



**Inclusive and preferential procurement strategies  
perceived socio-economic impact on South  
African mining host communities**

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## **ABSTRACT**

Procurement and enterprise development is one of the cardinal pillars within the South African Mining charter to economic growth and sustainable community development within South African mining communities. It is a pre-requisite for all mining companies to acquire mining licenses to conduct mining operations. Most mining companies operating within South Africa have inclusive and preferential procurement policies and strategies as part of the Department of Mineral Resources and Energy (DMRE) mining charter commitments and compliance. The study aims to investigate and gauge the effectiveness of those strategies and their socio-impact within the immediate communities mining companies operate. A quantitative research approach was undertaken to collect data from respondents residing within mining host communities, mining company employees and subject matter experts through an anonymous online research survey. From a population of 500 people consisting of mining host communities' residence, mining companies' employees and subject matter experts 413 responses received, 403 were usable and analysed. Through the investigation of the three hypothesised relationships developed, it was observed that inclusive and preferential procurement strategies are inclusive in their implementation by mining companies within mining host communities, and mining communities should be able to self-sustain post mining operations closure. The results have also presented a strong positive relationship between all three hypothesised relationships namely (i.) lack of education and entrepreneurship, (ii.) barriers of entry to the job market and entrepreneurship and (iii.) inclusive and preferential procurement strategies as moderating variables for socio-economic impact and community development.

**Keywords:** Inclusive and preferential procurement strategy, Mining host community, Socio-economic impact

## DECLARATION

I, **Mxolisi Sgantsontso Mashele**, declare that this research report is my own work except as indicated in the references and acknowledgements. The report is submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, Johannesburg, in partial fulfilment of the requirements for the degree of Master of Business Administration. I can confirm that report has not been submitted before for any degree or examination in this or any other university.



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Signed at: Parktown

On the: 13 day of: August 2025

## **DEDICATION**

To my wife, Dineo and my boys, Lami and Shaka Mashele. Thanks for all the support and sacrifices you have made as I was embarking on this challenging yet fulfilling journey.



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## LIST OF ACRONYMS

| Acronym      | Explanation                                      |
|--------------|--------------------------------------------------|
| <b>AI</b>    | Artificial Intelligence                          |
| <b>BBBEE</b> | Broad Based Black Economic Empowerment           |
| <b>CSI</b>   | Corporate Social Investment                      |
| <b>CSR</b>   | Corporate Social Responsibility                  |
| <b>DMRE</b>  | Department of Mineral Resources and Energy       |
| <b>ESD</b>   | Enterprise and Supplier Development              |
| <b>GDP</b>   | Gross Domestic Product                           |
| <b>HDSA</b>  | Historical Disadvantaged South Africans          |
| <b>JV</b>    | Joint Venture                                    |
| <b>KPI</b>   | Key Performance Indicator                        |
| <b>MPRDA</b> | Mineral and Petroleum Resources Development Act. |
| <b>PGM</b>   | Platinum Group Metals                            |
| <b>PPP</b>   | Public Private Partnership                       |
| <b>PWC</b>   | Price Waterhouse Cooper                          |
| <b>SABS</b>  | South African Bureau of Standards                |
| <b>SLO</b>   | Social Licence to Operate                        |
| <b>SLP</b>   | Social Labour Plan                               |
| <b>SMME</b>  | Small Micro Medium Enterprise                    |



# **1. INTRODUCTION**

## **1.1 Statement of purpose**

The purpose of the study is to understand the perceived socio-economic impact of inclusive and preferential procurement strategies implemented by mining companies within South Africa's mining host communities.

## **1.2 Background of the study**

The South African mining charter was approved by the Department of Mineral Resources and Energy (DMRE) in 2002, with the aim of addressing past social injustices within the mining industry (Gunter, 2005). The charter aimed at facilitating a meaningful participation of historically disadvantaged South Africans within the mining industry through sustainable transformation, growth and development (DMRE, 2010). Core to the mining charter are nine cardinal pillars namely;

- Ownership
- Procurement and enterprise development
- Beneficiation
- Employment equity
- Human resource development
- Mine community development
- Housing and living conditions
- Sustainable development and growth of the mining industry
- Reporting (Monitoring and evaluation)

During the time of global recession and mass employee layoffs in 2008, different countries experienced a significant rise in entrepreneurship as a solution to the unemployment problem (Marič et al., 2010), with many individuals from mining host communities within South Africa targeting mining

companies for economic empowerment through procurement opportunities offered by the mines also referred to as tenders (Piper & Charman, 2020). A tender within the context of this study is referred to as an invitation to competitively bid for project (Kenton, Kindness & Eichler, 2024). With the high unemployment rate and barriers of entry into the job market, some individuals start business without proper education and training but as a survival mode against poverty (Oyelola, Igwe, Ajibhoshi & Peluola, 2014).

This observation has prompted the need to further explore and study the one cardinal pillar of the mining charter which is **Procurement and Enterprise Development**, with specific emphasis on inclusive and preferential procurement impact by South African mining companies within mining host communities where they operate.

Inclusive and preferential procurement is attributable to competitiveness and transformation (Goga & Avenyo, 2022). It captures economic value, presents opportunities to expand economic growth that allows for the creation of decent jobs and widens scope for market access of South African Capital Goods and Services (Mashele, 2018). To achieve the mining charter targets, the mining industry must procure from Broad Based Black Economic Empowered (BBBEE) entities within the host communities they operate.

Despite constant economic interventions by mining companies and financing houses such as banks and development finance institutions, most mining host community enterprises continue to be informal and undeveloped (Hlakudi, 2012), and they remain perpetual survivalists of their own environments (Guliwe & Maphela, 2023). The study aims to explore the obligations and responsibilities of mining companies operating within South African mining host communities' inclusive and preferential procurement strategies and implementation thereof.

- The study aims to conduct primary research through statistical data collection in a form of survey questionnaires, and secondary research through gazetted mining charter reports into social and economic conditions of impacted and affected mining host communities, because of mining companies' inclusive and preferential procurement strategies.

### **1.3 Research problem**

While inclusive and preferential procurement commitments are included in various mining companies' procurement strategies and policies as Key Performance Indicators (KPI), including as a pre-requisite within the DMRE mining charter for mining companies to comply with, little or no economic growth and sustainability is evident in various mining host communities where mining companies operate (Qobo, 2013). It is therefore important for the study to investigate and determine the direct impact and effectiveness of those strategies and KPI's around mining host communities. Inclusive and preferential procurement strategies are also used as vehicles to stimulate sustainable economic growth and development within mining host communities; however Small Micro Medium Enterprises (SMMEs) still find it extremely difficult to penetrate the mainstream supply chain value chain (Malacina et al., 2022). Literature also shows that lack of education and barriers of entry into the job market for individuals residing within mining host communities might be the main drivers for entrepreneurship, due to their historical marginalisation.

As part of the mining license to operate, mining companies are obliged to report to the DMRE on their mining charter performance against their commitments and targets (Komnitsas, 2020), in which most mining companies' annual financial reports present great performance to the public and shareholders on their performance towards readdressing past social and economic injustices, but the living conditions of individuals in most mining communities tell a different story (Ngcamphalala & Amber, 2016).

This irony raises the question of who the direct beneficiaries of mining procurement opportunities are, as there are discrepancies between what is reported by mining companies and what the true living conditions within mining host communities are. This is the research gap identified by the study. The study aims at determining whether inclusive and preferential procurement opportunities deployed by mining companies within mining host communities are deployed effectively, inclusive and practices are fair, and are directed to the correct and deserving recipients for sustainable growth and development around mining host

communities. With The contribution of the various stakeholders from different fields and backgrounds, the findings of the study are envisaged to contribute to the socio-economic empowerment of mining host communities by mining companies' body of the body of knowledge and make practical recommendations on the research questions not fully answered by the study.

## **1.4 Research questions**

South African mining companies do little for the communities in which they operate to ensure meaningful, impactful, and sustainable economic participation of local SMMEs as per their commitment to inclusive and preferential procurement to the DMRE mining charter (Games, 2012). Despite the green scorecards presented by mining companies on the inclusive and preferential procurement commitments, little or no impact is felt on the ground (Guliwe, et. al, 2023). What could be the main drivers to the policies ineffectiveness? Could it be poor execution from the entrepreneur side or lack of empowerment from the mining companies to ensure the impact is realised? To address the primary research question, the following 2 secondary questions shall guide the study:

### ***Research question 1:***

Are past social injustices and marginalisation such as the lack of education and barriers of entry into the job market contributors toward entrepreneurship around mining host communities?

### ***Research objective 1:***

Studies have cited lack of education and barriers of entry into the job market as some of the major contributors to entrepreneurship around mining host communities, to gain access to procurement opportunities afforded by mining companies. The research objective is to establish whether these two variables could be playing a role the ineffectiveness of inclusive and preferential procurement strategies deployed by mining companies within mining host communities.

**Research question 2:**

Are inclusive and preferential procurement strategies implemented by mining companies effective enough to ensure a meaningful socio-economic impact around mining host communities?

**Research objective 2:**

To determine the effectiveness of inclusive and preferential procurement strategies deployed by mining companies within their mining host communities, the study will collect data from mining host communities' residence through survey questionnaires and compare against mining charter reports gazetted by mining companies. An independent view from subject matter experts such as the regulator (DMRE) will also be solicited to complement the findings.

**1.5 Justification of the study**

The study seeks to provide answers and clarity to the research questions in determining the perceived **socio-economic impact** of inclusive and preferential procurement strategies and policies adopted and imposed by the DMRE to mining companies within the communities they operate.

Prior research has shown that other developing countries within the BRICS intergovernmental community such as India and China; SMMEs contribute 30% and 60% into their country's Gross Domestic products respectively (Guliwe et al., 2023), with SMME's in India contributing to over 110 million jobs (Dwivedi, 2022), and 79% of jobs in China coming from SMME's (OECD, 2018). This is clear indication that investment into the micro economy can yield positive economic and social impacts (Naape, 2023). Contrary, another BRICS community state member (South Africa), was in 2024 expected to register an all-time high unemployment rate with around 30% of the country's labour force being unemployed (Galal, 2023), with over 6000 mines ownerless, derelict, and abandoned, and the communities around those respective mines left destitute (Van Wyk, 2012)

From a host community perspective, the study will provide individuals and companies within mining host communities an opportunity to contribute and provide their views on the opportunities and challenges of residing and operating within mining host communities when it comes to inclusive and preferential procurement empowerment.

## **1.6 Delimitations of the study**

The contributions by various stakeholders (mining companies, mining regulatory bodies and host communities) in the study are valuable in the advancement of socio-economic growth in the form of inclusive and preferential procurement within mining host communities, however the study is limited to a certain group or population of individuals residing in mining host communities, which is predominately historically disadvantaged black South Africans. The study will seek to explore views and contributions from other groups with interest in mining host communities spend such as The Department of Mineral Resources (DMRE), Business Forums and mining investors.

## **1.7 Operational definitions**

The below operational definitions have been adopted in the context of determining the impact of inclusive and preferential procurement strategies and policies within South African Mining Host Communities:

- Mining host community
- Inclusive and preferential procurement strategy
- Socio-economic impact

### ***1.7.1 Inclusive and preferential procurement strategy***

Inclusive and preferential procurement; according to Section 5 of the Preferential Procurement Policy Framework Act, 2000 can be defined as deliberate or affirmative action to empower or advance historically disadvantaged individuals

and/or groups through procurement opportunities by applying certain prequalification criteria.

### **1.7.2 *Mining host community***

A host community can be defined as a mining town, municipality or community directly adjacent to where a mining activity is taking place as per the Mineral and Petroleum Resources Development Act 28 of 2002.

### **1.7.3 *Socio-Economic Impact***

Socioeconomics can be defined as an interaction between social and economic standards within a specific environment or ecosystem (Menhas, et al., 2019). The socio-economic impact by inclusive and preferential policies and strategies within mining host communities is the value-added benefits by mining host communities through their relationships with mining companies, as per their Social Labour Plan (SLP) commitments to the DMRE (DMRE, 2023).

## **1.8 Structure of the paper**

The research paper is structured in the following manner: The first section introduces the topic of the study, which is then followed by an in-depth and critical literature review on inclusive and preferential procurement to identify prior research and gaps on the topic through empirical literature review. The empirical literature review was also conducted to study the research variables and their relationships thereof. Furthermore, the literature also analysed theories and models grounding the study through theoretical literature review to build the theoretical framework. The framework was used to explore and discuss the research hypotheses. The abovementioned sections determined the methodology in which the study needed to follow. The methodology covered the research approach and design, data collection methods, population and sampling, research instruments, procedure for data collection, data analysis strategies, possible limitations and challenges of the study, quality assurance and

ethical considerations. Through data collection and information gathering, a conclusion and recommendation for future studies was then made.



## **2. LITERATURE REVIEW**

### **2.1 Introduction**

In this section, the background of the South African mining industry is introduced, with emphasis on the inclusion and participation of historically disadvantaged South Africans into the mainstream mining value chain. The study will also provide a detailed overview of the inclusive and preferential procurement strategies concept. Empirical research literature review related to the perceived socio-economic impact of inclusive procurement and preferential procurement strategies by mining companies within mining host communities in which they operate is conducted to identify gaps that will therefore lead to the theoretical research framework.

### **2.2 Background**

The apartheid system in South Africa has for a very long time maintained economic inequalities, neglecting many marginalised communities, as such these communities were denied access to resources that could assist them to alleviate their poverty (Kapfudzaruwa, Kudo, Matsuyama & Allasiw, 2020). This includes access to quality education and better job opportunities (Ngcamphalala et.al, 2016). Moreover, the mining industry has been at the heart of the apartheid era, in many respects (Fine & Rustonjee, 1996), with bulk of the economic profits derived from the value-added activities flowing through to foreign multinational companies especially non-Historically Disadvantaged South African (HDSA) companies (Mohamed & Roberts, 2008). The South African mining industry is currently faced with challenges of readdressing legacy issues, which ultimately prompt policy changes (Humby, 2014). The South African government adopted a National Development Plan in 2012, with a vision of its achievement in 2030 to address certain microsocial issues for an equitable society (Netshitenzhe, 2018). According to Netshitenzhe (2018), the plan calls for a broader joint social impact from various stakeholders such as government, business, and broader civil

society. Inclusive and preferential procurement within countries and communities that host mining activities not only offer significant opportunities for economic growth, development and industrialisation, but also boosts their social and mining licence to operate (Geipel et al., 2017).

The mining industry is however projecting a positive outlook through the investment in new skills and technologies to promote economic growth within communities they operate in (Keenan et al., 2005). The lack of skills and procurement of the technology and services within mining host communities however remains a significant challenge for the interface (Keenan et al., 2005).

### ***2.2.1 Suppliers and service providers of the South African Mining Industry***

In the face of a dynamic mining industry environment, Supply Chain Management functions within the industry have had to adapt whilst at the same time managing their social and sustainability concerns, through inclusive procurement (Silva & Ruel, 2022). Despite the efforts, the industry is still perceived to be procuring most of their products and services from foreign suppliers and service providers (Gcubule et al., 2018), overlooking host community service providers and contractors (Sibiya et. al). In South Africa, Artisanal miners also referred to as Zama Zama's are marginalised by default and often referred to as illegal miner (Bester & Groenewald, 2021). These are individuals residing in mining host communities who do not have the necessary education to formalise their mining activities but utilised their mining skills to advance their socio-economic development through entrepreneurship, as not enough jobs are created in the formal sector to absorb all the unemployed and job seeking individuals. Global policies and agendas have also put great emphasis on the participation of women and youth owned business in the participation within mining and engineering procurement opportunities (Basheka, 2020).

