staff.

Different strategies are used by different organisation, Participant 4 and 8 believed on minimum input and maximum output, while Participant 3 and 6 used an open structure where everyone is involved in critical decision making. Participant 1 strategy is based on three things being clear roles, performance monitoring and sharing of Information.

In conclusion, the role that governance take should be clearly articulated to ensure that the strategy of the organisation appears just as good when looked with the eagle's eyes either from below or from above. (Hay & Williamson, 1997)

5 DISCUSSION OF RESEARCH FINDINGS

5.1 Introduction

In this chapter we are at a stage where we will integrate the theoretical interrogation, the empirical interrogation and my inferences from the findings of the research. Will further identify and discuss differences, correlations as well any fresh information or observation that might contribute to the body of literature on this title. The fundamental theoretical concepts, models, trends and frameworks identified in Chapter 2 as part of the literature review will be compared to the actual findings of this study, which is the evidence gathered from the interviews as presented in Chapter 4. This chapter will then present a summarised overview of the analysis and the presentation will use the final four themes generated as according to the table in appendix 3.2 that outline how thematic analysis was done.

5.2 Brief Contextual Background

The South African economy is facing extraordinary times because of increasing unemployment rate which results in poverty, hunger, inequality and rise in gender-based violence. In the words of the president, Cyril Ramaphosa, "the growth of our economy will be sustained by small business, as in the case of many countries" (SBI, 2019). There are studies that corroborate the president's point about the SMEs as agents of industrial change and an important vehicle for employment creation and economic growth (Poutziouris & Chittended, 2003). The challenge however is that the failure rate of the SMEs in South Africa in very high (the rate 75% around the year 2010 compared to 70% in 2020 (Olawale & Garwe, 2010)). From the literature reviewed earlier in the paper, several authors have shown that the regulatory environment, restrictive legislation and the impact of red tape are the major inhibiting factor for entrepreneurial activity and SME growth (Niewenhuizen, 2019; Muriithi, 2017; Kew, 2016; Cant & Wiid, 2013). Competitiveness of the SME is one of the main objectives that can be used to attain economic growth.

As much as a lot of studies earlier in this paper have highlighted that support programmes that have been put in place by the government, are not accessible and visible and thus contributing to the failure of the SMEs. The GEM SA 2019/2020 report shows a different view of the accessibility and visibility of the government programmes. Rather it indicates that South Africa has scored better in the current year compared to the past years. This is because when doing surveys, the measures the South African government are putting in place for business to access relevant information on government programmes to support SMEs have increased. What it has brought to light is that entrepreneurs often fail to properly investigate the market to a certain extent; therefore, SMEs need to take an initiative to search for information as entrepreneurship is about having the requisite personal attributes such as resilience and passion.

From the State of Nation Address (SONA) 2021, the president made it very clear that they have never stopped addressing the challenges faced by the SMEs due to regulatory environment. He said that "we have worked to facilitate investment by increasing the ease of doing business, including by making it easier to start a business. We will continue to work relentlessly and without pause to create a more modern, efficient and competitive economy that is more open to all South Africans." (Ramaphosa, 2021). Ferreira (2020) is also of the view that as much as government cannot fix economy alone, they need to establish a deregulated environment for SMEs and that will improve the ease of doing business and contribute significantly to a drop in red tape.
In addition, this study investigates the initiatives that the SMEs can take to become competitive which when coupled with the initiates the government is putting in place, can have a greater impact on competitiveness (of the SMEs) and growth of the economy in general. Section 2.3 of the literature review looked into attributes of competitiveness which became the guiding factor for this study's interviews questions. To present a holistic interpretation and analysis of the results, the following four subsections have been formulated based on the themes emerged from the interviews:

5.3 The significance of Research and Development on Competitiveness

This section will show how low research levels have an impact on competitiveness of an organisation. The study by Zwane (2009), clearly highlight that low research levels is one of the problems that causes the SMEs not to be competitive. With higher research levels, SMEs will be empowered with knowledge, and knowledge is a commodity that presents the only 'sustainable competitive edge' (Hylton, 2002). Lee et al (2005) also agrees that knowledge management may assist SMEs develop for future and have more sustainable business practices, build them to be less vulnerable to the economic phases of the industry, prepare them to be able to understand the regulatory changes, and be in a position to adopt, cope and gain competitive advantage. From the interviews done, it is evident that those SMEs that have some sort of research and can clearly articulate it, have processes in place to deal with changes that are happening in their business sector and also plan to deal and adopt to both internal and environmental changes. We have Respondent 5 who conducts risk assessment within the organisation and uses that information, together with what she has gathered from research she conducted, to strategically plan for training, marketing and other areas of operation within the organisation. Her organisation started with training of the safety modules and then diversified to audits of the Safety Management Implementation Systems.

While a lot of SMEs– because of the size and structure of the organisation– do not have a dedicated research and development department, they have other forms that are beneficial to them. Most SMEs use affiliations with other bodies to get knowledge; they also partner with other organisations doing similar jobs and often rely of research done by other bodies in their sector. Most SMEs ensure that they are continuously studying so that they are kept abreast of what is happening around them and further gain skills on how to deal with them. One SME that managed to survive for the past 3 years with increased performance has a plan in place to hire a business strategist whose job description will include research and development. On the evidence collected from the interview, the few SMEs who could not clearly articulate their form of research and development were also unable to articulate the ways of adapting to change or even strategies they have in place to ensure that the organisation has a competitive advantage.

While participation in strategic alliances was what most of the SME use to obtain knowledge about the external environment that impact them directly or indirectly, it was done intentionally or as a way to comply. For those that participated in strategic alliances intentionally, they will attend workshops organised by different bodies in their sector. They will intentionally go through the internet to study the research done by other bodies that talks to the kind of work they are doing and further use the guidelines of regulatory bodies in their industry to make guidelines for their organisation. In all these instances, there were traits of growth in the evidence presented as others will even mention the numbers of years it took to learn things that are defining who they are and as a result making them competitive. Respondent 1 that works in the telecommunication sector, through the fee that he was paying to affiliate with companies that do research in their sector, learnt that there is a shortage of skills in the telecommunication sector. He then expanded the business not only to do service in the telecommunication sector, but also to get accredited and train in that sector.

We have other SMEs that work in regulated environment because of the kind of field they are in, for example constructions, engineers, scientists, etc. For them to be able to work in certain projects, they must be affiliated with specific bodies and in the long run they have learnt the importance of affiliation and are using it to learn more about the industry's current issue and future changes. We have Respondent 8 who works with the engineering and scientific solutions and who, through affiliations that were a requirement in the sector, was prompted to study more – and, as a result, the company has been in survival for about six years and is now at a stage where a team of scientists and engineers work together. The study by Chan et al (1997) also concedes that organisations that participate in strategic alliances are likely to exhibit excellent operating performance over time than their industry peers. It is also important for the SME to understand that the type of alliance chosen is aligned with the capabilities of the organisation (Brouthers, Nakos, & Dimitratos, 2015). The capabilities must cover human, physical and financial resources, which same was portrayed in most SMEs that they affiliated with bodies in the same sector they work in.

5.4 The IT Preparedness of a SME

We are working in an era of digital transformation and any organisation that is not prepared to meet the IT innovations will not survive or be competitive. SMEs regard IT as a department that is expensive to maintain because of the cost associated with maintaining the systems, infrastructure and the dedicated person within the organisation. Most of them prefer the staff working within the organisation to be computer literate and rather outsource technical issues. Most SMEs, as long as they have basic working infrastructure in place, are fine without IT specialists. Only when they meet technical challenges like being hacked that they rely on outsourcing. However, it seems that with the rate at which IT is developing, SMEs are not adequately prepared technically might be doomed to fail.

If one was to rate the performance of the SMEs that indicated that they have proper IT infrastructure in place and the necessary skills to deal with the technicality thereof, it is only three SMEs that showed confidence in their IT structure. Participant 5 when asked if they have an IT specialist that deal strictly with IT, she replied that "*Yes, definitely. We do have, we do have the department that is focusing on IT, and that is one of the areas that I'm quite comfortable*" In terms of what steps they are taking in terms of IT preparedness, she further said:

"*We are migrating to online training, you know, online meetings, and we making sure that all of our resources are well equipped to close that gap to make sure that you know, they're very good in terms of IT, they're receiving all the training that they need. So, in terms of IT, we have realized that we need to keep up to improve on that. And therefore, it's our main focus, and we are aligning all our training, our modules, our systems, our audits, to be online. Most of our activities are currently done remotely.*"

Participant 4 also indicated that they are prepared for IT innovations and even expanding on that. *"We cannot function without upgrades. We have all the required infrastructure and dedicated people to ensure that our IT department is up to date. Last year the whole staff went and attend a course on advanced excel because that was seen as a gap. We've got a massive budget in terms of information technology; our structure of our centres is going to be in a way that it caters to all the new technologies in terms of IT. So, like for example, will be having these boardrooms like where you've got your projector screens, will be the smart one and all that. We tried to do away with the olden ways of doing things. So, we are we are really prepared and looking forward to it.*"

While Participant 7 mentioned that as an SME that is still growing, they are at a stage in which he is confident that they are prepared to meet IT innovations. "*I'd say we almost 100% prepared, because we have already a lot that could help us in terms of IT.*"

Of the abovementioned SMEs, two have proper Quality Management Systems in place that informs strategies they go with. The first participant had clear marketing strategy and plan, which there was ample evidence of the results it yielded. The second participant had change management policy in place that outlines risk assessment coupled with research conducted and the information there of was used to plan for training initiatives to capacitate employees and adapting to change that might have an impact on the business. The third participant does not have a Quality Management System in place but doing research, using IT and also using the experience gathered, there are strategies in place to market, adapt to change and plan for training. On the other hand, Participant 2 could not clearly articulate the mechanisms she has in place to adapt to change, also did not have no policies and procedures in place. When asked how prepared she is to meet innovations in IT, she replied that "We're not really there yet. It's something that we still preparing and going through since our organisation is still small."

One can conclude that SME with a fully operational IT that has both resources and skills has an influence of an organisation's ability to adapt to change and formulation of good strategies. A study by Tracey, Vonderembse, and Lim (1999) wanted to investigate the impact that technology and strategy formulation has on improving performance and enhancing competitiveness. The findings proposed that organisations that invest in advanced technology and put in place mechanisms for managers to contribute in strategy formulation will have perfected capabilities and better performance that other organisations do not. Haque et all (1995) back up the findings when recommending that organisation must not have only human and physical capital, they must also have capabilities to improve and manage technological change. This will improve the effectiveness of their services and in turn increase performance, competitiveness and productivity growth.

5.5 The Significance of a Good Strategy

According to Rumelt's definition: "A strategic resource is a kind of property that is fairly long lasting that has been constructed, developed over time, designed, or discovered by a company and that competitors cannot duplicate without suffering a net economic loss" (Rumelt, 2012, pp13). Drawing from this definition, it is very imperative that every SME understands that for them to be competitive and for their services to be distinguished, they need to have good strategies in place. There is a difference between a good and a bad strategy. A bad strategy has a long list of goals and limited on policy or action (Rumelt, 2012). The characteristics of a good strategy will be discussed as we go through the evidence gathered from the interviews taking into account the definition mentioned above.

The findings of the research have shown that those SME that have good strategies in place also had policies in place to guide them. Participant 5 has a quality management system in place which is reviewed annually. Also, within the quality management system, there are clearly outlined policies. In that regard, participant 5 gave an example of change management policy that outlined conducting risk assessments. Using the information they get from meetings they attend with the bodies they are affiliated with, combined with results from the risk assessment, they can easily plan what changes are coming and how to deal with them. For example, they design a matrix that shows what training and empowerment initiatives must be taken for employees and further the resources that will be required based on the results from the risk assessment process and the information. Because it is informed by processes and well researched information, this kind of training will definitely be aligned to the needs and yield positive results.

Also, Participant 6 has a Quality Management System in place which is hinted at when they were discussing the rate of marketing budget. In this discussion, they indicated that they have marketing policy in place guiding their marketing plan. The evidence presented show a purpose statement they created, a website which showed all achievements they have acquired over years. They also had branded clothes, personal diaries, banners and folders. The marketing budget was increasing yearly and they even managed to diversify the business over a short space of time when COVID-19 pandemic was hitting on their performance. They expressed that their strategy involves all employees from top to bottom as some of the decisions taken within the organisation were brought about by junior staff members. Rumelt (2021) corroborates this point when he said that a good strategy has a set of "coherent actions" that are necessary to execute the guiding policy. Those actions should be coordinated and consistent and must include resources allocated, policies and procedures adopted.

Whereas on the other hand we have Participant 2 who does not have proper policies within the organisation. When requested how to handle change, she mentioned waiting for tenders. She said now that we are facing COVID-19 which has an impact on most SMEs, they looked around and found that supply PPE will give them money. One of the characteristics of a good strategy is that an organisation needs to focus its resources instead of going after numerous goals at once (Rumelt, 2012). SMEs are encouraged to focus on a target market to acquire the bargaining strength and increase competitive advantage. It is very clear that Participant 2 did not have strategies in place. She confuses strategy and goals, which Rumelt (2012) has alluded as one of characteristics of a bad strategy. This conclusion is made based on her response when asked how she creates good strategy, she said:

"Well, now the strategies that we have done is having a website, going on social media a lot, putting our word out there and then customer service, improving customer service, because obviously, with our previous clients, we've seen our wrongs and rights. So now we try to put things in a much better way. And with the prices, again, we try to be the one with suitable prices. You know, competition is tough out there. So, like, not that we take everything, but then we try to build relationships. So, we can play around with the prices, just that strategy."

Having a good strategy should enable the SME to deal with obstacles because what is important is how an organisation perceives its situation. The policies and procedures should assist in putting a good strategy that will be able to diagnose a nature of the problem, determine which elements to consider critical and further plan on how to overcome the obstacles (Rumelt, 2012). Quoting a situation with Participant 4 who when legislation changed and required companies in the construction industry to give back 30% of the profit to the community, that had an impact on their profit. Seeing that as an obstacle, they sat down and critically come up with a strategy that was consistent and coordinated. They opened up their own hardware which assisted them to buy all the building material locally and then saving on costs. They further started budgeting to buy and own plant and equipment rather than renting which also assisted in cutting down on cost of sales and increasing the profit. The plant and equipment that was bought could be used in the next construction projects and that saves them time and money in the long run.

As results we analysed, there was a clear indication that adapting to change is intertwined with having a good strategy in place. Participant 4 who is in the construction sector could easily mention change factors that impact their company which are, namely, time to complete the projects and finance. She could easily spell them out because they have a strategy in place called "early warning" which detect things that impact them and how they deal with them accordingly. Not only do they have a strategy in place, but further capacitated Managers that deal with the changes. The strategies were built over time and that has taught them to be flexible and agile. The characters of the of the leaders within the SME are also important as they define how the organisation will view the challenges and how fast they will adapt to the change. Participant 3 believes it is his agile character that allowed his organisation to survive through these years (7 years) and be able to be flexible and adapt to change. Through employment of technology and human capital, taking into account the strategic affiliations he has on board, they managed to expand their business even in this terrible COVID-19 times. "*It is very difficult to know exactly what's going to happen tomorrow, but if you have people who I will say are very agile and interested in the dynamic of our industry that also helps to adjust quickly, telecommunication is changing and his changing very fast. We have joined when the telecom was still on 3G; the third generation. Right now, within 7 years we on 5G and if you don't adapt quickly you might be left behind. So, we try to employ technology and human capital that we think will enable us to think on our feet as and when is required by the changes in the industry.*"

In all scenarios mentioned above the SMEs were very aware of the changes happening in the environment and industry they were working in because of the strategies they have put in place and also because of the ability of adapt to change. Rumelt (2021) said "a full list of the qualities of a good strategy: a sustainable competitive advantage, knowledge of competitors and their likely strategies and reactions, an understanding how an industry is changing and what implications that has for the company, and an acknowledgement that every strategy is a hypothesis and an educated prediction as to what might work and that it will likely need adjusting based on what is learned." For an organisation to develop and improve its flexibility, it needs to have advanced technology, a highly capacitated strategic management 'strong opportunity-orientated attitude" (Matejun, 2014). SMEs as small organisation with considerable number of resources need to strive to be flexible because, as the study by Matejun (2014) indicated, great levels of flexibility is one of the fundamental determining factors of competitiveness.

The study will now turn to a scenario that depicted different results. The company has been inexistence for 5 years and it has potentially grown. From the interviews the Respondent 7 could clearly articulate his marketing strategies and could even tell how the company has learnt specific things based on experience. "*Yes, so over the first years, we have spent more money, currently we've basically spent less money when it comes to marketing budget over the last three years. Also, these other skills that we've learned on how to engage with people without even spending a cent.* He later added and mentioned that "*Okay, so some of the things that I'm telling you now, about how I've learned to run the business and make sure that it stays afloat* *throughout the years, some of them I learned through experience, like the hard way, where you lose money first, or you lose people first. Then you learn from that and you teach your team how to do things.*"

The company does not have any policies in place, most of the processes that are driven by the owner and having created an organisational culture that enhances motivation, the SME is performing better and have more clients than before. From the study by Rumelt (2021), having excellent policies in place helps in outlining a method that an SME can use to deal with situations and decide on an ample array of viable actions to take. If an SME does not have good policies in place, it will have no fundamentals to regulate or focus its actions. In this instance we have an SME that is surviving with ample evidence showing better performance which disagrees with theory. A different view was noticed that suggest a possible follow up research might have to be done to establish if an organisation that does not have clear guiding policies can have good strategies that make it competitive?

In summary SMEs must have strategies in place that shows the characteristics of a good strategy. To be competitive, the SME must have strategic capabilities which are informed by what it has acquired over time and what it can execute successfully that will contribute towards its competitive advantage (Johnson et al, 2014). What it has acquired must cover all physical, human and financial resources. It must further show its ability to revive and alter the strategic capabilities in order to adapt to the changes of the internal and mainly the external environment. Participant 4 in her own words said:

"The strategy revolves around a happy customer, happy client, it's our job. We do that by going an extra mile, creating good relations with the clients, after projects visits, always researching, if there is no answers today, we sleep on it and the answer will come tomorrow, don't give up. Do the best at all times".

5.6 The role that the Governance play in a SME

Having discussed the significance of research and development in an SME, the IT preparedness and also the significance of having a good strategy in an organisation, it is very clear that the role of governance is very fundamental to these processes. It is based on whether a SME have a "good" or "bad" governance for it to achieve the high levels of competitiveness (Dragicevic, Letunic, & Velobor, 2011). Looking at the size and structure of the SMEs, governance is the one responsible for authority in decision making and driving the organisation forward. Dragicevic, Letunic, & Velobor, (2011) describe transparency, accountability, predictability and participation as the four fundamental dimensions for "good" governance. From the findings of our research in most SMEs, the owner/founder of the enterprise is the one who is the driving force of the organisation. When discussing the role of the governance, staff turnover and the leadership role they play, that is where one could measure against the dimension of good governance and the core values within the organisations. This study has settled for stakeholder's theory to interpret research findings. This was done because it concentrates more on managerial decision making and that the interests of all stakeholders have inherent value.

If I was to quote word for word in all the responses for the interviews, communication was most valued which included giving clear roles to all employees, having open structure where everyone is involved in decision making and sharing of information regularly. This is in line with what was mentioned from the literature review of the stakeholder's theory, that values and ethics are the ones that can bring stakeholders together where they can work in truth and freedom (Freeman, Wicks, & Parmar, 2004). From the four fundamental dimensions, participation was one of them and it supports the issue of communication where everyone participates in decision making within an organisation as according to the research findings. Others mentioned the issue of honesty, which is a very key element in ensuring effective communication. Research findings further show that the management determines the values within the organisation, especially considering the fact that most SMEs have only a few numbers of employees. The ethical behaviour of management also contributes towards the culture that is created within the organisation. The findings pointed out that different organisational cultures that have been ploughed within the SMEs. The SMEs in turn reap values ranging from working as a family (team work), being transparent to all employees, involving them in decision making processes, rewarding good performance, integrity, honesty and accessibility of information. All these values mentioned above, are not about how employees should conduct themselves, but mainly pointing out decisions and actions that the managers take and more so their behaviour towards employees. Van Der Post (1998) study backs this up as it shows how organisational culture has the ability to impact organisational performance. Organisations with better performance showed a powerful array of core managerial values that describe the manner in which their business is conducted. Another study by Sinclair (1993) –with the aim of assessing if the organisation culture has the potential of improving ethics within an organisation– revealed that "Organisational culture is recognised as one determinant of how people behave, more or less ethically, in organisations. It is also increasingly understood as an attribute that management can and should influence to improve organisational performance" (Sinclair, 1993)

Adbullah & Valentine (2009) supported the stakeholder theory when they said that the fundamental motive of the manager is not profit making but ensuring that there are healthy relationships with all employees as considered internal stakeholders. Taking an example of Participant 7, he said:

"*I don't try to make it seem like I am the boss. Cause most of the money made, is based on the majority, the majority of the money that comes in, or that they make, is based on the number of trades that come in, the more clients, the more money they make, as well. So, that gives them a sense of ownership, they know that the more they work hard, the higher the income. So, I give them a sense of ownership to make them feel like this is their company."*

Participant 7 is the youngest of the owners of the SMEs I interviewed and the organisation has been in existence for about seven years. From the presentation of results, one could see that his organisation was growing and performing better than before. Participant 4 is also supported by the stakeholder's theory that it is not about making money, but about building healthy relationships and valuing stakeholders. *"…in terms of governance as a whole, to ensure that as much as you in management, you also have to have that balance of also being able to listen to people at classrooms level. Hear what they say, sometimes it has nothing to do with money, it's just spending time with people, understanding where do they come from, how can you help and being relevant*". The findings further revealed that not only do they consider building healthy relationships with internal stake holders only, but also with external stake holders. They have ways of communicating with their clients even after the projects is completed. Participant 7 working in the financial sector where trust is of fundamental importance mentioned how they pride themselves in honesty and work ethics.

