

Full Length Research Paper

Micro enterprise owner perspectives on performance: Insights from selected municipalities in Mpumalanga Province, South Africa

Edward M. Rankhumise^{1*} and Robert O. Rugimbana²

¹Department of Management and Entrepreneurship, Tshwane University of Technology, State Artillery Road, Pretoria, South Africa.

²Business School, Tshwane University of Technology, Skinner St., Pretoria, South Africa.

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Interest in the performance of small, medium and in particular Micro enterprises (MEs) continues to grow around the globe including South Africa fuelled mainly by the notion, that small business development is a critical ingredient for the creation of new employment and for addressing high un-employment rates. There are a range of factors that have been associated with both successful and poor performance among small enterprises in particular Micro enterprises (MEs). However few studies have actually directly consulted with owner/managers about their views on what leads to successful and/or poor performance. This study is instructive in that it utilizes an inductive approach involving mixed methods to identify the key factors that are perceived to be influencing the performance of Micro enterprises (MEs) in South Africa's Mpumalanga province. Data were obtained via interviews from a purposive sample of 15 ME owners. The effects of themes such as access to funding, white collar crime, government training and other interventions were investigated. Findings show that owners were experiencing serious problems 1) where access to funding was concerned, 2) in dealing with crime 3) due to lack of appropriate education and training 4) as a result of lack of access to government funds and 5) due to stifling government regulations. Overall, the findings point to a general mismatch between government intentions and practices where ME support is concerned thus negatively affecting ME performance in general.

Key words: Micro enterprises (MEs), South Africa fuelled, access to funding, white collar crime, government training and other interventions.

INTRODUCTION

The notion that micro, small and medium sized enterprises play a crucial role in the growth of a country's economy is widely if not universally accepted (Rona-Tas and Sagi, 2005). This view is premised on the assumption that the heart of private sector development is the entrepreneurship activity of the individual entrepreneur. According to Rona-Tas and Sagi (2005) the main unit framing the entrepreneurial activity is the enterprise, specifically the small business enterprise (emphasis ours). The latter are viewed as entities that are capable of creating employment which in turn provides peoples with

people with livelihoods and incomes. Micro, small and medium sized enterprises are also associated with new technological breakthroughs, infrastructural and economic development which impact on communities in a greater and more positive fashion than large enterprises (Groenewald et al., 2006).

The above findings notwithstanding, it is also true that the above achievements do not always eventuate. Many prospective entrepreneurs start off with a positive mindset but in their attempt to pursue their business ideas become frustrated. Amongst the key factors that can contribute to this frustration and as identified by Groenewald et al., (2006) are (i) not being able to access sufficient start-up funds (ii) facing high cost of borrowing finance (iii) the risks involved in starting an own business,

*Corresponding author. E-mail: rankhumiseem@tut.ac.za.

(iv) fear of failure or bad performance as well as (v) lack of appropriate training, skills and business education. Some of these factors are investigated in this study with respect to their effects on entrepreneurial efforts in South Africa generally and Mpumalanga province more specifically.

Post apartheid South Africa

It's clear that current South African government initiatives have been informed and shaped by the notion that the effects of a major past forced state intervention namely, apartheid is still relevant today particularly amongst the African communities and individuals seeking to become entrepreneurial in this post-apartheid era of South Africa. It's accepted that the policies of the past, created environments where most of the African communities lacked access to appropriate levels of educational and employment opportunities. This in turn has resulted in widespread ignorance, unemployment, unacceptable levels of poverty and crime. It's now an accepted position, that the extent of the marginalisation of African people from the then formal mainstream economy has now meant that interventions at the level of government are necessary to restore some semblance of equity. Some of these interventions involve government initiatives to create environments of entrepreneurial opportunity. For instance the department of health and social services in the Mpumalanga province is encouraging African communities to initiate projects and businesses as a means of generating acceptable levels of employment which in turn is expected to reduce poverty levels. To achieve this end, the government through appropriate departments, now provides training interventions that are intended to address the key operational areas of business. One such intervention involves exposing community members, to training on how to develop competitive business plans. Based on the assessed competitiveness and viability of the business plans, funding is then provided by the department to enable the particular individuals within the said communities to commence their specific business projects.

