Support from the government for SMEs in South Africa

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A B S T R A C T

This study intended to investigate how the Lephalale Local Municipality’s small and medium companies (SMEs) are hampered by a lack of government support. This study also aims to demonstrate how SMEs face difficulties in surviving as a result of problems in the business environment. Consequently, the government of South Africa has programs to assist SMEs. The growth of SMEs is important for advancing innovation, wealth distribution, and employment. The majority of SMEs launch and maintain their businesses with their own money. By using a qualitative research approach and semi-structured in-person, phone, and email interviews to collect data, the goals of this study were met. There were 318 registered SMEs in the area. Using purposive sampling methods, data from operational enterprises with a lifespan of 0 to 5 years were gathered. Atlas TI 8 was used to evaluate the data. The primary conclusions of this study show that (i) small and medium-sized enterprises (SMEs) find it difficult to maintain their operations because they lack access to capital and business equipment. This fails if SMEs are not given the proper support. Because they lack the resources to compete with big companies, SMEs find it challenging. (ii) Small and medium-sized enterprises (SMEs) should think about enrolling in bookkeeping training and sending their staff to business training in order to network for the survival of the company. In order to assist SMEs in fulfilling the requirements for maintaining their enterprises, this study advises the government to examine present standards. With the right assistance, SMEs can create business plans and maintain operations, which will result in the creation of jobs, particularly for local communities. The government ought to think about mentoring and overseeing sponsored SMEs.

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I n t r o d u c t i o n

Small and medium-sized businesses (SMEs) are crucial to the expansion and improvement of the regional economy. As they create jobs, they serve as a source of income for many households (Ramasimu, Ramasimu, & Nenzhelele, 2023). The government must promote SMEs because they are thought to be the key to both social and economic development (Erdin & Ozkaya, 2020; Nieuwenhuizen, 2019; Ribeiro-Soriano, 2017; Ladzani & Netswera, 2009; Visser, De Coning, & Smit, 2005; Ligthelm & Cant, 2003). However, this only occurs when these enterprises are growing and resilient. Numerous government programs help to encourage this growth and sustainability (Masatha & Rogerson, 2015, 2014b, & 2014a). According to Mqaba (2015), government support is characterized as a special mix of assistance offered to SMEs in various business sectors, such as managerial workshops, technical training, equipment support, mentorship, and coaching.

Because they take the initiative to build and expand their companies into thriving, sustainable enterprises built on innovation, SMEs are considered to be making a big economic contribution (Adla, Gallego-Roquelaure, & Calamel, 2019; Walsworth, 2010). In order for SMEs to achieve this objective, "certain sets of skills and competencies are required, which can be obtained over time through proper education, technological know-how, training, and skills received while working in other businesses" (Gupta & Barua, 2016, p. 70; Edelman, Brush, & Manolova, 2002, p. 239).

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The local municipalities in South Africa are home to government organizations that work to help small businesses, develop SME growth, and conduct business initiatives to reduce unemployment and poverty (Lekhanya, 2015). Leboea (2017) noted that SMEs lack government support, particularly financial aid and business management experience, which prevents them from having a big impact on decreasing poverty. Further pointing out that “SMEs are important in terms of employment, wealth creation, and the development of innovation,” Abebaw, Mulate, and Nigussie (2018, p. 71) concluded But eventually, SMEs find it difficult to continue operating and to survive due to a lack of government support in terms of funding, marketing, technical know-how, and business skills.

Studies have been done on how government support for SMEs affects their ability to survive and grow (Alkahtani, Nordin, & Khan, 2020; Park, Lee, & Kim, 2020; Songling, Ishthiaq, Anwar, & Ahmed, 2018). Lephalela Local Municipality (LLM) has not yet conducted research on government intervention in SMEs to ascertain whether or not local government agencies fully support SMEs. There are still concerns regarding government assistance for SMEs, especially in rural regions, despite the fact that numerous studies on the expansion of SMEs have made a significant contribution. A study by Ogujiuba, Olamide, Agholor, Boshoff, and Semosa (2022) found that government organizations that promote SMEs are more common in urban regions than in rural ones.