### ***2.2.2 Inclusive and preferential procurement strategies implementation***

According to the practical Guide to Mining Local Procurement in West Africa, in partnership with the World Bank Energy and Extractives Global Practice from Kaiser Economic Development Partners (2015), Inclusive and preferential procurement strategies and policies within the mining sector are increasingly being considered by policymakers around the world as tools and vehicles to secure greater socio-economic benefits from mining activities (Chansa-Kabali, Mfuno, Chibuye et. Al., 2020), particularly in terms of job creation and enterprise development within mining host communities (Jerve, 2001). When developing inclusive and preferential procurement strategies and policies, mining companies should consider 'corporate social investment' (CSI) and 'equality of opportunity' legislations, to afford a diverse (including ethnic minority) supplier base opportunity into their procurement and supplier development initiatives (Worthington et al., 2008; Worthington, 2009).

Mining companies will require to capture and sustain a competitive advantage that will embrace a shared value through strategies that will address the national priorities of inclusive growth and transformation, with procurement as a key enabler (Sibiya et al., 2019).

Mining companies will be required to assess any localisation or inclusive procurement opportunities within the host communities they operate, immerse themselves within the host communities through adapting to the host community unique needs, to maximise value by doing the right thing, and aligning with the mining global community best practices to capture value by doing things the right way (Sibiya et. al, 2019).

South African mining companies normally conduct their CSI initiatives on national and site levels, including local procurement, but many of these initiatives yield immaterial organisational spend such as cleaning and catering (Sibiya et al, 2019). A clearly defined business case makes a distinction between inclusion of localised SMME's through ad-hoc or non-core mining opportunities, and inclusion

into the companies' strategic operations or core mining opportunities (Vorley & Thorpe, 2014).

### ***2.2.3 Relationship between mining companies and historically marginalised emerging local Small Micro Medium Enterprises (SMME's)***

The concept of "Justice and Fairness" within mining host communities has brought a spotlight into a range of inter-organisations relationships such as public-private partnerships (PPP), strategic alliances, Joint-ventures (JV), mergers and acquisitions, and inclusive procurement (Theodorakopoulos et al., 2015). There has been a significant rise in the emergence of local SMME's and contractors within mining host communities seeking empowerment and development opportunities over the past years (Kearney, 2019). Supplier development initiatives appeared as the potent vehicle for SMME's to breakout into the main procurement systems (Ram & Smallbone, 2003). These initiatives have had a positive socio-economic impact in the success, collaboration, and inclusivity of SMME's with mainstream mining companies (Theodorakopoulos, 2015).

### ***2.2.4 Drivers of inclusion***

Enhancing and improving diversity and inclusion in the workplace is of outmost importance to company growth and development (Kelsey et al,2022), and to produce realisable and sustainable transformation, although most companies seem to ignore the potential (Atkinson, 2009). Corporate and Social Responsibility (CSR) initiatives which form part of companies' social commitments such as inclusivity and diversity may be used as potent marketing tools by for differentiation (Mitchlitch & Oldenburg, 2019). Nagle (2016) also challenged the wisdom that inclusion, diversity and multiculturalism may restrict a majority group from moving beyond their constituency to accommodate the minority. According to (Di Cataldo & Rodríguez-Pose, 2017), the major

contributing factors to social and economic exclusion are the same factors which have negative impact on economic growth.

## **2.3 Empirical review of literature**

The angle adopted on this study was to put focus on the perceived socio-impact by inclusive and preferential procurement strategies deployed by mining companies on mining host communities. Many studies have been conducted on Broad Based Black Economic Empowerment (BBBEE), but little has been done to focus on the impact of these deliberate actions on the people on the ground especially within mining host communities. There still seem to be a massive social and economic gap and imbalance amongst historically disadvantaged and marginalised individuals in terms of education and access to employment opportunities within mining towns. Mining companies gazette their Social and Labour Plans (SLP) performances which are an integral part of any mining rights granted in terms of the Mineral and Petroleum Resources Development Act. (MPRDA) and mining right holders, on an annual basis. The question is, does the figures presented reflect a true reflection of what is being received on the ground by mining host communities? Prior research also states that most mining towns are left behind as ghost towns post mining closure due to unsustainable socio-economic investments by mining companies within those host communities. There are still evident gaps between what mining companies report to the DMRE, what prior research states and what mining host communities feel are the impacts of inclusive and preferential procurement policies and strategies within mining host communities.

A detailed analysis of the findings from the empirical literature review is provided below:

### ***2.3.1 Inclusive and preferential procurement development and implementation***

The Constitution of the Republic of South Africa, 1996 in section 217 requires an organ of state to contract for goods or services in accordance with a procurement system which is fair, equitable, transparent and competitive to grant preferences within a framework prescribed by National Legislation. As such Inclusive and preferential procurement is used as a valid instrument for social reform to counteract the economic inequalities developed by apartheid system (Gcubule et al., 2018). Inclusive procurement aims at incorporating local business from marginalised communities, in the procurement process of mining companies, while preferential procurement seeks to give preference to local suppliers in awarding contract and purchasing goods and services, resulting in the economic growths and creation of jobs in the communities where the mining activities (Basheka, 2018; Gordhan, 2011). It has been proven by numerous studies that inclusive and preferential procurement policies can stimulate local economic growth resulting in job creation for local community members. It is therefore crucial that mining companies involve local businesses and suppliers to increase entrepreneurship and income to better the lives of local communities (Hentschel et al., 2002). It is highly critical that mining companies provide local communities with training and other skills development opportunities that will enhance the skills of local people as these will contribute to their economic growth and development (Davis, 2014). When local communities are involved in the mining business, it brings the sense of belonging, ownership, and happiness, resulting in strong sense of stability in the community (Deloitte & Touche, 2013). Furthermore, when local communities are responsible for the supply, it contributes to sustainable development (Shabangu, 2010).

### ***2.3.2 Barriers for host community participation in the mainstream mining economy***

Improvements such as economic development empowerment, creation of jobs, education and skills development, capacity building as well as sustainable

development have been noted, as results of inclusive procurement (Jenkins et al., 2006). There are, however, numerous limitation and challenges for these programmes to achieve its goals. These drawbacks come from the combination of social, economic, political, and environmental factors (Mathew, 2010). Furthermore, in some incident corruption and favouritism has been reported to be one of the major causes of concern in their selection of suitable local company, resulting in the hindrance of equitable distribution of benefits amongst the local communities and small business (Geipel, 2017). Mining companies, law makers and policy enforcement agencies need to work together to constantly evaluate these procurement policies to benefit mining host communities (Jenkins et al., 2006).

### ***2.3.3 Mining Charter and Corporate Social Responsibility of mining companies***

The literature has discussed at length about the mining charter but hasn't touched much on Corporate Social Responsibility (CSR) of mining companies. The two concepts are interlinked and can sometimes be confused. Although there is no clear definition of Corporate Social Responsibility within the mining industry, it can however be defined as the commitment by mining companies to the communities they operate in, to voluntarily provide environmental and social welfare (Abuya, 2016). This includes access to education and skills development for individuals residing within mining host communities. It also involves access to job opportunities for those individuals within mining companies. Mining companies can use also CSR as an investment vehicle to create and preserve value for all stakeholders (Mzembe & Meaton, 2014).

Although prior research shows that there are significant strides made by mining companies towards their CSR commitments, the result on the ground however displays a contradicting picture. There is still evidence of lack of education and barriers of entry into mining job opportunities within mining host communities. There is also still a big research gap on the findings on mining charter and CSR implementation, and the living conditions of individuals in mining host

communities. There is a grey line in-between, around what is reported by mining companies on their mining charter commitments and the feedback from the people on the ground, especially local SMME's. This research gap therefore led to the below theoretical framework around the socio-economic impact of inclusive and preferential procurement strategies within South African mining host communities.

**Conceptual/Theoretical Framework:** The impact of mining companies' contributions through inclusive and preferential procurement strategies and initiatives does not have direct positive socio-economic impact within mining host communities.

## **2.4 Theoretical research framework**

***Theoretical underpinnings: Historical marginalisation, Inclusivity and fairness, and Socio-economic impact***

### ***2.4.1 Historical marginalisation***

The South African mining industry began its operations in 1852 in the Northern Cape and the entire mining value chain has predominantly been dominated by white Europeans moving to South Africa to set up mining operations, staffed predominantly by black workers (Casey, 2019). For close to 2 centuries, the trend still characterises the later generation of South African mining, with little or no signs of the inclusion of black South Africans within the mainstream economy of the mining value chain (Moraka & Jansen van Rensburg, 2015). The new political dispensation post-apartheid in 1994 had to redress past social and economic injustices because of the protracted historical black marginalisation (Matambo & Ani, 2015), through educational and skills development to ensure access to job opportunities for individuals residing within mining host communities. Poor levels of education and barriers of entry into mining job opportunities remain evident around those communities, prompting residence to embark on entrepreneurship as an alternative for survival.



#### **2.4.2 *Inclusivity and fairness***

Although inclusive and preferential procurement policies and strategies may have worked in some instances, but the question of inclusive and fairness remains, especially in the mining industry within mining host communities. Are all the procurement opportunities inclusive of local or mining host communities' businesses? Are the procurement practices towards local businesses fair and just to ensure a level playing field?

There is little research conducted to identify or close the gap between what is being portrayed by mining companies and what is being seen as a day-to-day struggle of mining host communities' entrepreneurs when it comes to their participation into the economic activities of the mines operating within their communities. There is also little research on whether the mining companies' contribution towards supplier development and empowerment within host communities is inclusive, fair, and justifiable?

If inclusivity and fairness is properly applied as a catalyst for change and growth and to the correct beneficiaries, one would presume that mining host communities would experience substantial flow of revenue for improved social and economic well-being. Why do mining host communities experience extreme poverty post mine closure?

#### **2.4.3 *Socio-economic impact***

Thousands of abandoned mines litter South Africa, and a combination of poor governance and business practices such as the enforcement of Social economic impact assessment policies have left many mining host communities living in their shadow (Anthony, 2022). Abandoned mines often leave the towns destitute often referred to as "ghost towns" due to the negative environmental impact and lack of socio-economic upliftment when the mines were still lucratively operating (Garner, 2018).

Many research articles focus more on the environmental and health wellbeing of mining host communities after mine closure, but only a few focus on the socio-economic wellbeing of the individuals left behind. The study will seek to understand what socio-economic benefits are derived from the inclusive and preferential procurement strategies by mining host communities?

The below graphical illustration represents the interrelationships of the identified theoretical underpinnings and how they can be utilised to address the research problem.

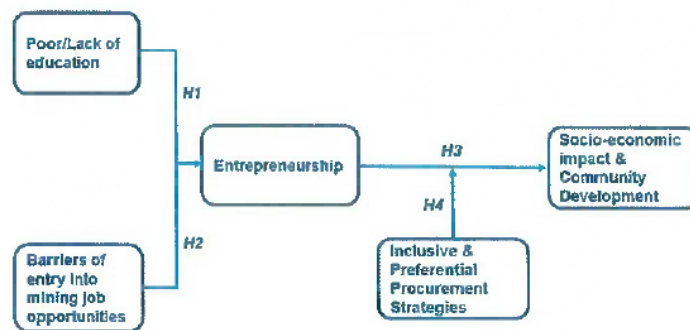


Figure 1: Conceptual Framework

The proposed conceptual framework for this study aims to explore the micro economic factors such as lack of education and barriers of entry into mining job opportunities as drivers for entrepreneurship within mining host communities. Procurement and Supplier & Enterprise Development (SED) opportunities for SMME's or entrepreneurs within mining host communities come into fruition because of deliberate and strategic inclusive and preferential procurement strategies implementation, which act as catalysts for socio-economic growth and community development. The results will be determined through the socio-economic impact of the deployed variables.

The following hypotheses are generated from the above relationships:

- *H1: There is a positive relationship between poor/lack of education and entrepreneurship.*

- *H2: There is a positive relationship between barriers of entry into the job market and entrepreneurship.*
- *H3: There is a positive relationship between entrepreneurship and socio-economic impact and community development.*
- *H4: There is relationship between Inclusive and preferential procurement strategies (moderating variable) and entrepreneurship and socio-economic empowerment and community development.*

***Hypothesis 1: There is a positive relationship between poor/lack of education and entrepreneurship***

#### **Importance of the hypothesised relationship:**

This research study recognises the positive relationship between poor or lack of education and entrepreneurship, especially amongst individuals residing in mining host communities. Studies show that a greater level of education elevates individuals to a greater level of business success as entrepreneurs however, some individuals find themselves venturing into business or entrepreneurship due to the lack of education that would predominately afford them the opportunity to acquire the necessary skills to get employment.

#### **Evidence to support the hypothesised relationship:**

Policy makers believe that more value and economic growth can be achieved through education, especially entrepreneurship education (European Commission, 2006), based on the key assumption that entrepreneurship skills can be taught (Van der Sluis et al., 2006), and are not fixed natural personal traits or characteristics (Van der Sluis and Van Praag, 2007), however most people residing within mining communities are living below the poverty line to even afford formal education. According to Saxen (2012), “Entrepreneur means one who creates a product and or service on his own account, whoever undertakes on his or her own an industrial/trading enterprise in which work men and women are employed”. In South Africa, Artisanal miners also referred to as Zama Zama’s are marginalised by default and often referred to as illegal miner (Bester &

Groenewald, 2021). Individuals who have the correct skills find it easy to navigate the industry that has long moved from heavy mining and labour-intensive operations to an industry that is Artificial Intelligence (AI), robotics and automation driven (Mazza, 2024).

The below graphical representation illustrates the hypothesised relationship between poor/lack of education and entrepreneurship:

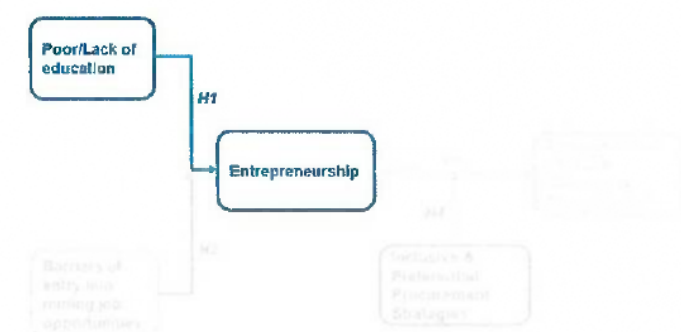


Figure 2: H1: Relationship between poor/lack of education and entrepreneurship

**Hypothesis 2:** *There is a positive relationship between barriers of entry into the job market and entrepreneurship.*

#### Importance of the hypothesised relationship:

Barriers of entry into the job market can be directly attributed to the lack necessary skills and expertise to gain access to job opportunities, which is a direct result of lack or poor educational background, as highlighted on H1. The high unemployment rate and poverty often prompt individuals to venture into business or entrepreneurship for survival.

#### Evidence to support the hypothesised relationship:

South Africa had great hopes of economic revival, which is underpinned by supportive economic policies that supported job creation and the addressing past socio-economic injustices upon the transitioning to democracy in 1994 (Ferreira & Rossouw, 2016). The past political dispensation did not only marginalise

historically disadvantaged South Africans but also created barriers of entry for woman in the mining industry (Moroka, 2023), with only a 15% of woman representation in the industry workforce (Mineral Council of South Africa, 2024). The pathway to overcoming barriers of entry into mining job opportunities for women and youth specifically is structurally designed, and requires integrated policy interventions (Lolwana & Ngcwangu, 2016). Most women and youth pursue entrepreneurship through procurement opportunities as it offers low hanging fruits for the mining sector and can effectively catalyse women and youth participation in the mining industry (Marabwa, 2021).