Lastly, another form of methods that the findings revealed as a tool to create value within the employees was empowerment. Most of the SMEs believed that building capacity and empowering the employees will help them feel valued and motivated and as such be able to perform better and thus improve the performance of the organisation.

The age of the participants who were owners of the SMEs ranges from 30 to 45 years. Most of them had a post school qualification and as such had some reading and writing skills. As mentioned earlier in the study that knowledge is of importance to management, it is very difficult for a person to empower another to be better than they are. So, when the management itself believes in empowerment, it becomes easily to empower other. We can take the response from Participant 4 who said, "*maybe just to start with a personnel principle that I have for myself it's continuously look at improving myself so it's a culture that I have also passed over to everybody*." In all, when an organisation conforms to good governance, it strengthens the its competitiveness (Ho, 2005).

5.7 Conclusion

From section 2.3 that searched the literature about the key attributes for this study, we have 9 attributes that were seeking to answer the three (3) research question with one aim of finding out the SMEs' competitiveness within a volatile regulatory environment in South Africa. As much as the regulations have an impact on competitiveness of the SME, a study by Olawale & Garwe, (2010) showed that only 60% of the factors that affect the competitiveness of a SME are external, when 40% are internal. So as much as it is the government's duty to deregulate the environment so that SME can thrive, it is also the responsibility of the governance within the SME to understand how to measure competitiveness, how to monitor external environment and to come up with coping mechanisms that will impact the performance, growth and competitiveness of the organisation. Resilient and passionate managers are required not to give up when the external environment brings its challenges; they should have flexible ways and processes of coping and adapting to the change.

From the attributes that were selected which informed the questions to be answered during interviews, the findings show a link in all these attributes. If you can monitor your external environment, you can then come up with the coping mechanisms in a volatile regulatory environment. Ways you can use to monitor your external environment are research and development, strategic alliances and IT preparedness. With the information you get from monitoring your environment, you can enhance your quality management system which outlines policies and procedures of how you do things within your organisation. Policies will cover issues of marketing your organisation, adaptation to change, capacity building and strategies that you put in place to action those policies. Above all a business can have all the best resources and skills, but if the staff is not motivated, and do not feel valued, that will have a negative impact on the competitiveness of the organisation. It is therefore of paramount importance that the role of governance within the SME is that they form relationships, influence their stakeholders positively and shape communities in which everyone is motivated to do their best and discharge the value of the organisation (Freeman, Wicks, & Parmar, 2004). In view of that, the workforce will not fluctuate; that will also build the physical, human and financial capabilities of the organisation and overtime competitors will not easily copy your strategies without incurring major costs.

6 SUMMARY, CONCLUSIONS, LIMITATIONS, AND RECOMMENDATIONS

6.1 Summary

The previous section which is section 5 presented empirical research results and the discussion of research findings. This section concludes the findings of this research project. Hence it provides conclusions of the research, limitations, recommendations to stakeholders and opportunities for future research outlined. The vision of the South African Government according to the National Development Plan projects that 90% new jobs will be created by SMEs by 2030. It is therefore very important that both the SMEs and the government work together to understand the comptitiveness of the SMEs within the regulatory environment posed by the government in South Africa. This will then enable each party to take responsibility for their own part and act in a way that will see the National Development Plan becoming a success.

As according to the literarure reviewed ealier in the study, it was also clear that it is not only the responsibility of the government but of the SME to see the vision of South Africa of having SME creating 90% of jobs by 2030. Most importanly the SMEs should not just be able to create jobs within specific time and fail later, but should be able to grow, become sustaiinable and competitive. The study by Olawale & Garwe, (2010) indicated that factors that contribute towards the growth and sustainablility of the SME, 60% are extrenal, while 40% are internal. Now SMEs being able to ensure that they understand factors that enhance competitiveness, they can montior their external environemnt and have ways to cope with their volatile regulatory environment, will enable will lead to competitivenss of the SMEs while the government is also deregulating the external environment

6.2 Conclusions

To investigate the SMEs' competitiveness within a volatile regulatory environment in South Africa, the three objectives were in place to guide this study. The objectives were firstly to determine the levels of competitiveness of the SME within an emerging market, secondly to explore how SMEs monitor the changes in their external environment especially the regulatory environment and related legislations and then to establish the coping mechanisms of the SMEs in a volatile regulatory environment. To accomplish the objectives of this study, the case study approach –which has two stages–

was followed. The first stage carried out literature review of the existing reputable and reliable information. The second stage is an empirical study in the form of interviews with the SMEs. The data collection instrument had questions that were asked during interviews and they were informed by qualitative attributed which where fundamental to this study.
The literature review pointed out that the regulatory environment, restrictive legislation and the impact of red tape have been identified as the major inhibiting factor to entrepreneurial activity and constraint to SME growth. It further highlighted that despite the initiatives that the government has been putting in place to support the growth and sustainability of the SMEs, the failure rate is still high. The root cause analysis revealed that for the SME to be competitive, 60% is the external environmental factor (which the regulatory environment is that major one) and 40% is internal which the SME has power over it. A lot of study was done to find out why SMEs are failing, but little study was done to find out what the practitioners need do to ensure sustainability, growth and competitiveness despite the regulatory environment. This is particularly important because this research has shown that there is improvement in terms of measures the government is putting in place towards the support of the SMEs. This research then took a stance of finding out how practitioners determine the level of competitiveness of the SME within emerging markets, how SMEs monitor their external environment as well as the coping mechanisms of the SME in a volatile regulatory environment.

In terms of the first question in findings out how the practitioners determine the level of competitiveness of the SME within emerging markets, the key attributes were research and development, IT Preparedness of an SME and the organisational culture. The findings showed that SMEs because of the size of the organisation do not have dedicated division that works directly with research and development but have mechanisms in place which included affiliation with strategic bodies, continuously studying and rely on research that has been done by other bodies. Those SMEs that had these mechanisms in place had strategies in place that talk to their quality management system. The literature backed this up that the higher the research levels the higher the competitiveness of the SMEs (Zwane, 2009). The SME with a fully operational IT that has both resources and skills has an influence of an organisation being able to adapt to change and formulation of good strategies. A study by Tracey, Vonderembse, & Lim

(1999) backed this up by proposing that organisations that invest in advanced technology and put in place mechanisms for managers to contribute in strategy formulation will have perfected capabilities and better performance that other organisations do not.

In terms of the second question which seeks to find out how SMEs monitor their external environment, the key attributes were participation is strategic alliances and motivated workforce. A lot of SMEs use participation in strategic alliances as a toll to obtain knowledge about the external environment that impact them directly or indirectly. It was seen as an effective because firstly they have survived for more than three years and further there was evidence of some that have diversified their business due to changes in the external environment. The study by Chan et al (1997) also concede that organisations that participate in strategic alliances are likely to exhibit excellent operating performance over time than their industry peers.

In terms of the third question that seeks to find out the coping mechanisms of the SME in a volatile regulatory environment, the key attributes were adaptation to change, the role of the governance and having good strategies in place. SMEs must have strategies in place and not just any kind of strategies but the ones that show the characteristics of a good strategy. They must further have strategic capabilities (physical, human and financial) which are informed by what they have acquired over time and what they can execute successfully that will contribute towards its competitive advantage (Johnson et al, 2014). The SME must further show its ability to revive and alter the strategic capabilities in order to adapt to the changes of the internal and mainly the external environment. The last but important point is the role of the governance. Research findings further show that the ethical behaviour of management also contributes towards the culture that is created within the organisation. As according to the stakeholder's theory, it is not about making money, but about building healthy relationships and valuing stakeholders. In essence, when an organisation conforms to good governance, it strengthens the its competitiveness (Ho, 2005).

Resilient, ethical leaders within the SME that value both internal and external stakeholders are required. Leaders that will not depend on the government on everything but will also take actions to ensure they have the knowledge and relevant information about their industry to enable them to make put effective plans in place ad make the right decisions that will see their organisation grow and become competitive. SMEs should know and understand that in this volatile environment, knowledge is power. It is therefore important to never stop learning and also embrace all sorts of empowerment within the organisation. Learning can be done through research, studying, sharing of information, internal workshops and formal learning. IT also play a very important role in an organisation. The study has shown that IT impacts positively on strategies built within the organisation, strategies that enable the SME to perform better despite the volatile external environment. When change occurs, the SME must be flexible and quickly have means and plans in place to adapt to it.

6.3 Limitations

The topic chosen for this study about SMEs' competitiveness within a volatile regulatory environment in South Africa was very interesting because it was conducted at a time South Africa's economy was struggling mainly due to the COVID-19 pandemic. This was then the relevant time in which practitioners from both the government and within the SMEs can investigate how to determine competitiveness within emerging markets. SMEs would also find it beneficial to understand ways in which they can monitor their external environment and find coping mechanisms despite the volatile environment that is posing challenges to the them. As much as it was relevant to the challenges we were facing, the same challenges also posed limitation towards completing this study. When it was time to conduct the interviews, some of the targeted population got infected with COVID19 and were hospitalised. The decision to use Zoom was taken in order to reach those SMEs that were willing to participate. The application for Zoom could only be utilised if the interview does not go longer than 40 minutes. The nature of the questions asked were open ended and allowed follow-up questions to be asked. If there was an opportunity to get more time or face to face, more in-depth information would have been found and analysed.

Due to the deadline for submission, time was another limitation. During the time of conducting interviews, South Africa was under lockdown. As indicated above, it was difficult to reach out to SMEs as other were impacted by COVID19, while others were afraid. Reaching out was a little difficult while time was limited. If time permitted more respondents would have been interviewed.

The other limitation was affordability. The intention was to use NVIVO to assist in the analysis of the interview responses. Unfortunately, due to shortage of funds at the time analysis as the software required one to purchase the license, NVIVO could not be used. The manual thematic analysis was utilised and that consumed time taking into account the deadline to submit the research. If there was enough time and money, more SMEs would have been interviewed, which probably more in-depth information would have been found.

6.4 Suggestions for Further Research

From the targeted population Participant 7 was the youngest but as a manager- owner, he has values and ethics that ensured that the organisation is sustainable and growing. The organisation has been in operation for five years and the respondent who was also the owner could clearly outline the processes within the organisation which mostly were refined through experience. From the findings it was clear that the SMEs that have a Quality Management System were in a position to have good strategies in place. The literature even supported the findings showing characteristics of a good strategy, which one of them was that the strategy must be guided by a set of policies. In this report earlier before it was indicated that an SME with organisational culture that enhances competitiveness and believes in capacity building of its employees, enhances better performance and competitiveness. His strategies were based on him being a resilient and ethical leader and learning through experience. Also understanding that as a leader, the values and ethics are the ones that can bring stakeholders together where they can work in truth and freedom as outlined by stakeholder's theory (Freeman). It can be conlcuded that as much as the study has discovered that having policies and procedures in place give guidance to a good strategy, it will be important to further research about "SME's governance structures and its effects on performance". This will unpack how other SMEs that do not have policies in place come up with good strategies that show good performace. Also is important to check if those same SME are given an opprtinuty to have policies, what further impact will it have on their performance and competitivenss.

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APPENDICES

Appendix 1.1: Data collection instrument(s)

Title: SMEs' competitiveness within a volatile regulatory environment in South Africa

Research Questions

1. How do practitioners determine the level of competitiveness of the SME within emerging markets?
2. How do SMEs monitor their external environment?
3. What are the coping mechanisms of the SME in a volatile regulatory environment?

Addressed Dimension	**Probing Question**
Research and Development	What mechanisms do you have in place for research and development in your organisation?
Adaptation to Change	What do you do when there are changes in your target market due to unforeseen or unexpected situation, for example COVID19 pandemic?
Participation in Strategic Alliances	How does your organisation approach affiliations with strategic alliances in your industry / sector?
Workforce Fluctuation	Is there a considerable stability in the workforce of your organisation and what do you do to avoid fluctuations of the workforce in your organisation?
IT Preparedness	How is your organisation prepared to meet innovations in IT?
Rate of Marketing Budget	How would you explain the rate of your marketing budget over the past 3 years?
Organisational Culture	Describe the core values and empowerment (capacity building) strategies implemented in your organisation?
Role of Governance	How do you ensure effective governance or how do you build leadership capacity within your organisation?
Good Strategy	How do you go about creating the strategy guiding your policies and procedures to ensure the competitiveness of your organisation in a volatile regulatory environment?

Appendix 2.1: One-page bio of the researcher including declaration of interest in the research and funders, if any

Ms. Gift Tshifhiwa Shai has over 15 years wide-ranging relevant experience and qualifications in the training and development field, to mention but a few, she holds a BSc Degree in Computer Science from the university of Limpopo, a Post Graduate Degree in Business Administration from Wits University, Certificate in Fundamentals of Project Management from Damelin, Principles of Business and Management – New Managers' Programme from Wits university, she also hold and International qualification, a Certificate in Executive Management from University of La Verne(USA). She is a qualified and registered assessor, moderator and also has a certificate in Outcomes Based Education (OBE) & Outcomes Based Assessment (OBA), a National Certificate in Occupational Directed Education Training and Development Practices which is accredited by Education Training and Development practices SETA. She's currently doing a Master's in Business Administration with the University of Witwatersrand Business School.

She has worked as a lecturer at Ekurhuleni West College, and held different positions at Health and Welfare SETA(HWSETA) and other different organizations, her dedication and hard work has seen her being crowned best employee for the quarter in 2007 and earned her a scholarship which she used to further her studies. The diverse expertise and qualifications blend in well with all the departments in the organization. Her strategic leadership has seen the organization grow from strength to strength over the years and has been entrusted with the responsibility of steering the organization and give strategic leadership to propel the organization to greater heights and overseeing the operations, governance and administration.

Appendix 2.2: Ethic documentation

Appendix 3.1: Dully filled in data collection instrument(s)

NB: The sentences typed in colour represent the respondents

Transcription of the interview with Participant 1

0:02
Good Morning Sir
How are you?

0:04
I'm very well, thank you.
I am fine. Thank you for availing your time, as I've indicated on the permission letter that I've sent, I'm doing a research. For my MBA degree, the title is competitiveness of an SMME within a volatile regulatory environment.

0:25
And I'm doing this specifically for the SMEs in South Africa.
Okay

0:34
Before we start with our interview can you give us a brief, a brief background about your organization.

0:42
Okay, under our organization, it operates in the telecom sector.

0:52
mainly focusing on research and training.

1:00
Our main customers Currently,

1:05
the mobile operators,

1:08
which is Vodacom and MTN.

1:11
And with training, it's,

1:15
it's it's part of the offering that we just started just over a year ago.

1:24
And that

1:26
was with the view or the experience that we've been having over the years with this shortage of skills in the telecommunication sector.

1:37
And that was one reason we started

1:41
involving ourselves with skills and development training.

1:47
Okay, no, thank you very much for the quick background

1:52
How long has your organization been operating?

2:00
The company is was registered in 2013. But

2:06
effectively,

2:09
we started getting or been active

2:15
in the past five years.

2:17
Okay. Thank you very much

2:21
Also, I just wanted to confirm that you have received the consent form. And you've signed consent, consenting that we can do this interview, and that we can also record it.

2:36
Yes, the consent has been signed.

2:39
Thank you very much. Now, the questions as to the data collection instrument, there are few questions that I'll be asking. You're allowed to ask a questions if you want to further understand the questions.

2:56
Now, starting with a first question that looks seeks to check the research and development. Now what mechanisms do you have in place for research and development in your organization?

3:16
Currently, the the

3:20
the organization use mostly to two major tools, which is the research over the internet.

3:29

And also an affiliation with

3:34
some of the research companies that focuses on telecommunication sector.

3:42
Okay. Now, in terms of

3:47
the affiliations that you have are the ones where you play specific money to get the information participating in certain activities. How do they work those affiliations?
Yeah, yes, it's the research are done yearly. And they are mostly global research that look at the broader telecommunication market globally.

4:17
But then we select a few countries that we want to compare our local market with. So yes, it's a yearly it's a yearly fee that the participant is paid on.

4:35
Thank you very much
Now, in terms of adaptation to change,

4:38
what do you do when there are changes in your target market? due to unforeseen or unexpected situation? Like for example, currently, we're facing the COVID-19.

4:52
Yeah, that that came to us as a surprise.

4:58
Unfortunately, our

5:00
Our our market, it's in such a way that

5:04
we mostly depend on on the customer.

5:11
For an example, most of our project, most of our work are project related and which

5:20
most projects comes out when

5:26
our customers have new projects that they are for new products that they are introducing to the market

5:33
or new project rollout in terms of introducing new technology like 4g 5g, then, you know, there will be a quest for for things like installation, web to be done, so on.

5:56
Most of our work are dependent on the work coming from our customers.

6:03
But

6:05
what we have seen ourselves lately, especially with the COVID, we

6:12
we noticed

6:15
the demand of

6:18
internet connectivity in households.

6:23
And

6:25
we we managed to, to present ourselves in the space in providing services for

6:33
individuals or home owners,

6:37
even even for their kids to start learning from home. So, we have developed a module where we do Wi Fi installation

6:49
for household. So, that's one one business model that we we really pride ourselves with

6:58
that

7:01
or that came up due to the unexpected situation that we're in right now.

7:08
So in short, what you're saying is when there are changes in your company, you tailor made what you're doing to to fit the new trends that will be happening at the time
The new trends. Yes, yes.
Okay

7:24
thanks very much. I think the next one was to look in participation in strategic alliances, which I think we've we've already covered on our on our first question.

7:38
Now we can look.
Yes, The other

7:42
the other thing that we also do in terms of strategic alliance is

7:46
to really look at what the needs are

7:51
in the industry

7:54
and we also base that on research or in terms of who are doing well and strategic partners that have some of the solutions around the world

8:09
that you can partner with to to address certain or specific needs.

8:20
Okay.
Thank you very much for that

8:22
Now, looking at the workforce fluctuation Is there a considerable stability in the workforce of your organization? And what do you do to avoid fluctuations in the workforce of the organization.

8:40
The, the COVID pandemic has really affected our operation, especially when it comes to to the workforce. But what my theory

8:54
has done

8:57
was to introduce

9:01
or is or we introduced

9:06
or we implemented

9:09
outsourcing a model.

9:14
But our model also has an element of empowerment

9:25
especially when it comes to skills and development.

9:30
So, for us to really stay afloat, we we have decided to outsource some of the functions

9:39
but at the same time empowering other smaller entities.

9:47
You know, two men, three men, companies that does cabling, installation work. So we've partnered with with those guys

10:01
But really the vision there was to offload from us

10:07
and also empower our partners in the process.

10:13
Okay, thank you very much for that.

I think also considering that

10:19
we're in the pandemic era. So, with with all the challenges that come along, to be able to manage them having partnerships like that.

10:32
yeah.

10:34
Going into the IT preparedness, how is your organization prepared to meet innovations in IT?

10:49
I think these talks are out of 4IR and Internet of Things.

10:55
And then really, that has been one one of our key drivers within the organization,

11:04
to really align ourselves with all these changes. And

11:12
one way that we have, or what we have done, it's, it's really part of the skills development. And not not really in internally, but to

11:29
tailor make

11:32
trainings or programs

11:36
that can help not only us as an organization, but even other startups out there

11:46
to really be alligned and up to date

11:52
with the new trend

11:54
of the technology.