Due to the high failure rate of SMEs in South Africa, sufficient government support is needed (Leboea, 2017; Masocha & Dzomonda, 2016). LLM cannot be viewed as an exception to the government’s lack of assistance for SMEs. Due to a lack of government support for their growth and survival, SMEs in this municipality are experiencing commercial issues as LLM expands and develops. Since rural areas make up the geographic background of LLM, this study concludes that government organizations are not fully supporting SMEs in rural-based locations. Therefore, it is essential to look at how the government supports SMEs in the LLM. The findings of the study by Khalig, Ul Islam, Akram, Hussain, and Usman (2022) showed that government policies and other initiatives successfully and effectively assist SMEs. However, the government and other stakeholders are not doing enough to support the SMEs in LLM.

In order for the participants to be able to elaborate on their answers to the questions and for the researcher to fully understand the difficulties they are facing, this study utilized a qualitative research methodology approach and unstructured interviews. The information was gathered through verbal, telephone, and written correspondence. Atlas TI 8 software was used to examine the data that had been gathered. The purpose of this study was to investigate how the South African government supports small and medium-sized businesses in the Lephalela Local Municipality of the Limpopo Province. This study’s goals are to (i) identify the government organizations that assist SMEs with LLM and (ii) determine how much assistance those organizations provide. The research inquiries that follow are (i) Which government entities help SMEs in LLM? And (ii) how much do government organizations support SMEs in LLM?

The rest of the essay is organized as follows. Section 1 presents the introduction, the study’s aims, goals, and research questions. A review of the literature is included in the second section. In Section 3, the research technique is provided. The study findings are presented in Section 4, followed by a discussion of them in Section 5, and the paper's conclusion and managerial repercussions are presented in Section 6.

Literature review

This section presents the literature review that relates to SMEs and the challenges that they face to answer the research questions. SMEs are providing opportunities for local society by helping to alleviate poverty and for their survival and success in the external business environment. To address the research questions, this section reviewed the work of researchers in journals, articles, and books that are related to the study subject. The literature on small businesses indicates that SMEs experience challenges to their survival such as a lack of business support, managerial expertise, and excessive government regulations. The most pressing challenges of which are unemployment and poverty (Selepe, 2019; Bouazza, Ardjouman & Abada, 2015). Mukata and Swanepoel (2015) concur that SMEs face challenges such as a lack of business support, technical training, management training, credit working capital, markets from which to operate, and start-up capital.

Theoretical background

Government agencies, including but not limited to the Small Enterprise Development Agency (SEDA), Small Enterprise Finance Agency (SEFA), and Local Economic Development (LED), can help SMEs by providing them with counselling and advisory services to improve the performance of new businesses and to promote a higher rate of SMEs development and growth (Khoase, 2015; Chetty, 2009). The SEDA's responsibilities include implementing the government's small business strategy, designing, and implementing a uniform and common national distribution network for small business growth, and integrating government-funded small business support agencies across all levels of government. The SEFA is for small businesses in need of capital up to R3 million. Additionally, SEFA provides funding for working capital needs, revolving loans, term loans, asset financing, and bridging finance (SEDA, 2016). The LED offices are established to help small businesses in the local municipalities and the province become self-sufficient. The white paper states that local governments should support and encourage SMEs by providing information, facilities, networking opportunities, marketing, and credit (RSA, 1998). This study opines that local governments' LED offices may make sure the information is available by putting their obligations on notice boards because most local societies visit municipalities for a variety of services, they will be able to see the information, or LED officials may be able to undertake business campaigns. The supporting
agencies are essential for helping to generate both financial and non-financial support for the development of SMEs. These interventions will help SME owners/managers operate and grow their businesses in a professional manner and contribute to economic development through the creation of employment and the elimination of poverty (Sospeter & Nchimbi, 2018; Asafo-Adjei, 2015).

**Development of the SMEs**

According to Hansen, Rand and Tarp (2018) and Chimucheka (2015), local municipalities' participation in and support of government programs are essential to the growth, survival, and success of SMEs. South African local governments aim to enable SMEs to identify and expand business opportunities within their jurisdiction through LED initiatives and policies. As a result, SMEs are unable to contact LED offices about their initiatives due to a lack of information, particularly in terms of business. The government should intervene and prioritize SMEs in different business sectors through LED initiatives to advance, enhance, and regulate socioeconomic matters (OECD, 2015). SMEs must receive training to develop the necessary knowledge of business regulations and the requirements of the business environment for the expansion and development of their businesses (Kalane, 2015). This is feasible if appropriate business support is provided.