The below graphical representation illustrates the hypothesised relationship between barriers of entry into the job market and entrepreneurship:

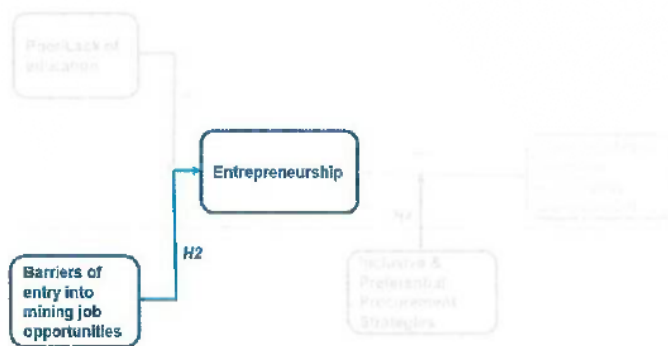


Figure 3: H2: Relationship between barriers of entry into the job market and entrepreneurship

**Hypothesis 3:** *There is a positive relationship between entrepreneurship and socio-economic impact and community development.*

### Importance of the hypothesised relationship

Following the declaration of the Mining Charter III on the 27<sup>th</sup> of September 2018, historically disadvantaged South Africans, especially entrepreneurs residing within mining host communities, were confident that socio-economic differences will be addressed (Nkholise et.al).

### Evidence to support the hypothesised relationship

According to the PWC Adapt to Thrive (SA Mine, 2023) sustainability report, the South African mining industry is facing numerous challenges such as the decline in commodity prices and infrastructure challenges where mining houses need to adapt to thrive. This is a clear sign that mining companies need to invest more on host communities to empower entrepreneurship, despite the structural challenges to ensure sustained socio-economic growth and development. Anglo American Kumba Iron Ore reported a R22.9 billion procurement spend with (HDSA) businesses in the 2023 financial year, with R6.6 billion rand spent on local host communities around their Iron Ore Operations in the Northern Cape. Sibanye Stillwaters reported more than 70% of their total mining goods procurement spend was on South African manufactured and SABS approved goods, with 5% of the total mining goods procurement from women and youth owned or controlled businesses. Socio economic coalition agreements were also finalised with multiple stakeholders towards community development around their Platinum Group Metals (PGM) operations post mining economies.

The below graphical representation illustrates the relationship between entrepreneurship and socio-economic impact and community development:

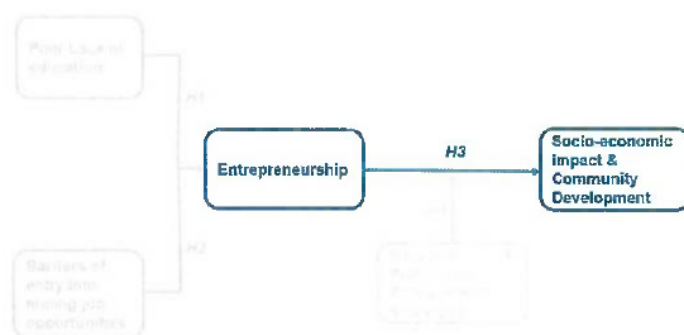


Figure 4: H3: Relationship between entrepreneurship and socio-economic impact and community development.



**Hypothesis 4:** *There is relationship between Inclusive and preferential procurement strategies (moderating variable) and entrepreneurship and socio-economic empowerment and community development.*

#### **Importance of the hypothesised relationship**

South Africa recorded a record high unemployment rate of 32.79% in 2024, with 51.52% being the youth (Macrotrends, 2024). The high unemployment rate could be attributed to the past socio-economic injustice and or marginalisation through a poor education system, which ultimately lead to barriers of entry into the job market. When individuals are faced with poverty and or an economic crisis, including unemployment, they naturally tap into their entrepreneurial being to test themselves on the open market (Marič et al, 2010). Entrepreneurship without deliberate strategic interventions and empowerment to ensure sustainable growth and development is not sufficient (Guliwe, et. al, 2023). Inclusive and preferential procurement strategies (moderating variable) can be used as catalysts for the advancement of socio-economic impact and community development through entrepreneurship.

#### **Evidence to support the hypothesised relationship**

Inclusive and preferential procurement strategies can act as a powerful moderating variable, significantly impacting entrepreneurship and, consequently, socio-economic empowerment and community development (Lutchman, 2024). These strategies, when effectively implemented, can create opportunities for previously marginalized groups, leading to increased entrepreneurial activity, improved livelihoods, and broader community benefits (BEE Chamber, 2024).

The below graphical representation illustrates the relationship between Inclusive and preferential procurement strategies, and entrepreneurship and socio-economic empowerment and community development:

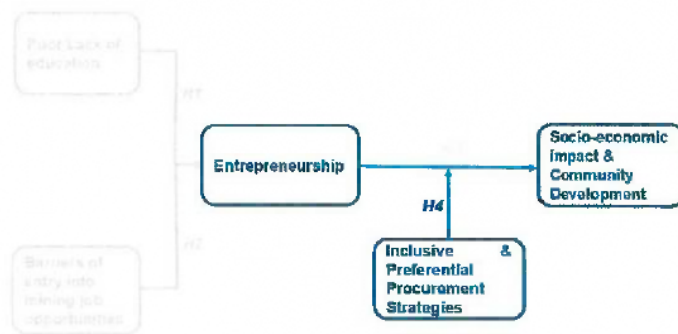


Figure 5: H4: Relationship between Inclusive and preferential procurement strategies (moderating variable) and entrepreneurship and socio-economic empowerment and community development.

## 2.5 Conclusion of literature review

Although there is a lot of studies about the history of the South African mining industry, only a few covers and go into detail on the affirmative actions taken by the South African government post the racial segregation era to address past social and economic injustices, especially on the participation of mining host communities into the mining value chain mainstream economy through procurement opportunities. Prior research that does cover the research problem as synthesized on the empirical literature review still left quite a few research gaps as to whether the procurement opportunities afforded to mining host communities by mining companies are inclusive enough and justifiable to address the socio-economic distress within mining host communities. Upon analysing the theoretical framework, poor/lack of education and barriers of entry into the job market came up as variables which normally lead to entrepreneurship within mining host communities, because of past historical marginalisation. If implemented correctly, inclusive, and preferential procurement strategies can be used as a catalyst for a positive socio-economic impact and community development by mining companies within mining host communities.



### **3. RESEARCH METHODOLOGY**

The fundamental foundation of this research study is to maintain academic research rigour through proven primary statistical data collection through a quantitative research methodology. The research instruments and data collection methods are then discussed to determine the validity and reliability of the data collected from the population and sample sizes used to gauge the perceived socio-economic impact of inclusive and preferential procurement strategies within mining host communities. Based on the nature of the research methodology, ethical considerations were applied to ensure the research is conducted in the most ethical, confidential and in good faith; with of course taking into consideration the research assumptions and possible limitations and challenges.

#### **3.1 Research approach**

The research study took a broader look into unpacking the perceived socio-economic impact of inclusive and preferential procurement strategies by mining companies within mining host communities they operate, using a detailed quantitative research approach through the collection and analysis of primary data sources. The quantitative research methodology guided the study in testing objective theories and scrutinising relationships among variables (Creswell, 2011). The quantitative research approach ensured objectivity of the study by using organised data gathering and statistical analysis methods (Bell, 2014).

#### **3.2 Research design**

The research study adopted a cross-sectional research design framework to determine the perceived socio-economic impact of inclusive and preferential procurement strategies within South African mining host communities. Cross-sectional design is a longitudinal research study that involves the collection of

quantifiable research data sets to make inferences about a specific population at a specific given time (Becker et. al, 2012).

### **3.3 Population and sample**

The research study placed focus on mining host community businesses. The surveys questionnaires were extended to mining companies operating within the respective host communities to establish a balanced and non-biased research study. External stakeholders such as the Department of Mineral Resources and Energy, and the Mineral Council of South Africa also formed part of the research population and sample for moderation purposes.

From a population of 500 respondents, 413 responses were received, 403 were usable and analysed. The population categorised as per below demographics:

- Mining host community service providers and/or suppliers: 200
- Mining companies operating in mining host communities: 100
- Civilians residing within mining host communities:150
- Subject matter experts: 50

### **3.4 Research instruments**

The research study adopted survey questionnaires as research instruments for the purpose of collecting data from the identified population and samples, in a way that will provide anonymity to the respondents. One of the many advantages of the selected research instrument was being able to collect a lot of data at a moment (Huffman, 2006) and for the ease of data analysis (Hayslett and Wildemuth, 2004). The research instruments were used to collect primary data from mining Host Community service providers and/or suppliers, mining companies operating in mining host communities and the Department of Mineral Resources and Energy, and the Mineral Council of South Africa. The research instruments have been preferred for this specific study for several advantages such as anonymity form, time, and cost effectiveness. However, survey

questionnaires have their own limitations including the fact that information cannot be improved by further questioning or observations from respondents (Jonker & Pennink, 2010). The limitations were then be supported by secondary data.

### **3.5 Data collection strategy**

Mining companies keep a database of their suppliers and service providers. Approval and permission of mining companies to conduct surveys on their employees and service provider was not a requirement, as the study was not specific to a certain mining company but generic across the country. Respondents were randomly selected to form part of the sample for participation into the survey questionnaires. Reminder messages were also sent to the population to complete the survey questionnaires.

### **3.6 Data analysis strategies and interpretation**

The study has adopted a quantitative research approach. Computational data analysis methods were utilised to analyse collected data sets using SPSS. The tool has been chosen for its unique integration of research process and data interpretation (Morgan et al, 2004). Descriptive statistics analysis was used to describe and summarise the calculated datasets (Parampreet at al, 2018) to make informed recommendations on the perceived impact of inclusive and preferential procurement strategies within mining host communities in South Africa.

The simple linear regression analysis also used in the study hypothesis testing to determine or estimate the relationship and interdependencies of the theories or variables identified on the theoretical framework (Chatterjee & Ali, 2012). The analysis and interpretation of the results from the descriptive statistics and simple linear regression analysis model ultimately provided an indication of the perceived inclusive and preferential procurement strategies impact on mining host communities, and the constructs interdependencies thereof.

## **3.7 Quality Assurance**

### **3.7.1 Reliability**

Data reliability tests were conducted to determine and verify the internal consistency of the scale items in the research questionnaire (Bryman & Bell, 2011), to ensure the reliability of the Likert-type scales used (Gay & Airasian, 2000). The Cronbach's alpha reliability test was used to determine how closely related the study's constructs are (Kennedy, 2022). This determined if the finding from the study can be replicated (McLeod, 2007). The mining industry is economically cyclical (Mareels, Moore & Vaiberg, 2020), and the operating environment changes frequently, which might make obtaining the same results throughout a bit difficult, however a strong positive correlation should exist between the result of the same test (Balkin, 2017).

### **3.7.2 Internal and external validity**

To address the issue of accuracy within the research design and instrument, Internal validity tests were applied (Lewkowicz, 2021). The tests also examined the degree of biasness in the form of system errors and untrustworthiness on the study design, conduct, and analysis (Andrade, 2018), when determining the perceived socio-economic impact of inclusive and preferential procurement strategies by mining companies within South African mining host communities.

External validity of the research constructs was determined by observing if the study can be validly generalised to the population from which the sample was drawn (Onwuegbuzie, 2000). External validity may however also be poor when conducting the research on vulnerable groups or groups with socio demographic restrictions (Juni, Altman, & Egger, 2001). The selected population and sample of the study however does not include such designated groups.

### **3.8 Ethical considerations**

The research also considered several ethical issues when dealing with the respondents and managing the data provided to mitigate the risk of incorrect reporting through biasness, incorrect and inappropriate use of information. Legal and ethical issues form an important component of modern research (Yip et al., 2016). The respondents served as primary data sources and their integrity was protected at all times through ethical analysis and reporting (van Belle et al., 2014).

In conducting the research between the different stakeholders within the mining industry and host communities, the below considerations were made:

- Protecting the rights of research participants or survey and interviews respondents.
- Enhancing research validity through relevant data collection, in line with the research subject.
- Maintaining a scientific and academic integrity through ethical data collection, analysis and reporting.

Ethical considerations of the study were also obtained the University Ethics committee. The approved ethics clearance certificate is referenced under Appendix C.

### **3.9 Assumptions**

- The assumption is that the respondents were open and as truthful as possible in their Responses.
- The research was conducted in an ethical and unbiased manner from both the researcher and the respondents.
- Authorities were willing to share the data and reports

## 4. PRESENTATION AND ANALYSIS OF RESULTS

### 4.1 Introduction

The purpose of this chapter is to present and analyse data results obtained from the data sample and population. The results in this study were obtained from 403 respondents through an anonymous electronic survey. The chapter commences by providing a descriptive data analysis of respondents' demographic profiles by gender, age group, education level, persons living with disability, occupation and mining sector or region where they are based. The research study also analyses empirical data through secondary data sources. The analysis of all qualified responses from the 5-likert scale research questionnaire is also conducted using descriptive statistics and simple linear regression analysis, which is then concluded by the presentation of research structural model and provide the aggregate results of the hypotheses tests. This section also provides an in-depth discussion, interpretation and make deductions of the results.

### 4.2 Analysis of demographic profiles

A descriptive analysis of respondent's demographic profiles is presented below:

#### 4.2.1 Gender profile of respondents

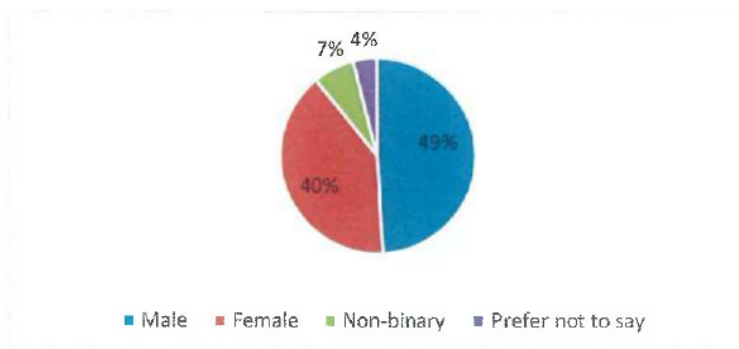


Figure 6: Gender profile of respondents

Figure 5 above represents the gender profile all respondents who responded to the research study. These are individuals who are directly and indirectly impacted by mining operations around South Africa. 403 respondents responded to the anonymous electronic survey, of which 198 (49%) were male, 161 (40%) were female, 28 (7%) were non-binary and 16 (4%) preferred not to say, in that chronological order.