12:02
Thanks.
So currently, I can say that in your organization you don't specifically have an IT department.

12:10
No, no, we don't we don't we don't really have that.

12:16
So yeah, most of the job is still done on a on a project base.
Okay

12:22
Yes.

12:26
And if I may ask, if we were to say, you expand and your company's capable to a point where you can have IT department, what is it that you need to be able to be in that space?

12:46
And I think, because the organization is more, it's more about research.

12:54
And, and, and mostly on IT and telecommunication

13:00
products and solutions.

13:05
What we looking at is to,

13:08
to have

13:10

or to build a laboratory and within the organization, where we can now have internal

13:21
technicians to tailor make

13:24
solutions and products to solve

13:31
or to address specific needs in the market. So So in short, I will say what we're looking at is to build our own

13:41
research lab

13:44
where we can have equipment

13:49
to enable us to do

13:53
research on our own.

13:58
That is

13:59
that that's a nice idea.

14:05
Now looking at the range of marketing budgets, how would you explain the range of your marketing budget over the past three years?

14:19
Eish, yeah.

14:22
I wouldn't say we already had a budget for Marketing

14:31
honestly,

14:33
for marketing even right now we're still

14:36
on

14:38
a referral base.

14:41
We use a lot of

14:44
social media,

14:48
attending seminars and conferences. So, the cost really there is more about attending

14:59
such conferences

15:00
and

15:04
yeah, so, budget

15:08
really zero

15:11
Thank you very much

15:19
but we are surviving somehow

15:23
yes, yes, yes
By the way, note that this is a research, has got nothing to do with right or wrong answers, it's all about understanding how we can be competitive

15:37
and the research has shown us that, you know, these are some of the indicators that one can look at within an organization to check, to measure

15:49
competitiveness

15:52
I think the other one that I forgot

15:56
other one, I forgot to mention, in terms of marketing

16:00
we just leverage mostly on the relationships

16:06
that we have built with some of our customers.

16:10
So, yeah, we do

16:17
okay, thank you very much.

16:21
Now, going to the organizational culture, now, describe the core values and the empowerment strategies that you implement in your organization.

16:36
Yeah, be as small as we are

16:43
what what we what we have found is some of the

16:51
Why do I call it ? some of the responsibilities
16:56
you know, are still done by one man

17:02
or or you find one person doing or taking care of two three responsibilities. And but, as it may,

17:15
what we

17:17
tried to do is to to really streamline our processes.

17:25
And

17:31
said that

17:33
streamline our processes, and also do a lot of skills transfer

17:41
within the key, key individuals within the company

17:51
and then also be in a way,

17:58
form or be part of an ecosystem and within the industry itself,

18:05

where we found that it also helps us or capacitate us to be able to deliver some of the projects that we are involved with.

18:18
Thank you very much. Now, I'm looking at the role of the governance

18:25
how do you ensure effective governance in how do you build leadership capacity within your organization?

18:36
Yeah.

18:39
Currently, this these three, three things that I think we have managed to to to master and it one: is

18:54
to give clear roles

18:59
to to the employees within the company.

19:05
Number two,

19:07
performance monitoring.

19:13
And that is mostly done, reporting, all in on projects or activities that are supposed to be done.

19:25
And then

19:27
also just the sharing of information, which we found that it really helps us to, to have better decision making

19:40
on the work that we do.

19:47
Now, going on to our last question, looking at a good strategy, how do you go about creating the strategy, guiding your policies and procedures to ensure

20:00
that the competitiveness of the organization, or

20:04

to ensure the competitiveness of the organization in a volatile regulatory environment.

20:15
eish yeah neh the strategy.

20:24
yes the strategy
I think since the COVID.

20:29
We got to a point where we were operating in an open minded

20:43
should I call it a strategy, we, we keep our ears out there

20:50
to really listen to where, where, where the market is going.

21:00
From what we have seen since the pandemic, we really try to adjust ourselves

21:08
in terms of that.

21:12
So, I think

21:16
our, our strategy in policies and procedures are more guided by by what is happening in the market.

21:27
I think I think because of what happened, we just tried to be flexible.

21:33
Just to make sure that we are able to adjust

21:38
the company

21:40
in terms of operation and also being competitive

21:46
of where we are currently.

21:50
I am not sure if that

21:53
is

21:55
much.
Yes yes yes

21:59
Thank you for your time. Think this is Yeah, these are all the questions that I had for the interview. Unless if you have some issues or questions that you want to ask me.

22:14
Not really, I think I need to do more of this.

22:25
Yeah.

22:30
Yes, I think you can help the organization or I can also recommend for any other organization to really go through

22:41
such questions

22:44
Yes, if you do have, I would appreciate it,

22:48
yes.

22:50
Yeah, I think I think I really value this, and I will share it with

22:58
I will share some of my contacts, because I really believe individuals will benefit from such questions.

23:07
Thank you very much. Thank you for your time. It was a pleasure to be with you. And understanding also more about your company. I am wishing you all the best.
Thank you so much.

23:22
Okay, bye

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Transcript of Interview with Participant 2

0:03
Thank you very much for availing yourself.

0:08
Before we start, can you give me a brief background of your organisation?
Okay.

0:18
It's a training, it's a training provider, which was established in terms of the Skills Development Act.

0:26
So basically what we do is to offer training is based on the South African authority.

0:33
Now, South African quality authority sorry, is so we've decided to branch out not to only focus on training, but to also provide PPE

0:45
to assist with medicals hygiene cleaning and

0:51
safety audits.

0:55
Thank you very much for your introduction. Now,

1:01
Also just wanted to confirm that you have received a consent form and you have signed.
Yes, I have
Thank you very much. Now, as we're going through these questions, kindly, do not be afraid to ask any question, or if you feel that there's any question that you might want to get more clarity on. Now, as I've indicated, the title of my research is a competitiveness of an SME within a volatile regulatory environment. And I'm doing a case study mainly on the SMEs in South Africa.
1:34
Okay
1:35
So, we'll be going through these questions. And you can see they've got dimensions that they are addressing. And it's that I'm trying to find out how, how SMEs within South Africa are coping, their competitiveness. Now, let's start with the first one in terms of research and development. What mechanisms do you have in place for research and development in your organisation?
2:00
Okay, so we're using this website called Data built, so that I built a website whereby it shows you active constructions, and non-active constructions like it has all the information to say, who can you speak to, who can we contact about the project, what this and this and much. Because for us, it was easier to identify a place where we go in before we go to the end, we know because it's now active or it's not active, it's still in

tender, and what's not. And then other than that, it was word of mouth, you know, or you just pass by and see a construction and to go in. Yeah, but then maybe we were using Data build.
2:40
Okay, thank you very much. Now, in terms of adaptation to change, what do you do when there are changes in the target market, due to unforeseen and unexpected situation? Like we can see currently we are facing the COVID-19?
2:55
Okay, our business is new. The unexpected situation that we face was COVID was the lockdown and everything. So now we had to think out of the box again, to say, okay, now, constructions are closed, we can't really do training, and we can't really do medicals and whatnot. But since we supplying personal protective equipment, how about we

3:23
we supply personnel with personal protective equipment? For COVID. So, it was something that at least was bringing some money. So yeah, we have to we had to think out of the box and try something else.
Yes. Yes. When, when, when changes are happening and facing

3:45
situations that we never planned?

3:48
Yes. Now we've gotten I wanted to in terms of strategic alliances,

3:54
does, how does your organisation approach affiliations with strategic alliances in your sector?
Okay, can you try to elaborate for my understanding?

4:04
Yes, strategic alliances, let's say for an example.

4:11
Like in teaching, they'll be SADTU to say, to sometimes negotiate with them with the government and whatever, like alliances that you have that you know, they can give you information they can, they can give you what's happening around competitors in your sector, things like that.
4:31
Okay. From our part in the alliances that we had was other training providers, okay. Because we needed to know exactly like we had to do for our due diligence, especially the SETA, you know, you have to follow all the policies and everything. So, we had to ask them because they were more experienced as they have been in this game for a long time. So, we made alliances with different training providers, not mainly for construction SETA, but then for TETA, for MQA and everything. Yeah.

5:01
So, do you in those specific alliances have, where you sort of maybe paying a monthly or a yearly fee?

5:10
In our situation no, because we are not yet acquainted.
Okay
We had to make an offer with them. And by working with them, it's how we learn, in a way because they keep on putting us to test. “No, this is what we do., this is not what you do, 123”. So we couldn't just sit back and say we're not gonna train because we don't have accreditation to keep on pushing. So yeah, okay. Okay, whichever SETA, whichever client comes with a training, whether TETA or MQA whatever, just take take take and then built those alliances.
5:43
Okay. Okay. Thank you for that. Now work force fluctuation? Is there a considerable stability in the workforce of your organisation?

5:54
Like, what do you do avoid fluctuations of the workforce? Or is it stable? How do you measure it?
6:03
In our case is still stable because we haven't been in a in a position to hire. Okay, employees. We do most of the job, me and the other directors. So, what we do is to work with.

6:16
freelancers, facilitators, so they just freelancing, we don't have that.
Yeah, yes. And then do you have any plans in future to check if you were to hire stuff as you grow, if you have this workforce, this is what you will do to make sure that you maintain the stuff that we have.

6:40
haven’t planned as yet, things have been going really slow

6:45
Okay, now, let's look at IT.

6:50
How, how is the organisation prepared to meet the innovations in it. For an example you see nowadays with online and everything's moving to online learning, you know. From what we used to have, IT is becoming like the most important vehicle to do a lot of things.

7:10
For example, let me give an example, in let's say, university is the training institution, they used to have one on one, all of a sudden they need to train online. Obviously, if they're to move from face to face to online, they should be prepared. And for them to be prepared; one: must have the skills to do online, two: that app the lecturers must have to do online.

7:38
Yeah, so the preparedness of Yeah, for an example, did T VETS, the government promised every will have a laptop, to show that they were not prepared, and they didn't have all those mechanisms in place. They couldn't make it happen. Yeah, so I wanted to

check like, obviously can see the world we're in, IT is moving very fast. So how prepared are you to meet these innovations?
8:02
We're not really there. yet. It's something that we still

8:07
preparing and going through since

8:10
our organisation is still small. So, in terms of doing trainings right now, even if it's quiet, we can still do this social distancing, because it's not so many learners. See, but it's something that we'll be looking into. And it's something that we're gonna, we're moving around it. Okay. Yeah.
Okay. Thanks for that. Then with marketing, do you do have a marketing budget in your company?
8:35
Not yet

8:37
If I'm to say explain the rate of your marketing budget,

8:42
okay, then how do you do marketing? How do you market yourself as an organisation?
Marketing, like I said, once we identify the site that's active and everything we go there.

8:54
Obviously, we meet people inside from site. It's either the site manager to safety officer or anything, but then we also go through it politically.
Okay
We meet the CLO, the counsellors, and then we just put the word out there, so what we do mostly is to go for community meetings, because that's when we can educate the community or the base training, you're supposed to get this and this and that. Yeah, many people don't know about that, they like hau(really)? So, we market through that. It's either political or insight or on site and through the community.
Okay.
Okay, also using Social media.
Thanks very much. Now, in terms of the organisational culture, like the culture within your organisation, let's let's start with the core values. Can you describe the core values of the organisation?

9:49
Respect, trust, integrity, being reliable and professional, yeah.

9:56
And then how do you empower a

10:00
Like, the strategies that you put within the organisation to empower, let's say, your employees and directors, to make sure that they empowered. Tomorrow, let's say you have got an employee, as you're saying, you're too small and most of the things you are

doing now as directors. Do you have plans in place to say, as you grow, maybe one or two directors that you have to empower them?

10:32
Yes. And I think we do have that. And as one of our mutual respect, I think if ever you treat an employee as family with that respect, they can be empowered to work more. But if you treat someone just like a worker, without that respect in everything, they won't be empowered and everything. Honestly, we can do some sort of, you know, those MD functions, activities just to give them that, you not just here for work. Its kind of a family.

11:05
Yes. And then the role of the governance, how do you ensure effective governance, a governance possibly you as the managing directors, to make sure you govern your company, effectively, and also how to build leadership capacity.
11:59
I think Yeah, one, since it's just us directors and we trying to grow, I think, being transparent, it's one of the important stuff, so that they know what's happening within their company, a clear understanding, or, probably, if you have a project, you explain to them, for example, to explain what this percentage is going to go to those people because of 123 123. So that there are no surprises in

12:30
within the

12:33
organisation, you know, working as a team,

12:37
and following the guidelines.

12:41
Thank you very much. Now on the last question, good strategy

12:46
you know, every company, strategize, strategize and plan to say 'how we want to see our company there, this is what we will do to get it there'. Now, with your company, how do you go about creating that good strategy?
13:02
Well, now the strategies that we have done is having a website, going on social media a lot, putting our word out there and then
13:15
customer service, improving customer service, because obviously, with our previous clients, we've seen our wrongs and rights. So now we try to put things in a much better way. And with the prices . Again, we try to be the one with suitable prices. You know, competition is tough out there. So like, not that we take everything, but then we try to build relationships. So we can play around with the prices,

13:44
that is the strategy. Yeah. And

13:47
then we have this one client, which was a regular. And then at the end of the year, give them some things, Thank you gifts.

13:59
To say thank you; come back and they did come back.

14:03
Yeah, just to woo them back

14:10
ensure that you remain competitive. Yes.

14:14
No, thanks very much for your time and energy. And by the way, even after the interview, if you feel you need, we want to have more questions. interactions are still allowed. Thank you very much for your time.
Pleasure

14:36
Just to check, is there anything you want to

14:39
ask at this point before we close?

14:46
yea, let me ask something

14:47
I feel like there is something wrong that I am doing.

14:54
So coming to you as someone who's been in the field for a long time, like what guidelines would you give me to say

15:00
So

15:02
when you do request for quotations,

15:12
The most important thing, when you're doing proposals means it's more about showing

15:20
that you can do it. A lot of people when when, when when they do proposals, and they think more about pricing. But at the end of the day, it's not about pricing, it's about the capacity and the capability to prove that you can do it. If you're a training provider, and somebody says, Come and train for me, it's not about you saying I can train only, go far beyond show them the things that you've done before that were successful. Put evidence thereof, if you want to show that I've trained give them the certificates from

SETA, show them and show them make copies, you know.
16:03
I attach template reports, if you feel you have got, the perfect report, whatever reporting systems that you have in place include all those things, because the main thing is to, you know, to to to, to prove to them that you can do it, that is the most important thing. And also in terms of the people that you are using in your team. I think that's also a very important message to send all the time through with their CV and certificates. All the time show that you're using qualified people, skilled people that will be able to do the job.
I think those have been missed.
Yeah, my one in the proposal, most of a proposal that I write, the biggest part is where I show them what I can do. Yeah, I put reports, I put certificates, if there are pictures where learners were on field, all those copies of those things, to ensure that they can see that I can do the job.

17:12
I'll put a proposal , explain why put all those stories. And then after that, then the attachments section by section.

17:19
This is the proposal that I've written. Now, this this section of the CV scenario, I put all the service facilitators, and moderators, whatever you put in the people who manage the project, for an example, I will include my CVs to show that. Here I am, even during the MBA to show that I really want to become the best, best in business. Yes, I would put from the people who manage right to the admin. And everybody to show that I have got the right team to do the job. And then I'll even go to a point of putting reports from SETAs. Like because I'm acquainted with different SETAs, when they come to monitoring. They'll write comments about what they see. Those reports I include them to show that even the SETAs when they come in for audit, to look at what they say about us.

18:24
Yeah, yeah.

18:27
I think problem from our side is the accreditation things. After that everything is fine

And Accreditation I think it's one of the things that impact on the competitiveness because if not the red tape within the government and things like that. Yeah. It's very, it's very regulated. And yeah.

18:45
I think I'll be coming back for more questions

18:48
Thank you very much.
Thank you.
It's a pleasure.

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<u>Transcription from the interview with Participant 3</u>

0:03
Can we start? Hello? Can we start?

0:22
Mr. Participant 3, can we start? Are you ready?

0:30
Hello, are you ready can we start.
Yes. Hello. I wanted to know. Do you need a video?

0:37
Not necessarily. All I need is the voice.

0:41.
Voice is enough. Oh, Okay.
Yeah, No, I'm ready.

0:49
Okay.
Good Morning Sir, how are you

0:54
Good morning. Good morning. Good morning. Gift, how are you?
I'm fine and you Sir?

1:01
Yes As you know, the today we're doing an interview, I'm doing a research with the title competitiveness of an of an SME within a volatile regulatory environment, which I have doing case studies of the SMEs within South Africa.

1:20
Let's start by you introducing giving a brief background about your organization.

1:28
Yes, thank you so much Gift. We have received the the memo from you and and what you are doing with your with your with your research.

1:44
we would like to thank you so much for for for considering us because we went through the questions and we started reflecting and asking ourselves

1:54
really serious business questions.

1:59
My name is Participant 3and we opened an entity a private entity called Maeka Tradings. We work in a telecoms space. So, we were involved in the installation of Fibre.

2:20
the monitoring of Fibre, how it performs, and of lately we have tried to get in the space

of skills development within the telecom space.

2:36
Okay. Thank you very much for your background. And just to to get clarity, you have received the consent form and you have signed it?

2:52
are you still with me?

3:01
Hello
Hello, Gift. Yes.
I just wanted you to confirm that you have gone through the consent form. And you have signed it.

3:13
Yes. So so yes. So the email that we received, it had a, I think, three, three attachments, and one of them was the consent form that we we signed, and then we send it back to you.
Thank you very much. Now let's go into our questions.

3:32
As you see, our research has got an aim to answer three research questions which we have highlighted on our instrument. Now for us to get the answers of those three questions. We've got a list of those questions that we've already given them to you, that we'll be asking. Now, we'll be starting with the first question that looks into research and development. We wanted to know what mechanisms do you have in place for research and development in your organization.

4:04
So, you know, because of the, the, you know, the size of our organization, and we don't particularly have an R&D department, in our organization, but we have and manage to do over the, over the, over the years of operations that we have aligned ourselves with groups and platforms

4:31
in the same space in the same telecom space. So, so, these are people who,

4:38
are operating similar

4:44
like us, almost doing the same things. And we have, that we share information, of the trends which are to be happening in the future to understand what
05:26
Hello Gift
Hello, hello, yes, I can hear you now.
I've lost you a little bit there.

5:40

I lost you where you were saying that you've got partnerships with different organisations. I think from there onwards can continue

5:45
okay so is not is not already a partnership, but they are called focus groups. So, these are people in the same space so we have groups and we meet online to discuss the trends within the telecommunication space where we operate in terms of what is happening now and what is going to be happening in the near future.

06:13
Ok, no, thank you for this. Now in terms of going to the next part, in terms of adaptation to change, now as you say you've got focus groups. Within focus groups, what do you do when they're changes in the target market due to unforeseen or unexpected situation like for an example currently where things in the COVID?
6:38
Yes, you know it has been very very difficult for us but what we have learnt from the current situation. What we have tried to do in the past. I will say about 11 to 10 months was really try to be agile and focus on attracting technology and human capital that we think is agile and think
07:11
On their feet. It is very difficult to to know exactly what's going to happen tomorrow, but if you have people who I will say very agile and interested in the dynamics of our industry, that also helps to adjust adjust quickly. Telecommunication is changing and his changing very fast. We we we we we have joined or when when the telecom was still on 3G; the third generation right now within 7 years we on 5G and if you don't adapt quickly you might be left behind. So we try to

08:06
employ technology and human capital that we think will be able to think on your feet as and when is required by by the changes in the industry.
Thank you. Thank you very much
For me. I can see what you saying in terms of adaptation to change is more on specifically organisation having individuals that are agile that are always looking for the new trends that are coming in as you grow.
Yes
Thank you very much. Now in terms of participation in strategic alliances how does your organisation have approach affiliations with strategic alliances in your industry or you sector in general.

09:02
With the size of our organisation it takes me back to the research and development part, I think I will touch a little bit on, so we have aligned ourselves with different; I call them focus groups earlier. But what it is, is really affiliations, you know, within the sector so this we are affiliated with focus groups that are operating within the space, with that we are able to to understand by sharing of information on the regular bases in terms of what is happening and what might be
09:58
going to be happening in the near future.
Ok, Thank you. Now if I may further ask do you have any affiliation that you have joined and sort of pay your monthly or yearly fees something like that.

10:21
Or are those type of affiliations in you industry.
Yes, so so so so so so we have subscribed to three of them so two of them they're run by a non-profit organisation and we we pay subscription subscription is called the

11:11
The Telco. What is it called again is called ‘the last step of reconnection’, remember when when the telcom started we really wanted was to connect everyone, so this particular organisation is focusing on their mind. Sorry it’s called the ‘last mile of the connection’, meaning that they are going deep into rural areas and trying to connect those people who over the years, they haven't been really connected. You know that if you're heading out into the deep rural of South Africa now you start having no signal at all, we talking voice not data. So, there is a campaign to really connect each and every person in South Africa.
12:08
So, we are we are affiliated to that and it has been our main focus to to concentrate on the community for connectivity.
Okay, Thank you very much for that. Now moving into our next dimension which is workforce fluctuation, is there a considerable stability in the workforce of your organisation and what do you do to avoid those fluctuation of the workforce in your organisation.
Well is it is difficult, everybody wants to be and go where they think it is greener. So, the employees will always plan or try to go somewhere so we've been trying to retain.

13:05
Most most of our employees through incentives and performance bonuses that we introduced, we have KPIs and if people meet that, we try to recognise their hard work, by revising them on regular bases

13:58
And we hopping that, I guess we are achieving that, the the that, you know we are able to retain most of our guys, some of them have been with us since the beginning but its very difficult because it is human nature, people are always looking for new adventure and new places where they think it is greener. Throw regular performance bonuses and incentives. I think that is what we implement on regular bases to try and retain the staff.

14:17
Yes, I do agree with you that it is human nature, to always want the best. That is true. Now going on to IT preparedness. How is your organisation prepared to meet the innovations in the IT?

14:38
So so we have, outsourced all of our IT operations. We are not in a space where we can have an IT department, so we have outsourced it. We are

14:53
aligned with the companies that on regular bases engages we us to check where we are and what are the IT trends we should be considering, looking at what we do at the office. We do have about 2 guys who are engaging the IT companies that we have outsourced this to, trying to beef up and of cause move with the times, in terms we can consider or should be considering.

Thank you very much. Mr Participant 3 and I think working in the fibre installation, you you must be very

15:50
Very worried about ensuring that as we are prepared for all the operations in IT because our world is moving towards everything been aligned to the IT our lives, our daily routines everything controlled by the IT.
Can we continue, going to to the rate of the marketing budget if you explain the range of your marketing budget over the last three years, how would you explain it?
We have found that it's becoming easier and easier for us to

16:50
market ourselves

16:54
One, somethings that we haven't fully explored or utilised previously is social media and and being online so we have registered so many platforms and we thought it can be a little bit cheaper and it happens in real time unlike before how to make it so on social media. It's cheaper but same time you have to engage with it on regular basis, so its demanding in terms of work that you have to put on but but but but little cost-effective.
Okay

17:49
If I may ask further, do you have a specific person or division that looks in to the Human factor that goes into that marketing
So we have actually just recently, appointed someone in the organisation who spend his time looking at our social media presence, obviously in consultation with us. And they update it after every week or regularly. But we have to update it on a regular basis.

18:38
Ok, yes, thank you very much. Looking on your organisational culture. If we were to describe your core values, what are the core values of your organisation.

18:46
Looking at the centre of what we do is communication, communication and we try to communicate everything with our clients and try to build transferability within our organisation. So everything that is happening has to be as transparent to us first as and also to the people we are selling to.

19:45
I think those two communication and transparency are the most important at the centre of how we want to do things.
Now, going to empowerment or capacity building how you empower your employees or the workforce within the organisation, what are the strategies that are placed to empower the workforce within the organisation.
it's it's it's something that we don't take lightly, we take it very we take it very seriously that you know over the past few years we even tried to allocate a little budget for it. So, what we will do is to

20:37
Make our employees

20:41
go regular training and upscaling within our space. I think that's the only way we will be able to keep up breast in terms of the you know, adaptability and always trying to be ahead of the game to upscale our employees on regular basis and this is technically because we working in difficult space. We take them on regular training so they can always know what is happening and learn about new trends, you know cost effective ways of doing things, so I would say skills development for us is capacitating employees.

21:36
Thank you very much. We are left with two more questions to go now coming to the role of the governance. How do you ensure effective governance? or let me say how do build leadership capacity within your organisation.
So, we, over the years would have little conflicts about the company and realized that it is not working anymore so we have an open structure of it, and when we take critical decisions everyone is involved in terms of strategizing and we welcome employees'

22:33
Inputs. And we would like to believe that you know we trust our employees in taking good assignments. So, we build capacity by involving the employees in terms of matters that are very critical because I think it is important for people to feel part of the organisation and for us to involve them in every step of decision making. We find it very critical to develop leaders and

23:29
Of course some people are natural leaders and like to be given challenges, and once they are challenged, they perform better. They feel part of the decision making of the organisation and we have been benefiting because of that.
Thank you very much Participant 3. Now going to our last question which looks at good strategy of your organisation now. How do you go about creating a strategy guiding your policies and procedures to ensure the competitiveness of organisation in a volatile regulator environment?
24:28
Yes, so the strategy is something that we say, honestly we have been struggling with in terms of the steering the organisation to a particular path, and so we have outsourced to a company that deals with organisation strategy. We engage with them on that we are learning internally in terms of how can we now have a regular strategic meeting, to look at where we are, and effectively get to where we are going. It is something we are really trying to cultivate within our organisation

25:24 but the company that we outsource to, we starting to see some bits of hoping that in the near future, we will be able to take it in internally ourselves that.
Thank you very much. Last question I would say looking the performance your organisation would you say your are competitive enough or you know you're still growing up and not.

26:12 What's what might be the challenges that are impacting on you not to be competitive enough to reach the desired level of competitiveness.

26:34
I think I will answer that in two forms. You know we have attracted new clients that traditionally we wouldn't have even considered. But we also have lost some clients along

the way we trying to find out why and we are worried about that. So, some we trying to internally find out what might have happened for the clients to not come back for our services, but at the same time what have we been
27:08
Right to attract these new clients and how can we make sure that we do that in the future.
Thank you very much and I wishing you all the best and thank you for availing your time that's the end of the interview. I'm not sure if you've got any additional comments or questions to me.
Well like at said at the opening we are really privileged to be part of this exercise because after this you know I think this, especially based on

28:04
On this question it is something we we we are going to revisit them on regular bases I think especially small organisations and SMEs should really have this somewhere at the offices these are question relevant question that one must be asked and be able to answer truthfully. I think it allows one to know where you are and where you are going and how you planning to go there and that you need to know to be able to get there, that you for choosing us and wish you the best will you academic.

29:00 Thank you very much. Have a lovely day much appreciated for your time that you calculated for me. Thank you very much. Thank you.
You're welcome. Thank you very much

This transcript was generated by https://otter.ai

Transcript of the interview with Participant 4
0:01
Good afternoon, Miss Participant 4.
Good afternoon, Ms Shai.

0:06
Thank you for availing yourself for my interview, as

0:12
As per the invitation that I've sent, the title of my study, it's about the competitiveness of SMEs In a volatile regulated environment, which I'm conducting a case study on the SMEs in South Africa. Before we start, you do agree and have received the consent form and you have signed it.
Yes I do
Thank you very much. Now.

0:39
I've sent you the data collection instrument, it has got a about 10 questions and within those questions,

0:47
you are free to answer and be free to answer without any,

0:53
without any challenge, note that your answers they will be kept very safe, and they will not be shared to the public. And if at the end of my research, you need a copy of my report. I'll make it available to you. Now, we're going to start with our interview. And be asking your questions, if you don't understand the question, you can ask further so that you get clarity and when you answer you answer according to your best understanding. Now, the first question, we're looking at the research and development within your company, kindly start with just giving giving me a brief background about your organisation.

1:35
My company is in construction.

1:41
Currently, most projects that I am subcontracting to other people. Most of the projects are in the public sector. Okay, In which province you mostly working in
Gauteng, but also it's got projects in other provinces besides it.
Okay. Now, the first question, we want to look at

2:09
the research and development within your organisation now, what mechanisms do you have in place for research and development in your organisation,

2:18
The landscape of construction in South Africa has recklessly changed in the past ten years or five.

2:28

Well finally, there's a lot of community that that is involved, as the requirement of legislature that every

2:42
public sector construction project, 30% of the total price must be allocated to the local SMMEs. So when we, we compete for such work, we consider a whole lot of things like what what what other businesses that are they it's that project will be so that when we do our pricing, we make sure that we we get resources as close as possible, that our our rates are very competitive, we mean we we minimise or even eliminate transport costs, drivers that will be collecting or delivering materials, if there is such an item, which comes with overtime, which also means that we able to allocate those people to other duties if then those things are sourced locally.
Okay

3:40
And another mechanism that we use is that we make sure that we

3:47
own a lot of plant and equipment instead of hiring it out. Because we know that we know it's not a one time use thing, we still can use it in other projects. So we own a lot of instead of renting out. We look, we make sure that we continuously buy plant and equipment that we own as a company. And in that we will also drop our costs.

4:09
As a company also, we also

4:13
patent that or we own hardware as well. And when we procure material for those hardwares, which will then be be used in our projects. We cut out the middleman we make sure that we get material directly from the from the manufacturers in South South Africa, instead of buying including a middleman or buying for another hardware or something like that. Even if it's a small item as little as screws or lintels to as big as sand, cement, to bricks and all that.
Okay, so what you're saying in conclusive of this question, so what you're saying is, your organisation has got a specific department that oversee all the things including planning in advanced.

5:00
Will not wait until the job is there, or it's a department that always cater for the research and the development in your company.
Obviously, we wouldn’t know which project we going to get and were. So as the project comes in, and we tendering and all that, that's when we start looking, but the minute we get awarded we even do more researches, and we also pre-plan will, decide to involve also other other

5:31
role players as stakeholders that may be either the municipality that will be working at, it can be probably another college or whatever. Even other people that we can partner with as well, locally. So, it depends on which project we get, where are we getting it, then that's when there is further

5:53
need for research and development as a project, let's say tailor made for for for every project.
Okay, thank you very much. Now going to the second question, which we intend to address, the adaptation to change, how you adapt to changes in your organisation? Now, what do you do when there are changes in your target market due to unforeseen or unexpected situations? Like currently, we're facing the other COVID-19 pandemic?
6:25
Your question is very precise. And it's almost as if you you like live with us, you know exactly what we're facing. COVID impacted very heavily on us, not COVID alone, but COVID, as an example, impacted very heavily on our business. However, not just for COVID only what we have in the company, of course. As a strategy, immediately there's an effect on a project, either it's it impacts financially, or is it time, or whatever it is, we've got what we call ‘early warnings. So immediately when we see something, either we know or we don't know, we will inform the client to say “client, this is what we is happening, this is what we went through, this is the situation. We will

7:14
look at it much better if there's cost involved, or time we'll let you know.” So, with COVID, obviously the same thing we did, the minute there was COVID, and there was a lockdown announced, we send out letters to our clients and we let them know. And then obviously, it needed us to take precautionary measures. Also, as we were dealing with it, making sure that we build up evidence of whatever it is that we're going through so that we can even be able to go and sit down with our client and say this is what we experienced. If it's cost related, this and this we experience when we can be reimbursed accordingly. And it also helps that we cover ourselves in terms of cost because it was not part of the original scope of work.
Okay. Thank you very much. So you have a specific decision that deals with it that and has got a strategy that gives you early warnings,
Yes
Okay. Thank you very much for making that much clear. Now, going to the third dimension, where we want to check participation in strategic alliances. Now, how does your organisation approach affiliation with strategic alliances in your industry, or sector as a whole? Okay, and

8:29
I'll give you a number of examples. The first one, let's say we realised that

8:35
one of our competitors was aiming for the same thing that we aiming, and we caught it and they didn't get it. But they own let me say for example, they own a quary. And we're going to need a lot of aggregates. In building our project, we'll approach them and say to them, we've got plant or we got this, this, we've got manpower, how about then we get material from you. And then they will then let us use our own plant our own manpower and everything and get those resources from them. In that we will also cut him cost and everything and also building a relationship with them in that way. And that is

9:12
in that kind of approach. But however, on certain decisions on how the project will be run, you might find we always engage the other local entities, either your municipality, the counsellors, the Chiefs so that they can also gather the other

9:31
role players and stakeholders that will be involved in that in that project,

9:37
to promote ownership, that whatever we build in doesn't become the white elephant even if it's a public entity kind of a thing, in that they are actively involved in what we're doing.

9:48
So that's that's that's the thing. We then sit with them and say "this is what we were going to do, this is our plan, and how do you partner with us? Or what what how do we go forward in this?"

10:00
And then if we need maybe we don't come with everything in terms of skills and whatever, we then say that we will come with this much this much, what do they have? What can they give us from their site? Then they can partner with us that way.
Okay? Do you have a specific affiliation that you have were for an example, I know in other industries, you pay a specific amount to be affiliated with,

10:32
like in teaching in schools there is SADTU wherever do you also affiliate in those kinds of things in your organisation?
Well, for the construction industry, we have professional bodies, that is like a CIDB.

10:50
Yes, but that is not necessarily an organisation that will be actively involved with you in the ground. We also have another body called NHBRC, which is also a compliance kind of a thing, we've got your COIDA, which is Department of Labour, those are your regulatory bodies. But in terms of your your in terms of politics on one to one basis, we actually just have employees in the company that will continuously build relationships with this other stakeholders and role players. At one project, we building what we call 'Super stops for Taxis'. So, we actively go to the taxi people and we have to speak their language and go to their level and get them involved in that. So, it will be just be one of one of the people in the company will be doing that as part of of their job.
Thank you very much. Now, going to the next dimension that looks at workforce fluctuation.

11:51
Is there a considerable stability in the workforce of your organisation?

11:58
And what do you do to avoid fluctuation of the workforce in your organisation?

12:04
It's very hard to, especially in the environment that we live in today, because you you might need for example 10 bricklayers today, and in the next month, you don't need 10 anymore, because the project has passed the stage where it needs a lot of bricklayers. It's a very hard one to balance this one. So,

12:30

so the stability is not there to that percentage where you can say you retain workers for a long period, whatever. So, what what we normally do is that when we employ somebody we explain to them, we sit down with them and explain what is happening. And we have contracts in place. If they are finished, or with us, we also, if possible, we also

13:00
recommend them to somebody else, who's also busy next door or somewhere or something like that. And then when we need them back then we can call them back if they're there they're available and all that it's a very tricky one to to maintain. And obviously in this environment, you also unable to keep a high volume of permanent stuff in your organisation. So it's a tricky one.

13:25
It needs a continuous engagement, and overlooking all the time.

13:32
Now in terms of the percentage, or the permanent stuff of the whole organisation, what can you say the percentage of the permanent staff is?,
We looking at anything between 10 to 40%.

13:45
Which is also hard to maintain but it is where it is right now.

13:49
Okay.

13:52
Now, moving forward with

13:56
the next dimension, we're looking at IT preparedness. Now, how is your organisation prepared to meet the innovations in the IT industry?
Very, very precise. And just here, when we approach, we find in that in, we found that we're not alone, but in other companies. Well, every time we approach December, it looks like this.

14:24
Get hacking and fraud activities increased last year just before around about just before September after winter. We actually were hacked in the company, we found I think some of the people who are not even in South Africa we don't know we don't know. But what what that did also just made us to elevate or to increase our IT and start looking at it in another way because it was a new thing we have never

14:50
experienced. When somebody even comes in and writes email, and all that, we looked at beefing up our IT department and further trainings. We have mini meetings and write memos on how staff should handle such things, if they are. We can also to make sure that we get an IT team that is relevant and will continuously look at all this kind of things that we meeting in the in the current environment.

15:26

Now, looking at the range of marketing budget, we think, if we were to understand the marketing budget of your organization, then we should be able to understand the competitiveness of your organization in this volatile industry that you are now, how would you explain the rate of your marketing budget over the past three years.

15:50
To tell it to tell you the the the the the the, the the honest in this matter, we are unable to maintain a marketing department if you want to be competitive, because we're not, we're not sure that we're going to get so many projects all the time, and we will from that, from this project, we'll be able to so it's to to maintain such a cost all the time, it fluctuates. So, what we do, we, we create a culture in the company that everybody's a marketer, whether you're the, you're the security person of the gates, or you're in management, we create that culture that you always promote and market the company. We've got what we call before sales.
16:35
And as we working, we maintain good integrity in our company and after sales. So, before sales is, wherever you are, you working or whatever, whenever somebody's in opportunities, something we make sure that they everybody knows who to talk to, in terms of alerting them that there's such an opportunity, and then the team will, relevant people, will go and then see how to engage in it and get something out of it.
17:04
And then as we get into working and doing it, we also have a platform or strategy that we have in place that people that are working there, if there's a query and somebody is asking about the company, or there's something that they don't understand, everybody doesn't just blow up anything, but they know who to address such things to, without being nonchalant or, or, or, or maybe not knowing about it to show interest to a level, but also not engaged so that then when they're directed to the right person, that person knows exactly how to handle this.
17:40
And then we've got after sales that says that, even after you are done with work, you go back to those people that you've worked with, and you keep in touch with them. Ask "how are you, how is everything, and blah, blah, blah." Now ensure that they always find us ready in their cycle, so that when they've got something, they've got something to refer you to. And that's exactly how we keep on being able to get jobs and all that. Because people remember, oh, they will always say: "there was a company that once worked here, please contact them, please call them, please come through, quote, we need this, we need extra work, we've got something else somewhere."
18:14
So we that's how we're able to market the company.
By the way, your company has been in existence for how many years?
As a as a company, for about three years. But me as an individual I have been working in construction companies for for the past 22 years.
Lets say if we are to talk about the growth of the company is growing? Are you finding yourself in competitive in the construction industry?

18:52
Yes, it's growing. It's growing as we find ourself competitive enough and all that, but also, we lately experiencing a lot of growing pains. That is when you move to a higher level, there's more finance that you must pump into the into the company which you don't necessarily have at that time. So, but we find ways on how to balance everything.
Thank you very much

19:20
Now, let's look at the organizational culture. Now, describe the core values and empowerment, looking mainly at the capacity building strategies implemented in your organization.
19:39
Okay, the core value of our company, basically is to be able to deliver the output which is the project or what we do or whatever trade that we're doing at the best, cost effective way. That is what it is, that every time you touch a brick or you touch a paper you, you start thinking, what is the best possible way that we can do that, we maximize what we have without actually it costing a lot. Empowerment, we we do our best to continuously have training with different Institute, even if it's a it's an hour training, online training, even if it's not, it's not actually a company related, it's something that will develop you as a person, maybe how to handle your finances, maybe how to organize yourself better, we do that.
20:35
But also, in addition to that, when we come to capacity building, if we find that there's this individual in the company, they show potential, if they have an interest of going and studying that particular thing, then we also give them that they are required to have the in-service together with that study at school. So that as they study it, they also are working in the company to experience that and we find that when they finish, they've grown in loops more than just somebody who just started without working.
21:18
Now in terms of capacity, or empowering your employees, is it something that you plan that every year we'll come to this and do that.
21:23
Definitely is something that we plan, is something that we implement from as the first person as our receptionist to as high as CEO. We train trainees with different Institute you, your organizational your cultural differences, you know, things that you do just to keep the staff or the people alert, are managers on site, how to handle political issues. I mean, today, we finding that every contract has a politician when we do projects out there, so obviously, we need to have all this informal, mini kind of trainings even if it's an hour, two hours or half a day. But we find that we need to have this kind of training and refreshments over and over again, I mean even if something that you find that you are a qualified project manager or quantity surveyor; the legislature, government or the public sector, even in public things are changing so much, so that you always need to refresh courses that goes with that.
22:32
Thank you for that. Now, we're left with two more questions to get there. Second from last, role of governance, how do you ensure effective governance? Or how do you build leadership capacity within an organization?
22:38
Maybe just to start with a personal principle that I have for myself, it's continuously look at improving myself. So, it's a culture that I have also passed over to everybody that if I look at this document, I presented it this way today, what what can I do to make it better tomorrow? So it's it's something that we pass around to everybody. Yes, you did it, it looks good, but tomorrow, how do we better this. So, in terms of governance as a whole, to ensure that as much as you in management you also have to have that balance of of also being able to listen to people at classrooms level

23:29
and hear what they say. Sometimes it's it's nothing to do with money, it's just spending

time with people and understanding where do they come from, how can you help and being relevant. So, we do that by having occasional you know, like, out of nowhere braais, you know, those kinds of events. When we're not busy we were doing it every Friday, kind of a thing where there's a braai, people sitting. There's a Friday where it doesn't matter how urgent the project is, we call it, forgive my language in construction, we've got building language we call it 'Mampara Friday', it means that you work half day and that is the day that you're paid. You have money so we knock early it doesn't matter if you have an urgent, whatever it is, we close and then we sit and eat, share jokes, whatever and everything. In that way you get to understand them, you know, address other things and everything and share again, have the attempt to share your, your vision with people in and also hear from them how they're doing it.
24:46
And in building capacity in leadership, continuous study, continuous studying, it doesn't have to be formal, continuously listening to people and making sure that certain strategies and learning intelligently from other people. listening how you do other organizations, either in construction or not construction, what are they doing, you don't have to go and study everything, but you borrow intelligently from them. And then you see how you can implement that in your company. So we always we keep on trying to introduce different elements, but not as to bring instability in a company, only the ones that you see that they are conducive and right for your organization. And to my surprise, you find that whatever you hear, you will find that it's actually what you needed at that time.
25:34
Thank you very much.
Now, the last question, good strategy. Now, how do you go about creating the strategic guiding your policies and procedures to ensure the competitiveness of your organization, in this volatile regulatory environment.
25:55
A happy customer, happy client, it's our job. So, when we do things, we always try to make sure that our clients, our customers are happy. Going that extra mile, if we were working at a company, and there's our security guard, and we get to meet something that has nothing to do even our job description. We find out that maybe one of the employees their car has punctured or the working late, we'll allocate somebody, one of the securities working there to help them out, even if it means that if they working on their car has a problem, calling one of our mechanic to come and give them a hand and fixing their car or borrowing one of the company cars to get them safe where they are. If it means walking that person to the nearest place where they will get transport, we do that and it's got nothing to do with our company. But with that kind of accompany we very much stresses creating good relations with our clients, not just our clients, their top management, but whoever is in that company, to to make sure that we keep everybody happy.
27:12
They remember us. They know who we are, because of our deeds and how we work with them. And to ensure competitiveness, as we previously said we're always looking at how do we lower costs? How do we lower costs, we are continuously researching and looking at other people looking at other places. How do we lower our costs? If there's a shortage of something some way we ask around? What is there and all that. We never give up? And if there's no answer today, we sleep on it two days or so an answer will come. So, there isn't a set pattern in it. But it's the point of this if there's a need, we always do our best to rise to the occasion and keeping in mind too difficulty of what is going on. Like now, whatever you do, whenever you add these curfews and all that, we

make sure that we keep in mind with compliance and regulations in in light with what our customer need.

28:21
Thank you Much for availing yourself.

28:23
Thank you for your time and as indicated this interview remains private, the company names and all the details. We will protect the information about your organization. Thank you very much.

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Transcript from the interview with Participant 5

0:00
Okay, okay,

0:03
Sharp

0:05
Good afternoon. Mrs Participant 5, how are you?
Afternoon Ma'am, I'm good, thanks. How are you?

0:15
I'm fine and you

0:23
Yes.

0:25
Thank you for availing yourself for the interview. As you know, as I've sent the invitation letter, I'm doing an interview, I'm doing a research on the competitiveness of an SME within a volatile regulatory environment. It's more of a case study.

0:44
Now, before we start, can you kindly give me a brief background about your organization?

0:54
All right, so the company was founded in 2015. July.

1:00
The main focus, really, when we started, it was just safety. We saw a gap in terms of safety training and safety system implementation. So, the whole idea was to then close the gaps in terms of all training related to safety, and also get accredited, so part of then included, you know, having to implement the actual safety management system with our clients. And then moving to construction safety regulations, which is the currently currently the space that will really busy in. So, in a nutshell, that is what the company is doing. Yeah.

1:39
Okay, thank you very much. And then in terms of directors, how many directors are in the company?
We have just one director, the company is a woman owned business with one director, such as myself. Yeah, that's the current structure.
Thank you for that. Thank you for that. Now, let's go directly into our questions.

2:05
I've got a different dimension in which, as indicated on my data collection instrument, where I'll be asking questions against. So, if at any point in time you feel you need more clarity on a specific question, or anything, or you also want to ask any question you are allowed to do so? Now, going into our first question, what mechanisms do you have in place for research and development in your organization?

2:35
Well, currently, for research and development, seeing that is really a small company. So, we just use pure marketing, where we just research on Google, nothing really in terms of system in place that we are using. So, we will rely mostly on the public research that has been done in different SETAs. We normally go to database that are related to our services, and go through the research that have been conducted in our training and development space. And that's where we get most of the information in terms of development. I would have to say it's very structured, but it can be something that we can work on terms of improvement. But yeah, basically, that's what we do, Google internet,

3:21
review the research that has been done by by other entities in different SETAs, which talked to our business here.

3:29
Okay, thank you very much. Now, coming to the second question, what do you do with the changes in your target market due to unforeseen or unexpected situations?
Yeah, normally, we have to adjust into the changes. So part of what we do a risk, normally assessment to make sure that we covered any risk of that might come in our business, for example, any changes that might be unforeseen, we've got a change management system that we follow in the event that we need to change could be in our project. So, during the risk assessment, we normally identify areas in the event that the target has to change.

4:14
Are the needs still the same? Or in what way have the objectives changed? How do we then close that gap? And in addressing those, we normally make sure that if it talks to the key resources that we might require, if the targets have changed. In other words, maybe we're supposed to reach, you know, 200 clients. Now, even more, we have a pool of resources. So, we try to have all the mitigating actions for all the risks that we may encounter as part of our risk assessment in carrying out our activities.
So it can I say you do have a quality management system in place which addresses changes that occur.
Yes, we do. We do actually have a quality management system, and is the latest version which is 2015

5:00
which focuses mostly on the risks and opportunities. So really moving from version 9001 to 2015, the element of risk was not being addressed. And we have taken so much time investing in looking at the risk, what can go wrong? What can change? And how best can we then respond to the changes

5:19
Thank you very much. Now, going to the next question, How does the organization approach affiliations with strategic alliances in your industry? Or your sector in general?

5:35
Approach in terms of business? Do you mind elaborating on that one?

Yes, any kind of affiliations you have, for example, you are talking, about safety in the environment sector, in the construction sector, when you talk about training, probably there might be different affiliations.

5:55
let me give a simple example, if you are a teacher, you might be affiliated with SADTU

6:08
So as part of our improvement, and making sure that we are relevant to our business, we make sure that we are registered with you know, all these affiliations. For example, we have the SAIOH, I don't know if you know the safety body that we have. So, we make sure that we are registered with them. And also the the resources that we use, mostly when we're looking at safety, ensure that we are registered with them, and we maintain our relationship by making sure that on a yearly basis, we are renewing our annual, what is it our annual registration with this body. And it actually makes sure that we are still aligned in terms of safety, and we are following the regulations. Yeah. And that's basically what we do. We also have construction safety. So, we make sure that all the people are registered that we keep our registration up to date in terms of those are affiliation. And there are normally meetings that we have to attend with different affiliation to understand where they are, what are the changes, where we can add value? And do we normally get those invites, and make sure that first to remain relevant. We we attend those, you know, to get all the up-to-date information. Not sure if that...

7:28
Thank you very much.

7:30
Let me just be clear on something. Can you give me the name of that safety body that you talked about? You said its whats the name?

7:41
Oh, yeah.

7:47
South African Institute of Occupational Safety and Health (Saiosh)

7:54
Okay, thank you. Thank you. Thank you very much. I'm moving on to the next question. Is there a considerable stability in the workforce of your organization?

8:08
Like in terms of the workforce, can you say, is it stable enough? Or is it not stable?

8:16

Yeah, there are different angles, on answering this one, looking at what we are currently doing. We are, you know, working on projects to project bases. And depending on the project that we have, then we make sure that we have the current or the relevant resources in terms of the workforce. So, I do not really have like, a pool of permanent employees and all that. But I do have a pool of consultants that have registered that I'm currently managing. So, I would say it's stable. As long as we get certain projects, we just

take those resources and depending on the availability, yeah, we make use of them. I would say I've got it.
9:02
Okay, now to, let's say to avoid fluctuations of that current pool of people that you use, to make sure that they are there all the time, also obviously, to bring stability within the organization, what what plans do you have in place?

9:19
so basically what we have it's

9:22
different, what is it agreements with them to say, you know, in the event that we need you, at least we'll give you this kind of notice and you advise us on your availability, you know, every now and then should anything change. For example, if they will need maybe say will need a certain, you know, notification two months or anything change in their current situation, they need to let us know. So, the current arrangement that I have, most of them will be like a week notice whenever there's something and that has been working, but in terms of improving to ensure

10:00
stability in the event that, that there are any changes on their side, they communicate accordingly. Also try to have quite a number of resources in the pool, to ensure that we have some form of stability. However, I do see a risk or a gap in terms of improvement, to really make sure that we keep them always, we ensure that we all find out market related rates. And every now and then we keep on checking on our affiliation, terms of you know, all these rates that we supposed to pay them as payday, for example, for you to deal with construction safety, and we make sure that we are always relevant, or even give more than that. And in doing that, you know, our resources always prefer to deal with us. And I think it does bring a little bit of some stability. But yes, it can be improved. And I think it's some of the areas that we can focus on going forward.

10:55
Thank you very much. Thank you for that. Now, going on to the next question. In terms of IT preparedness, how is the organization prepared to meet innovate innovations in IT?

11:10
Yeah, I think, you know, fourth industrial revolution is the new life altogether. So we trying

11:17
to be very relevant to technology. And most of our training, we are migrating to online training, you know, online meetings, and we making sure that all of our resources are well equipped to close that gap to make sure that you know, they're very good in terms of IT, they're receiving all the training that they need. So in terms of IT, we have realized that we need to keep up to improve on that. And therefore, it's our main focus, and we are aligning all our training, our modules, our systems, our audits, to be online, most of our activities are currently done remotely. However, we do see a gap in terms of the client at times where they're not really mature, to be able to handle the fourth industrial revolution.

12:07
Can I can I say? Can I can I say you have an IT department or a specialist that deals with those things? Yes, definitely. We do have, we do have the department that is focusing on IT, and that is one of the area that I'm quite comfortable.

12:25
Thanks. Thank you very much.

12:27
Now, moving on to the next question. How? How would you explain the range of your marketing budget over the past three years?

12:40
Yeah, that's,

12:42
yeah, that's a tricky one. I would say I haven't been allocating quite a lot. You know, in terms of marketing, we can say maybe 25% really. I haven't been allocating quite a lot. So, we'll say 25% are really investing in the marketing. Yeah, maybe as the company grows, we can look at increasing it. But that's where we are currently.

13:08
Okay. And if I may ask, what kind of marketing are you doing currently? Are you relying on

13:17
marketing strategies that you?

13:24
What we have done now recently was to register our our company on Google ads so that, you know, if there's somebody who's looking for, you know, a safety provider will come up. This one, one of the things that we've just invested in seeing that we've been doing quite a little in the marketing area, and that is really helping us we're getting quite a lot of response via just internet search, which is what everyone is really using currently.

13:55
Internet, we normally make sure that you know, our website is always updated. And if everyone needs to know more about us, yeah, we always make sure that we are up to date. We also using some flyers just to distribute flyers that has some, you know, that shows what the company does,

14:18
and why we're doing this. So, this has helped us quite a lot. And what I've seen, it’s really helping our clients that really, you know, sell us to other clients, which is quite good because of the good work that we're doing. But I would say that is what we're currently doing in terms of marketing, not necessarily in a strategic plan of, you know, to this and that. But I think that Google one was one of major achievement on our sites in a small company. Yeah.

14:48
Thank you very much.

Now moving on to the next question. Can you kindly describe the core values and empowerment strategies implemented in your organization?

15:02
So our our organization, like I said, it's a black woman owned. And currently really in South Africa, we've got,

15:12
you know, a gap in terms of empowerment, looking at grooming disabled people. So our focus really is the disadvantaged people, of woman and disabled people. And what we are focusing on in terms of, you know, in terms of our core values, which are, you know, integrity, we talk about safety, competitiveness, and transparency in our business throughout

15:44
do you have any strategy in place to empower the stuff that you might be working with,

15:50
or to make sure that you build capacity for any future, you know, as you grow and, and all other things.

15:59
Yes, this is one of the areas that we look at, when we're doing in terms of risk assessment, looking at aligning the current staff with the current needs in the industry, like when we having

16:15
mentioned that, we do attend a lot of meetings with our affiliations, just to understand what are the changes, and what we need to do for our people or our resources to bring them up to speed. And as a result of that we have a matrix on a yearly basis that we plan to say in this area, this is the training that we're going to look at, that we're going to look at in terms of, you know, empowerment, and obviously our our, our resources, we focus on women empowerment, we focus also on the disabled. So that is our priority, especially when we have to, have to get the MIUs with all the resources that we need, or the trainers, whichever way that we need to. And also what we are doing, which is not necessarily in trend now, but it's what we are doing for the communities we've been currently running through, just to understand what are the gaps? What is it that can be done by differentiated business entities, to empower the communities? And that's another angle that we are doing to say, look, we go to certain municipalities and say here, the gaps and this is what we can do to close the gaps in terms of development, which in turn will then become training and system implementations.

17:35
Thank you very much.

17:38
Now, moving on to the other question, how do you ensure effective governance or how do you build leadership capacity within your organization,

17:51
we are a quality management

17:56
driven organization. We have different policies in our organization, we have different procedures that have been shown to govern the the organization terms of policy, you will have no women abuse, or the policies that talks to your members. So we govern our organization, in the policies and procedures that have been audited on an annual basis by an international register or recognized organization.

18:30
Thank you very much.

18:33
Now, coming to the last question, looking at the strategy, how do you go about creating the strategy, guiding your policies and procedures to ensure competitiveness of your organization in this volatile regulatory environment?

18:52
Yeah, so what we normally do when we draw our policies and procedures, we consult with, you know, different industries, different personnel, for example, the main important thing in our organization, first of all, you know, first and foremost is to ensure that we are legally compliant. So we look at legal compliances that are related to our organization or our activities, for example, in terms of safety, what are the legal requirements, and then what we do is our procedures will then be based on those procedures and our own internal procedures or requirements in our organization.

19:38
Thank you very much.

19:42
Is there anything you might want to ask? Or add,

19:48
I think that was our last question.

19:52
Not really much. What do you intend to achieve with the organization? How will this

20:00
feedback that you're getting from different organizations are going to, you know, to go back

20:09
to people like us, if I can say

20:12
yes, if you need a copy of my report at the end of each it can be made available to you.

20:20
The main thing is to check the coping mechanisms of the SME, because we look at the world that we're operating in, it's very volatile, things are changing fast, and want to check like, what is it that SMEs can do? Or what are the coping mechanisms so that they can remain competitive? So all those questions that have been asked, If you look,

they are related to sort of attributes, those attributes are the ones that based on a lot of research that I've reviewed, they inform the competitiveness of an SME. And mostly so because in South Africa, the failure rate of the SMEs is around 70%. So, I wanted to dig more to see what are the coping mechanisms, because a lot of research that has been done was looking at what makes them to fail, which there is a lot of research on that. But then I want to say, what are the coping mechanisms for those that have been surviving? What is it that they that can be done for SMEs to cope and to become competitive?

21:30
Wow, quite interesting. I'd like to hear more. Thank you so much. I hope I was able to help and share some, you know, coping mechanism for our company. It's just a small business, but we have been surviving, you know,
Yes, no, thank you very much. It was very resourceful. And definitely at the end of the day I completed my research. I will share the feedback with you. Thank you very much.
You're welcome. And I thank you all the best with the research.

22:05
Okay, bye
bye.

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<u>Transcript of Interview with Participant 6</u>

0:01
Good afternoon.

0:04
I am interviewing company for Participant 6 and there are three representatives participating in the interview

0:16
Now, thank you very much for availing yourself, thank you for allowing me time to interview your organization. Now, before we start, will request, a brief Background of your organization

0:43
We are a 100% black owned organisation specializing in skills development and training, we have a national footprint, we are accredited by LGSETA, CETA, EWSETA, we have done work for different clients around the country, so that's that in a nutshell I don't know if my colleagues would want to add more in terms of the background.

1:25
Okay, that means the rest will be covered as you go through the interview. Okay. Thank you very much. Also, just to double check, you have received the consent forms and they have been signed.
Yes
Yes

1:38
Thank you very much. Now, as I've indicated, in the permission letter, I'm doing a research, the title is competitiveness of an SME within a volatile regulatory environment, particularly doing case studies on SMEs in South Africa. Now, my research question, it's got three main research questions that the research seeks to answer as you've seen them on the data collection instrument. And for me to get answers on those research questions, I've got these questions that we'll be going through that I'll be asking you as an SME. In any question, if you feel you want more clarity, you want to ask more so that you can understand the question better, you are allowed to.

2:25
Can we start with the first question?
Sure.
Thank you. Now, the first question is looking into research and development within the organization. I wanted to know what mechanisms do you have in place for research and development in your organization?

2:43
Okay, maybe I'll start and they will be adding more as I continue. Since Well, you know, that we're just a growing SME. So, there hasn't been much done in terms of research. But now that we're planning to expand, we in the process of building a trade test centre, and part of that development, or I things that would want to improve on it, the employment of the services of a business strategist, who we'll be dealing more into the research and to follow the ever-changing trends in the sector. And then on top of that, maybe to mention it, our development and research was more prompted by the projects

that we'll be undertaking, because here at Pioneers we take each undertaking or project as a learning curve. So, issues of research were not much into planned or in the in the policies, but now that we'll be expanding, that's when we'll be guided by the policies governing issues of research and development in the company, yeah. So that's it.
Yes

2:49
Thank you very much. I think at any point in time, if you want to talk, you're allowed.

4:00
I think looking at you two, you're quite which I then assume that you're happy with what has been said. Okay. Now going into adaptation to change.

4:13
What do you do when there are changes in your target market due to unforeseen or unexpected situation? Like, for example, we're facing COVID-19, which we're just using as an example, but you might have other challenges that your changes that you might have come across in your organisation.

4:34
I see Mr Assistant Manager. Do you want to take that one?
Yeah. for example if you have COVID-19 we have to make sure that we follow the regulation set out by our government, for example sanitization, wearing the mask and the other things like online learning where possible. Due to this pandemic it has opened our eyes to say in any unforeseen circumstance we have to adjust and adapt since We don't we don't even know when it will end. So we have to. And thinking that moving forward we are already going with online training as a company, just to be on top of the situation

5:45
Now, if I may ask a further, you do have specific policies or plans in place to say, this is how we handle if when things come that are unexpected, or strategies, thing like that

6:04
This, we've got a policies like any other organization. Got one like the change management policy. Change management policy govern anything that has to do with change, it doesn't necessarily have to be like the example we gave with the pandemic, but it directs us on all changes that impact the performance of the organisation, now and in future.

6:21
So yes, we do.

6:24
Is just that some would be specific to say it's in particular, or relating to 12345. But yes, we do have policies which guides in terms of such unforeseen circumstances.

6:36
Okay, thanks very much. Now, participation in strategic alliances?

6:44

How does your organization approach

6:49
strategic alliances in your industry or your sector?

6:55
I'll try to be to be specific in terms of this, unlike with our alliances and affiliations would be like SETA, or other competent authorities, like your department of education,, and all that. such organizations would always have like your roadshows or any other information sharing sessions. So we make sure that we enlist in the database to make sure that we're up to date in terms of standards and regulations, because during the roadshows and

7:26
information, sharing stations, that's where they share everything that governs their implementation of all the activities that we do within the organization. We also reply on the research conducted by the Department of Education and your sector skills plans complied by the SETAs.

7:36
Okay, thank you very much. Now, going to the workforce fluctuation Is there a considerable stability in the workforce of your organization

8:10
It has been very stable over the years, the people that have been here since the company started are still here, rather new employees are appointed as the company grows. We even allow the employees to have new skills, giving them the chance, where they have to sharpen on their existing skills, then then that they can also increase the productivity and then to to increase their productivity so that they can do the work properly, and they are given the chance to participate in any other thing that is happening.

8:28

Thank you very much, Now let's look at IT preparedness. How is your organization prepared to meet innovations in IT?

8:51
In terms of that we know that IT, we living in the digital age, there is no way we can, we can function without upgrades. We have all the required infrastructure and dedicated people to ensure that our IT department is up to date. Last year the whole staff went and attended a course on advanced excel because that was seen as a gap. Maybe to add on that, this can be a good platform to highlight a bit in terms of the Projected Costing or the plans we have for IT. We've got a massive budget in terms of information technology; our structure of our centres is going to be in a way that it caters to all the new technologies in terms of IT. So, like for example, will be having these boardrooms like where you've got projector screens, will be the smart one and all that. We tried to do away with the olden ways of doing things. So, we are we are really prepared and looking forward to it.

10:21
Let's start first by checking, do you have a marketing budget? And how will you rate

your marketing budget compared to the past three years?

10:27
Yes, Yes, Yes, we do. Since Well, we've got a communications and marketing department we do have a marketing budget. It is just that as an SME you look at efficient ways of marketing your company, like your website and all that. So, the budget that we can easily talk about now it's your, your website development, update, and all that. But going forward, wE want to go big, like if we can check our stakeholders

10:55
it's going to cross into the new project. So now our marketing budget is going to be a bit bigger compared to to now. Yeah, I don't know if you colleagues want to add in terms of that.

11:12
Besides the other do you have other ways in which you market the company?

11:21
our clothing like our corporate clothing is branded , which to us, it's part of marketing, like now and then going out there, some people will ask what this logo all about, that would have been prompted by the corporate clothing that we'll be putting on that. So that's part of marketing, yes.

11:42
Yes, the pamphlets or brochures as well. Word of mouth
And our folders, which we normally give to clients, it's really our branded, giving all our details, which is a marketing tool,

12:08
Thank you very much. Now,

12:11
going into the organizational culture,

12:16
how would you describe the core values of your organization?

12:25
We strive for quality, we are for quality. And so in any business, as long as your work, it's of good quality to attract more clients. And I think that's the basis of our business

12:38 Yeah, as well as the service that we provide, there is community participation. In community participation in most of the time, that is when we give back to the community, like the work we did in KZN, even during the training we discuss development openly. So, even to make sure that they have our values.

13:10
Okay, now, so already you talked about some strategies that you use to empower your clients, okay, within your organization, can you then just elaborate on the strategies that you use to empower employees within the organization?

13:39
That is all leading to that. I think the first question the issue of development and research, though this one is now more focusing on the internal stuff, we, we make sure that all our skills we have talk to the needs of our clients. So that for example, like Mr. Training Manager has mentioned that the issues of development, employee wellness and all that I think it's linked to these things. So, we make sure that if, for example, one wants to go and do a new course, which we think it's going to benefit the organization, we will really support that to make sure that when they come back, also they'll also do some skills transfer to the other colleagues. So, we support and do that a lot.

14:29
Now, coming to the role of the governance. Now, how do you ensure effective governance in how to build leadership capacity within an organization?
14:43
Okay. In terms of governance, the structures of the department in organizations, we make sure that the all the departments or the colleagues are the leaders of those particular departments, they take leadership, have ownership of whatever they do. And to make sure that that's really monitored and added to the issues of your performance assessments, which we do, governance is one of the key performance areas so that we can easily track if someone's lacking on the issues of governance. And performance assessments are done quarterly. So we can see that issues of governance, because they will be scored or weighed on that particular issue of governance, we take them very seriously. So, it's really, that's how we would take or deal with governance in the organization.

16:06
Thank you very much, we're going to the last question in terms of good strategy. Now, how do you go about creating this strategy that guides your policies and procedures to ensure the competitiveness of your organisation in this volatile environment?

16:35
Okay, can you repeat the question again, so that I can
Yes, it just wanted to know how you go about creating the strategy, to ensure that you remain competitive

16:48
Okay. One thing from all the policies that we have in the organization from HR, communication and marketing and all the other ones, we made sure that we got, like, got an annual strategic session, which is a platform where we deal with issues of strategies in the company, the review of policies and everything, which has to do with policies, and then how we're going to steer the company forward. I think that's one of the strategies we use. And again, we are an open company, we welcome every input which our employees might have to, to to, to advise the company, because we are not a one man show, you can be running it organization. So, some of the changes, they don't necessarily come with the top management, they come with a junior staff to say, if you can change 12345 it can help your organization a lot. We do accept and welcome such and I think that's one of the strategy, we use it in terms of that.

17:59
Thank you very much. And we've covered most of the questions on our on our

questionnaire. Now, let me check, do you have anything you want to add? Or any questions that you might want to ask? In relation to the topic that we've been talking about?

18:26
Just want to ask, why did you choose us?

18:29
in terms of the target market, I've been looking at companies, number one, they should be small to medium enterprises, and they should be formal. We know that in terms of small, medium employed enterprises, that those that are fairly informal, let's say for example, somebody who's at the corner selling, you know, your, your, your whatever, that you find that even the money it goes into my personal account, because it's one man show. So I wanted to small companies that are showing and have the ability to grow, that are formal. Wanted to also check what mechanisms do they have in place to remain competitive, so that at least we can learn from them. We can understand how South African SMEs are coping, what do they do? Because from the research that I've done, we've seen that a lot of regulations that are imposed on SMEs are impacting on the growth and performance of the SME. The failure rate of the SMEs is in South Africa, it's about 70%. So, this research is wanting to understand what is it that SMEs are doing

19:39
in terms of competitive, competitiveness that is outside there. And also in terms of all this volatile, a regulatory environment that the SMEs are facing. So when looking at your organisation, I felt that

19:53
it will fit into the into the category to the target population of the kind of SMEs that

20:00
I would want to interview and learn about their competitiveness.

20:07
Thank you very much.
Thanks.
Yes, thank you for your time and if you've got more questions of my inputs, you're welcome to to to contact me.

20:18
Thank you very much.

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Transcript of the Interview with Participant 7

0:05
And then also before we get started,

0:08
some of the questions I'm gonna need you to just elaborate for them.
Not a problem

0:16
Yeah, some I understand are straightforward, but there are some, like question three and, eight. But I'll let you know which ones that I need you to just elaborate further. Or if I give you the answer that you, you You think I'm not answering that directly the question, you can just make it clear.

0:36
And by the way, there's no wrong or right answer, because I'm investigating, a research is trying to find out, you know, how things are happening and trying to come up with solutions. So, there is no right, there's no wrong answer. And of course, you're allowed to ask questions at any point in time.

0:57
All right, no problem.
Okay, let us start. As you've seen, I'm doing a research checking the competitiveness of the SMEs within this volatile, regulatory environment, specifically doing a case study of the SMEs within South Africa.

1:17
So

1:18
I've sent questions to you, those are the questions that we'll be going through without wasting of time.

1:27
Or let me do it this way, before we start, can I just get a brief background about your organization?

1:33
Okay.

1:35
I run a small organization, it's not a big number of team members, It's about four people, I am the CEO. And basically, what we do is we, we in the space of financial markets, we trade, we are traders by profession. And in the year 2016...2017, we started offering courses on what we do,

2:05
teaching people what we do. And initially, we would do that through either one-on-one sessions, that's how we mainly conducted our business. So I'm the CEO, and the head of the company, then we have guys that do the actual marketing, I have a guy that do

marketing, I have a guy that's normally in the office to do admin. And then I have another guy, he's sort of a business partner, but not on paper, but he does more or less what I do, if I'm not available to do the actual training, he does the training on my behalf.

2:46
So that's how

2:49
we conduct training, trainings based on financial markets and our knowledge that we've gathered over the years.

2:58
Okay.
And then your company, how long has it been in existence?

3:04
Now it's four years since 2016, actually five years, five years, 2016.
Okay. Okay. And then in terms of the directors on paper, how many directors do we have?

3:20
Only one director.

3:22
Okay, thank you very much. We can we can go to our questions directly, we're looking at research and development within your organization. Now, what mechanisms do you have in place for research and development in organizations?

3:43
So, based on that, we will normally follow other companies in the same industry to find out how they operate, and how they are doing their business, how are they able to sustain especially companies that are older than ours in terms of years of experience. So we follow them and we check how they are able to run their business and we take tips from from them. So that's how we were able to do our research through other existing companies that have been there before us. And yeah, develop further as an organization.

4:24
Okay, thanks. And then that that kind of information, how do you gather it, through internet or meetings, partnerships, how'd you gather that information?

4:36
We in the space we are by now, a lot of people know about us. So sometimes some people just reach out because they just want to know us. So, some of them is through mutual friends andnd then some most of them is through the internet. We Google or we just search, there are keywords that we know how to search on social media. If we want to see a certain

5:00
company. And then we go to their website and see how they do their business, how their website is set up. Basically, that's one of the things that we look at, how do they set

up their website? If we get the chance to meet or meet them and speak to the to the directors of those other companies, we ask questions like, how do they do their marketing? And how do they conduct their trainings? Also, what's the most effective way? In terms of getting the information because it's not just about going through the numbers? It's also about having the highest number of success stories as well.
Okay, thank you very much. Now, going to the second question,

5:48
what do you do when there are changes in your target market due to unforeseen or unexpected situations?

5:57
Luckily, before this unexpected COVID-19 pandemic happened, we were sort of already trying to move more digitally because of our business was growing in such a way that it was attracting people outside our country, people that we cannot reach, or people that couldn't reach us physically. So, we were forced to start conducting trainings online, way before, maybe a year before a year or two before the pandemic, as the business was growing. So, when the pandemic happened, it was sort of, we're already prepared. That's when we just decided to go fully automated. And the whole training system became online, and then we cut out the physical meetings that would would have based on the kind of regulations that the country would have, like now, we can still have the one-on-one meetings, we just the only thing that we've canceled is the big seminars, because of the pandemic. So, what we don't do is that big seminars, but we do still offer the one-on-ones, but during the hard lockdown, we were not allowed to meet people, we already had a system that allowed us to continue with our business online. So, we just went fully automated.

7:26
Okay, okay. And then do you perhaps have any form of policy or a procedure or something that you've put in place to say, you know, this is how we do things, if changes happen? Or you you look at the changes as they happen, and deal with them?

7:45
No, no, no, we don't have anything, we just look at the changes as as they happen. And then we either send out an email, or we alert everyone that these are the new changes. And this type of training is no longer offered only this. And this one will be the one available till further notice.

8:04
Okay, and then I'm coming to the next question.

8:10
How does your organization approach affiliations with strategic alliances in your industry? Yeah, that's the question that I wanted you to just explain. A little bit further

8:22
Yeah, let me take a simple example. You've got teachers, teachers have got their union; SADTU, obviously SADTU is the one that will ensure that they will gather all the information. They do sort of the, the teachers, they know that within such they're able to get information updates, either from the government from wherever. So they are affiliated so a way as the teacher you find yourself affiliated with SADTU not necessarily

SADTU but with different organization that you know that you are protected, you're able to get information, they will be able to update you, to be updated, things like that. So, I wanted to check with your organization are you affiliated with any form of organization? Because affiliating definitely means that you get information updates, what's happening outside there, things like that.

9:12
My first answer would be no, we are not affiliated with any organization in terms of

9:21
registrations

9:24
but what we do is there is the FSCA,

9:30
previously known as the FSB, where we check the guidelines. Yeah, we check the guidelines based on what we should be doing and what we shouldn't be doing. What what we should be offering clients and what is prohibited. Like for instance,

9:47
things like taking investments

9:52
and and trading. If I am trading on behalf of these clients because sometimes, we get these clients that are very well off with lots,

10:00
have money to invest. And they do approach us asking us to do it for them. So, because we don't have that license, we are unable to give them those services. So, the affiliation, in terms of registration is not there but in terms of our guideline to protect ourselves to make sure that we are following the rules. We look at those type of things to make sure that

10:27
nothing goes wrong in terms of the clients that we deal with and no one can get or we cannot get into trouble with the law.

10:37
I hope that answers the question
Yes, it does. And then

10:41
looking at your workforce, you mentioned that you are a small company, currently, you said four employees?
Yes.
Yeah. Now,

10:50
in terms of stability of your workforce, what do you do avoid fluctuations.

10:58
Um,

11:01
with this, there's lots of stuff, as a leader, for me, this is where I come in, to make sure that to make sure that everyone is happy.

11:12
First of all, to keep my people because the people that, the employees that I currently have, it's not the same employees that I started with. Okay, so I have lost some, it's only one person that has stayed throughout. So, I have lost an employee in the past, which made the business not to be stable. So, as you lose people, you start looking at yourself as a leader, and you want to learn something about yourself that maybe there is something wrong that you might be doing. And then you look at yourself, and then then you start correcting it. So when you start getting new people to work for you, you try, I basically try my best to avoid the same mistakes I did with the previous people, be it whether it's the payments in terms of how we are paying each other, be it the time or the tasks, you know, so basically, that that's what I do to make sure that the business is stable. So, in the past

12:15
two years that I haven't changed any staff members because of learning from the past. And that has helped the business to be stable in the organization and avoid fluctuation. So the only fluctuations that would happen is maybe having like, a fewer clients this month than the previous month. That's the only fluctuation that would happen. But internally, the business is very stable.
Okay, thank you very much. Now, going to IT, you just mentioned that you're, you're moving to IT world. Now. How prepared are you? infrastructure wise? Skills wise, how prepared are you as an organization?

13:04
I'd say we almost 100% prepared, because we have already a lot that could, could, could help us in terms of IT. The only thing that we were not prepared outside, we don't have a full time IT personnel. Yes, we always outsourcing. When we want to make changes, let's say on our websites, or when we want to make changes, or when maybe we want to add something on to the business that is IT related. Like there is a service that I want to use, that is

13:40
SMSs, we we really have this SMSs system that we send out to all clients and people that are not our clients. So those, those are the type of stuff you always have to outsource to someone and then so

13:55
we are prepared in terms of what we know what we want, but we don't have someone that is permanent that we can use. So we're not fully prepared in terms of it innovations.
Okay. Do you have a company that to outsource when you add to make changes?
Yes, we do.
And then internally, skills in terms of you know, because you've made changes wherever you can use what you have done already, you can operate you can use you can work, you can work effectively currently.

14:28
Currently, yes, definitely. We can work effectively.

14:32
Okay. Now, coming to the rate of marketing budget.

14:37
How would you explain the rate of your marketing budget over the three years?

14:44
I'd say in terms of marketing, we have sort of

14:50
saved more money in the past couple of years compared to the previous years. The previous, the first couple of years in business from 2016, 2017 and

15:00
In 2018, there was a lot of money going out in terms in terms of marketing, because some of the ways we didn't know, the effectiveness, how strong are they, in terms of bringing in income. So those years, I'd call them the years of trial, when we were trying to establish our business and trying to see what works and doesn't work. So, we spend so much money on marketing, even on things that were not necessary.

15:29
You see, so for instance,

15:33
marketing the business back then we would do free seminars, and that doing a free seminar in a hotel, or whatever it costs, it costs money. So you can find that this place, just to hire the place, it costs, maybe 10,000 rands to get refreshments and sound and whatever. It's another 5000 or so which was maybe 15,000 rands just to do a free webinar, a free seminar, sorry, to get people there to talk about the business. And then as time went on, we tried that we tried out the online stuff, we do ads, like your Instagram ads, we do your Facebook ads, so those ones tend to reach more people. So, the same amount of people that we are able to gather with that 15,000 rands that we spend on a seminar on on an Instagram ads, we would basically have to spend maybe around 2000 rands, which is way less to reach the same amount of engagement.

16:42
Yes, so over the first years, we have been spent more money, currently we've basically spent less money when it comes to marketing budget over the last three years. And and also these other other skills that we've learned on how to engage with people without even spending a cent. Over the years, yes, we know, we know that, okay cool, If I want to get new clients and I want to engage with these clients, I need to maybe post something and have with a question and have people engaged, then I know that the people that are engaging on that specific posts, those are the people that are interested in what I'm doing. And then I'll take those people engaged them on a personal level through inbox, or DM, and get to know them. And so basically, it's basically a sales skill that I've learned throughout the years. And I know that certain people, they don't want to, they don't want to be sold immediately. People hate being sold products. But people love people that are interested in their personal life, and what they what they try when

and where they're trying to go. So that's the angle that we will take. When we go the free route, we will post a engage something a question that's like that makes someone want to type and engage with us. And then we could take it a step further and talk to that person like, “Hey, how you doing? I saw you, you replied on this post”. And then you try to get that person further that you make conversation, you try to laugh with them, then only towards the end, then you tell them that how can you help them.

18:22
It's a long, it's a long process, which can take maybe two weeks to up to a month or even more, depending on how quick the person replies back to you. It's free, but it's longer. But it's also very effective when someone starts engaging with you.
Wow, that is nice.
Thank you very much. Thank you, thank you now moving to the organizational culture, and describe the core values and the empowerment strategies that you're implementing in your organization.

18:57
Okay, this from from this question going down, I was not prepared. So I'm just gonna say straight from my head.
Yes.
Um, basically, what we, what our core value is being honest, one of the things, honesty, because we don't want to sell people dreams that are not there.

19:19
Majority of the time, like during the initial stages, especially people that are inquiring, we want to be as honest as possible in terms of what is possible, and what's not possible and what is the timeframe. And we also like talking about our previous clients, how long did they take to achieve certain things, or to get it right, what we teach them so that they know what they're getting themselves into, because we don't want people to think that they're going to do something like this because a lot of people have problems you find that someone has like, maybe 100,000 or 200,000 in debt, and it's something that they want to get rid of

20:00
immediately. So you tell that person that, you know, this is a six months to 12 months plan, not a one day or one week plan where we know that we're gonna, it's better for us to have clients that will know that what we're telling them, it's real. And we're not telling them something that

20:21
they're gonna be rich overnight, you know. So we pride ourselves, we pride ourselves in honesty, we pride ourselves with our work ethic. Also,

20:31
we have a system where people can book, especially now with the online stuff, we have a system where people can book in terms of time, when do they want to attend, if it's a zoom meeting, or we use zoom,

20:45
if they're doing it live, because we have two options, we have the live training sessions. And then we have the pre-recorded training, that's already there. If someone opt for a

live trading session, which is zoom, we make sure that we are also on time,

21:02
we are on time, we'd rather be the one day waiting for the person to go on live, then for the person to be online, waiting for us to go in. So we make sure that everything, we make sure that everything is in place. And we also make sure that we are reachable in terms of questions, especially when after payment has been made. A lot of people what we've noticed after they've made payment, they want us to reply now, to say that we've received payment, or they want us to acknowledge that. "Okay, cool. We acknowledge that you've made payment, when would you like to get started?" If someone makes payment now at 9am. And while I'm busy with you right now on this call, and this person is busy sending messages, and no one is replying until 1pm. During that four or five hours, they felt like they've been scammed, they even think of going to the bank and make a reversal, or things like that. So, we make sure that whatever question prior to the cause, and after the cause, whatever questions they have, they're able to get assistance as soon as possible. Whether they in South Africa or not, because we do have a lot of international clients as well.
Okay, that is nice. Thank you very much. Now, let's look at empowerment internally for your staff.

22:24
As you're talking, you talked about a lot of experience that you've gained over the years. Now looking at you as a director, going out into the whole staff, how what do you do to make sure that the whole staff is empowered, or capacity capacitated in order to run all the activities within the organization?

22:46
Okay, so some of the things that I'm telling you now, about how I've learned to run the business and make sure that it stays afloat throughout the years, some of them I learned through experience, like the hard way, where you lose money first, or you lose people first. And then

23:03
then you learn from that. And then you teach your team how to do things and things like that. And in some of them, you learn through other courses, we are in the financial sector, but then we also need to learn

23:17
how to market our business, how to communicate within business with other people. So these courses that I purchase online courses that I purchase, and I give access to all my team members so that they also learn. And this is skills that they can use, even outside our business and outside our line of business. Like for instance, there is

23:44
this course that we, package of courses, is actually more than one, I think there's like seven or eight courses that we recently purchased, I think it was around

23:54
45,000 rands, all of them combined. And they are teaching different skills, like how to make money in online nowadays, you know, basically one of the courses that I can tell you about is how to make money through properties without owning a property.

24:12
So they that's where they teach you how to

24:17
basically, because it's not that big in South Africa. But there's a huge market for Airbnb. And you could actually make money without owning a property. So there's a way you approach the owner, and you tell the owner that you want to rent out their property. If it's 10,000 rent a month, you tell them you wanna rent out the property, but you want to do it for business. So you're offering them maybe an extra 5000 rent, and then you tell them you're honest, you have to be honest that I want to do it for Airbnb. And then you you furnish the place yourself and then you put it on Airbnb knowing that you're gonna make anything around, more or less 30,000. So you as the person that's renting, you're making 30,000 and the

25:00
person is also the owner is what suppose was initially renting it out for 10,000. And now they're making an extra 5000. So those are the type of courses that we also look because we call ourselves digital entrepreneur. So trading

25:17
is one thing that we do, and, and offering training, teaching, teaching people how to trade is the second thing. But we will also try to look at other avenues that what are other ways that we can use to make monry. So whenever I see a potential in another line of business that has nothing to do with us, or that can assist us to grow our business, and also give access to my team members, and say, Hey, guys, these are the new courses that we've recently purchased, go through them. And this is something that we learn from them, go through, even though we don't take action. But in terms of what we're already doing, there's something that we pick up, and we employ to use it to, to be effective in our own business as well.

26:02
Okay, thank you very much.

26:05
Now, coming to the role of governance, how do you effective governance, and build leadership capacity within your organization?

26:17
effective government governance, what does that mean? Again?

26:21
governance, it's like the person who are managing the company, how do they make sure that they govern the company correctly, like, their role to make sure that the company's growth comes effective, you know, things are done, well, sustainability, things like that. So okay, role of the government is like, what

26:46
mechanisms they use to make sure that the company is growing, and it's effective.
So that's basically me, um, the role of government if I'm not getting it wrong, because

26:57
in this, yeah, that's, that's basically me. So

27:03
I, I try to make them feel like they are part of the own part of the company,

27:14
I try, I don't try to make it seem like I am the boss. Cause most of the money made, is based on the majority, the majority of the money that comes in, or that they make, is based on the number of trades that come in, the more the more clients, the more money they make, as well. So

27:38
that gives them a sense of ownership, they know that the more they work hard, the higher the income. So I give them a sense of ownership to make them feel like this is their company.

27:51
Even now, like for instance, I'm not even there as we speak, I just came back from my morning run, I'm gonna shower, and then I'm gonna head out.

28:00
They are there right now. So even if when, when they speak, you know, and also when when they communicate within the first six, six to 12 months of them in the business, that I always told them that before they reply to anyone, they must show me how is their response, then I would correct them. So I've basically trained them to basically talk like me, and reply, like me, when they talk to clients, if they own the company, they must when they talk them and say, We must not say my boss, they must not say this company, they must include themselves, I give them a basically give them a sense of ownership.

28:39
Okay, thank you very much. Thank you very much. Now going to the last question, strategy. Now, how do you go about creating strategy in your organization? Do you have policies, procedures, things like that, that are written down that shows that in when it comes to marketing, these are marketing policies or communication policy, this is that no things like that strategy? is how do you strategize in your organization?

29:07
To be honest, that part of the business is a very casual part. It's not written. It's not written down. But it's very, I'm very vocal about it. But there is no

29:24
part where we say that or

29:27
this is what must happen. This is what, that's more on my leadership. I'm the one that communicate those things, everyone, when they came in, they knew their role, that ‘this is what I'm here to do’.

29:44

So, when it comes to creating strategy, only when this changes, I guess when this changes, or when something big is about to happen, then that's when I would, things would be jotted down and written down and say “okay, you for just this project that we busy with..”

30:00
If you are in charge of that, that's only what you do, the next person this is what they do they, but in general,

30:07
the it wasn't the first contract, it was already they that this person does this, this is their, their main duty. But that doesn't stop me from doing what other people do and what the one the one person that only does marketing doesn't stop him from doing some of the things that I do as well. So in general, we do everything altogether. And there isn't anything solid in the business, in terms of creating the straight strategy in terms of guiding and all those stuff.

30:41
Yho. Thank you very much. Thank you for your time much appreciated. Do you have any other question before we close?

30:49
No, not from my side, I don't I don't have any questions. I hope I was able to

30:56
answer all questions.
Yes, you answered all questions. Thank you very much. That will assist me to to be able to compile and finish my research. Thank you very much.
All right. No problem. You're welcome.

31:12
It's a pleasure.

31:14
All right. Bye

31:16
bye.

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Transcript from the interview with Participant 8

0:01
Okay.

0:03
Good evening, Sir How are you?

0:08
Good evening, I'm fine. Thanks. How are you?

0:13
I'm fine.

0:16
Thank you for giving me the opportunity

0:20
to conduct my interview, I have indicated the title of my,

0:27
of my research is competitiveness of an SMME within a volatile regulatory environment. I'm doing a case study. Now, before we can start, can you give me a brief background about your organization?

0:43
Okay, evening. And it's a pleasure to be of assistance in your research.

0:52
Basically, my organization is called....

0:56.
And it's mainly aimed at obviously providing engineering and scientific related solutions,

1:08
particularly in water and wastewater, and even in the private sector, as well.

1:16
So that's, that's what we do. And

1:21
operations, maintenance, process audits in an operational environment to production,

1:29
and identifying operational efficiencies and so forth. And making recommendations to to improve productivity or either be quality and so forth.

1:43
So that's

1:46

what we do. It's quite a small organization. And in most cases, I am the chairman, or head, but if it be I am able to get assistance.

2:00
Okay, yes, sir. Thank you very much. Thank you. Now going straight into our questions,

2:07
starting with the one that talks to research and development, what mechanisms do you have in place for research and development in your organization?

2:21
Basically, there isn't anything formally

2:28
in terms of RND, particularly in our field, apart from one continuously investing,

2:39
continuously invested myself in terms of studying and also keeping up abreast with relevant technologies and so forth within the industry, particularly the water industry, both water and wastewater,

2:52
the form of trainings that one would attend

3:00
are registered with the SEC nest,

3:03
which is an organization that looks at assisting scientists and also ensuring that scientists remain relevant to their field of practice. So, any new developments normally I get alerted the likes of water research commission, I get alerted for any new inventions or technologies within our our field of practice. The same is EXER for engineers. I'm also part of that

3:33
the water Institute of SA, I’m part of that as well.

3:39
Yeah, so this this is what helps me so far. So it's it's generally keeping

3:48
in touch with all these organizations and colleagues and friends and so forth, in the field, but there's nothing I would say is mainly dedicated to RND

4:03
within the organization.

4:07
Okay, thank you very much. I'm

4:12

going to adaptation to change.

4:16
What do you do when there are changes in the organization? Specifically in terms of your target market, due to unforeseen circumstances or unexpected situations?
4:35
Yeah,

4:36
as much as it

4:44
does matter,

4:48
It opens up or presents an opportunity for an organization to grow. But at the same time, it's it's not easy,

5:04
because of discrepancies within an organization foreseen, needs to move away from and be acquainted to the new environment.

5:18
In terms of our target market, for instance, recently with the ongoing

5:28
COVID-19 pandemic,

5:31
believe almost every industry out there has been forced to move outside of their comfort zones. And try to find ways and means of keeping afloat under the prevailing conditions.

5:46
Prior to the COVID 19 pandemic, would be able to go to industry, request to help, either be given a 20 minutes slot,

5:56
in their management, committee meetings, and so forth, to a presentation of what we believe we can do for the company with the value we can add to the company.

6:08
So while we are trying to change ourselves now, or the way in which we conduct business,

6:17
other companies as well are in the same process. And it becomes difficult to get accommodated. So, there are times whereby one would be forced to a presentation over the phone, there are times whereby one would be forced to quickly provide a solution or a proposal and not even been given a chance to sit down and do a proper report, but maybe to just

6:46
just jot something down in the form of an email and, and send us and we'll say I believe thus far, we I would say we are we are doing quite quite good. In terms of adapting to to changes.

7:04
Okay, do you have any specific policies or procedures that you have put in place to say if change occurs within our organization, these are the steps to follow

7:18
nothing formally as yet.

7:21
But one is in the process of putting together some sort of a plan that talks to

7:32
a business

7:34
continuity plan

7:37
out with limit one from

7:41
continuing business and

7:44
normal or the usual

7:48
for corporations.

7:54
That would one do you know, so having

7:59
backed up files elsewhere with other institutions,

8:03
such that if, for instance, wherever one operates, if the place was to either collapse, either natural disasters and so on, the company should still be in a position two to function. So that's that's what we have so far.

8:24
Okay, thank you very much. Now,

8:29
going into participation in strategic alliances, you've mentioned some bodies that you know, you're affiliated with?

8:38
Is there any specific strategy or those affiliated parties that they're affiliated with? Is it a must because of the sector that you work you work in? How do you handle that?

8:56
As much as it is not a must,

9:02
One can do it, like, it's my option. If I want to affiliate with them, I will go ahead and do so and pay whatever annual

9:14
fee that one needs to pay as a member. But at the same time, I believe if one is to grow in our industry and remain relevant, if one was to view it, in that sense, then one can conclude that it's a must to be affiliated

9:35
with these bodies. Because in whatever you do, for instance, an application

9:43
to operate a water purification plant, so there's obviously the standards that you need to comply with. And some of the requirements, fundamental requirements would be; 'are you a

10:00
professionally registered scientist, a professionally registered engineer', because there's like code of conduct and ethics there, that we need obviously to,

10:14
to comply to as a scientist in part of these organisations

10:21
or this bodies, then you obviously eliminate yourself from doing businesses with

10:28
institutions that require you to be registered with them. So,

10:34
I would say it works to our advantage to have employees that are registered with either EXER or Pereshich, UNISA commission and so on.
Okay, thank you very much. Now, they coming into your workforce, is there a considerable stability in the workforce of your organization, and what do you do to avoid fluctuations of the workforce in your organization?

11:09
There is considerable workforce available,

11:14
but the challenges of stability cannot be eliminated.

11:19
As a small

11:23
company

11:30
you cannot afford keep. So you'd find depending on the magnitude of the project, the one we're taking, then you would access people with the relevant skills and experience qualifications and so forth,

11:48
to assist in undertaking that project. But once the project comes to completion,

11:56
and it's impossible to to keep them. For instance, having to pay a chemical scientist takes about 60,000 a month,

12:06
depending on on whatever project that we are,

12:11
we are working on. So, once the project comes to an end,

12:14
obviously,

12:16
they are free to embark on other projects with other companies and so forth.

12:23
So, I have them as freelancers as much as we have established a good working relationship, I get a preferential treatment, but at the same time, if it happens, I get a project let's say in a Upington and by then they have made commitments on with another company and the project that is taking place in North West or Polokwane for instance, then that would mean for that particular period, I will not have access to their services. So, there is quite a gap, there's quite significant instability in terms of keeping the workforce mainly because of not having sufficient projects to have the

13:09
permanent basis of employment as employees

13:14
Okay, now for you to have a first preferential

13:20
or trust for you to come to a point that you you have established a good relationship with them, what is it that you have been doing as an organization, so that they can refer you over to other providers when you do have projects in place?

13:38

Well established organizations would find

13:43
your engineers, your scientists, technicians, they normally consider them as having scarce skills, and they would give them incentives such as a scares scale allowance.

13:58
But for smaller organizations, when it's if you cannot even afford to

14:05
keep them on permanent basis and meet whatever contractual requirements in terms of salaries, obviously one will not be in a position to even think of paying a scares scale allowance for them.

14:20
So, what seems to work for me is whenever there's a project when they come on board,

14:30
I ensure that they are well paid. Whatever resources they need to undertake the project that I will provide either it be

14:42
accommodation, loans, your transport if they need a car.

14:47
They will get that for the duration of the project and

14:52
their normal day to day needs will obviously be cost to the company.
15:00
And

15:01
From that normally would look at what rate junior scientists are paid at

15:08
and senior ones, those that are registered, those that are not registered, and so on. With this other

15:16
institutions like your research and so on and I just try to pay them well according to the project. So, they they they know that if they come back

15:29
and assist, it means they are going to get a better salary

15:37
off the project

15:39
and not necessarily rate them at what is the norm, or what is market related out there.

15:48
Okay, no, thank you very much. Thank you very much. Now coming to IT, in terms of it, how is your organization prepared to meet innovations in it?

16:06
It is a challenge.
Yeah

16:09
It is a challenge. There is an IT tech specialist that normally assists either when I procure laptops, and procure them through him or his company, either it be your programming, it's your antivirus, it's your firewalls and so forth. And he's the one who assists, but I only get his services as in when am I need of them. So, I would say the company is really at risk. When it comes to IT services.

16:48
We are at the risk of

16:51
computer gurus hacking our systems, either destroying or stealing our information and so forth. So, there is a huge gap there. When it comes to IT services.
17:09
Any plans you have in place in terms of your IT

17:16
or your dreams?

17:22
So far, it's mainly about ensuring that we do have sufficient backups of our

17:29
files and

17:35
any information that we have.

17:40
The future long plan or dream would like to have an in-house IT specialist

17:49
that would attend to day to day needs of the organization. But again, that can only happen if the organization secures

18:01
bigger contracts of at least a minimum of three years and so forth. And such we can be in a

18:09
position to afford the services of the IT specialist and at the same time having sufficient workforce that will require the services of the of IT, guys.

18:24
Thank you very much. Now going to look at how would you explain the range of marketing budgets over the past three years.

18:44
uhmm, See marketing.

18:48
Generally, there isn't any specific budget that is set aside for for marketing. And apart from

18:59
wherever I feel that there's an opportunity that one can penetrate.

19:07
certain market or so. For instance, if we get

19:14
an invitation to do a presentation,

19:18
if there's a certain company that is lacking or having whatever challenges on operation,

19:26
then the investment would be in terms of the travel costs accommodation and so forth, which we will just tap into

19:36
whatever budget which

19:39
is available within the organization and be able to go there to presentations and so forth. Make recommendations to whatever challenges they're having or just go in conduct process audits and thereafter, make recommendations on the way forward.

19:55
But we do not have any specific budget that is set aside

20:01
for marketing

20:05
Okay, thank you for that

20:09
going into organizational culture,

20:13
how would you describe the core values of your organisation and empowerment strategies within the organization

20:31
We we are a very, a very diverse culture within the organization,

20:39
you have your scientists, we have your engineer scientist in the form of chemical scientists, environmental scientist, you have your hydrologist, mechanical, electrical engineers, and chemical as well. So, we have a very

20:58
diverse

21:00
composition of stuff

21:05
within the organization, depending on the project that we are undertaking at a particular point, but these are normally

21:14
the composition of the staff that one would would have.

21:19
And

21:24
in terms of

21:26
age wise, there isn't much difference, we range between the ages of 35 to 46, somewhere there.

21:38
We we value openness, we value,

21:45
commitment to whatever we undertake,

21:50
we value honesty and integrity within whatever we are doing.

21:57
We deal with

22:02
processes or technologies which if one is not able to discuss challenges or mistakes we have done, lives could be at risk. So, honesty and integrity are on top of the list of our core values as a company.

22:22
Now, the company in terms of members, how many members are there within the company?

22:29
Just the members of the company not

22:35
employees

22:38
Company members, just two, okay.

22:42
And then how long has the company

22:47
has been operating?

22:53
Since 2014.

22:57
Then coming to the role of governance,

23:01
how do you ensure effective governance? Or how do you build leadership capacity within your organization?

23:14
Well

23:16
we normally do

23:21
short courses related to effective governance,

23:24
and so forth, and pushes

23:28
oneself. I have encouraged

23:37
my colleagues who have done some, years back and I thought it was

23:41
a very interesting

23:44
courses which allows one

23:46
to view an organization in

23:51
an eagle eyes view. So let's say

23:56
rather than looking at at one companion to say because I'm an environmental scientist. So I'm only going to look at this part which is just

24:08
my workspace and forget about what what the engineers are doing. So, it allows one to look at the entire organization and the impact that

24:20
whatever

24:22
functions that you are carrying out have on another

24:26
colleague or section or department. You need to understand how do they impact your work, how can you make life easier for others and how can they make it easier for you. So, we attend those at the same time. We do a lot of

24:47
coaching and mentoring

24:50
amongst ourselves. You have your two engineers we have a guy by the name of Mthokosizi He's he's been in the water sector.

25:00
For for years

25:02
and years, and Mthokosizi is our encyclopedia.

25:07
And there's nothing that you wouldn’t find from Mthokosizi, either its

25:10
water, its wastewater related. Mthokosizi has the answer

25:17
Mthokosizi will refer you to that particular book, that particular article that you need to go and get answers.

25:26
So, and again, we will keep in touch with

25:31
quite a lot of senior people from other industries, your Joburg waters, your Ekurhuleni

25:41
Eastrand Water Care Company

25:44
and Let It Rain Water as well. So, there's, there's all this vast information out there, through networking and so on. And that's, that's how we try as much as possible to empower ourselves.

26:02
Okay, thank you very much. Now, going to the last question, and looking at the strategy of your organization, how would you go about creating the strategy guiding the policies and procedures within the organization to to ensure the competitiveness of your organization?

26:27
We try as much as possible to keep it simple, very simple, very, very straightforward to the point. In terms of what we need to achieve,

26:38
we will look at for instance, if we have a project to deliver.

26:46
In the organization we have a culture to say everything that we need to do, what is the possible simple way of undertaking this project.

26:59
Obviously,

27:02
without compromising the quality of work at the end of the day. So we would sit around and say,

27:11
there is ABC and for us in carrying out this particular exercise or project and, out of the three ways there's one particular which obviously is deem it to be the best practice in terms of ensuring that we comply with either be the SANAS 241 standards for water purity, or permit for the general authorization standard for wastewater treatment, and so on. So, the strategy is always centred around

27:50
minimum input and maximum output in all that.

27:57
Thank you very much.

28:01
That was our last question. Thank you for availing yourself in your busy schedule, much appreciated. I'm not sure if you have any other questions or any other input related to the research.

28:16

Yes, I have lots of questions.

28:20
Okay.
Are you ready
Yes I am

28:26
So when you complete your MBA are we invited

28:37
for the graduation?

28:55
yes
provided it is not a virtual one because of the situation we are in.
if I do definitely complete it, I will invite you.

29:00
another question would be

29:05
yes, no. That was the only question

29:09
Okay, thank you very much.

29:19
Thank you.

29:21
It's a pleasure.

29:26
I hope you'll compile

29:28
a document which is going to highlight our challenges and we're going to get guidance and solutions.

29:40
yes

29:46
I will definitely share

29:49
as I am completing my interviews a lot of SMEs are interested in the findings and I promised I will share my findings

30:04

Okay, thank you. Good night.

30:08
Good night.

30:11
Bye

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Appendix 3.2: Thematic Analysis of the Interview Information

APPENDIX 3.2 THEMATIC ANALYSIS OF THE INTERVIEW INFORMATION

	Dimensions	Participant 1	Participant 2	Participant 3	CODING
1	Research and Development (can I merge with strategic affiliations)	Did research and experienced over years that there is shortage of skills in telecommunication sector. Use research over internet and affiliations with research companies in the sector	Use Data Built that helps you identify tenders advertised and word of mouth	Relationships with groups operating in the similar sector where they share trends of what is happening and future trends, call them focus groups	• Affiliations with research companies in the sector • Research over internet • Focus groups operating in the same sector
2	Adaptation to Change	Contracted to Vodacom and MTN and adapted to training when the contract ended. They depend on customers as new products are introduced. When new products are introduced, they then find ways of meeting the new demand like training and household WIFI installations.	Branched to providing PPE and assist with medicals hygiene cleaning	They believe they are an agile company that think on their feet. They employ technology and human capital.	• They depended on customers as new products were introduced • Agile Character
3	Participation in Strategic Alliances	Pay year Affiliations with companies that do global research on telecommunications market	Have made relationships in a form of sub-contracting with different training providers	Affiliated with focus groups called TELCO run by non-profit companies that share information	• Partnerships • Pay affiliations for companies that do research

		globally. Partnering with strategic SMEs in their industry	who have long been in the field.	of what is happening and what might be the future. For example, now they are looking at the future of connectivity in deep rural areas.	
4	Workforce Fluctuation	Has not been stable, but rather use outsourcing model. Partnered with one- or two-men companies for cable installations which become workplace for their training	At the moment it is mainly the directors doing most of the job. They use freelancers	They have some staff whom they worked with since the beginning while some went for greener pastures. They use introduced performance bonuses and incentives using KPIs to recognise the hard work.	• Do a lot of outsourcing • Do sub-contracting of small enterprises • Use performance bonuses and incentives to maintain the ones they have
5	IT Preparedness	Do not have an IT department, done on a project based. Aiming to build a laboratory and have internal technicians to tailor make products and solutions in the telecoms sector. Have a research lab	Do not have any mechanisms in place to meet the demands coming with IT	Outsources all their IT operations. They are not in a space where they can have IT department. Planning to have IT department for the future.	• No IT department in place or infrastructure. • IT related issues are outsourced
6	Rate of Marketing	They do not have a marketing budget. Rely on referral base and	They use word of mouth, build relationships with all	Have registered in different platforms that they think it's a	• No marketing budgets • Rely on referrals / word of mouth

	Budget	attending conferences in the sector. Leverage on building strong relationships with customers	clients they work with like community, municipalities and politicians. They also use social media??	little cheaper, happens in real time, but at the same time need someone to engage with the platforms on regular basis. Just hired one now, did not have for the past years. Now going also onto the social media.	• Leverage on building relationships with old customers • Hired one person who registered the SME with different marketing platforms and monitor it regularly
7	Organisational Culture (can I merge with adaptability)	No streamlined processes in place. Most work still run mainly by one person and responsibilities thereof.	Respect, Trust, Integrity, Reliability and Professionalism The respect their employees, so that they feel empowered to do more and they cultivate a culture of working as a family.	Centre its communication, clear communication with clients, build transferability of information within the organisation and another is transparency both with internal and external customers. As they are in the IT sector, they send their employees to regular training which helps keep up with adaptability and being ahead of the game	• No streamlined processes in place • Clear communication, transparency with internal and external customers • Regular training for adapting with market changes and being ahead • Respect of all employees at all levels • Transparency to all stakeholders they work with, e.g. freelancers about the % they got when sub-contracted to them
8	Role of Governance	Give clear roles to the employees within the company, performance	Clear roles and share percentages for the	As the organisation grew, they open structure where everyone is	• Ensure there are clear roles for all employees

		monitoring and sharing of information when taking decisions.	freelancers, being transparent about all processes and working as a team	involved in decision making and strategising. Involve employees in critical matters	• Performance Monitoring • Sharing of Information • Include the staff in decision making
9	Good Strategy	Policies guided by what is happening in the market. They just make sure they are able to adjust and are flexible	Strategies in place: website, going on social media, improving customer service by learning from previous clients' feedback. They also check pricing as a way of being competitive. Build relationships where they give their client presents on occasions like Christmas, etc	Hired a company to assist them in their organisational strategy to look at where they are and how they can get to what they are dreaming about. For example, they have been looking at what they did good to attract new customers and what they did wrong to loose old customers	• Policies and procedures in place to guide them • Hire a company to assist in the strategy • Get feedback from the clients and improve on customer care • Build Relationships with old clients
		2015	**2017**	**2013**	
		Telecommunication Sector	**Training and Development**	**Fibre Installation and monitoring its performance**	
		Man owned 45 yrs	38 woman and man owned	Man owned 42 yrs	

	Dimensions	Participant 4	Participant 5	Participant 6	CODING
1	Research and Development	Have a research and development department that ensures they are competitive and when regulations changes, they know and can plan accordingly, examples of cutting middle man, owning plant and equipment rather than hiring, having their own hardware to control quality of material they use. Also do research on all the clients they work with, before and after, tailor made for every project.	Research on Google. Also reply on public research that has been done in different SETAs. They also go through research of companies offering the same services to get information in terms of development.	Employed a business strategist for research and development.	• Have a research and development department • No specific research department but use Google • Also reply on research done by public bodies in their sector offering the same service • Employed a business strategist for research and development
2	Adaptation to Change	Most of the change factors that impact them is time and finance, they have strategies in place to detect early warning of things that impact those two and deal with them accordingly. Have project	Conduct risk assessment to check risks that come into the business and unforeseen changes. Also have a change management system in place that they follow in the event	Change management policy	• Change Management policy • Conduct Risk Assessment • Have strategies on place to detect called "early warning".

		managers that are capacitated to do that, build overtime	they need to change their processes to fit the new developments.		
3	Participation in Strategic Alliances	They build relationship with other construction companies and stakeholders like municipalities, counsellors, Chiefs, taxi associations, etc to become actively involved in what they are doing. Also affiliated with CIDB, NHBRC, COIDA, etc, which informs them when regulations change in the construction sector.	Affiliated with SAIOH, where they register with them and attend quarterly conferences. Membership renews annually, ensures that they are still aligned with safety issues. Also attend construction safety meeting to..	SETA where we attend their capacity building workshops, roadshows, etc	• Relationship building with stakeholders in their sector • Affiliated with bodies in their sector • Attend workshops conducted by different bodies in their sector
4	Workforce Fluctuation	Cannot keep high volume of staff, but have top management that they try and keep, they have around 40% retention rate of staff. This is because construction work is project based and project have different ….	Most of their work is project based and the workforce will also be aligned to the time frame of the project. Instead of a pool of permanent employees, they have a pool of consultants, which is	Very stable, over past years have not had resignations, just appointments as the company grows. They sharpen skills all the time to improve on productivity, changes and that they can	• Their work is project based and only top management is permanent • Instead have a pool of consultants with agreements in place to ensure stability • Have a stable workforce of permanent workers.

			stable. To ensure stability of consultants they have agreements in place where communication is key in terms of availability and giving enough notice.	participate in new things. Performance management systems in place	
5	IT Preparedness	Have an IT department, but now and then gets hacked, so they are upgrading and beefing their IT department and even training the staff.	Migrating to online training, online meetings. Aligning all their internal system to the be online as most of their activities are now being done remotely. Have a specific department focusing on the IT related issues.	IT is catered for in the business like currently we have fibre and all the printers, phones and laptops are connected to be server that uses the fibre. The new centre that is coming on board has a budget that will ensure the infrastructure is aligned to the new trends of training. We have staff that is doing IT course.	• Have an IT department but not adequately resourced as it gets hacked at times • Have an IT department focusing specifically on IT issues • Have all IT infrastructures in place, the new building that is being constructed, it will also have adequate current IT system in place. • There is stuff in place studying IT

6	Rate of Marketing Budget	The rate of marketing budget fluctuates a lot because of the nature of the industry and projects they have. So, they adopted a culture where everyone it's a marketer. Do before sales and after sales knowing the right people to talk to	Not much budget has been allocated to marketing. They predicted they allocated 25% of what should have gone to marketing. Plans of website, adverts on Google and flyres are in way. Also word of mouth has been helping for the clients that were happy about the good work they have done.	Have communication and marketing budget, also have a marketing and communication policy in place. The budget has been increasing daily, website has been developed, have branded clothing for the staff, dairies are branded, have marketing banners that we take along for trainings, etc Folders that you always put documents in, are branded with our summarised profile in there. Referrals, word of mouth, pamphlets are also used. The budget for the coming year or marketing is even bigger than the current one.	• Fluctuates because of the nature of industry and projects. Rather using an approach where everyone is a marketer in an organisation. • Allocated 25% out of 100% that should go to marketing • Uses google, website, flyers, word of mouth • Have marketing and communication policy in place • Have a budget which they have branded clothing and different items, website, and planning to grow it more as the company grows.

7	Organisational Culture	Integrity, deliver on time and doing their best, empowerment, offer bursaries for those that show potential to grow and are keen to study further. Capacity building / empowerment is planned yearly for from receptionist to CEO. Also do refresher courses indoor especially like changes in legislations, government or even when the public is changing.	Empowerment, grooming women and disabled people. Focus mainly on disadvantaged people. Integrity, safety, competitiveness and transparency. From the risk assessment they normally take staff to training, to align with current needs in the industry. Even when there are changes, staff will go for trainings. There is also a matrix on a yearly basis that they plan areas of training. They also work with communicates and municipalities to empower the disadvantaged	Strive for Quality Community Participation or giving back to community. There is a separate budget for training and development. Upon research and development, when new skills are identified, internal staff go to training first to be empowered and also to be able to give quality training themselves. When they come back, they transfer to the other colleagues. Our capabilities improve on the quality and then ensure we are competitive	• Integrity, deliver on time, doing their best, empowerment by offering bursaries and also training based changes in the industry. • Empowering and grooming women and disabled. I • integrity, safety, competitiveness and transparency. • Training aligned with the needs of the company identifies during risk assessment • Strive for quality, community participation, based on developments in the industry and needs of the organisation, do a matrix with adequate training for employees. Training starts rights from receptionist to CEO level

8	Role of Governance	As the CEO, she is continuously improving herself and has passed the culture to the whole staff. Listening to everyone even at classroom level. Team work by having different team building activities. "Mampara Fridays" – learn each other, get to know the vision of individual employees.	They are a quality driven organisation with a quality management system in place with latest version. As an accredited organisation, their QMS is approved and audited annually.	Even though it is a small organisation we have different departments that are governed and need to report and share information regularly. The performance is weighed. When making strategic important decision of the organisations, they all participate and their decisions are taken into account.	• Culture of always improving oneself, learn from each other and work as a team. • Quality drive organisation with a QMS in place • Sharing of information regularly, team work, performance management, inclusive decision making
9	Good Strategy	The strategy revolves around a happy customer, happy client, its our job. Do that by going extra mile, creating good relations with the clients, after projects visits, always researching, if there is no answer today, we sleep on it and the answer will come tomorrow,	They consult a lot to ensure they are complaint, e.g. legally, accreditation and safety.	Have a Quality Management System and do a strategic meeting annually to review all policies and procedures. The sessions is attended by all employees to welcome each ones input and views.	• Strategy that revolves around happy customer and happy client, by going an extra mile, creating good relations and doing all the best. • Compliance is key- done though consultation • Have a QMS in place in which all employees give inputs annually

		don't give up. Do the best at all times			
		Construction	**Safety Training and Safety Management Systems Implementations**	**Training and Development**	
		3 years but the owner has 22 years in construction industry	**July 2015**	**2010**	
		Woman owned (42)	Woman owned (38)	Woman owned (43)	

	Dimensions	Participant 7	Participant 8		CODING
1	Research and Development	Rely on research done by other companies in the same industry, older than theirs. Build relationships with other companies through mutual friends, search on google and also searching for success stories	Continuously studying to keep abreast with changes and relevant technologies within the industry. Registered with SEC (for scientist) & EXER (engineers) and water institute of SA as individuals within the organisation. No formal RND in the organisation.		• Rely on research done by other companies in the same industry • Continuously studying to keep abreast with changes • No formal RND department or conducted in the organisation • Affiliate with different bodies in the sector that give and share updated information of changed and things happening in their sector
2	Adaptation to Change	They plan on changes as they come, based on growth and other factors. No polices in place for change management.	No polices put in place to follow for adaptation to change, but as change happens, they find ways of doing business ad staying afloat/competitive.		• No polices put in place to follow for adaptation to change • As change happens, they find ways of doing business ad staying afloat/competitive • They plan on changes as they come, based on growth and other factors
3	Participation in Strategic Alliances	No affiliations in place. But they follow through the guidelines given to companies in their sector like FSCA. Use their guidelines to make rules.	As mentioned above affiliated in the above bodies as individual scientist and engineers on individual capacity and as owners of the organisation. Some of the places they work at will require the that		• No affiliations in place • Use the guidelines of bodies in their industry to make guidelines for their organisation • They are affiliated with bodies for scientists and engineers

			the company has employees that have registration with specific bodies.		
4	Workforce Fluctuation	As a small company with four staff members, he ensures that the staff is happy. In the past years he changes staff and eventually had to reflect and use the teachings to ensure the current staff is stable and in the past two years, no staff turnover	The have considerable stability of only the top management. The rest they hire based on the project using freelancers. Established good relationships with freelancers where they get preferential treatment based on incentives on scarce skill allowance and have all the necessary resources to execute the job		• Ensures the staff is happy and incorporate the experience of those who left • Have considerable stability on management • With freelancers they build relationship to get preferential treatment
5	IT Preparedness	100% prepared in terms of IT, infrastructure/resources and people, but no permanent IT person on board, outsourcing some services.	Do not have permanent in- house IT specialist due to affordability, but outsource the services. This exposes them to hacks and people stealing their information. For now, they ensure they have sufficient backups.		• 100% prepared on IT because of the kind of busines • Outsource some other IT function • No permanent in-house IT speciality due to affordability
6	Rate of Marketing Budget	The first three years a lot of money was spent on marketing trying to find the effective ways. With experience they have now better ways of marketing	No specific budget set aside for marketing, but depends on opportunity to penetrate certain market or client that is spotted.		• At first a lo of budget was put aside on marketing, but with growth and experience a reasonable amount is used for marketing • No specific budget set aside for

		which are effective and profitable. Have found ways of engaging with customers without spending a cent			marketing • Uses the opportunity to penetrate certain market or client when spotted
7	Organisational Culture	Honesty, Work ethics, Time management, accessibility. Purchase online courses for the internal employees' empowerment. Information sharing sessions based on experience gathered over the years	Having a diverse range of cultures in their organisation, they value openness, commitment, honesty and integrity.		• Honesty • Work Ethics • Accessibility • Internal Information Sharing • Openness • Commitment • Integrity • Takes staff for training - online
8	Role of Governance	Makes the staff feel they are part of the company The own does not behave like the boss, but allow them to make decisions and have a sense of ownership. When they had worked hard, they get higher income. Communication is key, they are not allowed to say my boss says but rather in the company we..	All staff are encouraged to attend trainings continuously, view things with an eagle eyes' view, meaning looking at the activities from everyone's point of view. Check the impact that everyone has on another. There is also coaching and mentoring internally, build relationships with other senior people from bigger industries.		• Makes the staff feel they are part of the company • Use we not I • Higher performance, higher income • Staff encouraged to attend training continuously • Do coaching and mentoring
9	Good Strategy	No policies and procedures in place, but uses an inclusive leadership where every	No policies and procedures in place, have a motto that says "Keep it simple		• No policies and procedures in place, but uses an inclusive leadership where every

		employee is treated as the part owner	and straight forward without compromising the quality". The strategy is always centred around minimum input and maximum output in all the projects the deliver.		employee is treated as the part owner • Keep it simple and straight forward without compromising the quality. • The strategy is always centred around minimum input and maximum output in all the projects the deliver.
		Finance Markets – Trading and Training on trading	**Engineering and Scientific Solutions in Water and waterwaste**		
		2016 – 5 years in existence	**2014**		
		Man Owned – 30 years	**Man and Woman Owned 41 years**		

Research Questions 4. How do practitioners determine the level of competitiveness of the SME within emerging markets? 5. How do SMEs monitor their external environment? **6.** What are the coping mechanisms of the SME in a volatile regulatory environment?					
	DIMENSIONS	**Question**	**CODING**	**Categories**	**THEMES**
1	Research and Development	1, 2, 3	• *Affiliations with research companies in the sector* • *Research over internet* • Focus groups operating in the same sector • Have a research and development department • *No specific research department but use Google* • *Also rely on research done by public bodies in their sector offering the same service* • *Employed a business strategist for research and development* • *Rely on research done by other companies in the same industry* • *Continuously studying to keep abreast with changes* • *No formal RND department or conducted in the organisation* • *Affiliate with different bodies in the sector that give and share updated information of changed and things happening in their sector*	Affiliations with research companies and public bodies in the same industry – attend focus groups Research over internet Have a business strategist in place that do RND Continuously studying to keep abreast No formal RND department (5)	Research and Development

2	Adaptation to Change	3	• They depended on customers as new products were introduced • Agile Character • Change Management policy • Conduct Risk Assessment • Have strategies on place to detect changes called "early warning". • No polices put in place to follow for adaptation to change • As change happens, they find ways of doing business ad staying afloat/competitive • They plan on changes as they come, based on growth and other factors	Director having agile character Depend on customers as new products are introduced Change management Policy that requires them to conduct risk assessment As change happens, they then find new ways of doing business (4)	Good Strategy
3	Participation in Strategic Alliances	1, 2, 3	• Partnerships • Pay affiliations for companies that do research • Relationship building with stakeholders in their sector • Affiliated with bodies in their sector • Attend workshops conducted by different bodies in their sector • No affiliations in place • Use the guidelines of bodies in their industry to make guidelines for their organisation • They are affiliated with bodies for scientists and engineers	No affiliations Relationship building with stakeholders in their sector (2)	Research and Development
4	Workforce	1	• Do a lot of outsourcing • Do sub-contracting of small enterprises	Out-Sourcing	Good strategy

	Fluctuation		• Use performance bonuses and incentives to maintain the ones they have • Their work is project based and only top management is permanent • Instead have a pool of consultants with agreements in place to ensure stability • Have a stable workforce of permanent workers. • Ensures the staff is happy and incorporate the experience of those who left • Have considerable stability on management • With freelancers they build relationship to get preferential treatment	/Freelancers/Sub-contract of small enterprises – only top management is permanent Use performance bonuses and incentives to maintain staff (2)	
5	IT Preparedness	1, 3	• No IT department in place or infrastructure. • IT related issues are outsourced • Have an IT department but not adequately resourced as it gets hacked at times • Have an IT department focusing specifically on IT issues • Have all IT infrastructures in place, the new building that is being constructed, it will also have adequate current IT system in place. • There is stuff in place studying IT • 100% prepared on IT because of the kind of busines • Outsource some other IT function • No permanent in-house IT speciality due to affordability	Outsource IT all/some related issues Have IT department but not fully resourced even infrastructure wise (2)	IT Preparedness
6	Rate of Marketing Budget	1, 2	• No marketing budgets • Rely on referrals / word of mouth • Leverage on building relationships with old customers • Hired one person who registered the SME with different	No marketing budget but policies in place Little / fluctuating/no	Good strategy

			marketing platforms and monitor it regularly • Fluctuates because of the nature of industry and projects. Rather using an approach where everyone is a marketer in an organisation. • Allocated 25% out of 100% that should go to marketing • Uses google, website, flyers, word of mouth • Have marketing and communication policy in place • Have a budget which they have branded clothing and different items, website, and planning to grow it more as the company grows. • At first a lot of budget was put aside on marketing, but with growth and experience a reasonable amount is used for marketing • No specific budget set aside for marketing • Uses the opportunity to penetrate certain market or client when spotted	specific budget, depends on affordability and the factors affecting the company at the time Leverage on relations and experience build over years with old customers (3)	
7	Organisational Culture	1	• No streamlined processes in place • Clear communication, transparency with internal and external customers • Regular training for adapting with market changes and being ahead • Respect of all employees at all levels • Transparency to all stakeholders they work with, e.g. freelancers about the % they got when sub-contracted to them • Integrity, deliver on time, doing their best, empowerment by offering bursaries and also training based changes in the industry. • Empowering and grooming women and disabled. I • integrity, safety, competitiveness and transparency.	No streamlined processes in place Depends on how the leaders treat the employees like advocating for respect, training/empowerment, transparency, integrity, safety, etc Most organisation could	Role of the Governance

			• Training aligned with the needs of the company identifies during risk assessment • Strive for quality, community participation, based on developments in the industry and needs of the organisation, do a matrix with adequate training for employees. Training starts rights from receptionist to CEO level • Honesty • Work Ethics • Accessibility • Internal Information Sharing • Openness • Commitment • Integrity • Takes staff for training - online	easily mention their core values (3)	
8	Role of Governance	1	• Ensure there are clear roles for all employees • Performance Monitoring • Sharing of Information • Include the staff in decision making • Culture of always improving oneself, learn from each other and work as a team. • Quality drive organisation with a QMS in place • Sharing of information regularly, team work, performance management, inclusive decision making • Makes the staff feel they are part of the company • Use we not I • Higher performance, higher income • Staff encouraged to attend training continuously	In all SMEs the culture of the organisation was mainly driven by Owners / director of the company	Role of the Governance • What culture you put in place • Strategies • The Capabilities of the company starting with governance and then employees • Empowerment of the employees

			• Do coaching and mentoring		
9	Good Strategy	1, 2, 3	• Policies and procedures in place to guide them • Hire a company to assist in the strategy • Get feedback from the clients and improve on customer care • Build Relationships with old clients • Strategy that revolves around happy customer and happy client, by going an extra mile, creating good relations and doing all the best. • Compliance is key- done though consultation • Have a QMS in place in which all employees give inputs annually • No policies and procedures in place, but uses an inclusive leadership where every employee is treated as the part owner • Keep it simple and straight forward without compromising the quality.	Have policies and procedures to guide them Hire outside company for strategy Build relationship with old clients to learn from them Inclusive leadership Keep it simple and straightforward without compromising the quality (4)	Role of the Governance

FINAL CODING		
	Themes	**Findings**
1	**Research and Development**	Affiliations with research companies and public bodies in the same industry – attend focus groups Research over internet Have a business strategist in place that do RND Continuously studying to keep abreast No formal RND department No affiliations Relationship building with stakeholders in their sector (for RND, marketing & work force fluctuation) 1, 2, 3
2	**Role of the Governance**	Director having agile character and can steer the company to adapt to changes No streamlined processes in place Depends on how the leaders treat the employees like advocating for respect, training/empowerment, transparency, integrity, safety, etc Most organisation could easily mention their core values (list of them mentioned) In all SMEs the culture of the organisation was mainly driven by Owners / director of the company Have a quality management system in place HR- performance management, etc 1

3	**IT Preparedness**	Outsource IT all/some related issues Have IT department but not fully resourced even infrastructure wise 1, 3
4	**Good Strategy**	No marketing budget but policies in place Little / fluctuating/no specific budget, depends on affordability and the factors affecting the company at the time Change management Policy that requires them to conduct risk assessment Change depend on customers as new products are introduced and they adapt As change happens, they then find new ways of doing business Out-Sourcing /Freelancers/Sub-contract of small enterprises – only top management is permanent Use performance bonuses and incentives to maintain staff 1, 2,3 That have a quality management system in place with marketing and communication policy, quality manual, change management policy, etc - have policies and procedures to guide them Hire outside company for strategy Build relationship with old clients to learn from them Inclusive leadership for workforce fluctuations and good governance Keep it simple and straightforward without compromising the quality