**Effective management of the business**

Simmons, Carr, Hsu, and Shu (2016) proposed that SMEs' start-up and operating experiences have an impact on their future success or failure. According to Alsemgeest, Booyens and Bosch (2017, p. 91), managerial competencies are "a collection of expertise, knowledge, experience, skills, behaviors, attitudes, and good personality that a business owner/manager requires and develops to be professionally successful and efficient within the organization". SME owners/managers must have effective communication skills and a positive working relationship with their employees to determine the knowledge gap necessary for the survival and growth of the business (Bhardwaj & Punia, 2013). “The business management skills need to keep the business growing, such as strong leadership, financial management, knowledge management, networking, and human resource management skills” are required for the business to be effectively and efficiently managed (Mukwarami & Tengeh, 2017, p. 65). SMEs struggle to survive, grow, and increase income due to a lack of market experience, business skills, a strong business structure, and a legitimate government support system (Mthabela, 2015).

**Competition**

The business world is extremely competitive. Mukwarami and Tengeh (2017) aver that businesses held by South Africans face intense competition from businesses owned by immigrants and large businesses. These consequently have a negative impact on the performance, survival, and success of SMEs. Ardyan (2016, p. 83) defined business success "as a performance that is a true measure of success and success being visible from human resource performance, operational performance, marketing, and financial performance". Additionally, as mentioned by Ardyan (2016, p. 91), SMEs must be able to "monitor competitor's strategy, comprehend external business market trends, and be responsive to the ever-changing market environment conditions" to increase performance. The world has become a global village because of information technology (Lose, Tengeh, Mazirir, & Madinga, 2016). This has posed a significant challenge to development and growth, particularly for SMEs.

**Conceptual framework**

Table 1: A conceptual framework for SMEs

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<th>Government support: Independent variables</th>
<th>Sustainability of SMEs: Dependent variable</th>
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<td>Leadership skills</td>
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<td>Technical skills</td>
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**Leadership skills**

The leadership role in SMEs has an impact on the importance of innovative ideas and the long-term growth and competitive advantage of the business (Abdul, 2018). Additionally, SMEs require business skills to concentrate on not only how to produce and market their products, but also how to effectively manage their financial resources (Schwartzkopff, 2017). Strong leadership abilities, according to Vakili, Tahmasebi, Tahmasebi and Tahmasebi (2017), include the capacity to generate innovative ideas, plan strategically, and ensure business development to maintain the competitiveness and growth of the business. Furthermore, Lecuna, Cohen, and Chavez
indicated that effective leadership distinguishes a business from competitors by influencing success and sustainable business development and pursuing opportunities in the external environment.

According to Bahauddin and Iftakhar (2018), management skills include increasing innovative ideas, worldwide competition, providing customers with higher-quality goods and services, and efficient and effective resource utilization. On the other hand, SMEs need to cultivate a culture of innovation through employee development, hire skilled labour, and more qualified and good leaders to lead their subordinates while enforcing strategic business goals and objectives to ensure the sustainability of the business (Mkheimer, 2018; Seth, 2017). Amankwah-Amoah and Wang (2019) stated that ineffective management of business resources and poor leadership can negatively affect the business and cause it to collapse. Gachina (2016, p. 29) further stated that in the first year of operation, SMEs' lack of management skills results in poor debt management and deprives them of valuable knowledge of business management and environmental factors. In other words, a lack of effective leadership qualities may be a factor in the high failure rate of SMEs, particularly new small businesses.

Technical skills

Technology knowledge is a requirement for innovative leadership to carry out their duties effectively and efficiently. Technical expertise enables leadership to advance in the execution of various business processes and techniques to successfully develop the operation of the business (Professional Development Center, 2016). In business operations, managerial skills are becoming more crucial and are necessary for both success and failure (Aliyu, 2015). The accomplishment of business objectives and goals is a prerequisite for SMEs' success (Shabbir, Mohd Shariff & Shahzad, 2016). SMEs' skills are essential for developing business plans, employing resources effectively, accomplishing business goals and objectives, and sustaining and maintaining improved business efficiency (Carter & Tamayo, 2017). SME owners should separate their personal and business capital to maintain the sustainability of their businesses (Jere, Jere & Aspeling, 2015).