#### 4.2.2 Age group

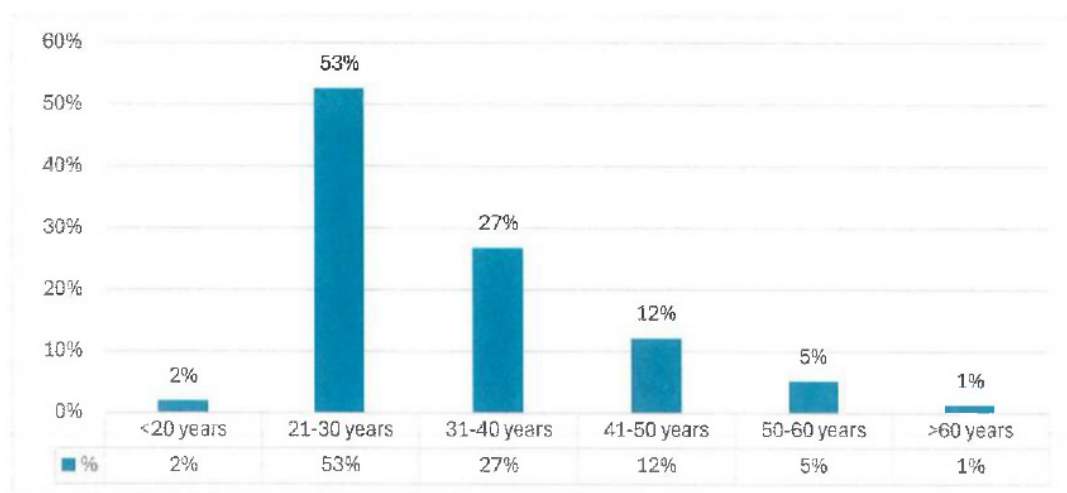


Figure 7: Age group

The age groups of the respondent are shown in Figure 6 above. The results indicate that most of the respondents are between the ages of 20-30 years at 53% (n=212) followed by the age group between 31 – 40 years at 27% (n=108). These are predominantly individuals who fall within the youth category. Respondents over the age of 60 were the least participants on the survey at 1% (n=5). These are respondents who most likely retired, followed by respondents younger than 20 years old at 2% (n=8). These are individuals who probably still at school or pursuing their tertiary education.

#### 4.2.3 Educational level

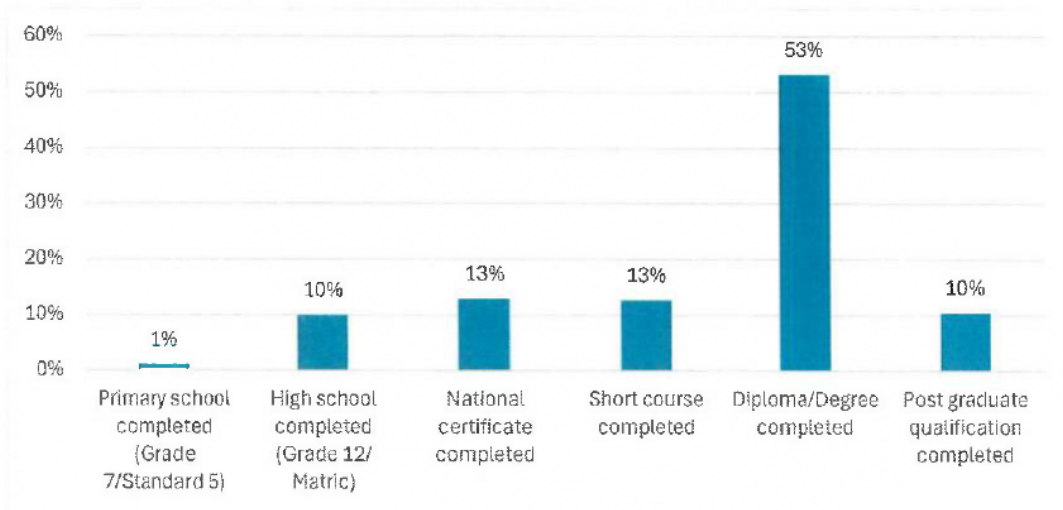


Figure 8: Educational level

The results on Figure 7 above indicate that most of the respondents have attained at least a Diploma or Degree at 58% (n=214), followed by National Certificate holders at 13% (n=52). The results also show that only 1% (n=4) managed to complete their primary school, and 10% (n=40 & n=42) complete their Matric and post-graduate qualifications respectively.

#### 4.2.4 Occupation

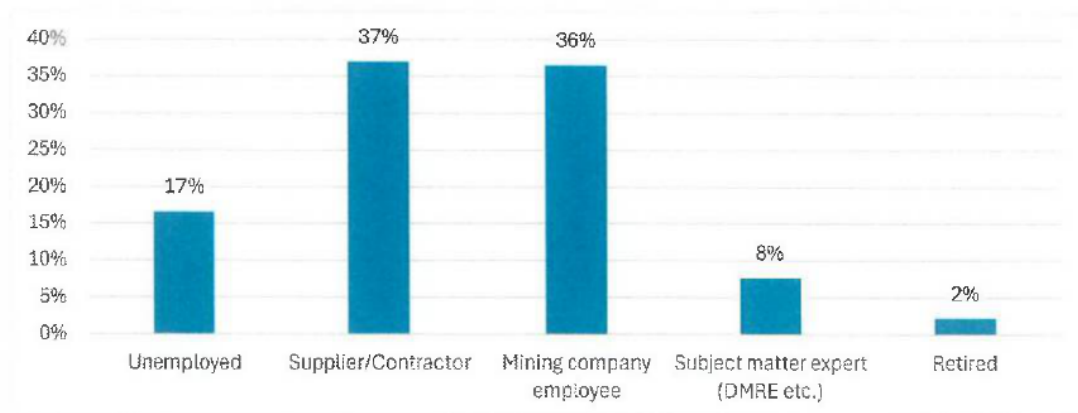


Figure 9: Occupation



The major contributing group with regards to the line of work or occupation as stipulated under Figure 8 were suppliers or contractors at 37% (n=149), as the study relates to the impact of procurement opportunities within the mining industry. This was followed by mining company employees, who are predominately working for Supply Chain and Corporate Affairs responsible for procurement and ESG initiatives at 36% (n=147). The results also show a low response rate from mining industry subject matter experts, as there is not a lot of them in the industry at 8% (n=31), however more unemployed individuals recorded their responses at 17% (n=67).

#### 4.2.5 Mining Sector/Region

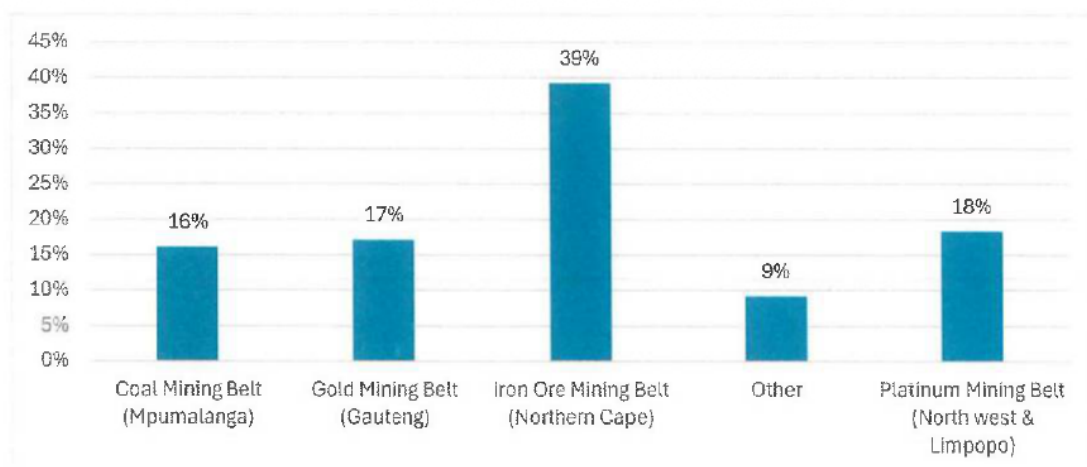


Figure 10: Mining sector/region

Figure 9 shows the segmentation of the South African mining industry by commodity and areas or regions of operations. The Northern Cape which is popular for Iron Ore and Diamonds recorded the highest number of responses at 39% (n=158), followed by the Platinum mining belt in Limpopo, then Gold mining belt in Gauteng and Coal mining belt in Mpumalanga at 18% (n=74), 17% (n=69) and 16% (n=65) respectively. Other mining resources also contributed to the research survey at 9% (n=37).

#### 4.2.6 *Persons living with disability*

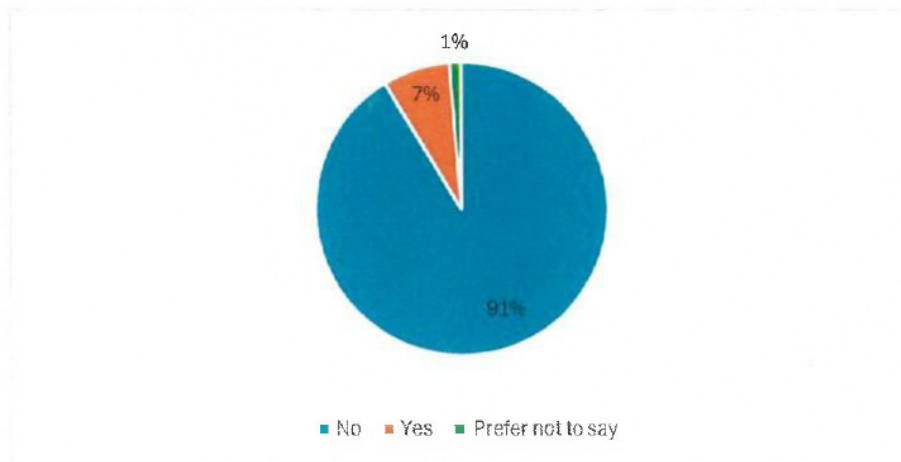


Figure 11: Persons living with disability

For diversity purposes, the study also had to include the probability of respondents living with disabilities. From the 403 responses, 30 respondents are living with a disability, which 7% of the total respondents and 1% (n=5) elected not to say.

### 4.3 Frequency analysis

This section presents the results of the 5-Likert scale questionnaire. The results are presented as per the 3 constructs of the research questionnaire namely, i. Mining host community background, ii. Inclusive & preferential procurement and iii. Socio-economic impact & community development. Each section or construct is graphically represented below with a makeup of 6, 8 and 9, and they are 23 altogether. This analysis forms part of Part 2: Survey questions, of the research instrument as highlighted in Appendix A. Part 2: Demographic questions, of the research instrument has already been presented under the descriptive statistics section.

### 4.3.1 Mining host communities background

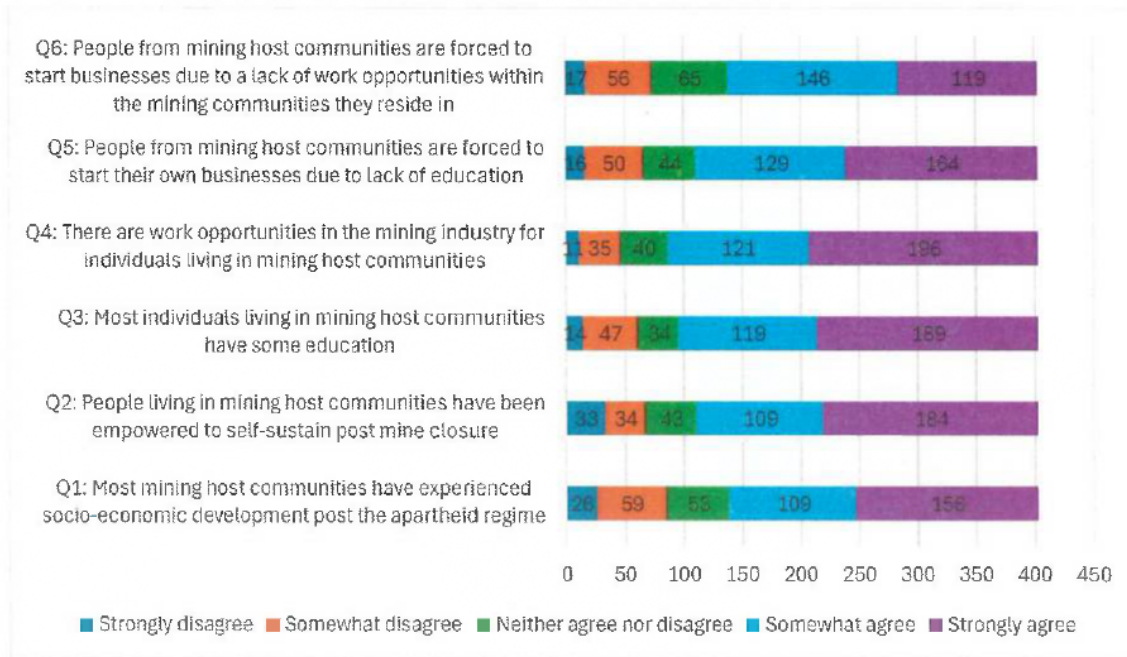


Figure 12: Frequencies for mining host community background

Figure 11 above depicts a picture of the respondents' opinions on the historical background of mining host community residents and the mining community at large. The results show that most respondents strongly believe that there's been great socio-economic development and improvement within mining host communities post the apartheid regime, and mining host communities' residents have been empowered to self-sustain post mine closure. In addition, the graphical representation indicates that just under ~50%, an average of 190 respondents strongly believes that people residing in mining host communities have some level of education, and they are afforded work opportunities within companies. Contrary to the above statement, 164 and 190 out of 403 respondents believe that mining host communities residents establish their businesses due to the lack of education and work opportunities within the mining host communities they reside.

### 4.3.2 Inclusive & preferential procurement

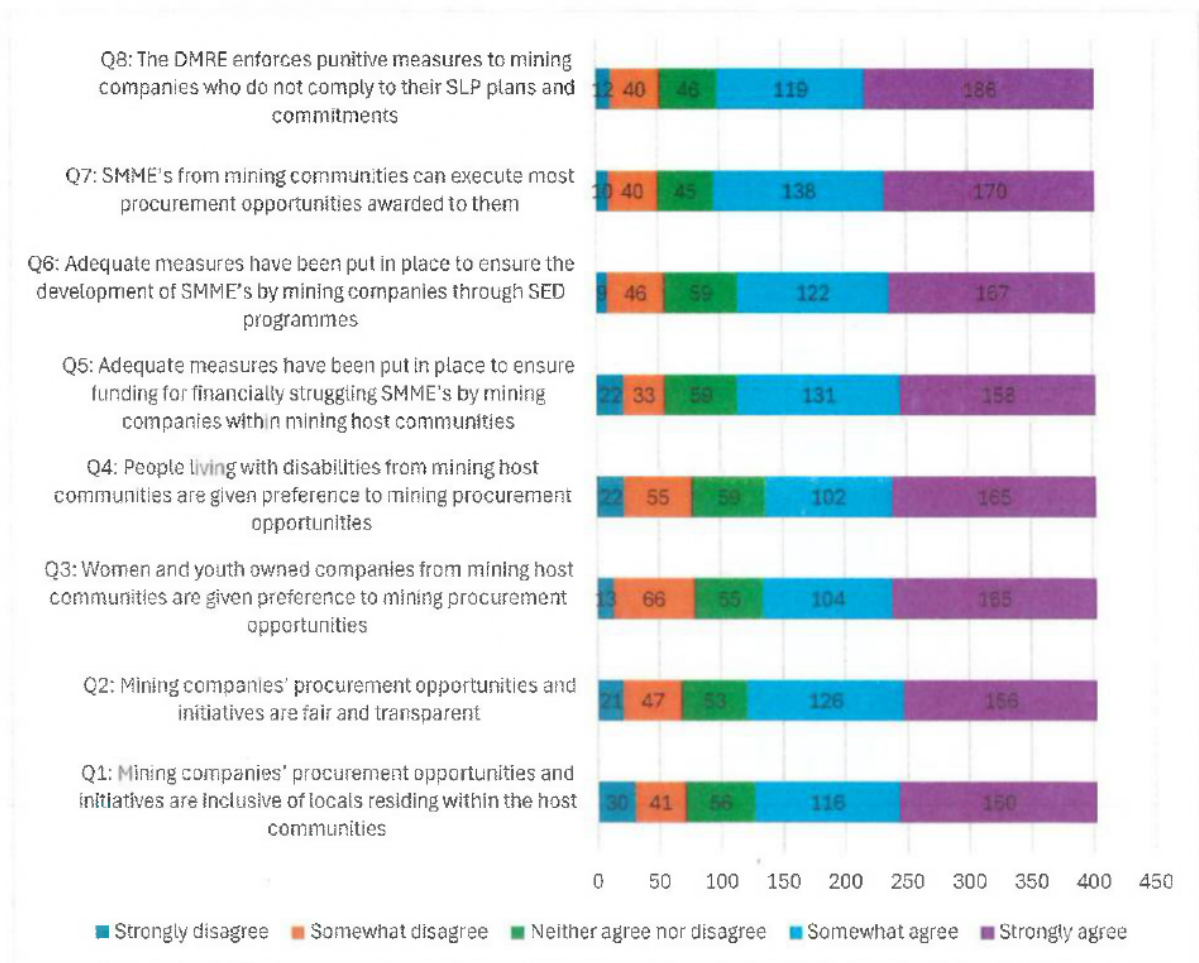


Figure 13: Frequencies for inclusive and preferential procurement

Figure 12 above illustrates the respondents' views and opinions on their understanding of inclusive and preferential procurement strategies and their implementation by mining companies thereof. Only ~40% of the respondents strongly agree that mining companies' procurement opportunities and initiatives are inclusive of locals, implemented fairly and transparent, marginalised groups such as women, youth and people living with disability are given preference. The other ~60% believe that there's still work to be done. In addition, ~45% of the respondents strongly agree that adequate measures have been put in place to ensure the development of SMME's by mining companies, and the DMRE is



tracking progress and applying punitive measures to non-compliant mining companies.