In addition to personal skilling interventions, a key consideration that has been afforded by the post apartheid South African government is to permit and encourage the initiators and drivers of these projects to initially operate these entities in an informal manner, with the proviso and expectation that once these entities find their financial footing they then should be registered in a formal manner. This consideration is given in view of the challenges that affect these entities as they attempt to operate in mostly rural settings where the infrastructure is poor, market access is limited and formal financial assistance is constrained. Clearly, both the recognition of the informal settings and the provision of training interventions are important strategies for assisting the

community members and prospective entrepreneurs to better operate in the typically difficult environments and also to be more business-like in their approaches. The latter is particularly important given the serious lack of business and management skills among prospective entrepreneurs and their tendency to be generally non-compliant with rules and regulations that exist in the formal sector. These types of government strategies appear to be well founded particularly when one considers how the South African business environment is currently fairing. For example, what is particularly encouraging about the business environment of South Africa is that although small and medium sized businesses have been hard hit by the current economic meltdown, they have also proven to be remarkably resilient when compared to large businesses. According to Biyase (2009) only 5% of micro small and medium sized enterprises in South Africa were running at a loss whilst some 67% regarded their businesses as still profitable in this climate of recession.

The above scenario suggests that strategies to give a *leg-up* to prospective entrepreneurs are well founded. However the key to the success of any strategy appears to lie in the appropriate identification of the most important problems that affect the performance of SMMEs in South Africa. Although probable causes have been identified, for low SMME performance it's still relatively unclear as to which of these are most critical. This paper seeks to address this issue by interrogating the interplay between known benchmarks of success and owner-managers' subjective measures of success. The potential conflict between overall measures of success and the prospective entrepreneur's personal measures of success has been only sparsely examined (Walker and Brown, 2004). In addition, it is widely recognised that small businesses are not just miniatures of large organizations. One distinguishing factor is the importance of the owner-manager's influence on business activities. The owner-manager seems to be omnipresent in every activity of a small firm. Consequently, when examining small or micro firms, e.g. the owner-manager's experiences, motives and attitudes should be taken into account (Hill, 2001). The purpose of this study therefore is to assess how prospective entrepreneurs or owner-managers perceive their business performance and the most important factors that might positively or negatively influence this performance. Essentially this study attempts to identify the most pertinent factors that positively or negatively influence the performance of micro businesses from the prospective entrepreneurs' experiences and points of view.

METHODOLOGY

The design that was adopted for this study is essentially exploratory in nature. It was expected that the exploratory approach in this case, would provide the opportunity to unravel the nature of the

entrepreneurs' experiences and perspectives of which little is known. Specifically, the promise of exploratory research is to obtain a richer understanding of the experiences relating to the challenges experienced by the entrepreneurs in the pursuance of their businesses and that which could hinder the performance of the business. To implement this, an essentially inductive approach was applied. This approach is said to rely on the use of qualitative data collection methods in order to gain a deep understanding of the factors and nature of the main issues or research problem (Simpson et al., 2004; Saunders et al., 2000). Although Simpson et al. (2004) support the view that inductive approaches involve going from the "specific to the general", according to Silverman (2004) when undertaking qualitative research, the actual process is in reality both iterative and inductive. Silverman (2004) argues that the researcher will "start out with a question or issue, collect data, analyse the data they have collected, start to formulate theory, go back and look at, or even collect more data". According to this author, in some cases, "in qualitative research, sticking with the original research design can be a sign of inadequate data analysis, and not consistency" (Silverman, 2004). It is for this reason that the researchers in this study have also included a contextual approach.

A contextual approach has been described as one where-in the phenomenon under investigation is studied in accordance with its intrinsic and immediate contextual significance (Babbie and Mouton, 2009). With this type of approach, the researchers were able to emphasize the dynamic, holistic and individual aspects of the human experience and additionally attempted to capture those aspects in their entirety, within the context of those who are experiencing them. Essentially, and in keeping with the approaches named above, during the interview participants were given the opportunity to describe their experiences and challenges in terms of factors they perceive to be influencing the performance of their businesses either positively or negatively.

Population and sampling

The study was conducted in three (3) separate municipalities in the Mpumalanga province of South Africa. The rationale for selecting the three municipalities is the convenience of their close proximity to one another. The study's population comprised of SMME owners/managers (15 in total) from Lekwa, Dr J.S. Moroka and Thembisile municipality in Mpumalanga province. The researchers purposively selected the SMME owners/managers to take part in the study on the basis that this is what the researcher considered comprised a typical unit. The latter sampling approach was deemed to be appropriate because it is normally applied in cases where participants are selected based on their possession of knowledge of the phenomenon under study, namely the experiences and challenges facing the owners in the pursuance of their businesses (Bless and Smith, 2004).

Ethical considerations

In conducting the study, the proto-typical ethical considerations as provided for by De Vos (1998) were observed and closely followed. First, informed consent was obtained from the participants by way of information leaflet outlining the purpose of the study and the process to be followed for data collection were explained to the participants. Second, participants were further informed of their rights in regards to participation in the study. Third, participants were informed that their anonymity will be maintained particularly as no personal identifiers were being used in the study. Finally, participants were invited to request for the outcomes of the study.

Data collection procedure

Prior to formal data collection, a pre - test of the study was conducted using a miniature trial run of the data collection process. The idea was to try and detect any errors and flaws within the data gathering instrument. The findings obtained from the subject in the pre-testing study were later converged within the major research findings, due to the fact that these preliminary findings were found to be consistent with those of the larger sample. Responses from both the pre-test and the major study were captured on an audiotape and field notes taken. The actual study then involved researchers personally visiting and interviewing each participant in the three nominated municipalities. The researchers used one central question as a point of departure, namely: "What experiences and challenges do you encounter which influence the performance of your business?" Based on this main question, other questions emerged as the interviews progressed. The researchers were then asked follow-up questions in order to explore particular aspects in greater depth. Interviews were conducted until such time as a saturation point was reached. Generally data saturation was achieved after fifteen interviewee cases.

Trustworthiness

To ensure that trustworthiness was achieved, the framework of Lincoln and Guba, (1985) was followed. This included credibility, transferability, dependability and confirmability. Trustworthiness was achieved by prolonged engagement, triangulation, purposive sampling, peer debriefing, and the authority of the researcher and by using an independent coder (Cresswell, 2009).

Data analysis

The audio taped interviews were transcribed verbatim by the researcher. In analyzing the data, the researcher and co-coder analysed the data independently using Tesch's data reduction method (Creswell, 2009) of open-coding. Tesch's data reduction method is a manual analysis of data done by following eight steps as articulated in the discussion section. This type of analysis is aimed identifying commonalities in the themes that emerged from the interviews. Audiotapes were listened to once and then listened to a second time. The field notes were then read to understand the data properly and to get a sense of the whole. Topics were abbreviated as codes and these were then written next to the appropriate clusters of the text. The related topics were grouped to reduce sub-themes to a manageable yet viable number. A final decision regarding the wording for topics was then undertaken to turn these into categories (Creswell, 2009). After the data was completed, the researchers and co-coders met to discuss the analysis and agreed on the specific significant emerging themes.

RESULTS

With respect to demographic profiles, most of the participants are females (82.5%). In terms of proportions male participants constituted only 17.5%. This was interpreted as a good indication of the predominance of women in the informal sector activities. The age profiles of the SMMEs prospective entrepreneurs interviewed, ranged from 21 - 30 years (27.5%), 31 - 40 years (37.5%), 41 - 50 years (15%), 51 - 60 years (10%) and 61+ years (10%). The study found that most of the participants' ages ranged between 21 - 40 which is in line with

the government's policy and focus of encouraging young people to start their own businesses and generate their own employment. In terms of education the majority (90%) have matric or less qualification. The micro entrepreneurs' business ownership profiles were as follows; retail 60% (9), service 27% (4) and manufacturing 13% (2).

DISCUSSION

As previously noted, data were analyzed through Tech's data reduction method by following the prescribed eight (8) steps as articulated by Tesch (1990) namely, (i) get a sense of the whole by reading all the transcripts carefully; (ii) pick one document (one interview) and go through it without thinking of the substance of the information but its underlying meaning; (iii) when all the interviews have been completed, make a list of all topics; (iv) take the list and go back to the data and abbreviate codes; (v) find the most descriptive wording for your topics as codes and turn them into codes; (vi) make a final decision on the abbreviation for each category and alphabetize these codes; (vii) assemble the data material belonging to each category in one place and perform a preliminary analysis and (viii) in this last step, if necessary, recode your existing data.

The discussion in this article is organized in accordance with the main themes that emerged during the analyses, namely, lack of funding, training, government laws, and support from the government, credit facilities, crime, job creation and legacy of apartheid. The participants in this specific study articulated a generally interesting and specifically important account of their experiences and challenges that influence the performance of their businesses. The following section discusses and provides justification of the themes identified on the basis of responses from participants by way of verbatim quotes.

Lack of funding

The first theme that emerged to explain micro business performance was lack of funding. This is critical for obvious reasons. Most participants felt that they are not taken seriously by financial institutions when they apply for loans. Hence lack of financial access was regarded as the main reason for many small business failures. The most common statements were in the following vein..,

"...my business was drying up and the banks are not willing to fund small firms..." "...they (financial institutions) will always tell you about collateral security which you do not even have, maybe the government should help..."

Quite often SMME owners especially those in rural areas and townships, face a situation where they are generally

being perceived by funding organizations as posing a major risk and as such their applications for loans are declined. This however, could be a result of small entrepreneurs who are not properly educated showing a lack of understanding where keeping proper records is concerned. Such a perception makes them ineligible as funding prospects. Unfortunately, despite this situation, it does not appear that much has been done by the government and private institutions to remove these perceptions or indeed by way of finding new ways that could assist the micro enterprise owners to deal with this problem. These findings confirm what Netswera and Ladzani (2009) found in their study, that "access to finance is critical for the success of the business". In this case, financial institutions are not willing to assist entrepreneurs. These results also confirm previous works by Mahadea and Pillay (2008); Rogerson, (2006) who found that financial institutions are unwilling to fund the small businesses. This is partly because financial institutions view many small firms as high-risk ventures with very poor collateral or no collateral at all. This suggests that lending to such firms means high administrative costs in relation to the size of the loans. The majority of small ventures raise finance through friends and family, or through informal lenders. The recent introduction of the Credit Act of 2007, may in fact present greater difficulties for micro enterprises in regards to their ability to access funding, particularly from financial institutions like commercial banks.

Lack of training

With regards to this theme, three sub-themes emerged, these are (i) lack of financial management skills, (ii) lack of managerial skills and (iii) lack of training on strategies to pay back loans and (iv) lack of adequate business skills.

Financial management

An important finding in relation to finances was that participants require important financial management training interventions. Clearly, it is a futile exercise to borrow money if it is not appropriately utilized. This is normally characterized by the fact that entrepreneurs acquire luxury cars instead of expanding the business operations. These findings confirm what van Aardt's et al. (2008) study found, namely that business owners and managers should avoid using the assets of the business for personal use at the expense of the business.

".. Sometimes you become lucky that the bank gives you a loan, then you lose your way and begin to use it for other purposes unrelated to the business. This is because of lack of insight on how to use money and manage it in a disciplined way."

This particular situation is a result of lack of training on how

to manage the resources of the business. The reality is that if such funding is misappropriated, it will result in the business collapsing due to any number of reasons ranging from, (i) less income being generated and a probable inability to repay income being generated and a probable inability to repay the loan, (ii) cash flow problems and (iii) funds may be depleted.

Managerial skills

A further finding suggests that many entrepreneurs believe that for them to succeed in the pursuance of their business successfully, they need training towards gaining appropriate managerial skills. When asked which managerial skills they felt they needed most, entrepreneurs indicated that they lacked skills with respect to "...how to keep records on the affairs of their businesses, in the writing of a business plan, in how to manage the business and in how to market properly ...". Obviously basic managerial skills such as these are critical if for no other reason than the fact that micro enterprise owners need to have a thorough understanding of the management of the business to ensure that they succeed in their day to day operations. Most of the business owners interviewed confirmed that they felt that their poor business performance experiences were directly related to their lack of adequate management training. In some instances, these micro enterprise owners come from backgrounds that are devoid of business exposure and so naturally need formal training/ exposure to meet the needs of these environments. The lack of appropriate management skills on the part of these micro enterprise owners also means that these individuals would lack the requisite ability to plan properly, acquire funds or even to adequately understand the environmental factors that could hamper the successful running of their businesses. Overall, these participants expressed an important need and desire to be exposed to managerial training in order to curb the possibility of business failure.

Training on strategies to pay back loans

From the interviews, it further emerged that entrepreneurs require training with respect to the repayments of their loans. Clearly, payment or non-payment of loans would have important consequences for these micro enterprises. Obviously where a business owner reneges on honouring to repay a loan, that would then have a very adverse effect on the credit ratings of that individual and as such no future credit facility would then be made available for such an entrepreneur.

Lack of business skills

From the interviews, it also became abundantly clear that

micro business owners needed specific and basic business skills such as accounting and book-keeping. These skills would undoubtedly enable them to have a better grasp of what is happening in their respective entities. In addition prospective entrepreneurs expressed a desire to be skilled in how to write competitive business plans.

"...I need training on how to write a business plan so that I can understand the business activities properly and am able to write my own business plan particularly when applying for a loan. I am tired of paying consultants..."

it follows then, that if such entrepreneurs are provided with the necessary business skills, there is a greater possibility of them enhancing their ability to undertake entrepreneurial tasks without engaging business consultants. Ekaete and Olumide (2007) support this view by stating that the chronic lack of business skills among micro enterprise owners has been attributed to the lack of government support and appropriate interventions such as mentoring programmes and entrepreneurial education. It is therefore small wonder that as a consequence of this endemic problem, entrepreneurs find themselves being unable to plan, or market their products properly or even manage their finances viably.

Government laws and regulations

The sampled entrepreneurs indicated that some government laws and regulations placed serious impositions on their ability to run their businesses. One particular example that was cited frequently pertains to the requirement to properly register employees working in the micro enterprises and also pay them in accordance with governmental guidelines. This is viewed as an impediment because most of the entrepreneurs make only marginal profits on their operations. This situation compels businesses to employ individuals predominantly on a casual basis. This finding is instructive mainly because typically individuals, who initiate or start their own business, do so because they want the freedom to conduct their businesses and also to be their own bosses. As a result of various government rules and regulations, this freedom is partially eroded as entrepreneurs become subservient to customer needs and are subject to numerous laws and regulations (Mahadea and Pillay, 2008).

Support from the government

There is a general concern from the participating micro enterprise owners, that they are not aware of the support the government could offer them. Hence statements such as "... You read in the newspapers about the Department

of Trade and Industry and the assistance it provides to small businesses, but this does not reach us in the rural areas...if these people can at least visit the provinces and advertise their services well, maybe we may benefit..." From the above expressed sentiments it is clear that the services offered by the department of trade and industry (DTI) are not accessed by the business owners interviewed. This finding presents an important challenge to this particular government department and its agencies particularly with respect to its ability to properly expand its services to even the most rural areas of South Africa.

Credit facilities

From the interviews, it was found that entrepreneurs often try to retain their customers by extending credit to them. The sentiments from most of the participants was that they were surviving as a result of the credit facilities accorded to them as this provides some certainty for business owners in continuing with their business activities. Many of the micro business owners argued that they face a great deal of difficulty in retrieving money from customers. Statements were presented such as "...people are not paying their debts and some are even postponing their orders... you know you end up using your own money to bail out the business..." From this expressed experience, it is evident that some of the micro enterprises are better placed than others and this suggests that some owners have better methods of accessing, attracting and keeping customers particularly during difficult times.

Crime

Most of the micro enterprise owners interviewed perceived crime to be a serious challenge to their businesses. "... There is high crime rate here, the problem is that we have a lot of robberies, you work hard and at the end of the day you are robbed of the little money you have made, at gun point..." This finding is in accordance with what Van Scheers and Radipere (2005) found. That is, crime is a widespread problem in the black townships and imposes an additional premium to running a business there and that crime compels micro enterprise owners to relocate elsewhere, that is, out of black townships. Furthermore, crime affects business directly, with the theft of property and money, and this reduces business confidence, loss of investment, emigration and essentially the steady erosion of the foundations upon which the economy is built (BAC, 2006; Clover and Darroch, 2005).

Job creation

With respect to this theme, it became fairly evident from

the interviews undertaken that entrepreneurs are able to create ample job opportunities. For example, from the fifteen interviewed entrepreneurs, it emerged that as a group, they had employed a combined total of 42 individuals. Although this number of employees may not be deemed to be significantly large, these entrepreneurs can still make the claim that they are able to create employment. Research has shown that without small business development, the economy of the country would stagnate, since employment would decline and the poverty would increase (Rona-Tas and Sagi, 2005).

The legacy of apartheid

Study participants indicated that the legacy of apartheid has inflicted serious socio-economic hardship to them in many respects namely, the type of education offered prior to independence, and restrictions imposed by the group areas act which inhibited *blacks* from operating businesses in the then *white* areas. "...if we were allowed to operate in white areas, our businesses could have grown to greater heights..." "...it is unfortunate that we were only allowed to trade in the areas where we were staying and as it happened where peoples' purchasing power was limited..." These findings concur with what Ekaete and Olumide (2007) found, that low levels of black self-employment in South Africa have been associated to some extent, with apartheid. Arguments have been made about the lingering effects of the restrictive legislations such as the group areas act, stricter licensing, zoning regulations, and Bantu education, which repressed and disempowered black South Africans and inhibited the development of entrepreneurial and social skills among the disadvantaged. These skills as well as social networks-factors are important for confidence when engaging in entrepreneurship (Kingdon and Knight, 2005). Thus, in present day South Africa, most black South-Africans tend to prefer to be employed, rather than take the risk of starting their own business. This attitude appears to be changing though particularly among the new generation of young South Africans who did not grow up under the repressive conditions of apartheid. The change in attitude may also be due to the government's initiative to promote entrepreneurial culture and self-sustainability for the youth through initiatives such as the Umsobomvu entrepreneurship programme. The programme named above is aimed at enhancing the economic participation of youth by assisting them to access sustainable business opportunities, business development services and enterprise funding. In attempting these aspirations, the business development Services voucher programme is used to assist young entrepreneurs to access quality business development support. These services are provided by a network of accredited service providers focusing on among others, business planning, marketing plans, productivity improvement and tax and accounting matters.

IMPLICATIONS OF THE STUDY

The purpose of this study was to assess how prospective entrepreneurs or owner-managers perceive their business performance and the most important factors that might positively or negatively influence this performance. Essentially this study attempted to identify the most pertinent factors that most positively or negatively influence the performance of micro businesses from the prospective entrepreneurs' experiences and points of view. This study goes some way in achieving this aim through the identification of a number of thematic areas of concern to micro enterprise owners. The main findings point to a number of key factors that influence micro-enterprise performance. Findings show that owners were experiencing serious problems (1) where access to funding was concerned, (2) in dealing with crime (3) due to lack of appropriate education and training (4) as a result of lack of access to government funds and (5) due to stifling government regulations. Overall, the findings point to a general mismatch between government intentions and practices where ME support is concerned thus negatively affecting micro enterprise performance in general.

RECOMMENDATIONS AND FUTURE RESEARCH DIRECTION

Certainly, there are positive signs that government supported initiatives towards micro and small business enterprises in South Africa are high on the agenda. However, these same organizations in the rural areas do not seem to be aware of the support institutions. It is therefore suggested that support institutions such as SEDA and Khula need to extend their support campaigns and outreach programmes to the rural areas. In addition, and in order to minimise the difficulties faced by entrepreneurs, it is important to make use of business related consulting professionals, such as accountants or business consultants. Once this information is determined, perhaps the government could then introduce incentives in terms say of tax rebates and other such incentives. In terms of future research direction, it is suggested that studies be conducted to include other municipalities among the nine provinces of South Africa, in order to collate more generalisable findings.

Conclusions

The discussion in this article articulates the sentiments of micro enterprise owners regarding the challenges that they face when pursuing their businesses. The findings on which this article is based suggest that there are hurdles impeding the performance of the business

characterized by:

1. Lack of financial access which is regarded as the main reason for small business failure.
2. Lack of training in terms of financial management which could ensure that management of finances is effective and efficient.
3. Crime is perceived as great challenge for small business owners.
4. It is noted that government support is not visible and as such there is a need for government agencies such as SEDA to aggressively market their services.
5. From the findings, the surveyed owners believe that government laws and regulations affect their business drastically as they are compelled to comply with the sectoral determination as well as registering of the employees.

This study reveals that even though micro business owners are making important strides in their businesses, there are still important hurdles that need to be overcome. First, an important hurdle involves the attainment of basic business management skills. This could include financial literacy, general management and marketing. One option could be, to establish entrepreneurship education at high school level with the view of exposing prospective entrepreneurs, at an early age to business type education which would then allow for a greater understanding of the functions involved in running a small or micro business properly. Second, the findings support the government's views on the importance and emphasis on small and micro businesses, in the economy. For example, in Finland only 0.2% of all the businesses are large (employing 250 or over); whereas 93% are counted as micro firms that employ less than ten persons. Yet these firms account for the bulk of national employment and play an important role in the overall economic growth (Reijonen, 2008). Although in this study the numbers were very small, in relative terms, the reality that 15 micro businesses can create up to 42 jobs is instructive. Undoubtedly South Africa follows similar trends to those reported in Finland, therefore, policy makers need to be interested in developing better means of promoting the emergence of new business ventures and in supporting the growth of these entities. Third, the findings suggest that the government needs to craft appropriate mechanisms for addressing training for the micro business owners. Specifically training that allows for micro business owners to not only understand how to secure funds but also how to utilize these properly and remain viable. Finally, the study affirms the need for ongoing surveys of the SMME or small and micro business sector with a view to monitoring the contributions made by this sector in terms of job creation, growth of the economy and for further explorations of small and micro business owners / prospective entrepreneurs' point of view, which provides valuable insights and lessons for others.

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