Financial support

SMEs struggle to manage successful businesses without the accessibility of financial support (Yoshino & Taghizadeh-Hesary, 2016). SMEs face difficulties accessing financing from financial institutions due to a lack of assets that may be used as collateral (Sibanda, Hove-Sibanda & Shava, 2018 & SEDA, 2016). In Canada, 80% of SMEs utilize personal funds to start and operate their new businesses (Statistics, 2016). AgyAdaei (2018) states that SME owners/managers' financial expertise and knowledge determine their willingness to the expansion of funding choices that can improve their business's performance.

Kalale (2015) states that when a small business starts to make money, the owner rewards themselves by purchasing expensive cars and leaving lavish lifestyles rather than investing back into the business. They do not take the business's debts or operating expenses into account. On the other hand, employees abuse business resources for their own benefit. The author further mentioned that SMEs that are still learning about the business world find this to be popular. As the author notes, this has a detrimental impact on the development and success of the business and leads to a high rate of SMEs failing. SMEs will continue to experience a high failure rate if they lack access to capital and effective financial management strategies. Effective financial management is something that SMEs should consider since it will help them maintain their financial independence while they work to achieve their goals and stay afloat. This will help SMEs grow and remain sustainable, particularly when allocating business funding to projects (Osano, 2019).

Effective management of bookkeeping

Every business must manage its bookkeeping systems effectively if it wants to become more effective and perform better (Ameen, Ahmed & Abd Hafez, 2018). According to the authors, effective management bookkeeping aids in the execution of each business strategy, decision-making, and assessment of business success in the external business market. Borker (2016) indicated that bookkeeping management not only audits financial matters but also assists in the study and monitoring of non-financial business social and performance problems. Fundamentally, the failure to maintain the business's overall financial performance and financial status has a negative impact on the financial decision related to the business (Fatoki, 2012; Maseko & Manyani, 2011).

SMEs cannot afford the services of external accountants due to a lack of business funding and sustainability, which results in poor financial records (Kibutuka & Tustin, 2019). Previous studies have shown that SMEs, particularly in South Africa, struggle to meet their primary financial goals (Bruwer, Beck, Smith, Naidoo, & Green, 2019; Fatoki, 2014; Ngary, Smit, Juan-Pierre & Ukpere, 2014). This can be because SME owners/managers frequently wear multiple hats (Kemp, Bowman, Blom, Visser, Berggoer, Fullard, Moses, Brown, Bornman & Bruwer, 2015; Padachi, 2010). According to Masama (2018), Bruwer (2016), and Mwangi and Gachunga (2014), it seems that the failure of SMEs is also associated with the inadequate attainment of financial objectives. The study opines that failure to monitor a business's financial status has an adverse impact on its survival and long-term viability.

SMEs are the ones who struggle the most during financial turmoil and are at a higher risk of bankruptcy (Yazdanfar & Hman, 2018; Quintiliani, 2017; Vargo & Seville, 2011). Bourletidis and Triantafyllopoulos (2014) stated that no business can start or continue operating without finance. Lack of raising funding hinders the development of SMEs (Lose, Tengeh, Mazirir & Madinga, 2016). Asoba and Tengeh (2016) concur that the availability of cash flow enables businesses to purchase the necessary machinery, labour, and property to operate a successful business.
Regulatory regulations

Herrington, Kew, and Mwanga (2017) maintain that legislation and regulations pose the greatest obstacles to the expansion and development of SMEs. The empirical findings of Herrington et al., (2017, p. 67) state that “60% of respondents cited government legislation and policies as a substantial hindrance to entrepreneurial activity”. Most reasons for SME failure, according to Muriithi (2017), are unnecessarily burdensome regulations. Government regulations imposed a hostile business climate on participating SMEs (Small Business Project (SBP), 2015).

Business environment

An ethical business environment attracts more skilled employees. These skilled employees exert extra effort to ensure that they carry out their duties competently and to the required standards, which boosts productivity and helps the business meet its objectives (Larkin & Pierce, 2015). The rate of SMEs' activity and performance is slowed down by a poor business environment and a burdensome regulatory environment (OECD, 2017; Braunerhjelm, Desai & Eklund, 2015; Klapper & Love, 2014). Several regulations in South Africa prevent access to vital resources like talent and capital, which leads to an unstable and uncertain business environment and reduces the benefits of success (Simodisa, 2015). The government should create a structure that fosters a competitive business environment to eliminate the tariff regulations that hinder the success of SMEs (Krasniqi & Desai, 2016). The government ought to try to reduce the restrictions on tariffs that relate to "property rights, tax, and administrative costs" (Chowdhury, Terjesen & Audretsch, 2015, p. 130). Additionally, a better business environment can enhance small businesses' image in society (Barazandeh, Parvizian, Alizadeh & Khosravi, 2015).

Provision of training

The purpose of the training is to make sure to aid SMEs and employees to comprehend the advantages, difficulties, and issues that SMEs confront as well as to support one another in reducing the negative effects of those challenges (Oyelana & Smith, 2015). In other words, SMEs might benefit from consulting external experts to advance their business knowledge and abilities (Kunaka & Moos, 2019). Training also serves as a lever for innovation by raising the level of expertise among SMEs and employees (Antonioli & DellaTorre, 2016; Sheehan, Garavan & Carbery, 2014). Since the South African government understands the importance of training in developing the small business sector, it has established several supporting agencies and programs to offer training to SMEs (Moise, Khoase, Derera & Ndayizigamiye, 2019). The government should support and provide business-related training, workshops, and seminars for SMEs through their government agencies to teach SMEs how to overcome obstacles in the business world (Oyelana & Smith, 2015).

Iwu and Nxopo (2015) pointed out that while the South African government has made an effort to implement policies to provide SMEs with support, such as funding and mentoring, their support has been limited. However, SMEs should be given the opportunity to secure funding on their own, and government agencies should be active in supporting, motivating, and guiding them. According to Golele (2016), the term “mentor” originated throughout historical times when skilled, mature, and experienced people had the chance to favourably impact the lives of illiterate, underprivileged, and inexperienced people. Today, mentoring is utilized in a wide range of businesses all around the world to increase their employees' abilities and knowledge. Mentoring provides SME owners/managers the managerial skills and expertise they need to successfully start, grow, and maintain their businesses (Brinkley & Le Roux, 2018; Asafo-Adjei, 2015 & Mwaanga, 2014). Mentoring is essential for SMEs to survive, especially in rural areas where technical and management skills are lacking to create possibilities for the development of the business (Kahan, 2013). This study opines that the government should consider establishing a business awareness program, especially for SMEs operating in rural areas, to provide them access to all the business information they need, including funding, relevant training, and other business advice, to support them to grow, maintain, and expand their businesses.

**Research and Methodology**

Research approach

This study opted for a qualitative research approach to acquire information and better understand the reasons and opinions for the lack of support that SMEs encounter which prevents their development (Kalane, 2015). The qualitative research approach is explained as “qualitative research collects data in a qualitative manner, and the process of analysis is primarily qualitative” (Nassaji, 2015, p. 129).

Population

The target population of this study consisted of 318 registered SMEs in LLM under the Waterberg District in Limpopo Province of South Africa, obtained from the Waterberg District SEDA database. LoBiondo-Wood and Haber (2017, p. 213) described a population as a “well-defined set with specified properties, can be composed of people, animals, objects and events, in this case, SMEs”. Additionally, Engel and Schutt (2016) described a population as a group of participants or other entities from which the research results can be collected and generalized.
Sampling

Engel and Schutt (2016, p. 105) defined a sample as a “subset of a population that is used to study population as a whole”. Non-probability sampling was utilized in this study, which means that the “probability of selecting an individual is not known” (Bekwa et al, 2019:161) and that “the selection of a sample is often based on the subjective judgement of the researcher” (Wiid & Diggines, 2013:188). Participants were drawn from the target population of SMEs in Lephalale Local Municipality using the purposive sampling method. Purposive sampling can be classified as extreme case, heterogeneous, homogeneous, crucial case, normal case, and theoretical purposive sampling (Saunders et al, 2009). A sample of participants for this study was chosen via homogeneous purposive sampling. The “focus is on one particular subgroup in which all the sample members are similar, which then allows them to be explored in greater depth and minor differences to be more apparent” (Saunders et al, 2009:302). Purposive sampling was also chosen because the interviews used to extract data from participants required careful screening to ensure that they were the right candidates to be interviewed on the topic in terms of knowledge and experience with government support (Wiid & Diggines, 2013).

Sample size

According to Patton (2014), there are no rules and no formal criteria for selecting sample size in qualitative research. Qualitative research requires a small sample size because the general aim is to acquire useful information and get an understanding of the current phenomenon (Gentles, Charles, Ploeg & McKibbon, 2015). However, Carey (1995) avers that a small or large sample size should be enough to sufficiently describe the phenomenon of interest and address the research questions. Therefore, this study opted for a sample size of between 12 to 30 SME owners/ managers. The sample criteria were for SMEs having owned their business for zero to five years.

Data collection

The data was collected using semi-structured/open-ended interviews which are described as interview questions that provide the participants with the opportunity to elaborate upon responses or use their own words (Lune & Berg, 2017; Alshenqeeti, 2014; Van Zyl, 2014; Easwaramoorthy & Zarinpoush, 2006). An interview refers to a dialogue between the interviewer and interviewee for the purpose of gathering information (Easwaramoorthy & Zarinpoush, 2006). The data was collected through face-to-face, telephone, and email interviews as some of the tactics used to acquire data from participants through interviews (Opdenakker, 2006 & De Leeuw, 1992). Interview techniques can be mixed for different reasons such as reducing costs and increasing responses (Couper, 2011 & De Leeuw, 1992). However, De Leeuw (1992) further indicated that mixed methods raise a concern in combining research results whether the collected data is comparable or not. Mixed methods were used because some SMEs requested physical interviews at their business premises while others requested telephone interviews and other returned completed research guidelines through an email. Primary data collection was used as a source of information because this study outsourced the current information from the LLM Limpopo Economic Development Agency database of the registered SMEs (Van Zyl, 2014; Boeije & Hox, 2005).

Data analysis

According to Hsieh and Shannon (2005), analysis mainly deals with the meaning of the collected data, descriptions, values, and qualities of people and things. Content analysis is one of the approaches for analysing qualitative data which is a method for describing and interpreting written data using a systematic coding program and it helps the researcher in comprehending and understanding the phenomenon under study. The data were analysed using Atlas. ti 8 software program. The data were collected from 12 participants of which one chose to complete the interview guidelines. This study only used data from 12 participants because they met the study’s criteria at the time of the interviews.

Ethical consideration approval statement

This study got an approved ethical consideration certificate from the University of South Africa. The study was carried out in accordance with the methods and procedures specified in the application and certificate. To protect the participants’ privacy and the confidentiality of data. The participants’ private information was safeguarded according to the Protection of Personal Information Act No. 4 of 2013. The participants were provided information about the study prior to consenting to participate.

Findings

Stakeholder support

This study discovered that SMEs find it difficult to raise funds to start and run their businesses, therefore, support is required. The result, however, contradicts the literature by Iwu and Nxopo (2015) that suggests SMEs should secure their own business financing before seeking government intervention. Government support in this sense includes the resources that the government provides to SMEs to help them operate their businesses, such as funding, expertise, and/or knowledge. Stakeholder support affects the success or failure of the business since SMEs are required to update their stakeholders on the status of the business. The results further contradict a document published by RSA (1998) which stated that government agencies are available to provide SMEs with information and skills.
This study further discovered that financial and performance records appear to be crucial elements for SMEs to be supported. SMEs lacked funding to make it possible to purchase the business equipment and resources needed to carry out business projects successfully and financial management skills to keep their financial records up to date to meet business requirements. According to Zahorskiy, Lipentsev, Yurystovska, Mazii and Akimov (2019), financial support is essential for any business to run effectively and efficiently. The authors contend that this is true, particularly in developing countries where SME capital is consistently insufficient, negatively affecting the survival of those businesses. Olaoalu (2018) indicates that business-required support is a crucial asset for SMEs to maintain and grow their operations. Furthermore, Yoshino and Taghizadeh-Hesary (2016) indicated that SMEs encounter difficulty in securing financial support for the sustainability of their businesses. Sospeter and Nchimbi (2018) and Asafo-Adjei (2015), SMEs to be provided with both financial and non-financial support from government agencies to grow and maintain their business operations.

This study showed that SMEs need government support to get off to a successful start because they lack information and support when operating independently. The research by Pavlenko and Lovkova (2018) supports the result that government support for SMEs makes it simpler to start a business from scratch. However, the result contradicts the literature by RSA (1998) which suggested that government agencies should provide SMEs with relevant business information to aid in their development and survival. However, government agencies do not appear to meet the needs of the SME sector (Klonowski, 2010). Government support, according to SMEs, is never sufficient for a successful start. Even though the government may not be able to help SMEs at the onset, SMEs expect the government to support them to survive and improve their performance (Marri, Nebhwani, Sohag, Marri, Sohag, Memon & Memon, 2011).

Management of business records

Lack of business support causes some SMEs to fail because they have nothing to show for it, such as collateral. This leads to a higher rate of business failure, and some SMEs may be new to business or lack the knowledge to keep records, so new SMEs fail because they do not have a track record. The study by Ameen et al., (2018) supports the result that poor record-keeping affects business financial decisions. The result supported a study by Horev and Babad (2005) that found that stakeholder support is essential for a business’s performance and operations because it aids in the provision of financing or the purchase of business resources, equipment, and expertise.

Training

According to Ramasimu et al. (2023), SMEs see training as an impediment rather than an accelerator of business growth because attending training results in a loss of money for the time spent in class. To make it more appealing to SMEs, training should be given outside of business hours. Financial management, purchasing, customer service, and marketing should all be covered in training. This will have a favourable impact on their business’s growth. Business management training is essential for the successful functioning of the business, but this study discovered that SMEs lack record-keeping management skills. This study further showed that record-keeping management should be covered in the training offered by either the public or private sectors. The result supports the literature by Mutanda, Lekhanya and Moyo (2021) and Mwaanga (2014) that emphasized the need of providing business training to SMEs so that they can use their skills to maintain the sustainability of their businesses. The result contradicts one SME which asserts that the government has provided all the resources necessary for SMEs to survive. The result further contradicts the research by Kato and Charoenrat (2018) that indicated that SMEs have the opportunity to attend business-related training to get more information for the survival of their businesses. However, the study by Fatoki (2012); Maseko and Manyani (2011) argued that SMEs should receive training in record-keeping because it is important for them to be able to make sound financial decisions.

Government regulations

This study found that government compliance has a negative effect on SMEs since they do not meet the standards for receiving the support they require. The literature by Herrington et al., (2017) concur that government regulations have a detrimental effect on the expansion and development of SMEs. Hence, no support is provided to SMEs due to government regulations. Furthermore, the study by Simodisa (2015) stated that stringent government regulations restrict access to resources necessary for SMEs’ development. SMEs hope that the government would investigate the current requirements to have the access they require to start or maintain their businesses.

Business competition

This study discovered that SMEs will never compete with large businesses due to the lack of the necessary resources. Félix and Maggi (2019) stated that competition between SMEs and large businesses has a detrimental effect on SMEs’ survival. Moreover, Mukwarani and Tengeh (2017) stated that SMEs experience competition from immigrants and large businesses, which has a detrimental effect on their operations. However, holding a business competition among SMEs may motivate and encourage them to improve the quality of their products and provide better service to their potential customers.
Discussion

Business Support

For SMEs to survive and be sustainable, they need financial support to procure the necessary equipment and other resources. SMEs could utilize support from the government and/or other stakeholders in areas where they are deficient. Even those who are currently in business require support to maintain their operations, which will lead to the creation of jobs and contribute to the local economy. Additionally, appropriate support will ensure that both new and existing SMEs adhere to government regulations. The support of stakeholders is essential for SMEs to expand and maintain their operations (Freudenreich, Lüdeke-Freund & Schaltegger, 2020; Fielke & Bardsley, 2014). SMEs can use the support they receive to evaluate if they are succeeding in achieving their objectives. Without support, SMEs will never be able to compete with large businesses, thus they need equipment and funding to keep their operations going. For SMEs to thrive in the external business environment, they can also be supported by having access to the market to promote their goods and services to their customers. The study by Naradda Gamage, Ekanayake, Abeyrathne, Prasanna, Jayasundara, and Rajapakshe (2020, p. 16), indicates that "market competition is a constant outstanding barrier for SMEs" as opposed to large businesses because of financial challenges like not having enough capital to operate their businesses smoothly and being unable to manage business cash flow.

Business training

This study recommends that SMEs continue to send their employees and themselves to business management training to ensure the success of their businesses because this will allow them to network with other businesses and gain new skills. Additionally, SMEs should consider attending bookkeeping training to manage business records for compliance when the financial records are required or when applying for financial support, as well as to figure out whether the business is making a profit or not. A study by Mukata, Ladzani, and Visser (2018) revealed that SMEs who attended training improved their business management skills, which raised their sales, profits, and asset values. Al Mumun, Muniady, Fazal, and Malarvizhi’s study (2019, p. 363) showed that attendance of training has a beneficial impact on "opportunity recognition competency, organizing competency, and relationship competency". The provision of financial skills will help SMEs maintain their businesses and keep their records up to date because a lack of financial management skills hinders their success. Effective financial management skills enable businesses to construct their financial plans in accordance with the target projects (Al Breiki & Nobanee, 2019).

Stakeholder regulations

The government can support SMEs by looking into the current standard criteria in terms of financial accessibility as many SMEs are unable to obtain funding because they lack assets that can be used as collateral. As an alternative, the government can provide security for SMEs’ access to funding so they can maintain their businesses. SMEs may fail because they cannot afford the current standards. The study by Lamoureux, Movassaghi, and Kasiri (2019), indicated that government support programs had minimal effect on the sustainability of SMEs. Furthermore, government laws and regulations should be modified while taking budgetary constraints into account (Ruchkina, Melnichuk, Frumina & Mentel, 2017). SMEs are dissatisfied with the support they receive from the government, whereas they cannot run without government support because restrictive rules and regulations hinder their success. The government must see to it that SME culture is promoted to grow the country and economy and avoid the ideas of SMEs being wasted without any use (Marri et al., 2011).

Business awareness

SMEs had inadequate financial resources, which negatively impacted their capacity to maintain their operations (Lamoureux et al., 2019). The government may consider conducting business awareness of the services they offer, particularly in rural societies. That way, new SMEs would know where to find information, and established SMEs would be able to learn more about their services. The government could consider offering a mentoring program, especially to funded SMEs for a predetermined period until they are self-sufficient enough to utilize the funding as planned. Mentoring has a positive impact on business target development, product innovation, business performance, and the desire to engage in the mentorship program (Kuratko, Neubert & Marvel, 2021).

Conclusion

This study's objective was to investigate the absence of government assistance that SMEs experience using a qualitative research methodology. This study aims to deepen our awareness of the difficulties SMEs have in running their businesses due to a lack of business support. Government support is lacking, and SMEs hope that the government will consider the current norms in order to grant them access to financial resources. SMEs face challenges with record management and require training to gain better knowledge of doing so and assess whether their companies are heading in the right direction.

SMEs initially secure funding to cover operating expenses before starting a firm. They require assistance from the government or other stakeholders after launching a firm, particularly if it is not doing well. The aid can take the form of financial support for the purchase of tools and other resources for the company, or it might take the shape of business-related training. They would be able to think creatively and devise plans for the efficient running of their company if they had the backing. This study comes to the conclusion that in order to keep SMEs on the path to economic success, the government support that they desire or would like to receive, such as
as the relaxation of financial requirements, financial grants, business management training, and mentoring and monitoring of financed SMEs, is required. Many SMEs struggle to get access to the basic resources they require to expand and maintain their operations.

To learn more, which government organizations or regional governments are in charge of ensuring that the information is available to SMEs?

Data from the participants was expected to be gathered using simple random sampling due to the vast number of populations. The Protection of Personal Information Act, however, prevented the researcher from providing the participant's whole list of personal information for the duration of the study. Only a small number of participant lists (from the 318 population) were given to the researcher, and it was only after the interview that the researcher learned that the majority of the participants were beyond the scope that the researcher decided to interview 12 persons until saturation was attained.

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The Authors declare that there is no conflict of interest.

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