### 4.3.3 Socio economic impact & community development

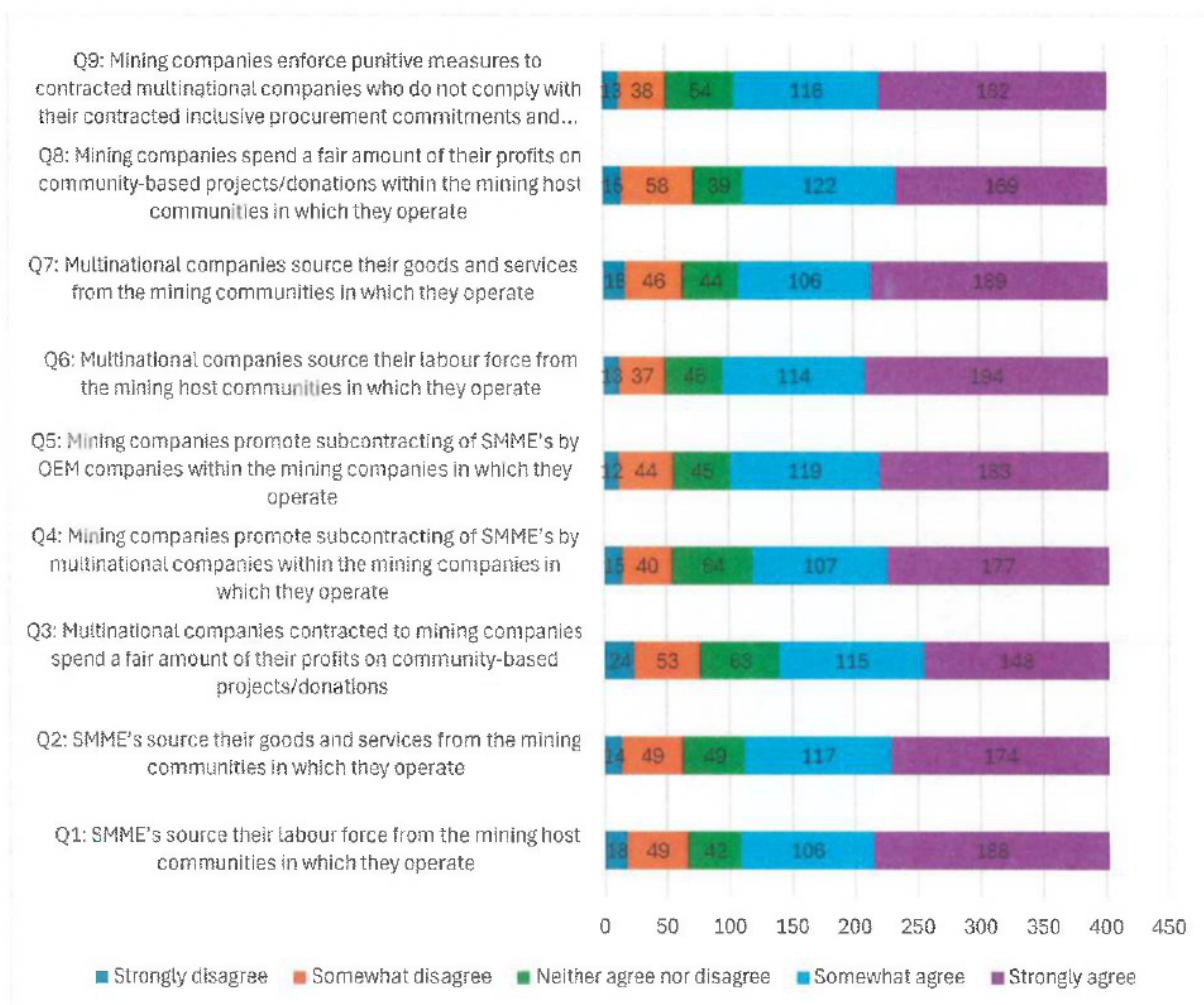


Figure 14: Frequencies for socio economic impact & community development

In Figure 13 it was observed that 294 (188 strongly agree & 106 somewhat agree) and 308 (194 strongly agree & 114 somewhat agree) out of 403 respondents indicated that SMME's and multinational companies source their labour force from mining host communities respectively. Additionally, it was also recorded that 291 and 295 out of 403 respondents indicated that SMME's and multinational companies source their goods and service within mining host communities they

operate, which is a ~73% confidence level. ~35% of the respondents however still feel that mining companies does not promote subcontracting of SMME's by multinational companies, and they do not spend enough to boost their socio-economic wellbeing and community development.

## 4.4 Measurement Model Analysis

This section of the research study presents the results of the validity and reliability of the research measurement instrument. The research constructs for this study; (i.) Mining host communities background, (ii.) Inclusive & preferential procurement and (iii.) Socio-economic impact & community development within mining host communities are measured to determine their internal consistency and accuracy. The analysis of the measurement model is firstly conducted through the Cronbach Alpha test to measure the reliability of the research constructs, then followed by the Principal Component Analysis (PCA) to measure the validity of the constructs test results.

### 4.4.1 Reliability test

|       |                       | N   | %     |
|-------|-----------------------|-----|-------|
| Cases | Valid                 | 402 | 99.8  |
|       | Excluded <sup>a</sup> | 1   | .2    |
|       | Total                 | 403 | 100.0 |

Table 1: Descriptive Statistics

a. Listwise deletion based on all variables in the procedure.

| Reliability Statistics |            |
|------------------------|------------|
| Cronbach's Alpha       | N of Items |
| .943                   | 23         |

Table 2: Reliability Statistics

### Item Statistics

|       | Mean | Std.<br>Deviation | N   |
|-------|------|-------------------|-----|
| Q8_1  | 3.77 | 1.279             | 402 |
| Q8_2  | 3.93 | 1.280             | 402 |
| Q8_3  | 4.10 | .931              | 402 |
| Q8_4  | 4.13 | .793              | 402 |
| Q8_5  | 3.93 | 1.170             | 402 |
| Q8_6  | 3.73 | 1.150             | 402 |
| Q9_1  | 3.83 | 1.262             | 402 |
| Q9_2  | 3.85 | 1.114             | 402 |
| Q9_3  | 3.79 | 1.169             | 402 |
| Q9_4  | 3.82 | 1.252             | 402 |
| Q9_5  | 3.87 | .881              | 402 |
| Q9_6  | 3.98 | 1.105             | 402 |
| Q9_7  | 3.99 | 1.031             | 402 |
| Q9_8  | 4.10 | 1.073             | 402 |
| Q10_1 | 3.99 | 1.201             | 402 |
| Q10_2 | 3.96 | 1.164             | 402 |
| Q10_3 | 3.88 | 1.166             | 402 |
| Q10_4 | 3.90 | 1.109             | 402 |
| Q10_5 | 4.03 | 1.128             | 402 |
| Q10_6 | 4.09 | 1.118             | 402 |
| Q10_7 | 4.01 | 1.190             | 402 |
| Q10_8 | 3.75 | .840              | 402 |
| Q10_9 | 4.06 | 1.013             | 402 |

Table 3: Item Statistics

| Item-Total Statistics |                               |                                      |                                        |                                        |
|-----------------------|-------------------------------|--------------------------------------|----------------------------------------|----------------------------------------|
|                       | Scale Mean if<br>Item Deleted | Scale<br>Variance if<br>Item Deleted | Corrected<br>Item-Total<br>Correlation | Cronbach's<br>Alpha if Item<br>Deleted |
| Q8_1                  | 86.73                         | 265.805                              | .560                                   | .942                                   |
| Q8_2                  | 86.56                         | 264.601                              | .589                                   | .941                                   |
| Q8_3                  | 86.39                         | 272.458                              | .568                                   | .941                                   |
| Q8_4                  | 86.36                         | 277.987                              | .460                                   | .943                                   |
| Q8_5                  | 86.56                         | 265.608                              | .624                                   | .941                                   |
| Q8_6                  | 86.77                         | 269.426                              | .531                                   | .942                                   |
| Q9_1                  | 86.66                         | 263.357                              | .631                                   | .941                                   |
| Q9_2                  | 86.64                         | 264.938                              | .678                                   | .940                                   |

|       |       |         |      |      |
|-------|-------|---------|------|------|
| Q9_3  | 86.71 | 267.929 | .562 | .942 |
| Q9_4  | 86.67 | 261.933 | .673 | .940 |
| Q9_5  | 86.62 | 274.500 | .531 | .942 |
| Q9_6  | 86.52 | 264.784 | .689 | .940 |
| Q9_7  | 86.50 | 268.016 | .643 | .940 |
| Q9_8  | 86.39 | 265.441 | .692 | .940 |
| Q10_1 | 86.50 | 262.345 | .694 | .940 |
| Q10_2 | 86.53 | 262.948 | .701 | .939 |
| Q10_3 | 86.61 | 263.978 | .672 | .940 |
| Q10_4 | 86.59 | 266.103 | .648 | .940 |
| Q10_5 | 86.46 | 263.715 | .704 | .939 |
| Q10_6 | 86.40 | 263.867 | .707 | .939 |
| Q10_7 | 86.48 | 261.442 | .726 | .939 |
| Q10_8 | 86.74 | 275.555 | .521 | .942 |
| Q10_9 | 86.43 | 268.226 | .649 | .940 |

Table 4: Item-Total Statistics

The results in Table 2 show a Cronbach's alpha ( $\alpha$ ) value of 0.943 for 23 items, which is above 0.6 and closer to 1 for all constructs. These values represent very good reliability and acceptable levels of internal consistency. According to Lani (2023), Cronbach alpha results should theoretically give results between 0 to 1, but you can get negative numbers as well. Cronbach's alpha values of these constructs were between 0.939 and 0.943, which is very reliable, exceeding the 0.7 threshold recommended by Bryman and Bell (2011).

#### 4.4.2 Validity test

The Pearson Correlation for the total of all constructs as per validity test results in **Appendix B** is significant at the 0.01 level for the 2-tailed test, for the 403 number of items. This indicates a high level of correlation significance, because it is less than the significance level of 0.05. When comparing the obtained results with the correlation coefficient against the critical values in the table degree of freedom at 2-tailed N-2, the calculated value is greater than the table value, so it can be assumed that it is significant, and the questions are valid.



The observation also made from Table 3 above is that all items per construct had a mean that ranged from 3.73 to 4.13. Additionally, the standard deviation values for each item ranged from 0,793 to 1,280. In both cases (mean and standard deviation), the values were between -2 and +2 indicating an even distribution of the data.

## 4.5 Regression analysis results

A simple linear regression analysis was conducted on the research study to determine interdependencies amongst the study variables. This was aimed at measuring the relationship between two variables (Dependant and independent) and determining the strength of the relationship thereof within the study model (Zou, Tuncali & Silverman, 2003). The regression analysis model can also be expressed in a form of an equation highlighted below, where a is the y-intercept and b is the slope.

$$y=a'+b'x$$

### 4.5.1 Hypothesis 1: Evaluating the relationship between poor/lack of education and entrepreneurship.

The below simple linear regression statistics aims to evaluate the relationship between poor/lack of education and entrepreneurship.

- Q8\_3 = Poor or lack of education
- Q8\_5 = Entrepreneurship

**Regression:**

|      | Descriptive Statistics |                | N   |
|------|------------------------|----------------|-----|
|      | Mean                   | Std. Deviation |     |
| Q8_3 | 4.11                   | .931           | 403 |
| Q8_5 | 3.93                   | 1.170          | 403 |

| Correlations    |      |       |       |
|-----------------|------|-------|-------|
|                 |      | Q8_3  | Q8_5  |
| Pearson         | Q8_3 | 1.000 | .434  |
| Correlation     | Q8_5 | .434  | 1.000 |
| Sig. (1-tailed) | Q8_3 | .     | <.001 |
|                 | Q8_5 | .000  | .     |
| N               | Q8_3 | 403   | 403   |
|                 | Q8_5 | 403   | 403   |

| Variables Entered/Removed <sup>a</sup> |                   |                   |        |
|----------------------------------------|-------------------|-------------------|--------|
| Model                                  | Variables Entered | Variables Removed | Method |
| 1                                      | Q8_5 <sup>b</sup> |                   | Enter  |

Table 5: Description Statistics (H1)

- a. Dependent Variable: Q8\_3  
b. All requested variables entered.

| Model Summary <sup>b</sup> |                   |          |                   |                            |               |
|----------------------------|-------------------|----------|-------------------|----------------------------|---------------|
| Model                      | R                 | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
| 1                          | .434 <sup>a</sup> | .188     | .186              | .840                       | 1.532         |

Table 6: Model Summary (H1)

- a. Predictors: (Constant), Q8\_5  
b. Dependent Variable: Q8\_3

| ANOVA <sup>a</sup> |            |                |     |             |        |                    |
|--------------------|------------|----------------|-----|-------------|--------|--------------------|
| Model              |            | Sum of Squares | df  | Mean Square | F      | Sig.               |
| 1                  | Regression | 65.621         | 1   | 65.621      | 93.052 | <.001 <sup>b</sup> |
|                    | Residual   | 282.791        | 401 | .705        |        |                    |
|                    | Total      | 348.412        | 402 |             |        |                    |

Table 7: ANOVA (H1)

- a. Dependent Variable: Q8\_3  
b. Predictors: (Constant), Q8\_5

|       |            | Coefficients <sup>a</sup>   |                           |      |        |                                 |                         |
|-------|------------|-----------------------------|---------------------------|------|--------|---------------------------------|-------------------------|
|       |            | Unstandardized Coefficients | Standardized Coefficients |      |        | 95.0% Confidence Interval for B |                         |
| Model |            | B                           | Std. Error                | Beta | T      | Sig.                            | Lower Bound Upper Bound |
| 1     | (Constant) | 2.749                       | .147                      |      | 18.724 | <.001                           | 2.460 3.038             |
|       | Q8_5       | .345                        | .036                      | .434 | 9.646  | <.001                           | .275 .416               |

Table 8: Coefficients (H1)

a. Dependent Variable: Q8\_3

| Residuals Statistics <sup>a</sup> |         |         |      |                |     |
|-----------------------------------|---------|---------|------|----------------|-----|
|                                   | Minimum | Maximum | Mean | Std. Deviation | N   |
| Predicted Value                   | 3.09    | 4.48    | 4.11 | .404           | 403 |
| Residual                          | -3.476  | 1.905   | .000 | .839           | 403 |
| Std. Predicted Value              | -2.505  | .914    | .000 | 1.000          | 403 |
| Std. Residual                     | -4.139  | 2.269   | .000 | .999           | 403 |

Table 9: Residual Statistics (H1)

a. Dependent Variable: Q8\_3

## Charts

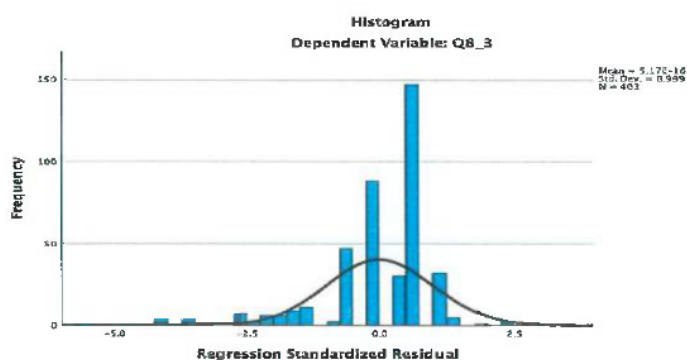


Figure 15: Histogram - Dependent Variable: Q8\_3

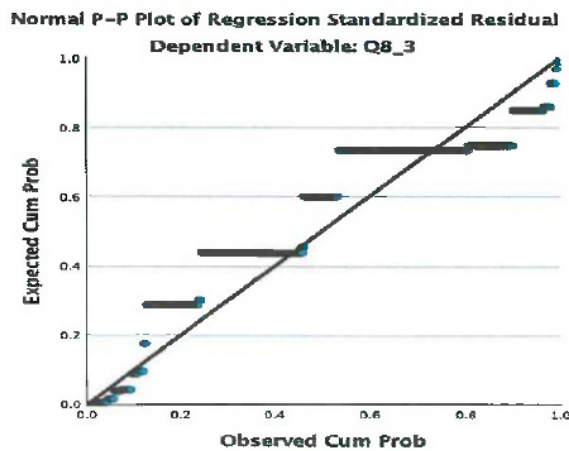


Figure 16: Normal P-P Plot - Dependent Variable: Q8\_3

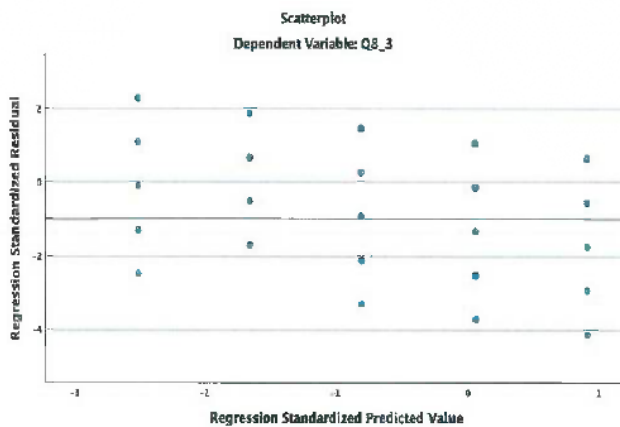


Figure 17: Scatter Plot - Dependent Variable: Q8\_3

The first hypothesis was to study the relationship or interdependencies between poor or lack of education and entrepreneurship. A simple linear regression was conducted between the two variables with Entrepreneurship being the independent variable (X) and poor or lack of education being the dependent variable (Y). The results of the regression test are shown on the above tables and subsequent normality histogram and scatter plot graphs. The value calculated for the coefficient of determination or R-Squared ( $R^2$ ) as shown on the Model Summary table 6 is  $R^2 = 0.186$ . This means that only 18.6% of the data analysed could be explained by the linear regression. According of Frost (2024), Small R-

squared values are not always a problem and conversely, high R-squared values are not necessarily good.

The independence of observations is checked by examining for independence of errors using the Durbin-Watson test as per Model Summary table 6. The test results show Durbin-Watson statistics value of 1.532. This indicates an independence of the results as the value it is not less than 1 or greater than 3. The assumption of independence for these variables has been met.

The normality assumption is illustrated on the P-P plot figure 15. The dots generally line up along a 45-degree line. This indicates the normality of residuals. The dependent variable of poor or lack of education is also normally distributed as per normality histogram for dependent variable figure 14. The scatter plot of the standardised residuals against the predicted values is elliptical, as it should. All the assumptions for a regression have been met.

The descriptive statistics table 5 show that 403 responses were used. The dependant variable had a Mean and Standard Deviation of 4.11 and 0.931 respectively. The independent variable had a Mean and Standard Deviation of 3.93 and 1.170 respectively. The correlation matrix as per table 5 indicate that the dependant and independent variables correlate at 1.000 and 0.434. This indicates a very strong positive correlation between poor or lack of education and entrepreneurship. According to the Coefficients table 8, a and b of the regression are categorised under Unstandardised B column, with a=2.749 being the "constant" and b=0.345. This is equationally represented as  $y = 2.749 + 0.345x$ . This implies that for every 1 unit increase in the predictor variable, the outcome variable will increase by the unstandardised b coefficient value. which is 0.345. The results can also be presented as for every 1 unit increase in individuals with poor education, the individuals who will explore the entrepreneurship route will increase by 0.345. The relationship between the variables is significant, and the study fails to reject the hypothesis.

#### 4.5.2 Hypothesis 2: Evaluating the relationship between barriers of entry into the job market and entrepreneurship.

The below simple linear regression statistics aim to evaluate the relationship between barriers of entry into the job market and entrepreneurship.

- Q8\_4 = Barriers of entry into the job market
- Q8\_6 = Entrepreneurship

**Regression:**

| Descriptive Statistics |                |     |  |
|------------------------|----------------|-----|--|
| Mean                   | Std. Deviation | N   |  |
| 4.13                   | .793           | 403 |  |
| 3.73                   | 1.150          | 403 |  |

| Correlations        |      |       |       |
|---------------------|------|-------|-------|
|                     |      | Q8_4  | Q8_6  |
| Pearson Correlation | Q8_4 | 1.000 | .198  |
|                     | Q8_6 | .198  | 1.000 |
| Sig. (1-tailed)     | Q8_4 | .     | <.001 |
|                     | Q8_6 | .000  | .     |
| N                   | Q8_4 | 403   | 403   |
|                     | Q8_6 | 403   | 403   |

| Variables Entered/Removed <sup>a</sup> |                   |                   |         |
|----------------------------------------|-------------------|-------------------|---------|
| Model                                  | Variables Entered | Variables Removed | Method  |
| 1                                      | Q8_6 <sup>b</sup> |                   | . Enter |

Table 10: Descriptive Statistics (H2)

a. Dependent Variable: Q8\_4

b. All requested variables entered.

| Model Summary <sup>b</sup> |                   |          |                   |                            |               |
|----------------------------|-------------------|----------|-------------------|----------------------------|---------------|
| Model                      | R                 | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
| 1                          | .198 <sup>a</sup> | .039     | .037              | .778                       | 1.698         |

Table 11: Model Summary (H2)



a. Predictors: (Constant), Q8\_6

b. Dependent Variable: Q8\_4

| ANOVA <sup>a</sup> |            |                |     |             |        |                    |
|--------------------|------------|----------------|-----|-------------|--------|--------------------|
| Model              |            | Sum of Squares | df  | Mean Square | F      | Sig.               |
| 1                  | Regression | 9.918          | 1   | 9.918       | 16.377 | <.001 <sup>b</sup> |
|                    | Residual   | 242.846        | 401 | .606        |        |                    |
|                    | Total      | 252.764        | 402 |             |        |                    |

Table 12: ANOVA (H2)

a. Dependent Variable: Q8\_4

b. Predictors: (Constant), Q8\_6

| Coefficients <sup>a</sup> |            |                             |            |                           |        |       |                                 |             |
|---------------------------|------------|-----------------------------|------------|---------------------------|--------|-------|---------------------------------|-------------|
| Model                     |            | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig.  | 95.0% Confidence Interval for B |             |
|                           |            | B                           | Std. Error |                           |        |       | Lower Bound                     | Upper Bound |
| 1                         | (Constant) | 3.625                       | .132       |                           | 27.516 | <.001 | 3.366                           | 3.883       |
|                           | Q8_6       | .137                        | .034       | .198                      | 4.047  | <.001 | .070                            | .203        |

Table 13: Coeffients (H2)

a. Dependent Variable: Q8\_4

| Residuals Statistics <sup>a</sup> |         |         |      |                |     |
|-----------------------------------|---------|---------|------|----------------|-----|
|                                   | Minimum | Maximum | Mean | Std. Deviation | N   |
| Predicted Value                   | 3.76    | 4.31    | 4.13 | .157           | 403 |
| Residual                          | -3.308  | 1.239   | .000 | .777           | 403 |
| Std. Predicted Value              | -2.374  | 1.105   | .000 | 1.000          | 403 |
| Std. Residual                     | -4.250  | 1.592   | .000 | .999           | 403 |

Table 14: Residual Statistics (H2)

a. Dependent Variable: Q8\_4

## Charts

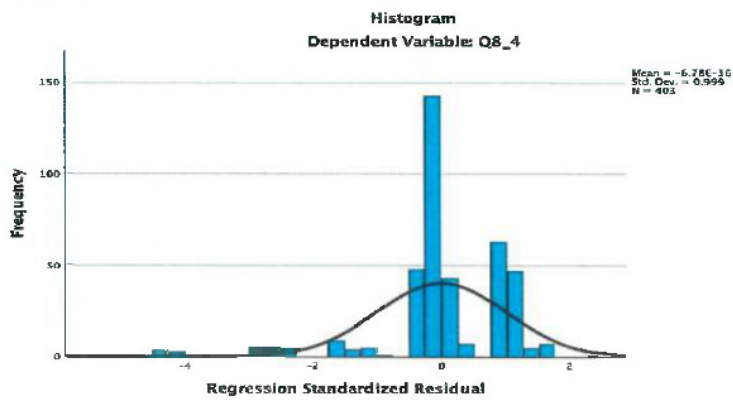


Figure 18: Histogram - Dependent Variable: Q8\_4

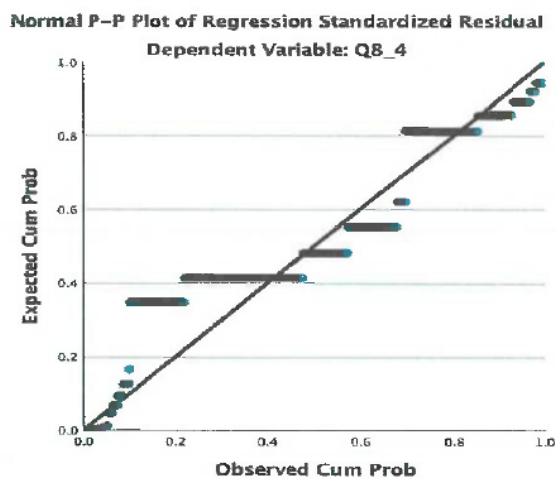


Figure 19: Normal P-P Plot - Dependent Variable: Q8\_4



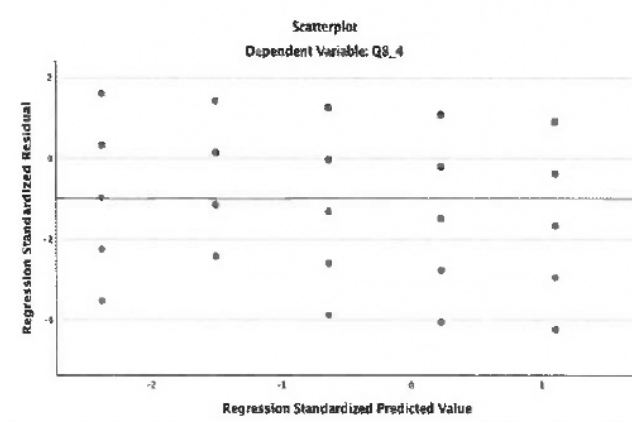


Figure 20: Scatter Plot - Dependent Variable: Q8\_4

The second hypothesis was to study the relationship or interdependencies between barriers of entry to the job market and entrepreneurship. A simple linear regression was conducted between the two variables with Entrepreneurship being the independent variable (X) and barriers of entry to the job market being the dependent variable (Y). The results of the regression test are shown on the above tables and subsequent normality histogram and scatter plot graphs. The value calculated for the coefficient of determination or R-Squared ( $R^2$ ) shown in table 11 is  $R^2 = 0.037$ . This means that only 3.7% of the data analysed could be explained by the linear regression.

The independence of observations is checked by examining for independence of errors using the Durbin-Watson test as per Model Summary table 11. The test results show Durbin-Watson statistics value of 1.698. This indicates an independence of the results as the value is not less than 1 or greater than 3. The assumption of independence for these variables has been met.

The normality assumption is illustrated on the P-P plot figure 18. The dots generally line up along a 45-degree line. This indicates the normality of residuals. The dependent variable of barriers of entry into the job market is also normally distributed as per normality histogram for dependent variable figure 17. The scatter plot of the standardised residuals against the predicted values is also elliptical, as it should. All the assumptions for a regression have been met.

The descriptive statistics table 10 show that 403 responses were used. The dependant variable had a Mean and Standard Deviation of 4.13 and 0.793 respectively. The independent variable had a Mean and Standard Deviation of 3.73 and 1.150 respectively. The correlation matrix as per table 10 indicate that the dependant and independent variables correlate at 1.000 and 0.198. This indicates a very strong positive correlation between barriers of entry into the job market and entrepreneurship. According to the Coefficients table 13, a and b of the regression are categorised under Unstandardised B column, with a=3.625 being the “constant” and b=0.137. This is equationally represented as  $y = 3.625 + 0.137x$ . This implies that for every 1 unit increase in the predictor variable, the outcome variable will increase by the unstandardised b coefficient value, which is 0.137. The results can also be presented as for every 1 unit increase in individuals who struggle to get access to the job market, the individuals who will explore the entrepreneurship route will increase by 0.137. The relationship between the variables is significant, and the study fails to reject the hypothesis.

#### ***4.5.3 Hypothesis 3: Evaluating the relationship between entrepreneurship and socio-economic impact and community development.***

The below simple linear regression statistics aim to evaluate the relationship between entrepreneurship and socio-economic impact and community development.

- Q10\_3 = Socio-economic impact and community development
- Q10\_8 = Entrepreneurship

**Regression:**

| Descriptive Statistics |                |     |
|------------------------|----------------|-----|
| Mean                   | Std. Deviation | N   |
| 3.88                   | 1.164          | 403 |
| 3.75                   | .839           | 403 |

| Correlations    |       |       |       |
|-----------------|-------|-------|-------|
|                 |       | Q10_3 | Q10_8 |
| Pearson         | Q10_3 | 1.000 | .456  |
| Correlation     | Q10_8 | .456  | 1.000 |
| Sig. (1-tailed) | Q10_3 | .     | <.001 |
|                 | Q10_8 | .000  | .     |
| N               | Q10_3 | 403   | 403   |
|                 | Q10_8 | 403   | 403   |

| Variables Entered/Removed <sup>a</sup> |                    |                   |        |
|----------------------------------------|--------------------|-------------------|--------|
| Model                                  | Variables Entered  | Variables Removed | Method |
| 1                                      | Q10_8 <sup>b</sup> | .                 | Enter  |

Table 15: Descriptive Statistics (H3)

- a. Dependent Variable: Q10\_3  
b. All requested variables entered.

| Model Summary <sup>b</sup> |                   |          |                   |                            |               |
|----------------------------|-------------------|----------|-------------------|----------------------------|---------------|
| Model                      | R                 | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
| 1                          | .456 <sup>a</sup> | .208     | .206              | 1.038                      | 1.404         |

Table 16: Model Summary (H3)

- a. Predictors: (Constant), Q10\_8  
b. Dependent Variable: Q10\_3

| ANOVA <sup>a</sup> |            |                |     |             |         |                    |
|--------------------|------------|----------------|-----|-------------|---------|--------------------|
| Model              |            | Sum of Squares | df  | Mean Square | F       | Sig.               |
| 1                  | Regression | 113.300        | 1   | 113.300     | 105.233 | <.001 <sup>b</sup> |
|                    | Residual   | 431.742        | 401 | 1.077       |         |                    |
|                    | Total      | 545.042        | 402 |             |         |                    |

Table 17: ANOVA (H3)

- a. Dependent Variable: Q10\_3  
b. Predictors: (Constant), Q10\_8

|       |            | Coefficients <sup>a</sup>   |            |                           |        |       |                                 |             |
|-------|------------|-----------------------------|------------|---------------------------|--------|-------|---------------------------------|-------------|
|       |            | Unstandardized Coefficients |            | Standardized Coefficients |        |       | 95.0% Confidence Interval for B |             |
| Model |            | B                           | Std. Error | Beta                      | t      | Sig.  | Lower Bound                     | Upper Bound |
| 1     | (Constant) | 1.502                       | .237       |                           | 6.325  | <.001 | 1.035                           | 1.968       |
|       | Q10_8      | .633                        | .062       | .456                      | 10.258 | <.001 | .512                            | .754        |

Table 18: Coefficients (H3)

a. Dependent Variable: Q10\_3

| Residuals Statistics <sup>a</sup> |         |         |      |                |     |
|-----------------------------------|---------|---------|------|----------------|-----|
|                                   | Minimum | Maximum | Mean | Std. Deviation | N   |
| Predicted Value                   | 2.13    | 4.67    | 3.88 | .531           | 403 |
| Residual                          | -3.667  | 2.865   | .000 | 1.036          | 403 |
| Std. Predicted Value              | -3.285  | 1.485   | .000 | 1.000          | 403 |
| Std. Residual                     | -3.534  | 2.761   | .000 | .999           | 403 |

Table 19: Residual Statistics (H3)

a. Dependent Variable: Q10\_3

## Charts

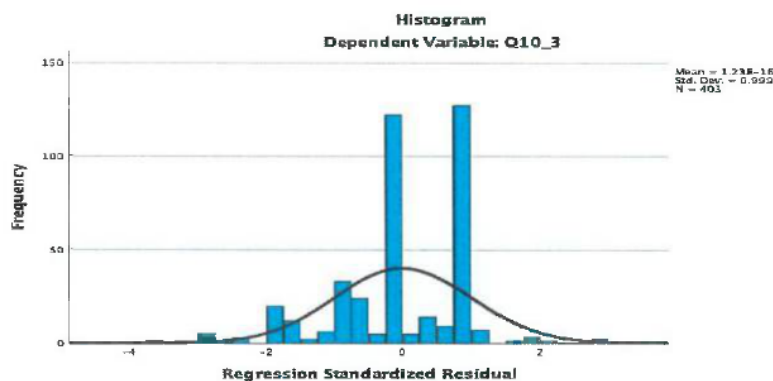


Figure 21: Histogram - Dependent Variable: Q10\_3

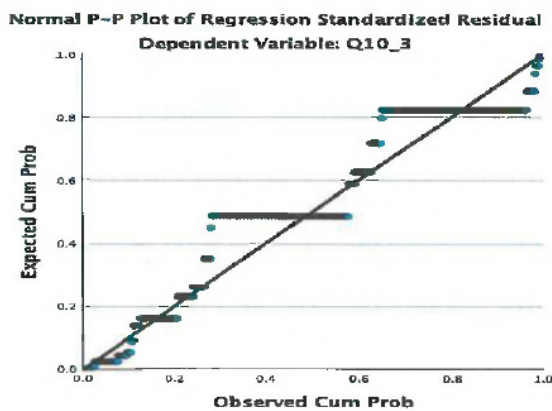


Figure 22: Normal P-P Plot - Dependant Variable: Q10\_3

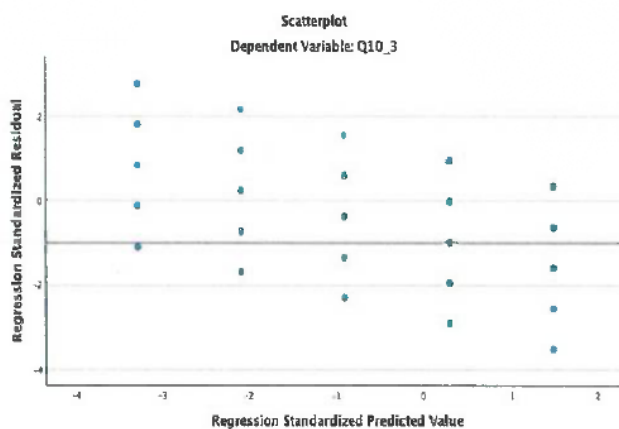


Figure 23: Scatter Plot - Dependent Variable: Q10\_3

Hypothesis 3 was to study the relationship or interdependencies entrepreneurship and socio-economy and community development. A simple linear regression was conducted between the two variables with entrepreneurship being the independent variable (X) and socio-economy and community development being the dependent variable (Y). The results of the regression test are shown on the above tables and subsequent normality histogram and scatter plot graphs. The value calculated for the coefficient of determination or R-Squared ( $R^2$ ) is  $R^2 = 0.206$ . This means that only 20.6% of the data analysed could be explained by the linear regression.

The independence of observations is checked by examining for independence of errors using the Durbin-Watson test as per Model Summary table 16. The test results show Durbin-Watson statistics value of 1.404. This indicates an independence of the results as the value it is not less than 1 or greater than 3. The assumption of independence for these variables has been met. The normality assumption is illustrated on the P-P plot figure 21. The dots generally line up along a 45-degree line. This indicates the normality of residuals. The dependent variable is also normally distributed as per normality histogram for dependent variable figure 20. The scatter plot of the standardised residuals against the predicted values is elliptical, as it should. All the assumptions for a regression have been met.

**4.5.4 Hypothesis 4: Evaluating the relationship between Inclusive and preferential procurement strategies (moderating variable) and entrepreneurship and socio-economic empowerment and community development.**

The descriptive statistics table 15 show that 403 responses were used. The moderating variable had a Mean and Standard Deviation of 3.88 and 1.164 respectively. The independent variable had a Mean and Standard Deviation of 3.75 and 0.839 respectively. The correlation matrix as per table 15 indicate that the dependant, independent and moderating variables correlate at 1.000 and 0.434. This indicates a very strong positive correlation between entrepreneurship and socio-economic impact and community development, with inclusive and preferential procurement strategies as a moderating variable. According to the Coefficients table 18, a and b of the regression are categorised under Unstandardised B column, with a=1.502 being the "constant" and b=0.633. This is equationally represented as  $y = 1.502 + 0.633x$ . This implies that for every 1 unit increase in the predictor variable, the outcome variable will increase by the unstandardised b coefficient value. which is 0.633. The results can also be presented as for every 1 unit increase in inclusive and preferential procurement strategies implementation, socio-economic impact and community development

by 0.633. The relationship between the variables is significant, and the study fails to reject the hypothesis.

#### **4.6 Summary of the research results and findings**

The aim of this chapter was to provide thorough analysis, in-depth discussion, interpretation and make deductions of the results obtained from the collected data. 403 responses were received through the research survey. An overview of respondents' profiles was presented through graphical summaries highlighting their demographics. The results indicated that most respondents strongly believe that there's been great socio-economic development and improvement within mining host communities post the apartheid regime, and mining host communities' residents have been empowered through education and job opportunities to self-sustain post mine closure, with some also strongly indicating that mining companies' procurement opportunities and initiatives are inclusive of locals, implemented fairly and transparent. Most of the respondents also indicated that mining companies and their contractors also source their labour, goods and services locally. Additionally, the reliability test was conducted to determine the reliability and acceptable levels of internal consistency of the research data. A Cronbach's alpha ( $\alpha$ ) value of 0.943 for all 23 Questions was attained, which is above 0.6 and closer to 1 for all constructs. This represented a greater level of reliability for the research data. The Pearson Correlation test was also conducted for the total of all constructs to determine the validity or accuracy of the research data, and it was significant at the 0.01 level for the 2-tailed test. It found that the test results were significant, and the questions valid. A simple linear regression analysis was conducted on the research study to determine interdependencies amongst the study variables. All regression analysis assumptions such as coefficient of determination ( $R^2$ ), residual statistics and independence of observations were met. The four hypothesised relationships were found to be significant, and the study failed to reject any of the hypothesis. The results presented a strong positive relationship between (i.) lack of education and entrepreneurship, (ii.) barriers of entry to the job market and entrepreneurship and (iii.) entrepreneurship and socio-economic impact and



community development, (iv.) inclusive and preferential procurement strategies (moderating variable) as a catalyst for the advancement of socio-economic impact and community development through entrepreneurship..



## **5. CONCLUSION & RECOMMENDATIONS**

### **5.1 Introduction**

Chapter 5 of the research study provides a comprehensive summary of the research article. The purpose of this chapter is to present an overview of the entire research study, implications the findings have on the current study, recommendations and suggestions for further research.

### **5.2 Research article conclusion**

The purpose of the research study was to investigate the perceived socio-economic impact of inclusive and preferential procurement strategies in South African mining host communities. From the purpose of the following research questions were formulated:

- Are past social injustices and marginalisation such as the lack of education and barriers of entry into the job market contributors toward entrepreneurship around mining host communities?
- Are inclusive and preferential procurement strategies implemented by mining companies effective enough to ensure a meaningful socio-economic impact around mining host communities?

Based on the empirical literature, a theoretical framework was formulated, which deduced that the impact of mining companies' contributions through inclusive and preferential procurement strategies and initiatives does not have direct positive socio-economic impact within mining host communities, hence mining host communities' residence opt entrepreneurship to access mining procurement opportunities due to the lack of education and barriers of entry into the mining job market.

A theoretical framework consisting of three hypothesised relationships was formulated for the purpose of the research study. The research model proposed

lack of education, barriers to job market entry, entrepreneurship, inclusive and preferential procurement strategies, socio-economic impact and community development as the conceptual framework variables. As part of hypothesis testing, the study suggested that (i.) there is a strong positive relationship between lack of education and entrepreneurship, (ii.) there is a strong positive relationship between barriers of entry into the job market and entrepreneurship, and (iii.) there is a positive relationship between entrepreneurship and socio-economic impact and community development and (iv.) Inclusive and preferential procurement strategies (moderating variable) can be used as catalysts for the advancement of socio-economic impact and community development through entrepreneurship. All three hypothesis were confirmed valid and correct. The study also aimed at determining whether inclusive and preferential procurement opportunities deployed by mining companies within mining host communities are inclusive and practices are fair. The results indicated that most respondents strongly believe that there's been great socio-economic development and improvement within mining host communities post the apartheid regime, and mining host communities' residents have been empowered to self-sustain post mine closure, with some also strongly indicating that mining companies' procurement opportunities and initiatives are inclusive of locals, implemented fairly and transparent. Most of the respondents also indicated that mining companies and their contractors also source their labour, goods and services locally.

### **5.3 Recommendations**

The South African government goal and vision in adopting the mining charter and posing inclusive and preferential procurement policies on mining companies was to enable economic growth through the participation of the previously marginalised population groups in the mainstream economy. The results from the primary data in a form survey presents positive current and an optimistic outlook, however the empirical evidence of the study paints a gloomy picture on the current state of mining host communities and their socio-economic status and development thereof. There is a gap thus, drawing from the empirical and survey

evidence. The following recommendations are put forward to ensure a positive socio-economic impact and community development is achieved through inclusive and preferential procurement strategies within mining host communities. The government should ensure audit rigour on the procurement spend presented mining companies to the DMRE. This should also include audit of who the direct beneficiaries of the companies are and where is most of their income spent.

## **5.4 Implications of the study**

The implications of the study are broken down into two components below.

### **5.4.1 *Theoretical implications***

Within the theoretical implications of this study, it was observed that there is a strong positive relationship between poor or lack of education and entrepreneurship. There is also a strong positive relationship between barriers of entry into the job market and entrepreneurship. The results indicate that most individuals residing within host communities are forced to start their own business due to poor or lack of education which might be attributed to past social injustices. The lack of education is also one of the reasons there is high unemployment rate due to barriers of entry into the job market. The group of individuals who find themselves unemployed (educated and uneducated), also opt for entrepreneurship, hence the strong positive relationship between barriers of entry into the job market and entrepreneurship. This will require an intervention from government to address the education and unemployment crisis.

### **5.4.2 *Managerial implications***

Hypothesis 3 (H3) indicates that there is a strong positive relationship between entrepreneurship and socio-economic impact and community development, and that inclusive and preferential procurement strategies can be used as catalysts for the advancement of socio-economic and community development. Inclusive and preferential procurement strategies is a moderating variable and is managed

by mining companies. The management instructions of this research are highly critical, as they have a direct bearing on the outcomes of the study. Mining companies need to ensure that inclusive and preferential procurement strategies are properly implemented and monitored to attain the true reflection of socio-economic impact results and community development.

## **5.5 Suggestions for further research**

With the contribution of the various stakeholders from different fields and backgrounds, the research study yielded varied results from the three tested hypotheses in answering the research questions. It would however be recommended that future research be conducted to build on this study and in answering questions not answered. For instance, if empirical research is suggesting that mining companies are not doing enough to socially and economically, through education and employment advance mining host communities for the sustainable future, leaving them as ghost towns post mining operations closure, whilst mining companies are presenting green scorecards on their mining charter commitments and compliance. This could contribute into future studies in finding the middle ground and identifying who the direct beneficiaries of mining procurement opportunities are, and if the income is spent within the mining communities. These results could provide insight on the effectiveness of inclusive procurement strategies and initiatives and their implementation thereof within the broader mining charter in readdressing past socio-economic injustices around mining host communities.

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## APPENDIX A: Research Instrument



Good day Sir/Madam,

My name is Mxolisi Mashele. I am a master's student in Business Administration (MBA) at the University of the Witwatersrand, Johannesburg. My supervisor is Dr Robert Venter.

We are inviting you to participate in a study that seeks to explore Inclusive and preferential procurement strategies perceived socio-economic impact on South African mining host communities.

For this study,

- Participation is completely voluntary
- Responses will be completely confidential and anonymous
- Completion of the survey will be considered as consent to participate

Please follow the link below which will take you to a 10 – 15-minute online survey with the participant information sheet and survey questions:

[https://wits.eu.qualtrics.com/jfe/form/SV\\_eFHNzM2umTj9ezY](https://wits.eu.qualtrics.com/jfe/form/SV_eFHNzM2umTj9ezY)

This research study will be written up as a research report. The report will be available on the university library website. If you would like to receive a summary of this report, I will be happy to send it to you.

If you have any questions during or afterwards about this research study, feel free to contact me or my supervisor on the details listed below. If you have any concerns or complaints about the ethical procedures of this research study, you are welcome to contact the University Human Research Ethics Committee (Non-Medical), telephone +27(0) 11 717 1408, email [hrecnon-medical@wits.ac.za](mailto:hrecnon-medical@wits.ac.za).

Yours sincerely,

**Researcher:**

Mxolisi Mashele, [312444@students.wits.ac.za](mailto:312444@students.wits.ac.za), +27(0) 60 982 3909

**Supervisor:**

Dr Robert Venter, [Robert.venter@wits.ac.za](mailto:Robert.venter@wits.ac.za), +27(0) 84 580 7587

## SURVEY TO MEASURE INCLUSIVE AND PREFERENTIAL PROCUREMENT STRATEGIES PERCEIVED SOCIO-ECONOMIC IMPACT ON SOUTH AFRICAN MINING HOST COMMUNITIES

### Key concepts, Abbreviations, and definitions:

**Mining host community:** The community which houses a mining company with its operation.

**Multinational Company:** A company that operates in its home country, as well as in other countries around the world.

**CSI:** Corporate Social Investment

**DMRE:** Department of Mineral Resources & Energy

**KPI:** Key Performance Indicator

**OEM:** Original Equipment Manufacturer

**SED:** Supplier & Enterprise Development

**SMME:** Small Micro Medium Enterprise

### Part 1: Demographic questions: (Please provide your answer by using an X)

| Age:        |  | Occupation:                                 |  | Education level                               |  | Are you living with a disability? |  |
|-------------|--|---------------------------------------------|--|-----------------------------------------------|--|-----------------------------------|--|
| <20 years   |  | Supplier/Contractor                         |  | Primary school completed (Grade 7/Standard 5) |  | Yes                               |  |
| 21-30 years |  | Mining company employee                     |  | High school completed (Grade 12/ Matric)      |  | No                                |  |
| 31-40 years |  | Subject matter expert (DMRE etc.)           |  | Short course completed                        |  | <b>Gender</b>                     |  |
| 41-50 years |  | Unemployed                                  |  | National certificate completed                |  |                                   |  |
| 50-60 years |  | Retired                                     |  | Diploma/Degree completed                      |  | Female                            |  |
| >60 years   |  | <b>Mining sector/region</b>                 |  | Post graduate qualification completed         |  | Male                              |  |
|             |  | Coal mining belt (Mpumalanga)               |  |                                               |  | Nonbinary                         |  |
|             |  | Gold mining belt (Gauteng)                  |  |                                               |  | Prefer not to say                 |  |
|             |  | Iron Ore mining belt (Northern Cape)        |  |                                               |  |                                   |  |
|             |  | Platinum mining belt (North-West & Limpopo) |  |                                               |  |                                   |  |
|             |  | Other                                       |  |                                               |  |                                   |  |

| <b>Part 2: Survey questions: (Please provide your answer by using an X)</b>                                                                         |   |   |   |   |   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|
| (1) Strongly disagree (2) Somewhat Disagree (3) Neither Agree nor Disagree (4) Somewhat Agree (5) Strongly Agree                                    |   |   |   |   |   |
| <b>1. Mining host communities background</b>                                                                                                        |   |   |   |   |   |
| Most mining host communities have experienced socio-economic development post the apartheid regime                                                  | 1 | 2 | 3 | 4 | 5 |
| People living in mining host communities have been empowered to self-sustain post mine closure                                                      | 1 | 2 | 3 | 4 | 5 |
| Most individuals living in mining host communities have some education                                                                              | 1 | 2 | 3 | 4 | 5 |
| There are work opportunities in the mining industry for individuals living in mining host communities                                               | 1 | 2 | 3 | 4 | 5 |
| People from mining host communities are forced to start their own businesses due to lack of education                                               | 1 | 2 | 3 | 4 | 5 |
| People from mining host communities are forced to start businesses due to a lack of work opportunities within the mining communities they reside in | 1 | 2 | 3 | 4 | 5 |
| <b>2. Inclusive &amp; preferential procurement</b>                                                                                                  |   |   |   |   |   |
| Mining companies' procurement opportunities and initiatives are inclusive of locals residing within the host communities                            | 1 | 2 | 3 | 4 | 5 |
| Mining companies' procurement opportunities and initiatives are fair and transparent                                                                | 1 | 2 | 3 | 4 | 5 |
| Women and youth owned companies from mining host communities are given preference to mining procurement opportunities                               | 1 | 2 | 3 | 4 | 5 |
| People living with disabilities from mining host communities are given preference to mining procurement opportunities                               | 1 | 2 | 3 | 4 | 5 |
| Adequate measures have been put in place to ensure funding for financially struggling SMME's by mining companies within mining host communities     | 1 | 2 | 3 | 4 | 5 |
| Adequate measures have been put in place to ensure the development of SMME's by mining companies through SED programmes                             | 1 | 2 | 3 | 4 | 5 |
| SMME's from mining communities can execute most procurement opportunities awarded to them                                                           | 1 | 2 | 3 | 4 | 5 |
| The DMRE enforces punitive measures to mining companies who do not comply to their SLP plans and commitments                                        | 1 | 2 | 3 | 4 | 5 |
| <b>3. Socio economic impact &amp; community development</b>                                                                                         |   |   |   |   |   |
| SMME's source their labour force from the mining host communities in which they operate                                                             | 1 | 2 | 3 | 4 | 5 |
| SMME's source their goods and services from the mining communities in which they operate                                                            | 1 | 2 | 3 | 4 | 5 |
| Multinational companies contracted to mining companies spend a fair amount of their profits on community-based projects/donations                   | 1 | 2 | 3 | 4 | 5 |



|                                                                                                                                                                      |   |   |   |   |   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|
| Mining companies promote subcontracting of SMME's by multinational companies within the mining companies in which they operate                                       | 1 | 2 | 3 | 4 | 5 |
| Mining companies promote subcontracting of SMME's by OEM companies within the mining companies in which they operate                                                 | 1 | 2 | 3 | 4 | 5 |
| Multinational companies source their labour force from the mining host communities in which they operate                                                             | 1 | 2 | 3 | 4 | 5 |
| Multinational companies source their goods and services from the mining communities in which they operate                                                            | 1 | 2 | 3 | 4 | 5 |
| Mining companies spend a fair amount of their profits on community-based projects/donations within the mining host communities in which they operate                 | 1 | 2 | 3 | 4 | 5 |
| Mining companies enforce punitive measures to contracted multinational companies who do not comply with their contracted inclusive procurement commitments and KPI's | 1 | 2 | 3 | 4 | 5 |

Thank you for your assistance in completing this questionnaire.

Mxolisi Mashele

## **APPENDIX B: Validity Test – Pearson Correlation Test**



|        |                 |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|--------|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|        | N               | 403   | 403   | 403   | 403   | 403   | 403   | 402   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   |       |
| Q9_4   | Pearson         | .374" | .554" | .428" | .319" | .440" | .351" | .545" | .645" | .565" | 1     | .339" | .426" | .482" | .415" | .418" | .571" | .479" | .415" | .434" | .412" | .444" | .412" | .376" | .703" |
|        | Correlation     |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|        | Sig. (2-tailed) | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       |
|        | N               | 403   | 403   | 403   | 403   | 403   | 403   | 402   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   |       |
| Q9_5   | Pearson         | .232" | .280" | .375" | .331" | .279" | .236" | .330" | .460" | .295" | .339" | 1     | .467" | .369" | .443" | .376" | .338" | .429" | .375" | .403" | .333" | .432" | .412" | .411" | .571" |
|        | Correlation     |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|        | Sig. (2-tailed) | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       |
|        | N               | 403   | 403   | 403   | 403   | 403   | 403   | 402   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   |       |
| Q9_6   | Pearson         | .406" | .322" | .351" | .319" | .399" | .366" | .476" | .508" | .468" | .426" | .467" | 1     | .538" | .546" | .587" | .483" | .440" | .492" | .576" | .526" | .555" | .331" | .457" | .717" |
|        | Correlation     |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|        | Sig. (2-tailed) | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       |
|        | N               | 403   | 403   | 403   | 403   | 403   | 403   | 402   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   |       |
| Q9_7   | Pearson         | .306" | .359" | .344" | .212" | .413" | .366" | .430" | .428" | .358" | .462" | .369" | .538" | 1     | .508" | .483" | .454" | .445" | .538" | .549" | .540" | .478" | .372" | .466" | .678" |
|        | Correlation     |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|        | Sig. (2-tailed) | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       |
|        | N               | 403   | 403   | 403   | 403   | 403   | 403   | 402   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   |       |
| Q9_8   | Pearson         | .410" | .318" | .361" | .335" | .484" | .446" | .452" | .425" | .335" | .415" | .443" | .546" | .508" | 1     | .530" | .422" | .490" | .570" | .579" | .575" | .626" | .315" | .528" | .722" |
|        | Correlation     |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|        | Sig. (2-tailed) | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       |
|        | N               | 403   | 403   | 403   | 403   | 403   | 403   | 402   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   |       |
| Q1_0_1 | Pearson         | .514" | .312" | .350" | .325" | .480" | .482" | .531" | .425" | .368" | .418" | .376" | .587" | .483" | .530" | 1     | .506" | .393" | .518" | .581" | .598" | .595" | .305" | .459" | .730" |
|        | Correlation     |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|        | Sig. (2-tailed) | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       |
|        | N               | 403   | 403   | 403   | 403   | 403   | 403   | 402   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   |       |
| Q1_0_2 | Pearson         | .387" | .556" | .472" | .318" | .495" | .346" | .440" | .548" | .500" | .571" | .338" | .483" | .454" | .422" | .506" | 1     | .575" | .426" | .486" | .531" | .522" | .429" | .401" | .733" |
|        | Correlation     |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|        | Sig. (2-tailed) | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       |
|        | N               | 403   | 403   | 403   | 403   | 403   | 403   | 402   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   |       |
| Q1_0_3 | Pearson         | .325" | .501" | .409" | .325" | .403" | .360" | .332" | .542" | .420" | .479" | .429" | .440" | .445" | .490" | .393" | .575" | 1     | .492" | .524" | .462" | .571" | .456" | .504" | .708" |
|        | Correlation     |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|        | Sig. (2-tailed) | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       |
|        | N               | 403   | 403   | 403   | 403   | 403   | 403   | 402   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   |       |



|     |                 |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|-----|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|     | N               | 403   | 403   | 403   | 403   | 403   | 403   | 402   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   |       |
| Q1  | Pearson         | .385" | .318" | .225" | .241" | .375" | .366" | .389" | .397" | .282" | .415" | .375" | .492" | .538" | .570" | .518" | .426" | .492" | 1     | .592" | .576" | .615" | .357" | .544" | .690" |
| 0_4 | Correlation     |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|     | Sig. (2-tailed) | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |
|     |                 | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |       | 1     | 1     | 1     | 1     | 1     | 1     |
|     | N               | 403   | 403   | 403   | 403   | 403   | 403   | 402   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   |
| Q1  | Pearson         | .375" | .327" | .342" | .331" | .449" | .399" | .405" | .412" | .370" | .434" | .403" | .576" | .549" | .579" | .581" | .496" | .524" | .592" | 1     | .650" | .586" | .414" | .532" | .734" |
| 0_5 | Correlation     |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|     | Sig. (2-tailed) | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       | <.00  | <.00  | <.00  | <.00  | <.00  |
|     |                 | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |       | 1     | 1     | 1     | 1     | 1     |
|     | N               | 403   | 403   | 403   | 403   | 403   | 403   | 402   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   |
| Q1  | Pearson         | .433" | .312" | .415" | .312" | .445" | .360" | .492" | .443" | .356" | .412" | .333" | .526" | .540" | .575" | .598" | .531" | .462" | .576" | .650" | 1     | .663" | .326" | .541" | .734" |
| 0_6 | Correlation     |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|     | Sig. (2-tailed) | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       | <.00  | <.00  | <.00  | <.00  |
|     |                 | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |       | 1     | 1     | 1     | 1     |
|     | N               | 403   | 403   | 403   | 403   | 403   | 403   | 402   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   |
| Q1  | Pearson         | .378" | .337" | .359" | .344" | .435" | .406" | .408" | .482" | .315" | .444" | .432" | .555" | .478" | .628" | .595" | .522" | .571" | .615" | .586" | .663" | 1     | .427" | .652" | .757" |
| 0_7 | Correlation     |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|     | Sig. (2-tailed) | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       | <.00  | <.00  | <.00  |
|     |                 | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |       | 1     | 1     | 1     |
|     | N               | 403   | 403   | 403   | 403   | 403   | 403   | 402   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   |
| Q1  | Pearson         | .221" | .395" | .346" | .274" | .249" | .220" | .288" | .440" | .373" | .412" | .412" | .331" | .372" | .315" | .305" | .429" | .456" | .357" | .414" | .326" | .427" | 1     | .388" | .554" |
| 0_8 | Correlation     |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|     | Sig. (2-tailed) | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       | <.00  | <.00  |
|     |                 | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |       | 1     | 1     |
|     | N               | 403   | 403   | 403   | 403   | 403   | 403   | 402   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   |
| Q1  | Pearson         | .361" | .339" | .370" | .338" | .474" | .360" | .373" | .408" | .296" | .376" | .411" | .457" | .466" | .528" | .459" | .401" | .504" | .544" | .532" | .541" | .652" | .388" | 1     | .677" |
| 0_9 | Correlation     |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|     | Sig. (2-tailed) | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       |
|     |                 | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |       |
|     | N               | 403   | 403   | 403   | 403   | 403   | 403   | 402   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   |
| Tot | Pearson         | .605" | .628" | .601" | .493" | .658" | .576" | .671" | .707" | .597" | .708" | .571" | .717" | .678" | .722" | .730" | .733" | .708" | .690" | .734" | .734" | .757" | .554" | .677" | 1     |
| a)  | Correlation     |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|     | Sig. (2-tailed) | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  | <.00  |       |
|     |                 | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |       |
|     | N               | 403   | 403   | 403   | 403   | 403   | 403   | 402   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   | 403   |

## APPENDIX C: Ethics Clearance Certificate

Graduate School of Business Administration  
University of the Witwatersrand, Johannesburg



Wits Business School Ethics Committee  
Constituted under the University Human Research Ethics Committee (Non-Medical)

### Ethics Clearance Certificate

Ethics protocol number: WBS/BA312444/521

*This certificate is only valid with a legitimate ethics protocol number and signed by the Researcher (below).*

|                           |                                                                                                                            |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Project title             | Inclusive and preferential procurement strategies perceived socio-economic impact on South African mining host communities |
| Investigator / Researcher | Mr Mxolisi Mashele                                                                                                         |
| Nature of Project         | MBA (Research Article)                                                                                                     |
| Decision of the Committee | Approved, provided stakeholders and participants are guaranteed confidentiality.                                           |
| Issue Date of Certificate | 2024/05/24                                                                                                                 |
| Expiry date               | Date of submission of the project / research report                                                                        |
| Chairperson               | Ms Ayanda Magida<br>☎ +27 11 717 3953<br>✉ <a href="mailto:ayanda.magida@wits.ac.za">ayanda.magida@wits.ac.za</a>          |

A handwritten signature in black ink, likely belonging to Ms Ayanda Magida, the Chairperson.

#### Declaration by Researcher

*One copy must be signed by the Researcher and returned to the Chairperson of the Wits Business School Ethics Committee.*

I fully understand the conditions under which I am authorized to carry out the abovementioned research and I guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I undertake to resubmit the protocol to the Committee.

A handwritten signature in black ink, likely belonging to Mr Mxolisi Mashele, the Researcher.

Signature

24/05/2024

Date: