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**COLLEGE OF LAW AND
MANAGEMENT STUDIES**

**Repurposing Entrepreneurial Recovery Strategies
Employed by Small, Medium, and Micro Enterprises
during the Covid19 Pandemic within eThekweni
Municipality.**

By

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**A Research Study Submitted to the College of Law and Management Studies in
Fulfilment of the Degree of Master of Commerce**

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Abstract

The purpose of this study was to examine and evaluate SMMEs' entrepreneurial recovery, and strategies they could adopt to sustain themselves during this COVID-19 pandemic crisis. The novel coronavirus disease 2019 (COVID-19) has caused a major shock in the world economy. Control measures to limit the spread of the virus have substantially weakened the economic systems in many countries, including South Africa. This pandemic has resulted in 'lockdowns', which have paralyzed entire sectors (travel, tourism, retail, production, and distribution chains) and global economic systems, leading to an economic crisis affecting millions of people and thousands of businesses (UNDP 2020). Small, Medium, and Micro Enterprises (SMMEs) appear to be the most affected. Some analysts are predicting that around 60% of SMMEs may close before the crisis is over.

The methodology chosen for this study was qualitative-oriented, and the associated research design acted as the research blueprint for data collection and strategy. The study selected different small businesses in the eThekweni municipality area in the province of KwaZulu-Natal. Participating firms were small businesses that have experienced a significant impact from the current COVID-19 outbreak and measures. The sample size consisted of 15 participants selected from registered business entities. To avoid face-to-face contact and follow COVID-19 protocol and regulations, the research was mostly conducted with the business owner or management representative.

The aim of this research is to identify the key findings for the situation of SMMEs, and their recovery strategies during this socioeconomic shock. The research findings highlight that majority of respondents in this study, had difficulties financing their companies, the monthly loss was experienced, and a huge drop was observed the respondents. The decline in their business activity and operation was also due to the regulatory closure of establishments, as a result of the Disaster Management Act.

The research found that most SMMEs have managed to put in place recovery strategies to survive and resist the economic downturn, but others also had to close their business – often permanently. The research also highlights the recommendations for further research.

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List of Acronyms and Abbreviations

| | |
|--------|---|
| B-BBBE | Broad-Based Black Economic Empowerment |
| DFA | Development Finance Associates |
| DTI | Department of Trade and Industry |
| EME | Emerging Micro Enterprise |
| FDA | Food and Drug Administration |
| FDI | Financial Development Institutions |
| GDP | Gross Domestic Product |
| IDC | Industrial Development Corporation |
| IDP | Integrated Development Plan |
| ILO | International Labour Organization |
| IS | Interview Schedule |
| IPAP | Industrial Plan of Action Plan |
| LED | Local Economic Development |
| RQ | Research questions |
| SAERR | The South African Economic Reconstruction and Recovery Plan |
| SARS | South African Revenue Service |
| SEDA | Small Enterprise Development Agency |
| SMME's | Small, Micro and Medium Enterprises |
| OCED | Organization for Economic Co-operation and Development |
| TVET | Technical and Vocation Education and Training |

CHAPTER 1: INTRODUCTION AND OVERVIEW OF THE STUDY

1.1 Introduction and Background

The contemporary economic literature considers entrepreneurship as one of the key determinants of economic growth and an engine for development, while innovative entrepreneurship is considered as a factor contributing to economic development, increasing wealth, and creating considerable benefit due to its harnessing of opportunities and innovation (Diaconu & Duțu, 2015). Entrepreneurship has evolved from leadership in general to the management that is used in creating organizational success through innovative developments, which may relate to changes in organizational structure, culture, or products and services. Many countries worldwide have an approach to development planning articulated by policy directives, several strategies, and investment programs. The governments make all the concerted efforts to that effect, for their implementation and to achieve the objectives assigned in these plans. The Sustainable Development Goals (SDGs), proclaimed by the United Nations (UN) member countries, plan to amongst other things: -(1) reduce income inequalities and associated spatial disparities, as well as the reduction in unemployment; (2) ensure the environmental sustainability of development strategies; (3) promote good governance and security (mainly through transparency, effective institutions, the rule of law, and participation); (4) promote sustainable, inclusive growth that focuses on eradicating extreme poverty. Goals number 8 and 9 of the United Nations SDGs recognize the importance of sustained, inclusive, and sustainable economic growth that provides decent, quality work for everyone. It aims to eradicate unworthy work and to ensure the protection of all workers, while calling for the fostering of financial, technological, and technical support for industries and encouraging innovation and scientific research and development.

Today SMMEs are the key development sector for Africa as most of its governments have now turned to entrepreneurs to support future growth. Muriithi Samuel (2017) states that SMMEs stand to contribute to African development and position the continent as competitive, and thus facilitate innovation and creation of much-needed

well-paying jobs (Dos Santo 2015). According to Development Finance Associates (DFA), African SMMEs have some of the most resilient entrepreneurs in the world, with a unique ability to operate in non-conducive business environments. Imagine their potential if they were given a more stable and supportive environment in which to grow their enterprises. The Small, Medium and Micro Enterprises (SMMEs), therefore play a vital role in the development of countries' economic growth. SMMEs assist in regional and local socio-economic development. They create jobs and alleviate poverty in many developing countries. This helps achieve fair and equitable distribution of wealth by regional dispersion of economic activities (Haron et al., 2013). The important contributions of SMMEs to the economy, such as employment and industrialization, have been well documented. Although their role in the economy is substantial, many SMMEs are facing difficulties to access support such as financing, human capital, technological assimilation and transfer, and market access (Haron et al., 2013). In addition to the SMMEs' challenges, the Covid pandemic added problems to these. The COVID-19 pandemic has adversely affected SMMEs, while its disruptions did not affect all businesses equally and equitably. Some businesses were deemed providers of essential services and remained resilient and sustainable, while others such as tourism, leisure, and hospitality have been decimated. Therefore, the aim of this study is to conduct an investigation on the impact of Covid-19 on SMMEs, and to critically examine the recovery strategies those SMMEs could take into consideration, in an effort to recover from the devastating impacts of the pandemic.

1.2 Motivation for the Study

The Small, Medium, and Micro Enterprises (SMMEs) within the coastal city of Durban and the report from Statistics South Africa (Stats SA), motivated the undertaking of this study. Ordinarily, when an entrepreneur has declared that his business will not survive this Covid crisis, it is usually a point of no return for the enterprise. This study analyses the strategies to recover and propose improvements and reforms that can be used by entrepreneurs, policymakers, and authorities, as well as government officials for understanding the business environment and thus arriving at informed and rational decisions.

1.3 Problem Statement

The South African government has an elaborate programme and policies that have been accomplished in transforming South African society, to create opportunities and face challenges. The National Development Plan (NDP) plans to create 11 million jobs by 2030, which will decrease the unemployment rate from around 32% as per Q2 of 2021, to 6%. To achieve this, the NDP proposes the promotion of industries employing a large workforce, a robust effort on competitiveness and exports, the strengthening of the role of government in leading economic development, as well as concerted mobilization of all sectors of society around a national vision. It also plans to revive infrastructure, so that investment can again reach 30% of gross domestic product (GDP), as was the case in the early 1980s, and a program of conversion and construction of real houses in informal settlements, public transport, a freight network, irrigation schemes, efforts on renewable energies (but also shale gas), etc. So, it can probably be considered that there is a correlation between SMMEs and aggregate socio-economic development. It is critical that SMMEs play an essential role in the stimulation of the country's economy. The success of SMMEs has a fundamental positive influence and impact on the health of the economy, since they are the engine of job creation, economic growth, and innovation.

In NDP Vision 2030, South Africa has espoused the creation of an economic environment that is conducive to the dynamic formation and expansion of new businesses. Former Small Business Development Minister Khumbudzo Ntshaveni's department, will help power the National Development Plan's goal of 90% of jobs being created by SMMEs by 2030. The SMME Ministry's role will be a "co-ordinating" one, bringing together existing government programmes and policies, to grow the small business sector (SMMEs South Africa, 2014). The lockdown measures taken by the South African government to restrict the movement of populations, were put forward as one of the main methods for reducing the spread of the COVID-19 virus. However, these drastic measures have had significant consequences and a negative impact on the survival of businesses, especially SMMEs. Through the closure of borders and movement restrictions, markets face supply chain disruptions, logistics backlogs, and the drop in the supply of imported products, which leads to the risk of speculation and soaring prices, partial unemployment, etc., as the COVID-19 pandemic drastically hit SMMEs' sustainability. So, it is of significant importance for SMMEs to expeditiously

adapt to the current crisis to avoid the closure of their organization. For this, SMMEs must strategically craft rebound and recovery tactics, considering the challenges and constraints of the environment, the restrictive measures imposed, and the support measures proposed by the government. Bartika et al. (2020) looked at the expectations of SMME owners at a critical point in time, when both the progression of the COVID-19 virus and the government's response, were quite uncertain. From a micro perspective, the focus of this study will be on SMMEs, and it will attempt to identify entrepreneurial recovery strategies and critical aspects of success for SMMEs post pandemic.

1.4 Research Objectives

The main objective of this study is to examine and evaluate the SMMEs' entrepreneurial recovery, and associated cogent sustainable strategies they could adopt, to rebound and sustain their entities post the Covid pandemic crisis.

Auxiliary objectives were:

- The entrepreneurial rebound and recovering strategies post pandemic.
- The extent of survival tactics used by SMMEs during the COVID-19 crisis.
- The Critical Success Factors to be adopted by SMMEs during times of crisis.
- The analysis of existential support and empowerment for SMMEs to be competitive and sustainable.

1.5 Research Questions

- How can the entrepreneurial rebound and recovery strategies post pandemic be assessed?
- What is the extent of the survival tactics used by SMMEs during the COVID-19 crisis?
- What are the Critical Success Factors to be adopted by SMMEs during times of crisis?
- How can the existential support and empowerment for SMMEs to be competitive and sustainable be evaluated and analysed?

1.6 Significance of the Study

The study will make significant contributions to the evolution of SMMEs' recovery trajectory and strategy adoption, which can help to restore their rebound and sustainability endeavours. Firstly, if the planning strategy recommended is used during this hard experience, it will bring a consolidation in SMMEs' business management. Secondly, it is essential that credible and trustworthy research assist in making relevant decisions, by allowing a better understanding of reality. Thirdly, the qualitative approach allows SMME operators to share their actual insights, experiences, and expertise that are both cognitive and effective, pertaining to the adverse impacts of the COVID-19 pandemic on their businesses. Thus, the study can contribute towards the enhancement of knowledge on SMMEs' business challenges during turbulent times. Finally, this research will contribute to the development of strategic recommendations that allow for the structuring of a more global social inclusion program, transferable to other SMMEs.

1.7 Understanding of the Study

The study focused on SMMEs located in the eThekweni municipality in the province of KwaZulu-Natal. To understand the situation in South Africa right now during this COVID-19 pandemic, this research was limited simply to a qualitative study, for health reasons and due to restrictions imposed by the government. Although this is a relatively small-scale study of a sample size of 15 respondent SMMEs, the results of this study can serve as a starting point for future research. The study was also dependent on who participated in it; while the aim was to reach a group that is reflective of the population, we were limited in terms of participation, as this was voluntary. Because a case study was proposed, it has limited generalisability to other organisations. The findings may reflect the reality of what is found in the organisation, but it is only one reality (Salkind, 2012). As access to the library was limited during the COVID-19 pandemic, and due to the time constraints set to complete the study, many sources of information were from online sources. Therefore, the researcher tried to read extensively through all the literature, methodology, and theories in order to present a well-structured study.

1.8 Ethical Consideration

Ethical consideration is very important in a research study. In this study, some of ethical actions were considered. Firstly, the study needs to be granted ethical clearance by the Research Ethics Committee. The gatekeeper's letter was sought as well as informed consent, that ensured the participants' anonymity and their confidentiality in their participation in the study. Therefore, an informed consent form was signed by the participants, declaring that they agreed to participate with their individual answers, and allowed them voluntary participation and withdrawal at any given moment, should they so wish.

1.9 Overview of Research Methodology

A qualitative strategy was employed for this study, The data was collected from 15 SMMEs in eThekweni Municipality area in KwaZulu-Natal. It was analysed using thematic analysis and in-depth, semi-structured interviews with participants who were directly involved in the study.

1.10 Structure of the Thesis

This thesis is divided into five chapters:

Chapter One – Introduction

In this chapter the background and motivation of the study are discussed. The review of the research questions and objectives are also briefly discussed, including the significance and limitations of the study, which are evaluated.

Chapter Two - Literature Review

This chapter reviews the literature related to the importance of SMMEs and the factors involved in SMMEs' failures management. It further discusses the impact of COVID-19, recovery strategies of entrepreneurs for their survival, and the relevant theories for this research study

Chapter Three – Research Methodology

In this chapter, the qualitative research method chosen for this study is reviewed, including the research sample, data collection method and instrument discussed.

Chapter Four – Results

This chapter focuses on the presentation of the research results and findings and tries to analyse and interpret them with the intention of drawing conclusions. It explains and analyses the responses from the participants.

Chapter Five – Conclusion and Recommendations

In this chapter, the researcher concludes the study and discusses recommendations for future research on the subject matter.

1.11 Chapter Summary

This chapter presented the introduction and the background to the study, follow by the problem statement, research questions, and objectives. The literature review and the contextualization of macro, meso, and micro-orientation of the conceptual factors were also discussed. The research methodology and associated research design, research instrument, population, sampling, and data management process were discussed. The chapter ended off with an elaboration of the inclusion and exclusion criteria for participants, while the work plan and the limitations of the study were also incorporated.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

The purpose of a literature review is to gain an understanding of the existing research and bring clarity and focus to the research problem. These are done to achieve the main aim of the study, which is to explore entrepreneurial recovery strategies used by SMMEs during the COVID-19 pandemic. In this chapter, the review of existing literature covered the following points: conceptual framework of the study, current literature, and theoretical underpinnings. Furthermore, the limitations due the devastating adverse impacts of the COVID-19 pandemic will also be taken into consideration (Spinelli & Pellino, 2020; Skouloudis, Tsalis, Nikolaou, Evangelinos, & Leal Filho, 2020; Ijeoma, Eketu, & Amah, 2019).

2.2 Definition of SMMEs

Literature doesn't offer a universally accepted definition or a "founding principle" on this topic, hence, there are several approaches to understanding the term. Small, Medium and Micro Enterprise (SMMEs) are considered to be the backbone of an economy, whether referred to in a particular country, or if they are talking globally. These companies represent an essential source of economic growth, dynamism and flexibility in advanced industrialized countries, just like they do in emergent and developing economies. The main argument for this is that SMMEs are the dominant form of business organization, representing roughly 95–99% of all companies (Chimucheka, 2015). One of the best ways to address unemployment is to improve the employment creation potential of small businesses, and to promote the development of the SMME sector (Chimucheka, 2015).

The South African context for Small Business is the most widely used framework in South Africa, with its definition borrowed from the National Small Business Act 102 of 1996, which categorise five types of businesses in South Africa. The definition utilizes the number of employees (the most common mode of definition) per enterprise's size category, combined with the annual turnover categories, and the gross assets

excluding fixed property. The definitions for the various enterprise categories for the purpose of this study are listed below:

(i) Survivalist enterprise: The income generated is less than the minimum income standard or the poverty line. This category is considered pre-entrepreneurial, and includes hawkers, vendors, and subsistence farmers (in practice, survivalist enterprises are often categorised as part of the micro-enterprise sector).

(ii) Micro enterprise: The turnover is less than the VAT registration limit (that is, R150 000 per year). These enterprises usually lack formality in terms of registration. They include, for example, spaza shops, minibus taxis, and household industries.

(iii) Very small enterprise: These are enterprises employing fewer than ten paid employees, except in the mining, electricity, manufacturing, and construction sectors, in which the figure is 20 employees. These enterprises operate in the formal market and have access to technology.

(iv) Small enterprise: The upper limit is 50 employees. Small enterprises are generally more established than very small enterprises and exhibit more complex business practices.

(v) Medium size enterprise: The maximum number of employees is 100, or 200 for the mining, electricity, manufacturing, and construction sectors. These enterprises are often characterised by the decentralisation of power to an additional management layer. The National Small Business Act's definitions of the different categories of businesses may be also further summarised as set out in Table 2.1

(vi) Generic enterprises: These entities are mainly comprised of conglomerates and multinational enterprises, which have under their employment upwards of 200 employees, and are mainly represented in various geographical locations far beyond their headquarters.

Table 2.1: Broad Definitions of SMMEs by the National Small Business Act

| Enterprise Size | Number of Employees | Annual Turnover (SA Rand) | Gross Assets (Excluding Fixed Propriety, SA Rand) |
|------------------------|---|--|--|
| Medium | Fewer than 100 or 200 depending on industry | Less than 4m to 50m depending on industry | Less than 2m to 18m depending on industry |
| Small | Fewer than 50 | Less than 2m to 25m depending on industry | Less than 2m to 4.5m depending on industry |
| Very Small | Fewer than 10 to 20 depending on industry | Less than 200 000 to 500 000 depending on industry | Less than 150 000 to 500 000 depending on industry |
| Micro | Fewer than 5 | Less than 100 000 | Less than 100 000 |

Source : Falkena et al. (2001 :8)

2.3 The importance of SMMEs in the Economy

2.3.1 International Perspectives of SMMEs

Small, Medium and Micro Sized Enterprises (SMMEs) have always played significant roles in the world economy. SMMEs, which are the driving force of economic growth, have an important effect on economic activity. In 1985 in the European Community, every three people out of 25 (12%) unemployed. Therefore, research was done to achieve an important increase in employment in Europe. The results of the research show that one solution to achieve this was the rise of Small and Medium Size Enterprises (SMMEs). It is noted that SMMEs, the significance of which becomes clearer for resolving employment issues, gained importance in Europe after the 1970s (Ayandibu, and Houghton, 2017).

The importance of the SMME sector is well recognised worldwide, with such enterprises often being described as the heartbeat, backbone, or building blocks of an economy, and have largely been accepted as significant drivers of economic growth and job creation (Habberton & Notcutt, 2013; IOL, 2014; Bureau for Economic Research, 2016; Bvuma & Marnewick, 2020). Globally, more than 95% of businesses are SMMEs, accounting for over 50% of employment (Bayraktar & Algan, 2019). In the European Union countries and in the Asia-Pacific region, SMMEs make up more than 98% of all enterprises, and account for about two-thirds of total employment according to the Edinburgh Group (2013), Asian Development Bank Institute (2016), European Commission (2018), and SMMEs Finance Forum (2018). By comparison, in South Africa SMMEs account for approximately 98.5% of enterprises (Rotar et al., 2019). Although the contribution of SMMEs may vary from one country to the next, their impact on economic growth is significant. In South Africa specifically, such enterprises provide much needed support for the economy, contributing significantly to the country's gross domestic product (GDP) with an approximate contribution of 34–38.8% (IFC, 2018; Kalidas et al., 2020; Seda, 2020). The national government legally imposed three key socio-economic objectives on South African SMMEs, namely to: (i) alleviate poverty, (ii) diminish unemployment, and (iii) boost the national economy (Jili et al., 2017).

Similarly, SMMEs have played a major role in job creation, with wide-ranging estimates ascribing approximately 28–58% of the country's employment to such entities (SBI, 2018; Seda, 2020). According to Imbadu (2016), South Africa's future economic success relies heavily on new and growing SMMEs in both the formal and informal sector. It is envisioned that local SMMEs will contribute approximately 90% of new jobs and 60–80% of the country's GDP by 2030 (Imbadu, 2016). The SMMEs sector, inclusive of township enterprises and the informal sector, is considered to be a beacon of hope due to its vast, untapped potential to boost South Africa's economic growth and employment, while being an economic activity of necessity for millions (Wiid and Cat, 2021). In South Africa, the South African Revenue Service (SARS) is the official tax collection agency (SARS, 2020). Although only three local studies have been conducted on the influence of Customs and Excise Taxation on South African SMMEs' sustainability (Salie et al., 2014; Hendricks et al., 2015; Bruwer, 2019).

2.4 Impact of the COVID-19 Pandemic on SMMEs' Development and Sustainability

2.4.1 Impact of the COVID-19 Pandemic on SMMEs in the World

The outbreak of COVID-19 devastated the networks of African populations, particularly as they affected meetings, tourism, travel, trade, and physical contact due to the territorial and border lockdowns of countries to limit, and ideally prevent, the spread of the disease. It compelled African communities to keep in touch through advanced technologies, such as the internet, webinars, smartphones, and other electronic systems. Despite the lockdowns in many countries, COVID-19's prevalence and spread has continued escalating exponentially, with over 19.8 million cases and over 729,891 deaths at the time of finalizing the writing of this article on 8 August 2020 (Kassa & Grace, 2020). The numbers that succumbed to the disease in other countries soon surpassed those recorded initially in China, such as in the USA, Brazil, India, Russia, South Africa, and Mexico (Kassa & Grace, 2020). While the COVID-19 outbreak in China was in its maturation stage, it was at its peak in many developed countries such as, initially, Italy, then France, Germany, Spain, the USA, and the UK through transmission by contagious travellers and then through domestic spread (Kassa & Grace, 2020).

The pandemic has had an adverse effect on the wellbeing of the economy, especially SMMEs, and on the supply and demand sides. On the supply side, enterprises experienced a reduction in the supply of labour, as workers were unwell or needed to look after children or other dependents while schools were closed, and movements of people were restricted (Nurunnabi et al., 2020). Measures to contain the pandemic by lockdowns and quarantines led to further and more severe drops in capacity utilization. Furthermore, supply chains were interrupted leading to shortages of parts and intermediate goods. The impact of the virus could have potential spilt over into financial markets, with further reduced confidence and a reduction of credit. These various impacts have negatively affected both larger and smaller firms. However, the effect on SMMEs has been especially severe, particularly because of higher levels of vulnerability and lower resilience related to their size (Nurunnabi et al., 2020).

In the globalized economy of 2020, the impacts of COVID-19 went beyond mortality. As such, governments around the world prepared contingency plans and aid packages

to sustain their economies. In China, there were severe lockdowns. This led to a decrease in consumption, and interruptions to production. Overall, the functioning of global supply chains has been disrupted. As a result, millions of people will request unemployment subsidies. Consumers have also changed their consumption patterns, resulting in shortages of many goods in supermarkets around the world (Nurunnabi et al., 2020). The COVID-19 pandemic has changed the whole world and created disruption of global production and supply chains, leading to uncertainty in business investment (Arndt et al. 2020). The way we run businesses, deal with customers, employees, community, and other sorts of stakeholders in organisations and society, became a challenge in times of this health crisis, which has extreme ramifications for sustainable business as well as society. Businesses have been forced to find creative and innovative ways of addressing some of the great challenges facing our world resulting from the pandemic (Nurunnabi et al., 2020). It is estimated that COVID-19 will affect the global economy more than SARS. The International Labour Organization (ILO) has stated that COVID-19 is the most severe crisis since the Second World War (Bashyal et al., 2020).

Most countries have taken measures such as home confinement, travel bans, and business closure to control the rate of infection. Such travel restrictions have affected every stage of the food supply chain with major impacts on food distribution. World merchandise trade is believed to have declined by between 13% and 22% due to COVID. COVID-19 Pandemic is the first comprehensive survey on the pandemic and its economic impacts across Africa. It takes stock of the impact of the COVID-19 pandemic on businesses and trade, identifies the challenges faced, and the responses taken by businesses (Omonona and Oluwole, 2021).

The impact on businesses of the Covid crisis is similar across Africa, which is often characterised by fragile fundamentals and weaker business resilience to shock (Fatoki 2018). Ozili (2020) showed from his descriptive analysis, that the pandemic had negative effects on the oil industry (through decline in oil prices) in Nigeria, which in turn affected other businesses' operation along the oil supply chain. Other literature that highlights the negative impacts of the COVID-19 pandemic on business operation and outcome includes Khambule et al. (2020).

A few studies have, however, investigated some businesses' responses to remediate the impact of the Covid crisis. (Omonona and Oluwole, 2021). It is, therefore, essential to undertake a wide-ranging analysis when assessing the impact of the COVID-19

pandemic outbreak on the health and economic growth of poorly resourced countries, such as those in Africa; such studies have not been reported hitherto. The current evidence focuses mainly on the number of confirmed cases, recoveries, and deaths; the social, economic, and political impacts remain largely unknown. In this narrative review, it is aimed to establish the number of COVID-19 pandemic cases, recoveries, hospitalizations, and deaths, as well as the health crisis' impact on the formal and informal economic sectors (Kassa and Grace, 2020). The projections of gross domestic product (GDP) will change in Africa before, during, and potentially after the pandemic, as well as the political and other consequences of preventative measures such as lockdowns. (Kassa and Grace, 2020). According to Lone and Ahmad (2020), the major factors which may affect the African economy related to COVID-19 are:

1. The reduction of the importation of Chinese goods, to the level that it inflates the African markets. This will have a further impact on small-scale traders of developing markets and will increase the prices of local commodities.
2. The decrease in oil consumption due to travel bans, border closures, social distancing, and lockdowns. The budget of some of the African oil-producing countries such as Nigeria, Angola, Algeria, Ghana, and others, is dependent upon crude oil pricing, which has been badly hit by this pandemic, thereby impacting the GDP of these countries. This could, however, have a positive impact on oil-importing countries.
3. The African mining industry: The mining sector is China's topmost interest for investing in Africa rather than in any other big economy. Travel restrictions, shutdowns, and port closures have resulted in decreasing demand for steel, iron ore, lithium, and cobalt. In South Africa, for instance, the mining industry employs around 420 000 people and thousands of them work underground, which suggests that the mining work environment is more exposed and can become a catalyst for spreading the COVID-19 virus. As such, the African mining sector faces an unavoidable hit from the ongoing COVID-19 pandemic, even though there is still much uncertainty as to how much and for how long the sector will be impacted. (Lone and Ahmad, 2020)
4. Reduction in tourism: One of the major economic sectors for many African countries such as South Africa, Ethiopia, Kenya, and Tanzania is tourism, which

has been negatively affected due to the pandemic, thereby affecting the economies of these countries.

5. Withdrawal of investors: Developing markets already taste the bitter effects of investors fleeing, with the largest capital flight ever recorded. Foreign direct investments have already declined due to delays or cancellations of several revenue boosting projects. In addition, the flow of aid and other assistance projects has been stopped, as the donor countries are themselves struggling with the same pandemic situation.
6. The shift of budgets from other sectors to the health sector is a timely need, and this will cause a further decline in the economic growth of these countries.
7. The lower revenue will in turn reduce the tax revenues, which will badly impact the fiscal revenues of poor countries in Africa. (Lone and Ahmad, 2020).

All these factors will put governments under extreme pressure in preparing for the post-crisis period. Experts are calculating around 20 million job losses, which will further increase the unemployment rates in African countries. Increase in unemployment could possibly lead to social unrest and increasing crime rates in countries with a history of sectarian violence (Lone and Ahmad, 2020).

2.4.2 Impact of the Covid Pandemic on SMMEs in South Africa

In South Africa, the lockdown of social and economic activities extended to all economic sectors, including the informal economy, which was regarded to be at higher risk because of being unregulated (Cooperative Governance and Traditional Affairs, 2020). Given that many South Africans in the informal economy and the unemployed rely on a limited income, the exclusion of the informal economy from essential services created a bleak future for those active in this sector of the economy. This response, therefore, threatened the livelihood capitals, which Su et al. (2020) defines as the various resources such as financial and social capitals needed to improve the capabilities to resist shocks. This reveals the negative effect of the health measures on livelihood capitals, which is evident in that the COVID-19 pandemic resulted in the limited use of livelihood capitals. While the country has not released the statistics on the social and economic impacts of COVID-19, the Premier of Gauteng, South Africa's

commercial hub, estimates that the province has lost approximately 900 000 jobs, with an estimated 2 million to be lost due to the pandemic lockdowns (Khambule, 2020).

The existing literature in the entrepreneurial context helps to improve the performance of SMMEs in the post COVID-19 world. The World Health Organization has advised that rapid reviews offer timely information to policymakers on how to react to the emergency - from crisis to creativity - while enhancing SMMEs' resilience in terms of rebounding to pre-Covid pandemic status. The literature underscores that SMMEs are a source of economic viability, but the COVID-19 pandemic has brought such viability under question.

This section outlines the literature on how SMMEs can recover and rejuvenate from the past and ongoing impact of the pandemic, to survive in such a manner as to reduce (if not avoid) detrimental impacts on their resources. The start of 2020 and the COVID-19 pandemic brought with it confusion, fear of the unknown, lack of acceptance, and lots of "what if" questions, which varied based on the country and regional context. A stage of acceptance and adaptability seems to have been reached amidst fantastic examples of creativity and innovation. (Fabeil, Pazim & Langgat, 2020).

For South African SMMEs, already having to contend with a contracting economy, additional shocks from COVID-19 have put further pressure on their operations. Lockdown measures have caused revenues in many SMMEs to fall precipitously, and the majority report that they are being forced to cut back on business spending to survive. The sectors worst affected include the services sector (for example, private accounting and legal firms), tourism, hospitality, and retail. While these are some of the fastest growing SMME sectors in the country, most of these businesses were not able to operate during the 35-day lockdown, and their activities have continued to be curtailed under level 3 and 4 restrictions. Not surprisingly, business disruptions are signalling a strong decline in revenue and profitability of SMMEs. Business confidence has fallen, too. In a flash survey conducted in April 2020, just over a third of businesses surveyed expressed that they were pessimistic about the economy and economic outlook; meanwhile, more than 30 percent indicated that they expected revenues to fall by between five and 50 percent over the next six to 12 months, leading to negative profits of more than minus five percent. (Rajagopaul, Magwentshu, & Kalidas, 2020).

2.4.3 The Government's Response to COVID-19

The South African government adopted a R500 billion (over \$26 billion) stimulus package, equivalent to 10% of the country's GDP, to mitigate the impact of COVID-19 on businesses and citizens (The Presidency, 2020). This was also supported by the South African Reserve Bank cutting the repo rate by 275 basis points, which is estimated to unlock more than R80 billion in the economy (South African Reserve Bank, 2020). These measures were designed to alleviate the social and economic pressure against the increased poverty rates, with the government dedicating a 6-month special Coronavirus grant targeting the poor and elderly through increased social grants. This also included a special COVID-19 Social Relief of Distress grant of R350 per month for the next 6 months for the unemployed without any form of government support (The Presidency, 2020). In addition to the lockdown regulations that South Africa introduced to combat the spread of the virus, the government implemented emergency measures such as the release of disaster relief funds, tax relief, small business funding, and the Unemployment Insurance Fund (UIF) as measures to mitigate adverse economic outcomes. The second phase of the government's response was to stabilise the country's economy and address the decline in the supply and demand side, that resulted in an economic downturn and a threat to job security. This was undertaken through the R500 billion social and economic relief (The Presidency, 2020). This is an important milestone in South Africa's uneven development landscape, as the 500 billion was primarily focused on alleviating the already high levels of poverty and unemployment in the country, by keeping the ailing economy afloat. According to The Presidency (2020), the R500 billion social and economic relief was intended to boost the health budget (which received R20 billion), to intensify measures of dealing with the pandemic, and relieve hunger and social distress (Khambule, 2020).

2.5 Local Economy Development

2.5.1 South African Economic Reconstruction and Recovery Plan

The outbreak of the COVID-19 pandemic in March 2020, found a vulnerable South African economy. In fact, at the time the pandemic reached our shores, the South African economy had experienced two consecutive quarters of a recession. As a result, the pandemic deepened the economic crisis. Many people lost their jobs, many

have gone without income for extended periods, and many are going hungry every day. Inequality is expected to widen and poverty to deepen. Given the extent of the devastation, the economic response required should match or even surpass the scale of the disruption caused. The current juncture presents an opportunity to reset the South African economy (SAERR, 2020).

In addition, low levels of growth and challenges related to revenue leakages, have also impacted negatively on resource mobilisation. These challenges, coupled with an increasing budget deficit and a rising stock of debt, have constrained the fiscal space. The government's conviction is that we have to massively mobilise all our resources and efforts on economic activities, that will put the economy on a sustainable recovery trajectory. The South African Economic Reconstruction and Recovery Plan has three phases: Engage and Preserve, which includes a comprehensive health response to save lives and curb the spread of the pandemic; Recovery and Reform, which includes interventions to restore the economy, while controlling the health risks; and lastly, Reconstruct and Transform, which entails building a sustainable, resilient, and inclusive economy.

Interventions in the plan will be underpinned by the need to: protect vulnerable workers, households, and firms; build consumer, investor, and public confidence; deepen industrialization through localization; pursue environmental sustainability; deliver quick wins; and continue providing relief to mitigate the impact of Covid. Ultimately, the end goal is to pursue an infrastructure-led economic reconstruction and recovery, with investment in infrastructure that will stimulate the various sectors of the economy. In the final analysis, the reconstruction and recovery plan seek to build a South African economy that meets the needs of all its citizens, by creating enough jobs for all who seek employment; providing equitable distribution of income amongst all South Africans; and creating a better life for all.

A response to the economic impact of COVID-19 calls for interventions that also address the structural problems that beset the South African economy prior to the impact of the coronavirus. This means crafting interventions that bring about an outcome that decisively deals with the impact of the coronavirus on the South African economy, as well as the last standing structural challenges that have been inhibiting the type of progress needed for the economy and people. Specific short-, medium- and long-term interventions required to strengthen key sectors of the economy, will also be made (SAERR, 2020).

2.6 Critical Success Factors of SMMEs

Literature review suggests that the critical success factors for the performance of retail SMMEs, are commitment of the owner/manager, employee commitment, business planning, management of information, management of revenue, management of costs, innovation, management of customers, management of suppliers, management of competitors, the enterprise's pool of resources, conformance to regulations, and management of sources of finance. Literature on each of these critical success factors is presented below.

2.6.1 Commitment of the Owner/Manager

Research suggests that SMMEs which have a family CEO tend to report high return on assets and return on investment, as compared to enterprises where the CEO is not a family member, and this return is even lower where the family CEO is not the founder (Hansson, Liljebloom, & Martikainen, 2011). This suggests that the owner of a business is likely to make decisions that result in long-term success and survival of the business. This also depends on the motivation for starting the business, whether the owner was pushed or pulled by certain factors (Asah et al., 2015). The management skills rather than technical skills (Asah et al., 2015; Bager, Jensen, Nielsen & Larsen, 2015) and the growth motivation of founders, are very important and are the leading factors in the growth, success, and survival of an enterprise (Feindt, Jeffcoate, & Chappell, 2002; Halabi, Barrett, & Dyt, 2010; Isaga et al., 2015; Gherhes et al., 2016). In addition to owner involvement, a lean management structure results in optimal performance in SMMEs (Coles, Daniel & Naveen, 2008; Guest, 2009). Top management in SMMEs may refer to the owner of the SMME, manager, or both. The owner/manager is likely to have a clear picture of the business (Berko, Ashie & Kodjo, 2016). The owner/manager of an SMME is the agent of change and can influence the behaviour of people who work for the enterprise, so that their activities focus on the key stakeholders (Bassioni., Price & Hassan, 2005). The behaviour of the employees can be influenced through communicating the enterprise's strategy, training of employees, and putting in place incentives in order to avoid resistance by the employees (Turner, Bititci & Nudurupati, 2005; Watts & McNair-Connolly, 2012).

2.6.2 Employee Commitment

Employee commitment is vital for the success and survival of any enterprise (Krüger & Rootman, 2010; Valaei & Rezaei, 2016). There is the need to create a business environment which promotes the commitment of employees, if SMMEs are to survive (Bosch, Tait & Venter, 2006). Owners/managers of SMMEs can promote employee commitment by listening to and supporting their employees, creating an environment which inspires employees to work hard, having an interest in each employee, not being negative, and appreciating each employee's work (Krüger & Rootman, 2010). Thus, it can be argued that employee commitment is a hallmark of successful SMMEs. The attributes of employee commitment identified in existing literature are employee participation in decision-making, autonomy, job satisfaction, level of employee motivation, employee loyalty, recognition, feedback, employee learning, and professional growth (Krüger & Rootman, 2010; Berko, et al, 2016; Valaei & Rezaei, 2016). Failure to motivate employees leads to employee dissatisfaction and low commitment resulting in undesirable outcomes such as absenteeism, high staff turnover, reporting for work late, lack of willingness to work overtime or go the extra mile, and generally low productivity (Bartunek & Spreitzer, 2006; Hutchinson et al., 2015).

2.6.3 Business Planning

A business plan is an important ingredient for any enterprise which seeks to succeed in its operations, and SMMEs are no exception (Blackburn, et al., 2013; Uddin & Bose, 2013; Ahmad, Mohamed & Omar, 2015). There is overwhelming evidence linking business planning in SMMEs to growth and ability to succeed and survive (Foreman-Peck, Makepeace & Morgan, 2006; Mazzarol, Reboud & Soutar, 2009; Lampadarios, 2016). However, there is also an argument that strategic business planning is not feasible in SMMEs because of the volatile business environment in which most they operate (Pekkola, Saunila & Rantanen, 2016). As a result, most SMMEs shun formal planning (Parnell et al., 2015). Previous research indicates the existence of a clear relationship between lack of planning by SMMEs and business failure (Jayawarna et al., 2007). Planning enables the enterprise to develop, communicate, implement, and improve its strategy to achieve its performance objectives (Talib et al., 2014). The business plan should focus on the needs of the enterprise's important stakeholders

such as customers, suppliers, government regulators, employees, and the shareholders (Talib et al., 2014).

2.6.4 Management of Information

Management of key and strategic information is very important for any enterprise's success and survival (Bengesi & Le Roux, 2014; Zerfass & Winkler, 2016). There is an argument that management of market intelligence information on customers, suppliers, and competitors makes it possible for SMMEs to explore new opportunities, by focussing on new processes, products, and services (Keskin, 2006; Li & Zhou, 2010; Ndubisi & Iftikhar, 2012). This innovation can only occur in an enterprise where everyone has easy access to information, and where seeking, sharing, and utilising new information is encouraged and rewarded (Dobni, 2008). Thus, information is an important ingredient in a retail SMME's quest to provide superior and competitive goods which meet customer needs. There is also the need for the sharing of information between the company and its external stakeholders, such as suppliers and customers (Zerfass & Winkler, 2016). For example, if manufacturers and retailers share information on market competition, market demand, and customer preference, there is a very high chance that the market will be supplied with goods and services which meet customer needs and satisfaction (Lagrosen, 2005; McEvily & Marcus, 2005; Lin, Chen & Chiu, 2010; Bayraktar, 2015). Lakhali, Pasin & Limam, (2006) highlight that gathering and analysing information influences business performance. However, information management systems for SMMEs should be very simple, since SMMEs lack adequate IT-related resources needed for a complex information management system (Alattar, Kouhy & Innes, 2009).

2.6.5 Management of Revenue

Revenue management is an area of management accounting which focuses on improving revenue and managing the enterprise's limited capacity to enhance the chances of long-term survival (Ng, Harrison & Akroyd, 2013). This is done by offering an affordable product or service at the right time, which meets the needs of the customers (Ng et al., 2013). This is an appropriate way of increasing SMMEs' profitability given that these enterprises attach less importance to the management accounting role of co-ordination, control, and accountability due to their small size and

tight control by the owner or manager (Otley, 2007). The generation of revenue results in an improvement in cash flow for the enterprise (Ng et al., 2013) and this is vital for its survival (Bhandari & Iyer, 2013). Revenue management involves collecting and analysing data to get information on the trends, habits, and demand patterns of customers to assess customer profitability (Ng et al., 2013). The data is then analysed using management accounting techniques such as demand forecasting, linear programming, the cost-volume analysis, and predictive budgets (Drury, 2004; Otley, 2007; Ng et al., 2013).

2.7 Business Continuity and Recovery Strategy

The essence of an interview is to gather entrepreneurs' perspectives and experience on their business continuity and recovery strategy during the Covid crisis. Besides, in order to develop a better understanding of the concept of business continuity and recovery strategy during a crisis, the researcher made use of entrepreneurship literature pertaining to crisis management of small enterprises. The insights and thoughts gathered from respondent were examined and summarised into a proposed diagram, to provide meaningful hindsight about how microentrepreneurs operate their business during a crisis and plan for recovery after it has ended (Fabeil et al., 2020). The interviews revealed that entrepreneurs employ multiple synchronous strategies to ensure continuous operation of their business during COVID-19, namely: (i) shortening the supply chain through centralised synchronous distributors; (ii) producing emerging products to meet current customers' needs (customers are looking for essential goods, and cleaning and sanitary products during the pandemic); (iii) using digital marketing through mobile applications and social media, such as Facebook and WhatsApp; (iv) employing 'collect on delivery' or 'cash on demand' transactions for the sale of goods; and (v) receiving payment via bank transfer or e-wallet. According to the entrepreneurs interviewed, a synchronous distribution approach allows entrepreneurs, especially in the agri-based business to earn a decent income during a crisis. This strategy is similar to the omni-marketing channel approach which suggests the use of several channels for distributing goods to the customer, for example through distributors, mobile apps, and a physical store, and is more beneficial than a single, independent channel approach (Palmatier et al., 2020)

The study focuses on two main areas from the entrepreneurs' perspectives, i.e. (i) to understand the business continuity strategy, and (ii) the business recovery plan employed by microenterprises in coping with crisis impact. The COVID-19 crisis can be regarded as a difficult situation for microenterprises due to its abrupt threats (Fabeil et al., 2020). The results suggest that there is no systematic or formal management to crisis employed by micro-enterprises; nonetheless, their responses towards crisis are more ad hoc to reduce the impact. Entrepreneurs seemed to demonstrate their ability to survive in their business by undertaking several business continuity approaches and recovery strategies, especially in terms of product delivery and marketing. This finding is parallel to McCarthy (2003), who suggested that the experience of crisis leads entrepreneurs to act more rationally and engage in planning when making decisions. Interestingly, the respondents viewed the economic stimulus fund provided by the government as a non-paramount remedy to reduce the impact of the crisis. The accessibility to support and facilities is difficult among micro-entrepreneurs in less developed areas, that they have to deal in a piecemeal manner. This issue is in line with Crushnahan (2004) who studied the impact of environmental crisis on a rural island tourism business in Indonesia. In order to ensure microentrepreneurs manage their business in a crisis situation, specifically in a less developed area, it is crucial to provide assistance and support facilities that are more relevant to them, especially in terms of knowledge and skills on crisis management methods. Business knowledge like online marketing techniques, product delivery procedures, new product development, costing and pricing strategy during crisis, and customer database management can serve as a basis for crisis management planning for micro-enterprises. This study is limited in that it focuses primarily on results from two respondents only. Nevertheless, there is in-depth analysis of the interviews (Fabeil et al., 2020).

2.8 Strategic Management

Wheelan (1983:3) defines strategic management as a set of managerial decisions and actions that determine the long-term performance of a corporation. It includes strategy formulation, strategy implementation, and evaluation and control. Strategic management emphasises the monitoring and evaluation of environmental opportunities and constraints, considering a firm's strengths and weaknesses. (Juneja, 2016). Strategic management is a set of choices and actions that lead to the

formulation and implementation of plans intended to achieve goals and objectives. A large multidivisional business firm has three levels of strategy. Strategy formulation refers to the process of choosing the most appropriate course of action for the realization of organizational goals and objectives, and thereby achieving the organizational vision. The process of strategy formulation basically involves six main steps. Though these steps do not follow a rigid chronological order, they are very rational and can be easily followed in this order (Juneja, 2016).

2.9 Strategic Management Process and Steps

The strategic management process is concerned with defining an organization's strategy. It is also defined as the process by which managers make a choice of a set of strategies for the organization, that will enable it to achieve better performance. Strategic management is a continuous process that appraises the business and industries in which the organization is involved, as well as its competitors, fixes goals to meet all its present and future competitors, and then reassesses each strategy.

The strategic management process has the following four steps:

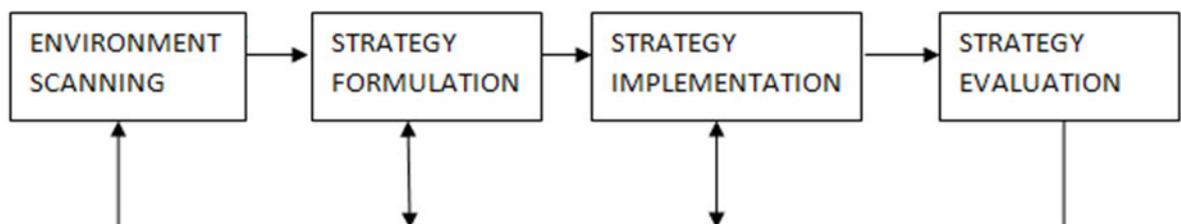


Figure 2.1: Strategic management process

Source: Kelly, 2020. Page 48

These components are steps that are carried out in chronological order, when creating a new strategic management plan. Present businesses that have already created a strategic management plan will revert to these steps as per the situation's requirement, so as to make essential changes.

- 1. Environmental Scanning** - Environmental scanning refers to a process of collecting, scrutinizing, and providing information for strategic purposes. It helps in analysing the internal and external factors influencing an organization. After executing the environmental analysis process,

management should evaluate it on a continuous basis and strive to improve it.

2. Strategy Formulation - Strategy formulation is the process of deciding on the best course of action for accomplishing organizational objectives, and hence achieving organizational purpose. After conducting environment scanning, managers formulate corporate, business, and functional strategies.

3. Strategy Implementation - Strategy implementation implies making the strategy work as intended or putting the organization's chosen strategy into action. Strategy implementation includes designing the organization's structure, distributing resources, developing a decision-making process, and managing human resources.

4. Strategy Evaluation - Strategy evaluation is the final step of the strategy management process. The key strategy evaluation activities are appraising internal and external factors, which are the root of present strategies, measuring performance, and taking remedial/corrective actions. Evaluation makes sure that the organizational strategy as well as its implementation, meet the organizational objectives.

2.10 Recovery Strategies

Recovery strategies are the strategies undertaken to preserve a company and prevent its shutdown. The objective of company recovery strategies is to quickly identify and address the sources of its problems that may lead to its collapse (Doern, 2017). The main task involved in company recovery strategies, is to diagnose the causes of poor operations. Executives should ask themselves questions, such as:

- Is the situation the result of an unexpected drop in sales due to a worsening economic situation?
- Is there a badly chosen competitive strategy?
- Was there poor implementation of a well-designed strategy?
- Does the company hold too much debt?

The questions above are necessary to determine whether the business can be saved or if the situation cannot be fixed. By identifying the root cause of the problem, one can implement company recovery strategies that may lead to improvement.

2.10.1 Types of Recovery Strategies

The two main types of recovery strategies are:

2.10.1.1 Retrenchment Strategies

Retrenchment strategies are mainly cost oriented. One key retrenchment strategy is to appoint new management that would aim to introduce changes to the business. Another strategy is to reduce assets that require storage space, such as inventory, in order to generate cash. Retrenchment strategies are generally focused on the short term, to fix a crisis situation (Schoenberg, Collier, and Bowman, 2013).

2.10.1.2 Turnaround Strategies

Turnaround strategies are more revenue oriented. These strategies focus on improving the long-term vitality of a company. Some examples include introducing new pricing models or developing new products (Wenzel et al., 2020). There are many factors that can cause a company to fall into a crisis situation. Some of them are as follows:

- Too much leverage (debt)
- Overestimation of sales growth prospects
- Ignoring the negative impact on profits from aggressive attempts to scale the market share, through significant price reductions
- High levels of fixed costs due to the inability to use production capacities efficiently
- Reliance on a technological breakthrough in the long term
- Extra capital allocation to research and development (R&D) to strengthen the competitive position, but a failure to develop effective new products
- Frequent strategy changes

What are the possible solutions and company recovery strategies? According to Wenzel et al. (2020), both retrenchment and turnaround strategies aim to achieve one of four goals below to solve the problems that are dragging a company down:

1. Asset Sales

Having cash at a company's disposal can significantly improve its position in the short term, provided it allocates capital efficiently (Clauss et al., 2021). To generate cash, a company can perform the divestiture of an asset, or a reduction of activities (e.g., decommissioning of a part of the production, sale of old enterprises, reduction in the number of employees, withdrawal from remote markets, reduction in services, etc.)

Sometimes companies in a crisis state sell asset, not to get rid of a part of operations and to stop cash outflows, but to accumulate funds for preservation and strengthening of their remaining business activities. In such cases, the assets associated with the company's non-core activities are usually sold to support strategic renewal in key activities.

2. Cost Reductions

Company recovery strategies aimed at reducing costs are most effective in the following situations:

- When the company's value chain is imperfect, and its cost structure is flexible enough to take radical measures to rectify it
- When the ineffectiveness of actions can be assessed and corrected
- When the company's costs are inflated and there are many sources of savings
- When the company is close to breaking even

Cost reduction also relates to a reduction in administrative costs, the exclusion of non-core and low-margin areas from the company's value chain, modernization of equipment to increase productivity, restructuring of debts to improve their repayment terms, and the reduction of interest expenses (Clauss et al., 2021)

3. Current Business Strategy Revision

Strategy review can be accomplished by a shift towards a new competitive approach to restoring the company's position in the market. This includes reviewing internal operations and functional strategies to better support the overall business strategy, merging with another company in the industry, and following a revised strategy based on the newly created synergies (Clauss et al., 2021). The most appropriate course of action depends on the industry context, the company's strengths and weaknesses, its competitive capabilities concerning its rivals, and the severity of the crisis. As a rule,

the revision of the strategy should be linked to the strengths of the company and its competitive capabilities and aimed at strengthening its market position.

4. Revenue Increase

Company recovery strategies can be aimed at increasing the income growth of sales volume. There are several strategies to increase revenues, including:

- Price reduction
- Market penetration
- Increased sales efforts
- Consumer base expansion
- Rapid product improvement

A company must increase revenue and sales volume when cost reductions are not possible. The fastest way to increase short-term income in the case of low-price elasticity of demand, is to increase prices. According to Dodhia (2021), it's easy to see that the rather dramatic occurrences in 2020 have impacted businesses of all sizes, and especially small businesses. One study of 5800 small businesses in the United States pointed to the fact that smaller companies tend to be "financially fragile," which only exacerbates the problems they face during times of national crisis, for instance. It's impossible to fully predict what will happen in 2021 and beyond, but there are strategies that can help small businesses stabilize and grow (Dodhia et al., 2021).

2.11 Theoretical Underpinnings

2.11.1 Theory of Crisis Management

Much organizational research from a variety of disciplines, has devoted considerable attention to crises and crisis management, working to understand how and why crises occur (Coombs & Holladay, 2002; Perrow, 1984; Weick, 1993), and how organizations can manage them to reduce harm (Bundy & Pfarrer, 2015; Coombs, 2007; Kahn, Barton, & Fellows, 2013). Organizational research has also considered a number of important crisis outcomes, including stakeholders' perceptions of organizational reputation, trust, and legitimacy (Coombs, 2007; Elsbach, 1994; Gillespie & Dietz, 2009; Pfarrer, DeCelles, Smith, & Taylor, 2008).

2.11.2 Definition of Crisis Management Theory

Crisis management is a process designed to prevent or lessen the damage a crisis can inflict on an organization and its stakeholders (Coombs, 2007). Also, crisis management is the conceptual framework for all aspects of preparing for, preventing, coping with, and recovering from a crisis. Crisis management is further defined as the art of dealing with sudden and unexpected events, which disturb the employees, organization, as well as external clients (Kelly, 2020).

The concept of crisis management has seen in steady evolution over the past 20 years. Early phases of this evolution included Littlejohn's (1983, p. 13) six step crisis model (structure design, crisis team selection, team training, crisis situation audit, contingency plan, and manage the crisis) and Fink's seminal work (1986, pp. 21–25). It was only late in the debate that Pearson, Misra, Clair, and Mitroff (1997) and Preble (1997) came to argue that crisis management should in fact be integrated into the strategic management approach. As a process, crisis management is not just one thing and can be divided into three phases: (1) pre-crisis, (2) crisis response, and (3) post-crisis. The pre-crisis phase is concerned with prevention and preparation. The crisis response phase is when management must actually respond to a crisis. The post-crisis phase looks for ways to better prepare for the next crisis, and fulfills commitments made during the crisis phase, including follow-up information.

The tri-part view of crisis management serves as the organizing framework for this study (Jaques, 2007). This concept of crisis management as purely reactive is valid only if it is regarded simply as a tactical discipline. Unlike issue management, where both strategic and tactical elements are recognized, the same distinction for crisis management is less well understood, which perpetuates superficial distinctions and impedes progress (Coombs, 2007). Within a strategic context, crisis management should be seen not just as a tactical, reactive response when a crisis hits, but as a proactive discipline embracing interrelated processes ranging from crisis prevention and crisis preparedness, through crisis response and on to crisis recovery.

2.11.3 Crisis Management Cycle Phases

According to Caroline (2003), all organizations are in at least one phase of the crisis management cycle at any given moment in time. Understanding these four phases will empower your organization to prepare for and respond to crises in a smarter, more informed way. Making the right decisions will give your organization the best chance at survival and recovery, following an unanticipated event (Haigh, 2017).



Figure. 2.2: Disaster management cycle

Source: Kelly (2020:149)

When it comes to business continuity, we can think of disasters as recurring events that take place in four key phases: Mitigation, Preparedness, Response, Recovery.

Phase 1: Mitigation

Meaning: To prevent future emergencies and take steps to minimize their effects.

The “mitigation” phase occurs before a disaster takes place. Here, an organization will take steps to protect people and property, while also decreasing risks and consequences from a given disaster situation. The organization’s main goal is to reduce vulnerability to disaster impacts such as property damage, injuries, and loss of life (Haigh, 2017). Examples of “mitigation” may include conducting a property inspection to discover ways to fortify a building against damage. The organization may also revise zoning and land-use management to further prevent or reduce the impact of a disaster.

Phase 2: Preparedness

Meaning: To take actions ahead of time to be ready for an emergency.

The “preparedness” phase also occurs before a disaster takes place. Here, an organization attempts to understand how a disaster might affect overall productivity and the bottom line. The organization will also provide appropriate education while putting preparedness measures into place. Examples of preparedness may include hosting training, education, drills, tabletop exercises, and full-scale exercises on disaster preparedness. This ensures that stakeholders know what to do in the event of an emergency. Organizations may also assemble a business continuity team to assemble a strategic plan, that allows the business to recover after a crisis. The team will create a business continuity plan outline and a list of resources needed to recover from a disaster (Nojavan et al., 2018).

Phase 3: Response

Meaning: To protect people and property in the wake of an emergency, disaster, or crisis. The “response” phase occurs in the immediate aftermath of a disaster. Organizations must focus their attention on addressing immediate threats to people, property, and business. Occupant safety and wellbeing largely depends on preparedness levels before disaster strikes (Aydin et al., 2016). The most notable example of the response phase is to ensure that people are out of harm’s way. The organization will then move on to assess damage, implement disaster response plans, triage clean-up efforts, and start resource distribution as necessary. Businesses will also need to navigate building closures, preliminary damage assessments, and hampered communication with stakeholders (like staff, vendors and suppliers) due to shutdowns (Caroline, 2003; Nojavan et al., 2018). As the response period progresses, focus will typically shift from immediate emergency issues to conducting repairs, restoring utilities, re-establishing operations, and cleaning up. The organization will also need to begin planning the reconstruction of damaged infrastructure.

Phase 4: Recovery

The “recovery” phase takes place after a disaster. This phase is the restoration of an organization following any impacts from a disaster. By this time, the organization has achieved at least some degree of physical, environmental, economic, and social stability (Nojavan et al., 2018).

The recovery phase of a disaster can last from anywhere between six months to a year (or even longer depending on the severity of the incident).

An example of recovery is creating strategic protocols and action plans to address the most serious impacts of a disaster. An organization will work to obtain new resources, rebuild or create partnerships, and implement effective recovery strategies. The organization will also want to take steps to reduce financial burdens, rebuild damaged structures, and reduce vulnerability to future disasters (Kelly, 2020).

2.11.4 Crisis Management in the Context of COVID-19

Crisis management studies have primarily explored which characteristics and strategies have helped SMMEs survive (Eggers, 2020). Factors such as young firm age (Simón-Moya et al., 2016), management expertise (Giannacourou et al., 2015), and market orientation (Petzold et al., 2019) have been shown to be positively related to SMMEs' crisis performance. Studies have also concluded that SMMEs' innovative stances and entrepreneurial orientation are helpful for surviving a crisis (e.g., Eggers and Kraus, 2011; Vargo and Seville, 2011). Beliaeva et al. (2020) relate this effect to their ability to identify opportunities during crises. But despite these initial findings, surprisingly little is known about how SMMEs can best cope with severe crises.

Wenzel et al. (2020) proposed four strategic responses to a crisis: retrenchment, persevering, exiting, and innovating. These strategies were shown as effectively capturing the early responses of family firms to the Covid-19 pandemic (Kraus et al., 2020a). Retrenchment involves cost-cutting measures that may reduce the scope of a firm's business activities. This strategy appears to support firms in surviving a crisis in the short run. Persevering is about preserving the status quo of a firm's business activities. This may be achieved through debt financing and seems suitable in response to a crisis in the medium run, even though it may threaten the long-term survival of the firm. Exiting means the discontinuation of a firm's business activities; it is a strategy which is not limited to a crisis and can be selected at any time. Finally, innovating means that the firm engages in strategic renewal in response to a crisis.

2.12 Theory of Innovation

2.12.1 Definition of Innovation Theory

Innovation is the main driver for small businesses and becomes the power of creative effort. The value of innovation is to be the main source of ability to gain competitive advantage, which innovation should be well managed to improve business performance and business continuity (Leavy, 2018). Innovation is a particularly

recognized feature of SMMEs because of their flexibility to market changes. Innovative activities and SMMEs are closely related, as they have to undertake innovative activities if they want to stay competitive, develop, and ensure long-term existence, in a dynamic and competitive environment. (Grisseemann, Plank and Brunner-Sperdin, 2013). According to Petkovska (2015), innovation is the introduction of new goods, new methods of production, the opening of new markets, the conquest of new sources of supply, and the carrying out of a new form of organization in any industry. Peter Drucker connects innovation with entrepreneurship. Innovation is a specific instrument of entrepreneurship which helps the entrepreneurs to exploit changes, creating an opportunity for starting new business activities, or introducing new products and services. (Grisseemann, Plank and Brunner-Sperdin, 2013). Today, the ability to innovate is one of the most important factors for creating competitive advantage and the success of any enterprise. Innovation is necessary for survival, growth, and development of companies, and for enhancing their competitive position. Innovative activities allow companies to establish the status of a “temporary monopoly” that receives additional profit on that basis. (Petkovska, 2015).

Entrepreneurship and innovation are recognized characteristics of SMMEs. Namely, to ensure growth, development, and competitive market advantage, SMMEs must be innovative and creative. SMMEs are at the centre of initiatives where innovation can be initiated and where new ventures begin. In theory and practice, many of today's new products are the result of the innovative activity of small enterprises. One of the critical factors that explains the higher propensity for innovation of SMMEs, is the shorter time period needed for commercialization of the innovation. This is due to the fact that SMMEs are usually concentrated in one market segment. (Petkovska, 2015). The growth and survival of firms will depend on their ability to successfully adapt their strategies to changing environments. In such environments, innovation creates a variety of competitive positions and enhances a firm's potential to succeed in that market. This effect is important for new enterprises as well as for established ones. Innovation may increase the chance of survival of new firms allowing successful niche strategies (Cefis and Marsili, 2006). Innovation really is the core reason for modern existence. Innovation is responsible for resolving collective problems in a sustainable and efficient way, usually with new technology. These new technologies, products, and services simultaneously meet a social need and lead to improved capabilities and better use of assets and resources (Kylliäinen, 2019). In general, the result of

innovation should always be improvement. From society's perspective, the fundamental outcomes of innovation are economic growth, increased well-being and communication, educational accessibility, and environmental sustainability. (Kylliäinen, 2019). In business today, we need to be innovators now more than ever. Each business and organization can feel the impact of globalization, technological and knowledge revolutions, migration, and climate change issues. Innovation can bring the added value needed to your business plus widen your employment base (Cappelli, 2020).

2.13 Theory of Resilience

According to Dahles et al. (2015), the concept of resilience seeks to understand different responses to exogenous changes and shocks that push towards innovations.

2.13.1 Definition of Resilience Theory

Dahles et al. (2015) argue that the response of local businesses and enterprises to rapid change and shocks, is critical for economic development. Businesses are able to respond flexibly to a changing environment, overcome exogenous shocks, and remain competitive, but lose these capacities the more rigidly they are organized (Williams & Vorley, 2014, p. 260). Resilient businesses are able both to recover from perturbations and to show adaptive capacity, which may lead to far-reaching changes in the overall business concept (Fiksel, 2006). Small businesses are particularly responsive to exogenous shocks as they are more flexible, adaptable, and innovative than large enterprises (Williams & Vorley, 2014, p. 258). If resilience is about the capacity for adaptation to rapid change and exogenous shocks, what does this adaptation imply? There are basically three different perspectives on resilience. Mainstream literature on crisis management, as Scott and Laws (2006, p. 7) point out, views resilience in terms of a return to the previous state of perceived "normality". A second approach views resilience as the capacity for recovery from crisis, by following the sequence of rescue, restoration of damaged infrastructure, and then the rebuilding of markets (Scott & Laws, 2006, p. 8). This process implies gradual change, as a new business concept may emerge that will differ from the shape and composition that existed in the pre-crisis period. Finally, a third approach to resilience envisions crisis to bring about a fundamentally different state. The business concept changes drastically and in unplanned and uncontrolled ways, generating new methods of

operations, new business partners and network relations, new markets, different products, and finally new sources and forms of leadership employed to deal with crisis situations.

2.14 Managerial Implication of the Theories

Overall comprehensiveness was the focus of this research study on recovery strategy used by SMMEs to cope with the pandemic. At the strategic level, the recovery strategies described above are feasible for the pandemic crisis faced by today's businesses. All businesses in the world have felt the impact of COVID-19 from the first day of lockdown implemented by governments. To help understand the implications of COVID-19 and, more importantly, best position SMMEs to be resilient in the future, the flexibility of SMMEs and their agile response can be seen as an advantage. Building capacities and competencies for future growth opportunities should be a priority, when business activities are reduced due to health measures (Martina et al. 2021). Managers and owners should also incorporate innovation strategy in their day-to-day activities. It is very necessary to innovate products so that businesses can maintain business and improve its performance (Christa and Kristinae, 2021). Furthermore, enterprises also have to adopt and implement entrepreneurial orientation in all the functional areas and in their everyday activities; that is, managers and owners will not be the only entrepreneurial agents, but also employees and workers of the enterprise (Li et al., 2021).

2.15 Chapter Summary

This chapter has discussed the importance of SMMEs in the economy of many developing countries, which has been highlighted throughout this literature review. It has also studied the crisis management and identified survival and strategies of small businesses during this COVID-19 crisis. A review of crisis management types and processes was provided, including recovery strategies and innovation in the SMMEs sector. Challenges or factors faced by SMMEs during the Covid pandemic, and some strategies used by some entrepreneurs to overcome crisis from the literature, were also discussed. The study focused on theories that accompany this research. The researcher suggests that SMMEs need to adopt comprehensive recovery strategies to face this crisis. The following chapter looks at the methodology of this research study.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research methodology that was employed, the geographical area where the study was conducted, the research philosophy, and the approach and design adopted in the study. It also includes the ethical issues adhered to, in order to conduct this research. The study used the layers of the research onion to explain which research method was employed, the data collection techniques used and the target population, the sample size and sampling techniques, as well as the data analysis method employed (Phillips and Moutinho, 2018).

3.2 Aim of the Study

The study aims to explore and evaluate SMMEs' entrepreneurial recovery and associated cogent sustainable strategies, that they could adopt to rebound and sustain their entities post the COVID-19 pandemic crisis. Accordingly, the objectives of the study are to examine:

1. The entrepreneurial rebound and recovering strategies post pandemic.
2. The extent of survival tactics used by SMMEs during the COVID-19 crisis.
3. The Critical Success Factors to be adopted by SMMEs during times of crisis.
4. The analysis of existential support and empowerment for SMMEs to be competitive and sustainable.

3.3 Methodology of the Study

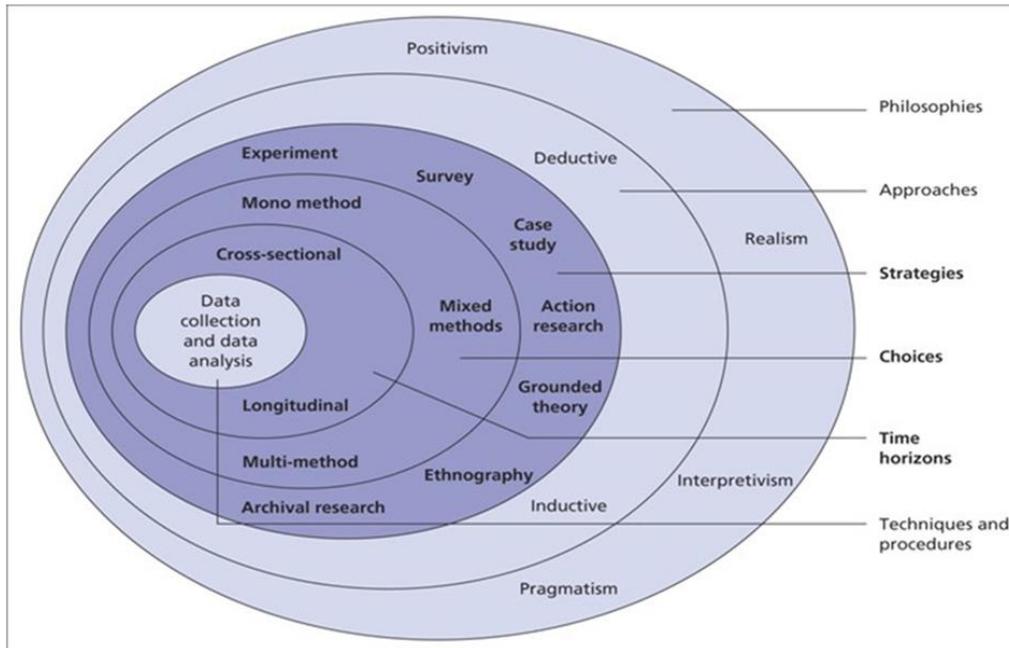


Figure 3.1: Research onion
Source: Phillips and Moutinho, 2018

In research work, it is important to follow all the steps during the construction of a methodology, and a research onion facilitates this process. Each layer of the research onion demonstrates a specific method (Rahmah, 2017). This researcher has considered the following for the study: the research philosophy, research approach, research design, data collection methods, and finally, techniques and procedures.

3.3.1 Research Philosophy

According to Moon et al. (2019), philosophy is concerned with the study of knowledge, reality, and existence. This includes how a researcher thinks about reality, i.e., ontology, what exists that he/she can acquire knowledge about, and knowledge that the researcher can use to conduct and design all steps of the research, for example, choice of research strategy, formulation of the problem, data collection, processing, and analysis. In general, research philosophy is linked to what a researcher views as reality, and what he/she thinks constitutes knowledge. The philosophical underpinnings of research about a firm must be understood according to the different paradigms and their underlying assumptions of ontology, epistemology, methodology,

and methods. If we as researchers are clear about which paradigm to use, choosing a methodology, methods, and research design become easier to decide (Mackenzie & Knipe, 2006).

Ontology is a science that studies being. Ontological assumptions are concerned with what is the form as well as the nature of reality and being, and what is there that can be known about that reality (Ponterotto, 2005; Guba & Lincoln, 1994).

3.3.2 Research Approach

There are two modes of reasoning which accompany the chosen research approach: the deductive approach and the inductive approach, (Rahmah, 2017).

Deduction is a research process that begins with theoretical analysis, translated into a testable hypothesis, and then verified in the field using a representative sample. Induction assumes that regularities are discovered in the field from particular cases. The researcher induces a theoretical formalisation from his/her observations to build a reasoned classification of objects through experience. In general, deductive reasoning goes from the general to the particular, while the inductive approach reflects more of an effort to progress from the particular to the general, (Nabi et al., 2018).

3.3.3 Research Design and Methods

Research is valid when a conclusion is accurate or true, and a research design is the conceptual blueprint within which research is conducted. The research design is the manner in which a study is conducted to investigate a problem, in order to reach a particular conclusion and/or determine new ideas (Sekaran and Bougie, 2016). For his/her research, a scholar prepares an action plan, which constitutes the outline of collection, measurement, and analysis of data. Research design is not associated to any particular technique of data collection or any particular type of data. When designing research, it is necessary that we recognise the type of evidence required to answer the research question in a reasonable way (Akhtar, 2016).

A research design is the arrangement of conditions for the collection and analysis of data in a manner that aims to combine relevance to the research purpose, with economy and procedure. "Research design is the plan, structure and strategy, and investigation conceived," (Akhtar, 2016). Research design can be broken down into

descriptive, exploratory and explanatory research designs. Explanatory design provides a better demonstration of a specific topic. Exploratory design helps in gathering background data on a particular topic. However, a descriptive design identifies features, frequencies, kinds, impulses, etc., of a particular topic as suggested by Rahmah (2017). The purpose of the study was to investigate strategies owners of Small, Medium and Micro Enterprises (SMMEs) used when facing the COVID-19 pandemic, from a survival perspective. The researcher used a qualitative research method for the study, conducting interviews with key SMMEs in eThekweni municipality in KwaZulu-Natal, to gain insights into the questions under investigation in the study. The researcher adopted an exploratory research design along with a thematic analysis approach, in order to decide on methods, appropriate for the study.

1. Quantitative Approach

Creswell (2003:4) defines quantitative research as a means for testing objective theories by examining the relationship among variables. These variables, in turn, can be measured typically on instruments, so that numbered data can be analysed using statistical procedures. The quantitative method is a scientific method, and its grounds can be identified in the positivist paradigm. This method focuses on fresh data collection in accordance with the problem, from a large population sample and analysis of the data but ignores an individual's emotions and feelings or environmental context. As discussed, a quantitative strategy works on objective input and measures it through actions and opinions, which helps the researcher to describe the data rather interpreting it. (Rahi, 2017).

2. Qualitative Approach

Creswell (2003:4) defines qualitative research as a means for exploring and understanding the meaning individuals or groups ascribe to a social or human problem. The process of research involves emerging questions and procedures. Data is typically collected in the participant's setting, data analysis is inductively built from particular to general themes, and the researcher makes interpretations of the meaning of the data. (Khaldi, 2017). This type of research relies primarily on collecting qualitative data (i.e., non-numerical or categorical data such as words and pictures, etc.), and can be either interactive or non-interactive (i.e., whether the researcher is personally immersed in the research or not) (Khaldi, 2017).

3. Mixed Method Approach

This research paradigm is used extensively in educational research for its many merits. Thus, with mixed methods, researchers use both quantitative and qualitative data because these combined provide the best understanding of a research problem. The mixed method approach has been variously defined by many researchers. According to Morse (2003:191), it is a plan for a scientifically rigorous research process, comprised of a qualitative or quantitative core component that directs the theoretical drive, with qualitative or quantitative supplementary components (Tracy, 2019). These components of the research fit together to enhance description and understanding and can either be conducted simultaneously or sequentially. Mixed method research thus obeys the criteria of scientific rigor and has the advantage of using the combined strengths of quantitative and qualitative approaches, while making up for the weaknesses of both approaches (Khaldi, 2017). It is therefore of vital importance that research students be aware that the use of a single methodology or the use of a single research instrument, does not confer to their study either great validity or reliability. Only a multi-pronged research design can offer such criteria (Khaldi, 2017). The researcher has chosen to use a qualitative research method as this method allows for exploring and understanding impacts of the COVID-19 pandemic on SMMEs, and strategies adopted by them to avoid closing their businesses.

3.3.4 Population of the Study

A population can be described as the complete group of interest, where a unit is a single member of the population that the researcher wishes to investigate and make inferences about (Sekaran and Bougie, 2010). The population of interest in this study consists of SMMEs in eThekweni municipality that are registered with the Durban Chamber of Commerce, and specifically its SMME flagship constituency. The population that was accessible to us to better understand what recovery and strategies could be used by SMMEs during the period of the COVID-19 pandemic crisis and which made up our population under study, was made up of 15 SMMEs. The choice made for the constitution of the sample was dictated, by our essential concern, to find the richest sources of data, capable of answering our research question. At the same time, this choice was limited by having to comply with the limits imposed on our

research, and until the date of the interviews, by the COVID-19 crisis that threatens the country and world.

This choice was also based on the one hand, on the criteria of the variability of the SMMEs' financial performance (turnover, growth rate, market share, profit, etc.) and of the increase, albeit minimal, of the employment indicator. Despite the disparity in their size and staff number, on the other hand, the profile of managers interviewed were also considered. Thus the 15 managers of various SMMEs constituted the target population for this study. Although 27 managers of SMMEs working in different sectors were approached at the beginning by the researcher in order to solicit their collaboration, only 15 qualified for this study.

This research study has therefore used a sample size of 15 participants available and selected amongst SMMEs in eThekweni Municipality area.

Table 3.1: Respondent for Interviews

| Sector | Number of Respondents |
|-----------------------------|------------------------------|
| Motor | 2 |
| Manufacturing | 3 |
| Construction | 2 |
| Hospitals, malls, flats | 1 |
| Financial services | 1 |
| Retail | 5 |
| Commercial trucks and buses | 1 |
| Total Respondents | 15 |

Source: From the researcher.

3.3.5 Sampling Methods

Sampling is the process of selecting a small set from a population that the researcher is interested in, with the purpose of drawing inferences from it (Bhattacharjee, 2012). Here, the choice of the qualitative method seemed more appropriate. Qualitative researchers typically make sampling choices that enable them to deepen their

understanding of whatever phenomenon it is that they are studying. The study implemented a convenience and purposeful non-probability sampling strategies in the recruitment of participants (Etikan, Musa and Alkassim, 2016). This is a sampling technique that qualitative researchers use to recruit participants who are easily accessible to participate in the study, with purposeful and convenient elements pertaining to inclusivity in the study participation (Alvi, 2016). The samples will comprise of 15 SMMEs who are owners of their legally registered enterprises with their businesses located within EThekweni Municipality, and most specifically under the banner of the Durban Chamber of Commerce.

For this study, the sample therefore consists of 15 SMMEs from different sectors. To meet the criterion of variety as well as that of practical representation, each SMME differs not only by the nature of its business, but also by its structure, turnover, geographical location, and especially by the profile and personality of its leader. Businesses were selected based on the following criteria: the organisations were small businesses (with less than 100 employees), had experienced a significant impact from the current COVID-19 pandemic, and were available and willing to participate in this research.

3.3.6 Data Collection Method

The purpose of a research interview is to explore the views, experiences, beliefs, and/or motivations of individuals on specific matters, e.g., factors that influence their business success (Alshenqeeti, 2014). Before commencing each interview, the researcher fully explained the purpose of the research, and the interviewees were made aware that participation was voluntary, and that the information would be kept confidential. With participant approval, the researcher made audio recordings during the interviews to ensure accurate transcription, (Gill et al., 2018). The researcher also took handwritten notes during each interview, which enabled him to track key points to return to later in the interview, or to highlight ideas of particular importance. The researcher used a case study to augment data collection rigor. The case study utilised face-to-face interviews to collect data from the participants. During this time as well, the researcher observed the environment and culture that exists within the organisation. This gives respondents some idea of what to expect from the interview,

increases the likelihood of honesty, and is also a fundamental aspect of the informed consent process (Gill, Stewart, Treasure and Chadwick, 2008)

The interview schedule, which is a research instrument for the study, was sent to respondents; this included anything that would make it possible to gather as much information as possible on the opinions of the SMMEs, in order to make relevant proposals. In the pre-investigation phase, discussions took place with the senior office of eThekweni municipality. These fruitful exchanges made it possible to identify the SMMEs and adapt the questionnaires accordingly. The interview work started on October 22, 2021 and ended on November 10, 2021. The material collected totals 15 interviews. The duration of an interview planned and announced to the interviewees was 35 minutes; however, given the enthusiasm of the interviewees, no interview lasted less than ninety minutes, and sometimes more than two and a half hours. The appointment for the interviews was made by phone according to the convenience of the interlocutors, following or in parallel with the email that was sent out. The manager was informed at the same time of the meeting and of the data collection and processing procedure. The acquisition of consent for the recording was likewise done during interview. Although there were no disclaimers, during the majority of the interviews, there were gaps in the recording. These were periods linked to the disclosure of certain information that the interviewees considered confidential (numbers, names, etc.).

3.3.7 Primary Data Collection

Collection of data involves setting the boundaries for the investigation through data collection methods and establishing the procedure for recording information (Creswell 2013). There are different methods of primary data collection. One of them can be direct personal interview: here, the researcher personally contacts the interviewees and obtains all the relevant information for his/her study. Then there is indirect oral interview: this approach is used when it is not possible to obtain information directly from the targeted people.

The open-ended interview question schedule complied with all of the COVID-19 pandemic safety protocols, such as using sanitizer, social distancing of no less than two metres, and wearing of a mask, irrespective of whether the respondent had been

vaccinated or not. The interview questions were designed in such a way that they addressed the research questions; the questions were also grouped into themes, so that the findings could be analytically constructed leading to the recommendations. After data collection, the data analysis process was initiated with the grouping of the collected data, while coding was used for data reduction and organization purposes, according to dominant themes and subthemes (Creswell 2013). The subsequent categorization of responses and allotment of patterns also took place.

3.3.8 Secondary Data Collection

Various reports from different funding institutions, especially the Financial Development Institutions (FDIs), were analysed, serving as data collection augmentation. Wellman (2005) indicates that secondary data can comprise published research, internet material, and media reports which can be used to build a shared picture of the study.

3.3.9 Trustworthiness of the Qualitative Study

In research, quantitative researchers take into consideration the reliability, objectivity, and validity (i.e., internal and external) to ensure the trustworthiness of the findings. In contrast, qualitative researchers consider that dependability, credibility, transferability, and confirmability serve as trustworthiness criteria, to ensure the rigour of qualitative findings (Guba, 1981; Schwandt, Lincoln, & Guba, 2007). Trustworthiness stems from interpersonal contact with participants and the subsequent data thereof. If someone else is to do the same research or if the same investigator repeats it at another time, they should get the same results (consistency).

The less structured a method is, which is the case in particular with qualitative methods, the greater the risk of unreliability. It is for this reason that in the case of qualitative research, the rigor of the researcher is decisive: as such, it is essential to provide a detailed description of the methods used for the investigation and analysis procedure, also indicating the problems encountered in the field (Curtin & Fossey, 2007). The researcher is required to accurately indicate the sources from which information was gathered (for example, indicating after each citation a code that indicates to the reader the method, the informant, and the context). Critical reflection

on the role of the investigator during research helps to develop a certain degree of reliability in qualitative research.

Reliability is assessed at different levels: the reliability of the measurement instrument and the reliability of the results (Thietart et al. 1999). Reliability of the measuring instrument is estimated from the comparison of measurements obtained by several investigators, or from the comparison of coding of the same body of data carried out by different researchers.

We can therefore decide if the categorization is the same for researchers. In this study, the thematic categorization used for the interview analysis was submitted and validated by a senior researcher (Stewart et al., 2017).

Creating a clear chain of evidence allows the reader to follow a logical path from the research question through to the conclusion (Gibbert et al., 2008). During the process of collecting data, developing a chain of evidence is important as an iterative and reflective process in qualitative research (Patton, 2002), and to document the crystallization perspectives. The crystallization of a method is carried out in association with creating a chain of evidence through the step-by-step, compiling, disassembling, and reassembling documentation of the data collection, which demonstrates adherence to evidence (Stewart et al., 2017). In qualitative research, rigor is ensured based on four criteria: credibility, transferability, reliability, and conformability (Schmidt & Brown, 2009).

To achieve this, the elements suggested by Guba and Lincoln (1989) were utilised; these are the prolonged engagement of the researcher, constant observation and triangulation (credibility), committee verification (reliability), use of a logbook, and audit trails (conformability). In addition, the detailed description of all the components of the study become part of it. Finally, it is planned to present the findings of this research to other stakeholders for verification (transferability).

3.3.10 Data Analysis

Since the collection of data and its analysis are an interrelated process, as soon as the first data was collected, it was analysed it because it would influence future interviews or observations. This concept is called the Basic Units of Analysis, because during the process of analysis, the researcher needs to conceptualise the data to work with it (Graue, 2015). For the purpose of this study, the thematic analysis approach was used, whereby themes or patterns are searched for, that will contribute to the objectives of the research.

According to Ivanski and Kohut (2017), a theme is "an expression or a phrase that identifies what a unit of data relates to or what it signifies". In other words, thematic analysis consists of "proceeding systematically to the identification, grouping and, alternatively, to the discursive examination of the themes addressed in a corpus" (Vaismoradi et al., 2016). It remains crucial to note that qualitative research gathers huge amounts of data and, therefore, data reduction becomes a crucial step in scrutinising the data, as well as to edit, code, and categorise the data collected (Sekaran and Bougie, 2016).

In the present study, the different phases of analysis follow. These involve the preparation of the material, the pre-analysis, the exploitation (or coding) of the material, as well as the interpretation of the results. The open-ended and semi-structured research questions encapsulated in the interview schedule were utilised for this study, in an effort to extrapolate in-depth and rich data from the respondents; this was based on their personal experience, insights. and expertise as entrepreneurs within the broader business management science discipline.

For this study, the researcher administered the interviews face-to-face to a sample of SMMEs, while adhering to the COVID-19 safety protocols.

3.3.11 Process of Thematic Analysis Codification Leading to Data Reduction

Three big steps are following in a thematic analysis approach, integrating coding and leading to data reduction. This process of collecting and analysing data is represented in figure 4 below:

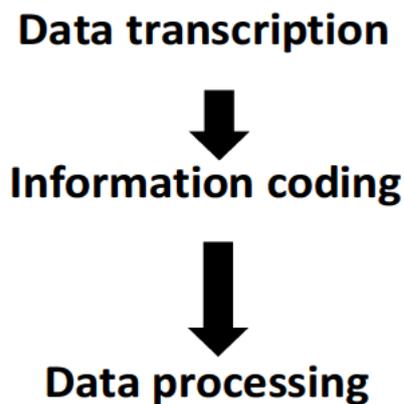


Figure 3.2: The steps of the thematic analysis approach.

Source: Adapted by the researcher.

Step 1: Prepare and read carefully.

The raw data (to clean the data): To organize the raw data, the researcher must prepare them in a common format (for example: Times New Roman 12 pts, double-spaced, questions or comments from the researcher responsible for the interviews underlined in yellow, etc.). It is strongly recommended to print or make a backup for each of the files (for example: each interview). Once the text is ready for analysis (e.g., an interview), it is read in detail several times until the researcher is familiar with its content and has an overview of the topics covered in the text, (Ainsworth et al., 2018). The researcher can produce, for example, summaries to facilitate the withholding of information for each study participant, to discuss them with other researchers if they are part of a research team, (Ainsworth et al., 2018).

Step 2: Identify and describe the first categories.

The researcher identifies segments of text which in themselves present a specific and unique meaning (units of meaning). He/she creates a tag (a word or a short sentence)

to name this new category to which the unit of meaning is assigned. Other text segments are integrated into categories already "tagged" for which the units are significant. At some point in the coding process, the researcher may develop an initial description of the emerging category, modify the words on the tag describing that category, or write a memo (short description with keywords that are easy to memorise) about this category, (Armborst, 2017). Usually, the first level of coding should relate directly to the research objectives or questions. The other ones come from repetitive readings of the raw data, often linked to live coding. Thus, in the inductive coding process, categories are usually created from the sentences or meanings found in the portions of text. Several procedures can be used to create these categories. When a researcher uses word processing software, the identified text segments are copied and included directly in the emerging category. Different data analysis software such as Atlas-ti and N-Vivo can be used to facilitate or speed up the coding process (Lewis, 2004; Savoie-Zajc, 2000), especially when the data set is large. Some researchers prefer to use a "hand-made" analytical grid to facilitate data coding, (Leclerc et al., 2012).

Step 3: Continue to review and refine the categories.

Within each category, the researcher is called upon to look for sub-categories, including conflicting points of view or new perspectives. It is also strongly recommended that the researcher selects appropriate quotes or portions of text that illustrate the essence of the category, (Puppis, 2019). Note also that categories can be combined or linked under another category when their meaning seems similar. It may happen that portions of the data (for example, 20% of the interview) are difficult to code in the existing categories, because, for example, they do not answer the original research questions. So, what should we do with it? This data surely had "meaning" to the participant since he spoke about this topic. In this case, if the researcher considers the information relevant, he/she must then question the relevance of creating a new category, a sub-category, or of broadening the meaning of an existing category to accommodate the data.

The inductive process of coding leading to data reduction, as presented by Thomas (2006) and based on Creswell (2002). The aim is to create a small number of categories (between three and eight), so that the researcher can have an overview of

the key aspects which were identified in the raw data, and which are considered to be the most important, given the research objectives sought. If the coding process ends with a large number of categories (more than eight), the researcher will either have to group certain categories together, include sub-categories, or judge the relative importance of each category, (Armborst, 2017).

This study was based on data obtained from semi-structured interviews with 15 SMMEs managers in eThekweni Municipality. They were asked to talk about their management experience and the impact of Covid on their respective businesses. Often the experiences are ambiguous, incomplete, and provide contradictory information, leading to difficulties in interpreting the similarities and differences between the respondents. After presenting the final process of the thematic analysis, the researcher concluded by analysing the findings which were divided into the following:

- Coding and indexing or Data Reduction
- Dominant Themes
- Emergent Themes
- Patterns of Response
- Categories of meanings from the respondents

This segmentation is done according to the objectives of this research.

3.4 Ethics Protocol Adherence

Ethical consideration is very important in research study, according to Ferreira and Serpa (2018). This information should be written in a language that is easily understood and is read by the selected participant population. Participants are then invited to sign and date a document stating that they agree to participate. Informed consent should always include a clause according to which participants are free to withdraw from the study at any time (CIS & Peixoto, 2017).

In this study some ethical actions were considered too. Firstly, for better consideration, the study needs to be granted ethical clearance by the Research Ethics Committee (Appendix 1). The gatekeeper's letter was sought as well as informed consent, ensuring that the participants' anonymity and confidentiality in their participation in the study. Each participant signed a consent form declaring that they agreed to participate

and provide their individual answers and allowing them to voluntarily participate and withdraw at any given moment, should they so wish, as stated by CIS & Peixoto (2017). In term of preventive measures from COVID-19 infection, some protocols were respected during the research process:

- Maintain a safe distance from others (at least 1.5 metres), even if they don't appear to be sick.
- Wear a mask in public, especially indoors, or when physical distancing is not Possible.
- Clean hands often. Use soap and water, or an alcohol-based hand sanitiser.
- Cover the nose and mouth with a bent elbow or tissue when coughing or sneezing.

During interview researcher has followed a regulation protocol from university of KwaZulu -Natal and the advice provided by the local health authority by wearing mask, physical distancing, hand hygiene.

3.5 Summary of this Chapter

In this chapter, the research study used a qualitative research methodology, and the procedure and technique employed in conducting this study were outlined; these consisted of exploring recovery strategies employed by SMMEs within eThekweni municipality, from research design, sampling method, data collection methodology, and interview schedules. The researcher also presented the overview of how this research interview was conducted, in order to gain a deeper understanding and perceptions of the respondents. The following chapter presents the results of the data collected.

CHAPTER 4: DISCUSSION AND ANALYSIS OF RESULTS

4.1 introduction

In this study, the primary data was collected by semi-structured interviews with entrepreneurs in Small, Medium and Micro Enterprises in eThekweni Municipality. This chapter presents the discussion and analysis of the study objectives, along with questions that were asked during the interviews, including the citations of the respondents' answers. Once again, the main objective of this study is to examine and evaluate SMMEs' entrepreneurial recovery and associated cogent sustainable strategies they could adopt, to rebound and sustain their entities post the COVID-19 pandemic crisis. This chapter presents the demographic characteristics of the study followed by empirical analysis from respondents, along with a discussion of the research.

4.2 Demographic Characteristics

This section is devoted to the presentation of the results of the interviews relating to certain characteristics, such as the sector of activities and managerial profile in SMMEs.

4.2.1 Business Sector

Regarding the strategic recovery used by small businesses located in the eThekweni Municipal area, the researcher used the interview schedule to collect, collate, and coalesce the data, which aligns with the objectives of this study. This interview made it possible to directly question managers of SMMEs or their representatives; this is justified on the one hand by the possibility that it offers to directly collect information on survival strategies, and their reactions to this COVID-19 crisis. It is important to clarify that the representation of each sector in our sample was not respected, for the reason that the selection of SMMEs interviewed were the ones that responded positively to the invitation. The largest part of our sample consists of enterprises belonging to the category of small enterprises (employing between two (2) and nine

(9) employees). Among the 15 enterprises that took part in this research interview, the break-down was as follows:

- Three (3) respondents from manufacturing
- Five (5) from the retail sector
- Two (2) from motor vehicles (mechanical sector)
- Two (2) from construction
- One (1) from a hospital
- One (1) from financial services
- One (1) from the logistics sector, in particular trucks and buses

4.2.2 Managerial profile

This section focuses on the profile of the owner/manager, who was analysed according to his age, level of training, and experience, expressed in number of years.

4.2.2.1 Age of Manager

This represents the age groups of the entrepreneurs interviewed who managed their own businesses. The information revealed that eight of the respondents were between 35 to 50 years old, three respondents were between 50 and 60 years old, one was between 25 and 35 years old, and finally only three were over 60 years old. These results are justified by the fact that the youngest group are busy with training and studies, and more often than not, they lack the experience to begin venturing into creating a business.

4.2.2.2 Work Experience

The highest number of years of experience for managers was found to be more than 16 years, followed by 11 to 15 years, while the entrance range of experience for a manager with competence in skilled work was between one to five years. Overall, ten respondents said the business they currently run was their very first business. Only three respondents said they had previously owned a business. The main reasons for shutting down their first business was attributed to its unprofitable nature and hence operating at a loss. Finally, two respondents were representatives, but had already been in office for several years.

4.2.2.3 Leadership Training

Regarding the level of training reached by the respondents interviewed, it was noted that eight were owners/managers who had at least a university education, at a bachelor's degree level, five respondents had obtained a diploma, while only two declared that they had finished grade 12. Overall, there was intellectual maturity and wisdom in the business leader group. Sometimes the technical and managerial capacities of SMMEs are handicapped by a low level of training, and a low propensity for entrepreneurship of graduates. One hundred percent of respondents mentioned that their businesses remained open but dormant, and that they had been decimated by the crisis created by the COVID-19 pandemic.

4.3 Impact on Activities

In this section, the data collected from the respondents is analysed and discussed, and the data is presented in themes and categories. According to Creswell (2014), qualitative research aims at reflecting how the researcher has contextualised data using themes, sub-themes, and patterns to present the views of the respondents. To begin data processing, the researcher identified four initial categories that corresponded to the main themes addressed in these interviews:

Table 4.1: Structures of themes and categories

| Themes & categories |
|---|
| Theme 1: Impact of Covid on the SMMEs' operations and sustainability Categories: Fluctuations of individual confidence and business prosperity |
| Theme 2: SMMEs' strategic reactions to the COVID-19 pandemic Categories: Disaster impact on individuals, businesses, and government |
| Theme 3: Recovery strategies adopted Categories: Tactics adopted by individuals, businesses, and government |
| Theme 4: Post-crisis strategy and opportunities Categories: Window of opportunities for individuals and businesses post pandemic |

Source: Compiled and adapted by researcher

4.3.1 Presentation of Discussion and Analysis

4.3.1.1 Research Objective One: Explore Recovery Strategies that the SMMEs Should Benefit from

1. Impact of COVID-19 on the SMMEs' Activities

Interviews conducted with the entrepreneurs of SMMEs as part of this study, show that the latter have been adversely affected since the beginning of COVID-19 pandemic. It is confirmed by Fabeil et al. (2020), who stated that South African SMMEs already must contend with a contracting economy, so the additional shocks from the COVID-19 pandemic are putting further pressure on their operations. Lockdown and restriction measures have caused revenues to plummet in many of these enterprises, and the majority report that they are being forced to cut back on business spending to survive. Ozili (2020) showed from his descriptive analysis that the COVID-19 pandemic had negative effects on the oil industry (through decline in oil prices) in Nigeria, for instance, which in turn affected other business operations along the oil supply and value chains. During the interviews, the managers of these companies concerned testified to what was the shock of a forced closure for health reasons, which was beyond their control. They had to adapt and react quickly, organize to suspend their production of goods or services, and discontinue operations by looking for solutions for their staff. Without turnover for months, and despite the financial aid put in place by the State, which was sometimes delayed, these enterprises have had to face severe cash flow difficulties with no improvement in sight.

RES 1: *"No sales for three months as doors were shut"*.

RES 7: *"Covid-19 pandemic was the first to be impacted; but the cessation of the business activity, we were not prepared (...) from one day to the next, no more revenue and invoices that must be paid. Say on Sunday night "tomorrow is over", you leave your teams at home, you warn them all; on the other hand, we are not able to tell them what to do, will it be partial unemployment or not"*.

RES 5: *"Main challenges before and after (are) still the same: low economic growth, high crime rate, erratic electricity supply and destructive political ideology"*.

RES 9: *"COVID-19 has caused economy pressures for many South Africans and people worldwide. This has reduced income capacity and as a result has a negative impact on our business and income potential, the extra cost, that had to be spent on items like hand sanitiser, sanitising stations, COVID-19 posters etc. was a factor unbudgeted for. Supply chains worldwide have also been severely affected which was and still is creating shortages in supply".*

RES 9: (continued) *"Most people are now used to the required protocols when shopping with us, but it has added to our clientele and staff's stress levels, as people entering the store have to be constantly monitored. We don't have the luxury of extra security staff and run on a minimal staff compliment, which means overburdened staff has more duties added."*

RES 8: *"Business was badly affected"*.

RES 11: *"(...) The enterprise didn't have a turnover over several months, it's as simple as enthusiasm of the clientele, but other aspects remained at a standstill. The situation was very anxiety-provoking; three weeks ago, we had a meeting, we said we're going to do this, we're going to do that; that is to say, what was planned, envisaged and put in place for the coming months"*.

Although located the business has taken over these activities but, this SMMEs are affected by the recession; by the measures imposed by the containment government that neutralize the benefits of its specialization (Al-Fadly, 2020).

2. Impact on Customers

In general, the COVID-19 crisis has resulted in a significant decline in customer traffic across all sectors of activity. Apart from a minority of entrepreneurs in the hospitality industry or the apparel and clothing sector (possibly in connection with the reorientation of the activity and the manufacture of masks), almost all entrepreneurs declared a decline in customers. More than twelve out of fifteen entrepreneurs mentioned a drop in attendance of more than 50%. The period of relaxation of movement restrictions did not seem to translate immediately into a return in traffic. Fear, the precautionary principle, and the general decline in household purchasing power are among the most likely causes.

3. Turnover Dropped

Speaking of the decline in turnover, fourteen respondents believed that during the period of the first and second lockdown restrictions, the activities of SMMES were totally slowed down, almost to a standstill. Almost all respondents mentioned a decline in their turnover in March 2020. For 41% of executives, the monthly loss was between 50% and 70%, and turnover dropped by more than 70% for 19% of respondents. The decline in their business activity was also due to the regulatory closure of establishments, as a result of the Disaster Management Act or the enforced State of Disaster. They cited difficulties and challenges in production efficiency due to sanitary measures, and the lack of outlets, or a reduced supply in materials available triggered by reduced supply chain access. Due to a cash flow that created a transitory shock for the entrepreneurs, they would need to respond significantly, by revising their outlook forecasts downwards on the workforce, which will result in the inevitable reduction of employees. (RES = respondent in the quotes below)

RES 1: *“The cash flow is the biggest challenge, and we are trying to keep food costs at a competitive price, offer great variety and value for money... (there were) no sales for three months as doors were shut”.*

RES 8: *“The first semester of COVID-19 pandemic in 2020 for instance, we were completely closed, doors opened recently when lockdown restrictions improved”.*

RES 9: *“This is hard to predict, but I can say for certain that it did affect it negatively...shrinking economy, load shedding, economy recession”.*

RES 13: *“Rent problem, economy recession, loss of clientele, low-income, looting affected the most and electricity cuts”.*

RES 15: *“South African economy, poor governance of the country, high crime rate, corruption, negative sentiment overseas and local investment”.*

Enterprises showed a drop in their turnover over one year. This is a more unfavorable balance sheet than the last one that was carried out for the fiscal year ending in the month of February 2020. However, respondent 3 said that his business had not experienced a decline but had achieved an increase. The majority of respondents

declared undergoing reduced activity. Respondents highlighted the problems encountered in travelling internationally. Despite the deteriorating employment situation, recruitment difficulties strongly affected almost a third of enterprises, particularly in services and industry.

RES 2: *“So far, I have managed to maintain a stable flow of income, despite the pandemic...”*.

80% of executives said they had had difficulties financing their companies, which were related to late payments. Respondents announced that they were under pressure from their private clients. Vis-à-vis their creditors, under a half of business leaders paid all their bills on the scheduled date. Nearly a quarter of respondents said they had a difficult cash flow situation; when there are difficulties, the first cause remains a lack of turnover. Secondly, it is the extension of settlement periods and unpaid debts. Additionally, there are various difficulties which continue unabated.

4. Organization of Working Methods and Restoration of Work

During the period of COVID-19, all the respondents said that that time was very bad for business, and they had to reorganize working hours, either by introducing teleworking or by rotating staff. In addition, nine out of 15 respondents declared that 40% of employees had been laid off. Health protocols hardened in the weeks prior to the end of this study, due to the resurgence of Covid cases; enterprises stated that they were more frequently held back by the complexity of applying the regulations. It was in the services sector that this situation was the most frequent. However, 64% of respondents considered that the health protocol that their company had to follow, was necessary to protect their employees or customers. 15% considered that health protocol could be optimized without compromising this protection: the obligation to wear a mask when employees were isolated was mentioned. The majority of respondents said they had taken the necessary measures to ensure the safety and protect the physical and mental health of their employees. These measures were, for example, to avoid business travel to high-risk areas, remind their employees of the basic hygiene rules to adopt such as regularly washing your hands, coughing into your elbows, using a disposable tissue and throwing it in a trash can, and bringing masks.

RES 6: *“We provided masks, sanitizers to all staff and used application of GCC (general construction contract), also a new regulation regarding Covid-19”*.

RES 12: *“We applied the regulation and COVID-19 protocols. We provided materials for (the) health of our staff”.*

A fixed poster on the company's premises reminded employees of these hygiene rules, especially in strategic places such as toilets, changing rooms, break rooms, or canteens, and disinfectant soap was provided. Sometimes hydro-alcoholic solutions for hand washing as well as single-use towels for wiping hands were provided, as well as masks for workers exposed to the risk of contamination because of their professional activity. This was not limited to the workers, but was also extended to the protection of company premises, for example, regular disinfection of surfaces such as desks, computer keyboards and mice, door handles, and community places such as the canteen, break room, etc.

RES 4: *“We have implemented some measures to support COVID-19 policy, risk assessment, daily screening, training employees and use of sanitizers”.*

RES 15: *“Strict protocols aligned with government guidelines, rules and regulations.”*

Another unthinkable measure stated by the respondents, was to invite all people (customers, external stakeholders to the company, etc.) having been in contact with the infected employee in recent weeks, to come forward so that preventive measures could also be put in place for them.

5. Health Protocols on Professional Activity and Practices

Another impact of the implementation of these protocols on the business sites, concerned the organization of work. There were many testimonies describing the consequences of enhanced disease prevention protocols in the ways of executing a job demand, such as the implementation of social distancing. The Covid-19 pandemic has required them to adapt urgently to this new context, which has not been without its difficulties.

RES 11: *“Firstly, the safety of our staffs, we provide masks, sanitiser, screening scanner etc.”.*

RES 7: *“(…) the information fell as we went along; we had no visibility on what was requested. We are in the food industry, masks, hydroalcoholic gel, these*

are products that we use outside COVID-19 pandemic, so we have just strengthened our order levels to be able to expand and strengthen their use.”

RES 7: (added further that) *“It didn't change us much after there were distancing rules, traffic direction, passage measures, but it's not as if it was unknown to us this kind of tools in fact. Because for us, hygiene measures are all year round.”*

RES 14: *“Social distance, all COVID-19 regulation and protocol, contact training staff”.*

RES 1: *“The biggest impact has been restaurants; we used to supply around 65 and now 12 currently”.*

The main issues faced by SMMEs was business relations and supply chain disruption. Fabeil et al. (2020) declared that business relations were the predominant factor. Many businesses were affected by reduced revenue. Revenues dropped to 30-50% during the lockdown. The cash flow came to a halt. Phone orders which often generated 40% of the revenue also stopped. Around 60% of customer orders had to be refunded in full as their services could not be fulfilled. The reduced work hours further adversely affected productivity with detrimental impacts. Loss of business also accompanied the ban of public gatherings. The closure of local markets also resulted in loss of business.

RES 2: *“Supply chain; there could be problems ordering or buying materials needed to manufacture my products... small suppliers may have closed down due to lack of support and lack of materials during the COVID-19 pandemic”.*

6. Supply Chain Disruption

The supply chain was the next most important factor. As businesses closed, the supply chain was difficult to maintain. Other suppliers were similarly affected and unable to provide their services. Coordination between suppliers was difficult. Nevertheless, some suppliers were more innovative by generating plans and ways of continuing working relations. For those who could arrange to transport the supplies, the transportation cost was borne by the purchasing business, so as to maintain a good relationship with the suppliers. This would help broken supply chain links to be reconnected and enable service flow. Suppliers that get reconnected after the

pandemic are likely to have a mutual business-survivor bond, that will quickly thrust business recovery (Fabeil et al., 2020).

RES 4: *“There are implications of time (training, screening) and material costs (sanitizers, etc.)”.*

RES 5: *“When the government implemented lockdown and restriction regulations, they destroyed the economy: our business also was restructured in order to remain viable under current conditions, future investment cancelled, new products development cancelled, and new projects cancelled, and employees retrenched”.*

RES 6: *“It reduces our business as we rely on sports, schools and corporates events”.*

RES 7: *“Reducing the number of customers in the store, reduces sales, less staff at other companies have affected us”.*

RES 3: *“The requirements will be to adhere to the COVID-19 regulation, and they centre more around retirement reform and also offshore investment restrictions”.*

7. Social Distancing: A Degraded Relationship with the Customer and Work

For some companies in the sample, social distancing measures have had a significant impact on the business relationship, on the working conditions of their employees, and on the management of jobs and skills. Staff found themselves on the front line, initially without protective equipment, to urgently manage the business closure and then the recovery in May 2020. In this context, and with the introduction of barrier measures, how does one resume a serene face-to-face relationship with the customer?

RES 10: *“(…) we will say that 80% of the people have returned. There were about ten people for whom there was the disease aspect that was scary, and also people who were petrified because simply the eight weeks have hurt at this level, so they did not feel ready to come back, to be in daily contact with people”.*

Table 4.2: Actions and strategies from Objective 1

| Themes | Analysis Dimension | | |
|--------------------------------|--|--|--|
| | Action and Measures | Chosen Strategies | Observations |
| Coding in Objective 1 | Large data from respondents was reduced, labelled, indexed, and extracts contributed to theme formulation | The respondents aggregately depicted the level of comprehension and awareness of the challenges confronting their business and thus the significance of identifying the recovery strategy. | Data is structured and coded to meet Objective 1 and to analyse the impact of COVID-19 on the SMMEs. |
| Dominant Theme | <ul style="list-style-type: none"> * Reduction of staff * Cutting cost * Social Distancing * Safety of employees * Reduction of employees | Standby strategy & Freezing strategy | <ul style="list-style-type: none"> * The decline in income and activity has a negative impact on the employment rate. * The survey reveals that about 40% of companies have failed to retain their entire workforce during the COVID period. * The strategy not only provided more information of COVID-19, but also let companies and employees feel more at ease. |
| Emerging Theme | <ul style="list-style-type: none"> * Impact on customers * Health protocols at work * Use of family funds * Lockdown * Protective Equipment | Standby strategy & Freezing strategy | SMME owners agreed that the keys challenges for them during COVID-19, were health at work and with customers, where they received lower demand from customers due to insufficient access to their potential and existing customers; staff's attitude in the workplace; and delays in receiving supplies from suppliers. |
| Categories of Responses | <ul style="list-style-type: none"> * Individual aspects * Business aspects | The categories depicted the resource depletion and the capabilities constraints. | * Business activities can be measured by several actions that can be broadly divided into individual and business actions. |
| Patterns | <ul style="list-style-type: none"> * Debt repayment deferral, Salary reduction * Use of family funds | The pattern of meanings reverberated across the entire organizations' value chain. | For the interest of the organization. |

Source: Adapted by researcher

For some of these employees, contact with customers had become synonymous with contamination. Resignations followed one after another within the company, with salespeople preferring to leave and retrain professionally, rather than return "to the front line".

In the case of the SMMEs surveyed, the functions were confusing, with the entrepreneur also responding as responsible for the operations of the company, the accountant of the company responsible for HR, etc. This was due to the simple reason of the size of the company. The majority of the SMMES interviewed had a reduction in staff of between one and nine persons. During the interviews, the managers of these companies concerned testified to the shock of a forced closure for health reasons, due the COVID-19 pandemic. They had to adapt and react quickly, organize themselves to suspend their production of goods or services, and stop business operations by looking for solutions for their staff. Without turnover for months, and despite the financial aid put in place by the State, which sometimes delayed staff reduction, these companies had to face severe cash flow difficulties. The strategies used by these SMMEs in this section were both existential and transitory, while pivoting to projected long-term strategies post the pandemic.

4.3.1.2 Research Objective Two: The Extent of Survival Tactics Used by SMMEs During the COVID-19 Crisis

This pandemic of COVID has troubled most of all SMMEs and create tensions around the customer relationship in the business store, respondents stated by the head of the personnel department interviewee.

RES-15: "(...) when the reopening (of the business occurred), hairdressers were afraid of contact with customers; and the conditions for exercising their profession have not been facilitated by all the protective equipment".

1. Impact on Jobs

The observations concerning employment were the following. In six months of an intense crisis, downsizing has become the norm in some sectors. In other sectors, shorter working hours became the norm. Faced with the reflex of "budget cuts", it is essential to analyse the precise situation of the company, in order to find other solutions; this will help to avoid the SMMEs falling back into a more serious situation in the short term, and an even more serious one in the longer term.

Four of the fifteen entrepreneurs reported cutting back on the number of people participating in any activity. For the majority, this was a temporary decrease, with the aim of reintegrating them once the crisis had passed. Almost all of the entrepreneurs concerned were positive about ensuring the reinstatement of their employees (contractual or regular), once the consequences of the crisis had passed and the business activity would gradually return to its normal level.

RES-1: *"Working as a team and sourcing new products with other companies..."*.

RES5. *"Cost reduction, containment and restructuring"*.

RES-7: *"Ensuring customer feels safe and continue coming to our shops"*.

RES-9: *"Paying attention to the wellbeing of our staff and clients, together with good communication both vertically and horizontally. Strong leadership in any time of crisis is essential, but it's also important to listen so as to understand a given problem"*.

RES-11: *"Increase our sales, adopting to remote work (so) that our staff can work from home"*.

RES-12: *"Cost cutting, staff reduction from"*.

RES-13: *"Most important own is safety of the staff."*

RES-14: *"No business interruption"*.

RES-15: *"Alignment of incentives balances with business income and solid focus on our customer base."*

The implementation of preventive measures in the workplace has led to some changes in work organization and staff management, particularly in SMMEs, where staff rotations have been organized to limit the risk of contamination and to guarantee a minimum wage for everyone. Of all the contractors surveyed, a quarter mention a reorganization in terms of hours (reduction of working hours) and working methods. Reductions in working hours have resulted in wage cuts.

RES 3: *“Implementing virtual meetings to be able to access system financial services sector”*.

RES 15: *“Heavy commercial trucks and buses, retailing of vehicles (pre-owned) and aftermarket spares parts in the South African truck and bus market”*.

0According to the respondents, more than seven out of fifteen workers had lost their jobs, usually on a temporary basis. In addition, six out of fifteen of them experienced a drop in income. All workers without exception faced financial difficulties. For most of them, it was the inability to cover the current expenses of water, electricity, and rent which resulted in late payments.

RES 4: *“Claiming standing time from clients, using TERS and pay cuts...”*.

RES 5: *“Survival tactics used: radical restructuring, cost cutting, staff reduction and shift reduction”*.

RES 8: *“Reduce staff and cost cutting”*.

RES 9: *“Disrupted supply chains resulting in ‘out of stock’ situations and inability to supply, which leads to frustration (for both parties), as a client willing to pay cannot be helped in a pandemic, where everyone is looking for business. Extra stress levels due to the various protocols that need to be adhered to and the loss of confidence in economic activity”*.

Unlike the previous ones mentioned, other companies continued their activities, or even grew during the crisis. These companies therefore made little use of short working hours, usually only for a small part of their staff, or as a transitional measure.

RES 11: *“(…) of course no redundancies; the first idea was to continue the activity and even to avoid short-time working, to develop this idea with our customers and to adapt sanitary measures to satisfy everyone.*

We say in the company if we do not progress, we regress and I think that the first idea is to preserve employment because we first have a strong attachment to our staff, we love our people (...). So, the first idea is really to do what it takes to preserve jobs and to continue."

2. Remote Work

Before the outbreak of the health crisis, what was the reality of teleworking? A note from (Dares, 2019) stated that "regular teleworking is a practice that is still not widespread. In 2017, only 3% of employees practiced it at least one day a week. Teleworkers are mostly executives (61%) and are relatively more numerous in the IT and telecommunications professions."

RES 7: *"...positive effects because so many people are now working from home, business on printers for home use has increased."*

RES 12: *" Since the beginning of the crisis, we have been learning by walking. Our first reflex was to put employees in safety, then we were obsessed with keeping the link and maintaining a dynamic."*

" We relied on digital tools to communicate live and ensure that the company was mobilized. The post-crisis period requires two major skills: taming the remote presence and the freedom of organization, because employees have obtained much more autonomy during the confinement"

However, remote work has proven to be unsuitable for most of the SMME's activities:

RES 6: *"(...) We on our work, it is not possible because people who work in the kitchen cannot telework. At headquarters we are very few, we are eight, it is not possible to set up teleworking. And these eight have essentially technical work; we are a sector of activity where teleworking is not an option."*

3. Recovery Plan and Financial Support

When questioned during the interview about the aid they had been able to receive from institutional actors to facilitate their access by finding information, their access to relief measures, or their administrative procedures, business leaders expressed essentially the shortcomings felt. Indeed, thirteen out of fifteen respondents replied that they had not received any help from the institutional actors supposed to provide them (decentralized state services and others, etc.), to inform them about the

operation procedure, or to accompany them in the creation of financial aid files. As most of the companies surveyed were SMMEs, several of them pointed to bureaucratic complexity as a major difficulty to overcome. However, two out of fifteen enterprises indicated that the branch of industry to which they are affiliated, had been effective in providing them with useful information or assistance in implementing their application.

For one of the SMMEs involved in locksmithing, the health crisis has had a strong impact on its activities, and short time working has been generalized to all its staff. One respondent mentioned the lack of support from the municipal authorities:

RES 8: "(...) we have heard. The eThekweni municipality tried to do things, but apart from small papers to say that they were going to help the companies, frankly I did not have any help, I did not see much. And the companies around us, for solidarity, you know it's like in time of war each for himself and God for all (...), our director had some contacts with the director for the establishment of documents for partial unemployment, but otherwise nothing else. On the phone when you call there is between fifteen and twenty minutes of waiting."

In order to face this crisis situation, the SMMEs in South Africa awaited support from the government. Regarding the government, all initiatives were put in place to support SMMEs through a recovery plan and bank support. Stimulus funds would be used to mitigate losses suffered during the pandemic. This thinking is in line with the South African Economic Reconstruction and Recovery Plan published in 2020. The South African government adopted a R500 billion (over \$26 billion) stimulus package, equivalent to 10% of the country's GDP, to mitigate the impact of COVID-19 on businesses and citizens (Recovery Plan, 2020). This was also supported by the South African Reserve Bank, cutting the repo rate which was estimated to unlock more than R80 billion in the economy (South African Reserve Bank, 2020). These measures were designed to alleviate the social and economic pressure against the increased poverty rates, with the government dedicating a 6-month special Coronavirus grant targeting the poor and elderly through increasing social grants.

RES 1: "No, we applied to the COVID-19 Relief Fund, and they responded by saying that funds were not enough.....some financial support. We paid staff all the way through as we wanted to make sure they and their families were fed... be safe

as possible, as well as our rent....; all remain the same, so financial support that was well advertised was not available. It's been a great struggle, but our doors are still open and in God we trust....”.

RES-13: *“We try to apply for some support but no chance”.*

RES-5: *“I think about (how) law and order has to be established, guarantee the supply of electricity; tears of evidence suggest that the current government has neither the ability, capacity nor desire to develop South Africa into a prosperous nation”.*

The South African Economic Reconstruction and Recovery Plan (SAERR 2020) has three phases. The first phase is “Engage and Preserve” and includes a comprehensive health response to save lives and curb the spread of the pandemic. The second phase, “Recovery and Reform”, includes interventions to restore the economy, while controlling the health risks; and lastly, “Reconstruct and Transform”, which entails building a sustainable, resilient, and inclusive economy (SAERR, 2020). The Plan will be underpinned by the need to: protect vulnerable workers, households, and firms; build consumer, investor, and public confidence; deepen industrialization through localization; pursue environmental sustainability and deliver quick wins; and continue providing relief to mitigate the impact of Covid-19. Ultimately, the end goal is to pursue an infrastructure-led economic reconstruction and recovery, with investment in infrastructure that will stimulate the various sectors of the economy (SAERR, 2020).

RES 1: *“We have introduced a lot of new products to increase our sales and turnover.”*

RES 2: *“When designing products, it would be incredibly beneficial to have access to a ‘think tank’, in terms of a forum to ask questions or source products. Google is helpful, but most advice or products are from abroad, (while) access to many parts or materials for my products is limited to South Africa, and often need to be ordered from abroad. The government should encourage small, local businesses to produce many parts locally...stocking up on materials when possible, according to supply and financial ability. Making use of current leftover materials where possible...”.*

RES 3: *“To enable us to operate from home/virtual meeting...COVID-19 has created a less disposable income therefore less investors”.*

RES 4: *“Not only at a national level lockdown and most of projects were delayed due to lockdown, which translates to costs...for our strategy, we’ve started to use some TERS payments to employees”.*

RES 5: *“We have radical restructuring, cost cutting, staff reduction and shift reduction”. survival of companies is being ignored not highlighted. It should be in the spotlight but isn’t.*

RES 6: *“Closing economy to be done more logically. Many of their measures seem unhelpful and unnecessary, e.g., banning cigarettes”.*

RES 8: *“Without strategy to increase our sales, we encourage people to be vaccinated”.*

RES 9: *“The required law-abiding protocols to increase the safety for clients as well as staff and help boost shopping confidence. Increase communication with staff and customers.... not that I am aware of besides for TERS payments”.*

SMMEs, cooperatives, and start-ups also have an important role to play in facilitating economic transformation and empowerment. Providing a supportive ecosystem for them is among the critical enablers for recovery and reconstruction (SAERR, 2020). Accordingly, the following will be undertaken to support SMMEs, cooperatives, and start-ups:

- Reviewing and integrating government support for formal and informal SMMEs, start-ups, and cooperatives; this includes removing red tape and reducing timeframes for relevant licenses and permits to improve the ease of doing business.
Designing more appropriate financing products, such as microfinance, gap housing products, and blended financing, including for emerging farmers.
- Support to SMMEs to participate in the localization opportunities.

RES12: *“We don’t know about how to apply. The support is very important, but we didn’t receive anything to assist our business.”.*

RES15: *“Lower emphasis on BBBEE tender policies, as this is all smoke and mirrors, poorly controlled and just another measure for corrupt officials to rob the country....”.*

Table 4.3: Actions and strategies from Objective 2

| Themes | Analysis Dimension | | |
|------------------------------|---|---|---|
| | Action and Measures | Chosen Strategies | Observations |
| Coding in objective 2 | Data reduction was applied and extracted to generate themes | Strategies segmented into long-term, medium-term and short-term, aligned to the resources at the entity's disposal. | Data is structured and coded to meet objective 2, and to explore the recovery strategies used by SMMEs. |
| Dominant Theme | <ul style="list-style-type: none"> * Reduction of business * Reduction of revenue * Loss of business * Disruption of supply chain * Disruption of production * Recovery plan * Cash flow | Standby strategy & Pivoting strategy | <ul style="list-style-type: none"> * It is important for SMMEs to have the courage to take the necessary survival actions to save their operations. * The immediate responses to the impact of Covid-19, are to ameliorate the effect of the shock on SMMEs' activities, and to help tide them over the crisis. |
| Emerging Theme | <ul style="list-style-type: none"> * Redesign market strategy * Remote work * Changes in work organization * Digital & online tools and techniques | Pivoting strategy | The Covid-19 pandemic has altered the business structure, as well as produced a society that requires learning and exploration of new knowledge, for continued sustenance of business activities' standard operating procedures by SMMEs. Online business activities can still be implemented, and it's been proven that entrepreneurs that have ventured into online business, have gained more benefits compared to others. The pandemic had fast forwarded digitalization, which has resulted in a tremendous increase in digital business ventures. |
| Category of Responses | * Business aspects | Categories depicted monetary and non-monetary obligations on the part of the entities. | To increase SMMEs' participation in response measures, policymakers should work directly to help SMMEs identify the right assistance programs, navigate application processes, and secure assistance. |
| Patterns | <ul style="list-style-type: none"> * Saving the business * Saving the vision as the mission of SMMEs | Patterns took the shape of capital, administrative expenditure, and working capital deficit. | The reason is to mitigate the impact of Covid-19 on SMMEs' activities. |

Source: Adapted by researcher

The fragile resilience of micro-enterprises is being tested by the economic and financial repercussions of the health crisis. In addition to cash flow concerns, there are also constraints related to border closures and other crisis-related disruptions such as intraregional travel restrictions. The closure of borders since 2020 has considerably hampered the activities of carriers and traders. While it is true that most companies are now focusing their efforts on protecting employees, understanding business risks, and managing supply chain disruptions, the fact remains that the survival of some of companies is being ignored not highlighted. It should be in the spotlight but isn't.

With slowing demand and falling turnover, if SMMEs fail to slow down their disbursements at a similar pace, including the payment of salaries, the purchase of raw materials, goods or supplies, as well as payment of interest and rent, they will eventually deplete their cash reserves and lines of credit. This is why the Standby and Pivoting strategies come into play, to save the business or resist the crisis, reduce the impact of COVID-19 on SMMES, bring innovation for the benefit of the company, etc.

4.3.1.3 Research Objective Three: The Critical Success Factors to be Adopted by SMMEs During Times of Crisis

1. 1. Critical Success Factor (CSFs) Intervention Adopted by SMMEs

An analysis of the respondents' answers highlights two main CSF actions. While the Covid-19 pandemic has pushed some companies to adopt entrepreneurial strategies by looking for new business opportunities, others have shown patience in preparing their organization for a "new normal". Indeed, most of the companies interviewed preferred to wait, observe, and then react according to the evolution of the pandemic situation. We have described this CSF as a "Standby CSF ", as the SMMEs have focused on ensuring their economic and financial stability, without putting in place proactive CSFs that will allow them to create or seize new opportunities. Then, other SMMEs have chosen to migrate to new markets and satisfy new needs created by the Coronavirus crisis; we have referred to this CSF tactic as a "Pivoting CSF" tactic. The table below summarizes all the actions implemented by the SMMEs interviewed, in order to counteract the threats created by the pandemic crisis.

RES 15: *“We invested heavily in digital advertising and marketing and controlled our cost.”*

RES 1: *“We are trying to keep food costs at a competitive price, offer great variety and value for money.”*

RES 2: *“Stocking up on materials where possible, as well as maintaining contact with past and current customers”*.

This confirms Wenzel’s (2020) ideas that said there are four strategic responses to a crisis: retrenchment, persevering, exiting, and innovating. These strategies were shown as effectively capturing the early responses of family firms to the Covid-19 pandemic (Kraus et al., 2020a). Retrenchment involves cost-cutting measures that may reduce the scope of a firm’s business activities. This strategy appears to support firms in surviving a crisis in the short run. Persevering is about preserving the status quo of a firm’s business activities. This may be achieved through debt financing and seems suitable in response to a crisis in the medium run, even though it may threaten the long-term survival of the firm. Exiting means the discontinuation of a firm’s business activities; it is a strategy which is not limited to a crisis and can be selected at any time. Finally, innovating means that the firm engages in strategic renewal in response to a crisis.

The growth and survival of firms will depend on their ability to successfully adapt their strategies to changing environments. Innovation may increase their chance of survival, allowing for successful niche strategies. Although innovation can have some undesirable consequences, change is inevitable and, in most cases, innovation creates positive change (Cefis and Marsili, 2006).

RES 1: *“So far, I have managed to maintain a stable flow of income, despite the pandemic...”*

RES 2: *“We have radical restructuring, cost cutting, staff reduction and shift reduction”*.

RES 4: *“Some TERS payments to employees”*.

RES 15: *“COVID-19 forced business from face-to-face to digital, which allowed them to accept new innovation and increased the search to target a new audience of customers”*.

During the COVID-19 pandemic, the critical success factors employed by SMMEs to mitigate its effects on business, were to adapt to the new, unforeseen situation. The majority of the participants decided to adapt to the new environment and to manage the present situation, even if their business was strongly affected by the crisis. This was done by using an alternative strategy, such as changing the location of business operations from a physical store to a home and online store.

These strategies are integrated into the two strategies used by the SMMEs, that the researcher called: standby strategy and pivoting strategy. Entrepreneurs seemed to demonstrate their ability to survive in their business by undertaking several business continuities approaches and recovery strategies, especially in terms of product delivery and marketing. This finding is in line with McCarthy (2003), who suggested that the experience of crisis leads entrepreneurs to act more rationally and engage in planning, when making decisions.

The results obtained from interviews with leaders of SMMEs, showed that through them, they had a desire to keep activities open and save SMMEs from this COVID-19 crisis. Likewise, they adopted innovative marketing platforms and strategies to increase their commercial capacities. The abilities of these SMMEs to switch to alternative business strategies, while others are unable to do so, indicates the harnessing of their valuable skills (Wanier, 2014; Lai, 2018).

Faced with the crisis on SMMEs, managers of SMMEs decided to mitigate the situation by measures to reduce business or income, and then seek government assistance. The government established a recovery plan and recovery strategies that are part of the interviewed SMMEs' interviewed. South Africa has declared a state of emergency and enacted strong measures to allegedly contain the spread of the pandemic and preserve the country's public health. To protect the national economy and assist the private or public sector to absorb the shocks induced by the foreseeable slowdown in economic activity due to the pandemic, the government of South Africa developed a recovery plan called the South African Economic Reconstruction and Recovery Plan. This aims to reduce financial and fiscal burdens weighing on the sectors most affected by the health crisis, and to provide a guaranteed mechanism for bank loans to SMMEs in difficulty.

Table 4.4: Actions and strategies from Objective 3

| Themes | Analysis Dimension | | |
|------------------------------|---|------------------|--|
| | Action and Measures | Chosen CSF | Observations |
| Coding in Objective 3 | | | Data is structured and coded to meet objective 3 and to analyses interventions of government on the SMMEs. |
| Dominant Theme | <ul style="list-style-type: none"> * Reduction of fixed costs * Wage reduction * Debt payment deferral * Use of personal and family funds * Reduction of employees | Standby strategy | Some of institutios were used to support SMMEs, as Banks, privates, internationals and national organisations or government constantly considered additional support for them through the South African Economic Reconstruction and Recovery Plan. |
| Emerging Theme | <ul style="list-style-type: none"> * Debt deferral * Use of government-proposed credit * Use of family funds * South African Economic Reconstruction and Recovery Plan | Standby strategy | The South African Economic Reconstruction and Recovery Plan is devised to restore the pandemic-stricken economy – not just to its pre-pandemic state, but to “forge a new economy in a new global reality” (RSA, 2020:3). |
| Category of Responses | <ul style="list-style-type: none"> * Business aspects | | The feasibility of interventions to target disadvantaged SMMEs and the government's ability to fiscally sustain them would also remain a concern. |
| Patterns | <ul style="list-style-type: none"> * Continuity of business * Support from the public authorities | | The main concern is to avoid the closure of SMMEs, to give them the opportunity to continue to operate, with the help of the government. |

Source: Adapted by researcher

4.3.1.4 Research Objective Four: The Analysis of Existential Support and Empowerment for SMMEs to be Competitive and Sustainable

1. Factors of Resilience in Businesses

The pandemic crisis represents a real threat to all companies. However, the interviewees considered that their company has undeniable assets and resilient resources or capabilities, that allowed them to resist collapse in the face of the economic and financial upheaval created by the Covid-19 pandemic. The analysis of the insights, experiences, and expertise of SMMEs leaders reveals three main factors of resilience of businesses.

2. The Strength of Collaborative Links

The leaders interviewed strongly stressed the importance of collaborative links in the management of the COVID-19 pandemic crisis. What can be noticed from these interviews, is that the strength and intensity of the links between employees in their company, was the basis for the resilience of the SMMEs interviewed.

RES 13: *"If we have been able to resist the Coronavirus crisis, it is thanks to the harmony, solidarity and cohesion of our employees"*.

Indeed, the SMMEs were perceived by its owners not as simple economic, material goods, but rather as emotional assets to which they are unconditionally attached. Thanks to this emotional attachment, workers would ensure that they act in the interest of the company, be dedicated, and seek to ensure its sustainability and succession.

RES 6: *"Some employees had spent their whole lives in this company, they had been there since its creation, they had supported my father... some remind me of my childhood, my father... I can't fire them... and I take care of their financial security as well... human capital was part of the transmission process... and I must preserve it"*.

3. External Share Capital

Another aspect identified by the respondents was the external social capital, or more precisely, the SMMEs' social links with its stakeholders. Indeed, according to the interviewees, the mutual trust that exists between the company and its stakeholders,

has contributed enormously to the resistance to the upheaval caused by the Coronavirus, and more particularly, the relationship between the company, its customers, and its suppliers.

RES 2: *"The relationship with suppliers and customers helps us to overcome the crisis".*

RES 4: *"Our relationship with our customers and suppliers is based on trust and commitment... a relationship we've built for years... a close-knit relationship... we have decided, with our partners, to put our hand in hand, to show solidarity in order to be able to overcome this crisis... thus, we have been forced to tolerate late payments from our customers... and our suppliers have done the same with us".*

Indeed, this observation has previously been proven by some researchers. Bosma & al. (2004) has shown the existence of a positive link between social capital and the survival of the company. For their part, Mosek & al. (2007) assume that trust with stakeholders positively influences the sustainability of the company and its growth. Certainly, building trust leads to an increase in the value created, as it mitigates conflict and fosters inter-organizational cooperation and relational networks (Lepers, 2014).

4. Innovation Strategies

Eleven out of 15 respondents stated that it was very important to introduce some innovation in the recovery strategies. According to Tietze (2021), SMMEs are a critical source of innovation across all sectors, markets, and aspects of life. In the current COVID-19 pandemic, SMMEs have contributed to the development of crisis-critical products. Examples include the German-based SMME BioNtech in the area of vaccines and Benevolent AI in identifying a COVID-19 treatment, that recently secured Food and Drug Administration (FDA) approval. SMMEs are also behind many of the digital communication tools that we now use on a daily basis (Frank Tietze, 2021).

RES 1: *"To slowly improve sales and continue to offer a great service at affordable prices.... we had to borrow money to keep our doors open, the stress has been hectic, but we will fight to all get through".*

RES 2: *"To continue with the practises I already have in place and a good relationship with my customers.... I hope to maintain a fairly healthy and stable income from my business in the future".*

RES 3: *“We use some of the new technologies as part of a new state, but in limited extent”.*

RES 4: *“There is no specific strategy; business as usual, the tender for new jobs and deliver”.*

RES5: *“...maintain service levels in order to support our customers that are still in business... hopefully the demand for our products will increase over time”.*

RES 6: *“Staying afloat is the main focus”.*

RES 8: *“For now, we don’t have a specific strategy, we are going to carry on like this”.*

RES 9: *“Putting more emphasis on customer relationships and reducing time to respond to queries. Sales strategies and marketing strategies obviously play an important role, but we have to face that everyone is feeling bad financially and this can only carry you so far, hence the emphasis on building stronger relationships... “Bring all staff to work after reducing staff and use our resources to move forward.”*

RES11: *“Grow our business and cash flow.”*

RES13: *“We need a financial support from the government to save our business.”*

RES14: *“Assisting the supply chain management to come out with good strategies...Increased shipping costs and pressure on all cost to manufacture.”*

RES15: *“Increasing our product offering within the market with a smaller staff base, using digital, online retailing to search the market and increasing our location footprint with smaller operation.”*

The leaders interviewed were all aware of the crisis and that we must prepare for the normal return of activities. This is the direction we have to go, so we try to find alternative ways to ensure the continuity and resumption of activities. It is important that SMMEs can build and move forward. This is why the majority of executives interviewed said they had put resilience into post Covid-19 pandemic management. They wanted to try to accept any change and adapt to the new circumstances.

Table 4.5: Actions and strategies from Objective 4

| Themes | Analysis Dimension | | |
|------------------------------|---|---|---|
| | Action and Measures | Chosen Strategies | Observations |
| Coding in Objective 4 | | | Data is structured and coded to meet objective 4 and to analyses post COVID-19 strategies of SMMEs. |
| Dominant Theme | <ul style="list-style-type: none"> * Stakeholders the key to future success * Strategic innovation * Strength of collaboration * Resilience | <p style="text-align: center;">Standby strategy & Pivoting strategy</p> | <ul style="list-style-type: none"> * SMMEs are also facing uncertainty due to the Covid-19 pandemic. Therefore, every business organization must always anticipate changes in the uncertain business environment, to remain competitive. * So, organizations need to have the capability to respond and take advantage of these uncertain environmental changes. These capabilities are responsiveness, competency, flexibility, and speed. |
| Emerging Theme | <ul style="list-style-type: none"> * Financial support * Specific strategy * New technologies * Leadership * Increasing demand for certain | <p style="text-align: center;">Standby strategy</p> | <ul style="list-style-type: none"> * The importance of business management for SMMEs can be seen in several areas of management strengthening, such as marketing, human resources, finance, and operations. * COVID-19: position, plan, perspective, innovation, and preparation adapted to return of work and business. |
| Category of Responses | <ul style="list-style-type: none"> * Individual aspects * Business aspects | | Both aspects are examined for the interest of the business' future. |
| Patterns | <ul style="list-style-type: none"> * Change of policies * Revival SMMEs | | <ul style="list-style-type: none"> *The implementation of the PEN policy has a good impact on economic recovery after the pandemic. *To revive the national economy after experiencing a recession, it is important to revive SMMEs. |

Source: Adapted by researcher

4.4 Chapter Summary

The ultimate goal of this research was to gain insight into the recovery strategies used by SMMEs during this time of the COVID-19 pandemic. The starting points for this research were to interview the leaders of SMMEs, and obtain information concerning first, the profiles of entrepreneurs, and second, their reactions to the crisis. In fact, the majority of managers interviewed had a profile that addressed what is a positive asset in crisis management.

Secondly, the managers' responses appear to be consistent with previous research on the impact of Covid on small businesses. The results of the interviews carried out show that the health crisis has not affected entrepreneurs in only one way, but in many ways. The results of our study also show that the period of COVID-19 has interrupted entrepreneurial activity in the country. Its damage is not only in terms of business and loss of jobs, but also on the national economy.

Short-term actions and long-term vision provided an opportunity for organizations to quickly assess their old employee strategies and priorities during the reaction phase, and to reposition themselves to thrive in the new reality to come.

To face this crisis, SMMEs have adopted strategies and put in place measures to survive. Respondents interviewed reacted to the COVID-19 pandemic crisis in such a way as to ensure business continuity and resorting to government intervention to ensure their survival.

CHAPTER 5: RECOMMENDATIONS AND CONCLUSION

5.1 Introduction

This chapter is first a question of evaluating the objectives of this research in relation to the results found in the field. The analysis and discussion of results is predicated on interpretive qualitative research, which is both inductive and based on realism; these show a correlation, proving that the questions in this study have been answered. The chapter also presents recommendations and proposes solutions to this crisis. It also includes limitations experienced by this study and suggestions for further research. Finally, the chapter ends with a general conclusion.

5.2 Integration of Study Results

According to Akpan (2020), the devastating socio-economic impact of COVID-19 would have a significant effect on SMMEs, both in the country and in the Eastern Cape, and that this would impact the business sector, both in terms of employment and turnover. The results show the precariousness of companies and the threat to their sustainability, in terms of their ability to withstand sudden and unexpected shocks. (Akpan et al., 2020).

The impact of COVID-19 on businesses has been felt differently by small businesses. With less cash available and fewer resources, SMMEs are particularly vulnerable and fragile in the face of this unprecedented crisis. These enterprises are also forced to adapt very quickly to this shock, because this health crisis has shaken the country's economy and undermined the national 2030 vision, that advocates the restoration of common well-being. The pandemic has shown that the ability and manner to manage an organization, can be quickly disrupted unexpectedly and unpredictably. If this situation was already present, COVID-19 has certainly accelerated and generalized it. Traditional working methods have proved inadequate, and SMMEs in all sectors must begin to reinvent themselves; they are also forced to implement the necessary changes more quickly, thus saving their businesses. The question is how to survive this tragedy created by this Covid pandemic. The research questions were formulated

in order to serve as a guide in understanding the objectives of this study; the main one was to examine and evaluate the entrepreneurial recovery of SMMEs, and the strategies they could adopt to support their entities during and after the crisis of the pandemic. The specific objectives were:

- How can the entrepreneurial rebound and post-pandemic recovery strategies be evaluated?
- What is the extent of survival tactics used by SMMEs during the COVID-19 crisis?
- What are the critical success factors to be adopted by SMMEs in times of crisis?
- How can the existential support and empowerment of SMMEs to be competitive and sustainable be evaluated and analysed?

To achieve the objectives of this research, the study explored the recovery strategies adopted by SMMEs to survive during the Covid-19 pandemic.

The study used the literature to understand the role that SMMEs play in the economy and relationship between SMMEs and economy. This literature also allowed this study to analyse the impact of COVID-19 in South Africa, and especially its repercussions on the SMMEs in the eThekweni municipality, in the province of KwaZulu-Natal. Based on elements suggested by the literature and the observations of the current crisis, the research procedure followed a qualitative methodology. The first intention was to invite the reflections and feelings of SMME owners, regarding the impact of Covid-19 on their activities. The second intention was understanding the survival or recovery strategies used by them during this period of crisis. The scheduled interviews were developed to allow the leaders of 15 SMMEs selected for this research, to provide information on this impact.

5.3 Conclusions of Findings

The COVID-19 pandemic has had serious consequences for the country and businesses too. At the time of writing, the country was in various phases of confinement (between level 3 and 5). However, the relaxation of containment measures was decided to allow the resumption of work and further stimulated the economy. Based on the data collected for this study on the impact strategies of

SMMEs, we see that many SMMEs have been strongly affected by the pandemic. As such, the majority of SMMEs stated that the crisis had strongly affected their business activities and created a lack of liquidity and supply. It had also led to the loss of jobs, and the reduction of working hours and income. The majority of respondents also said that the total or partial lockdowns, had strongly affected their business by creating a drop in turnover.

5.3.1 Conclusions on Objective One

5.3.1.1 *The Survival of SMMEs*

SMMEs adopted protective measures and tried to adapt to the new crisis situation. All sectors of activity were also affected by the new requirements of the new world order. This crisis has shown the concerns of managers, who are distraught in the face of difficulties such as the drop-in activity and turnover, and loss of customers. Moreover, workers were forced to undergo unwanted change, the reduction in working hours and wages, or even complete loss of work.

However, according to the research results, we found a certain resistance of South African SMMEs, in dealing with the various shocks imposed by the pandemic. They were forced to reinvent themselves and use their imagination to transform threats into opportunities, adopting an attitude of resilience and agility. The personality of the entrepreneurs interviewed, their training, commitment, motivation, etc., played a particularly fundamental role in the survival of their business. According to the results of this research, we also saw resistance openness, courage, and curiosity, as being the most dominant personality traits of the majority of successful entrepreneurs.

5.3.1.2 *Support Employees*

Above all, the importance of supporting employees was key, having just gone through a trying period and who would need to be very busy in the following months. Whether they have continued to work in person or remotely, or whether they have stopped altogether, everyone needs to be listened to and supported. In this sense, managerial and internal communications must be strengthened to maintain a strong link with the employees, and to explain the measures that will be taken. The results show mutual solidarity created within the company between management and workers.

5.3.1.3 Strengthen Workplace Safety

To reassure employees and allow a return to work with maximum safety, essential measures must be taken. Ideally, a Covid-19 action plan, led by an internal team, should be put in place to organize everything, and monitor the health of employees. Respondents said this was the first measure used in their business to combat the spread of Covid. It is important to take their temperature at the entrances to the workplace, in consultation with a doctor, and to require the wearing of a mask. Inside buildings, a distance of at least one metre must be respected between people: in offices, during meetings, and in common areas. Similarly, health protection equipment, such as masks or sanitizer, must be available to everyone. If the manager is informed that one of the employees is returning from a country at risk or from a hotspot province, then the latter must be tested by a doctor before returning to work. An isolation or stay-at-home measure can be agreed upon.

The employer can ask the employee in quarantine to continue work remotely from his/her home, if the duties allow it. The former must then provide the material elements necessary for the employee to work from home and specify the conditions for teleworking. It is no longer necessary to sign a collective agreement to set up teleworking. However, it is necessary to sign an addendum to the employment contract setting the conditions for teleworking. If there is a limit to the Coronavirus situation, the addendum should specify. It will be the duration of teleworking, the working time slots during which the employer can contact the employee, the methods of regulating working time or the workload, and the rights and obligations of the teleworker.

In the case of this study, the SMMES had a reduced capacity of operation, with the reduced number of workers varying between one and nine in each company. Teleworking was not applied in all companies, with only four out of the 15 having used this working method.

5.3.2 Conclusions on Objective Two

5.3.2.1 Government Assistance

Why resort to government assistance? There is no legal framework that indicates the support that the government is bound to provide to SMMEs in a crisis situation. However, it must be recognized that this is a particular category of economic actors, namely SMMEs, whose fragility does not facilitate transactions with the market (financial market or commercial bank) driven by financial gain. The concerns of SMMEs raise the question of the financing of entrepreneurship in the context of development, and for the current case, in the context of a health crisis. In this context, it is the tools of entrepreneurial finance that are mobilized, with the economic actors concerned not always fulfilling the conditions which allow them to solicit the support of the market. The objective of entrepreneurial finance is to consider the specificities of the entrepreneur and the SMME regarding financial issues. It is opposed to the hypothesis of classical finance, the aim of which is to optimize the portfolio of assets of the company, through the principle of optimal allocation of resources in a perfect market, and in a management context with a separation. The entrepreneurs seeking government support have diverse profiles. It is not always the innovative Schumpeterian entrepreneur. It is this specificity that justifies that the government be challenged, considering that the promotion of SMMEs is a public policy advocated by the former. All the support requested by the SMMEs is necessary but does not have the same effectiveness. As far as commitments are concerned, it is necessary to know what commitments are in question. If the government can make freezes or exemptions that would be interesting, but if it concerns commitments of third partners to understand what the best for the business success is. (Staff, suppliers, banks, etc.). The government can also act as a guarantor with commercial banks to support the activity of SMMEs.

SMMEs must remain strict and address the difficulties due to the Covid-19 crisis and analyse their commitments. It is difficult to solve the structural problems of SMMEs through this crisis. However, the crisis provides the opportunity to initiate real reform in this area. It is a measure aimed at saving the jobs of a sector, at saving money perhaps, but which is entirely possible. It is very relevant that the government devotes efforts of equal importance to those directed at other sectors, or even more, for a sector so vital to its economy. It is therefore a question of priority and political

commitment. The health crisis undoubtedly requires SMMES to review their real priorities. This attention is a priority that should be among the decisions of the response to Covid-19 and that can be made in the short term. It is observed that public procurement mobilizes several SMMES; this would be more important for SMMES which are already in business, and which manage to have a market. It is therefore suggested that developing countries concentrate their efforts on establishing stable institutional and macroeconomic environments, while initiating public policies that facilitate the absorption of transfers of technology and know-how. The government should act on innovation policies and stimulate entrepreneurial education, investment, and trade. If we can qualify this prioritization, it nevertheless seems necessary to target, at each stage, the actions that would ensure more efficiency.

5.3.3 Conclusions on Objective Three

The role of critical success factors is to allow the company first of all to be more responsive to the market, and secondly to increase its turnover. These are their primary function here, although they are also used to analyse the competition; the goal is to better control competitiveness factors compared to one's competitors, or even to hold others that better correspond to the expectations of one's customers. Critical success factors allow the company to put in place appropriate strategic actions to overcome all difficulties. This study has seen a relationship between all these factors, for example, leadership, employee dedication, strategies put in place, and dealing with customers in that crisis environments. The theory of resources has confirmed that the skills of a company depend essentially on individuals. This appears through the three variables of competence: knowledge, know-how, and interpersonal skills, which all depend on the workers. The skills of company personnel, and in particular managers, must evolve to establish a success for the business. Staff involvement must become stronger and more targeted. The qualities required of today's managers are the ability to adapt and listen, a rapid reaction to changes in the environment, open-mindedness, and the involvement of other members, as well as the sharing of information and a spirit of communication, the health safety of workers, attention to customers' problems, etc. The core of this process requires the diagnosis of the training needs required by the trades, and the qualities and behaviors needed to adapt to the changes created by crises such as COVID-19.

5.3.4 Conclusions on Objective Four

5.3.4.1 Plan your Way out of the Crisis and Reinvent the Organization of Work

The company must plan its crisis exit plan. This is a short-term strategy over a few months, which makes it possible to adapt the business activity to the situation, in order to survive; this includes distribution, sales, cash flow, relationship with partners, etc. This approach follows the Business Continuity Plan by focusing on the fundamentals that will allow the structure to overcome the crisis.

According to those interviewed, three out of 15 respondents said that they had no plan for the end of the crisis: they were waiting to see how things develop in the country. On a daily basis, the rules of distancing require working differently. Thus, during confinement, many companies discovered the benefits of teleworking. Executives worked from home, and half of the companies teleworked with 80% of their employees. Well supervised, this practice makes it possible to avoid the risk of contagion, and even to achieve productivity gains.

5.3.4.2 Preparing for any Crisis

Finally, it is important to learn the lessons of the crisis. This often acts as a revelation of a company's shortcomings and potential avenues for progress. On the one hand, there are things that have worked well, and which are arguably worth considering. On the other hand, some areas can probably be improved upon, especially in anticipation for the next crisis, such as new confinement or any other problem that may arise. For example, it is useful to assess the Business Continuity Plan, or simply to develop one, taking better account of all the risks the company is facing. It is also an opportunity to strengthen internal communication tools, which have sometimes proved insufficient when informing employees during the lockdown.

5.4 Research Objectives and Comparison of Primary Data

Faced with this crisis situation, it should be noted that it is not only the external factors that have posed a problem, but also the vulnerability of organizations that makes them more fragile in the face of a crisis. COVID-19 has presented itself as an alarming risk and its impact has been taken seriously in the business community. In this study, we have seen a kind of cohesiveness in business leaders' responses to the Covid-19

crisis. Most respondents stated that they had tried to fight to ensure the continuity of the company but did not know how long this crisis would last. This finding is in line with Fabeil et al. (2020), who affirm that entrepreneurs have employed multiple synchronous strategies, to ensure the continuous operation of their business during COVID-19. Regarding the profile of the owners/managers of the SMMEs interviewed, it was found that the majority were of an advanced age, namely exceeding fifty; in addition, the respondents had a rich work experience of more than 19 years on average in the labour market. This level of experience was a major asset in the company's struggle for survival. The owners/managers saw for themselves the urgency of the crisis. The problems observed were not only internal to the company, but also the external environment created by this crisis, and as such, they focused on the financial aspects (profitability and liquidity), management, and the use of human resources.

The very rapid evolution of things meant that companies were facing an uncontrolled shock. The situation was threatening, urgent, unforeseen, and causing difficulties within the company. Managers were called upon to set up exceptional management to face three challenges:

- First social: With staff accustomed to a certain routine of operation, the new decisions to be taken would possibly encounter a serious problem of resistance to change.
- Then financial: It was the consequence of several challenges, such as decline in turnover, difficulties encountered by some customers.
- Finally, a major global challenge, threatening the very sustainability of the company.

Despite the strategies put in place by companies for the recovery of the financial situation and the survival of the business during this period, they were not able to solve all the problems definitively. Nevertheless, these allowed the company to continue with its activities, and reduce the impact of unemployment a little.

5.5 Status of Business

Obviously, there are some SMMEs that could disappear, others that could reorient their activities, and some that will continue their usual activities. Nevertheless, an SMME is very marked by the personality of its leader and have a destiny commensurate with his business capacities and ambition.

The literature makes mention of the entrepreneur concerned about the sustainability of their company, while maintaining the independence of its capital. The three priorities presented by Marchesnay, (1984) are the following: sustainability, independence, and growth. His first action must be to know what are “good moves” that he/she can achieve. More inclined to opening up their capital and being more flexible, this type of entrepreneur will tend to open up to new business opportunities and mobilize funds from all sides to maintain their activity.

It must recognize that these are two different profiles that have different motivations. While the first one could accept support aimed at reassuring their main partners, with the obsession of maintaining the autonomy of its activity, the second will target financial offers and opportunities for business. Be that as it may, in times of crisis as is the case, entrepreneurs need support, and most often it is the demand for financial support that is echoed. He must about which choices to make.

5.5.1 Choice of Strategies

In the context of the COVID-19 pandemic, the researcher was not so much interested in the decision-making process taken by SMMEs to get out of the crisis, but more in the strategies taken, adopted, and tacitly implemented to deal with this situation. Several companies reacted quickly to the situation, either out of necessity, that is, by increasing demand for a few consumer products, or by a change of activity to innovate other products necessary to face the pandemic. However, other activities were completely or partially halted due to containment directives. The current health crisis has negative implications for many companies, especially the smallest of them. For the latter, the situation is very difficult to manage either due to lack of resources, or obligation to confine staff, which implies a decrease in production capacity, a lack of cash, or financing. The next section looks at the strategies that have been adopted in response to the COVID-19 crisis.

5.5.2 Strategic Actions

The choice of a strategy depends on its ability to respond to a crisis. It exists only during that period. The arrival of COVID-19 has been a brutal event, creating a break in the normal functioning of SMMEs, and threatening their survival. The main concern of their leaders was to react very quickly, with a first solution being a defensive rescue operation to rectify the situation temporarily, until the return to normal. Of course, the longer the crisis lasts, the more the company will be affected. In such a situation, time is considered a constraint: firstly, because COVID-19 has caused a disruption that requires immediate attention. Secondly, because the situation has worsened due to Covid infections creating fear and deaths in the population, and business closures. Finally, SMMEs were already under serious threat. Managers therefore had to deploy an action plan to survive. In this study, SMMEs leaders adopted two types of strategies: standby and pivoting. The standby strategy was to observe the situation without reacting immediately. Actions taken by the leaders who adopted these strategies were more to secure the financial reserves rather than to create opportunities. However, those who used the pivoting strategy, had as their first thought to put in place innovation and resilience measures to face this crisis. After the analysis of the results, we can see that the strategies used were not 100% well implemented by the SMMEs, because of the size of their company and their limited financial capacity to overcome the crisis. Therefore, SMMEs need to obtain all possible assistance from agencies and financial organizations, to mitigate the impact of the crisis. Small businesses in Kwazulu-Natal are no different from those in other provinces and countries, and the strategies employed by the SMMEs of eThekweni municipality are similar to those used by small businesses discussed in the literature.

5.6 Research Perspectives

The threat of COVID-19 is not over yet and continues to claim lives around the world. After the virus' first appearance, the research world devoted the time and energy to find the characteristics of this disease, including solutions to this pandemic. But today, while this has led to the production of a vaccine being made available to the population, Covid-19 continues to mutate into multiple variants. This means that there is still a long way to go in researching this pandemic. Despite the research efforts having already been undertaken, researchers still have vast work to do in order to end this disease.

So, several avenues for research remain. Through this study, it seems to us those certain areas still need to be explored, which could constitute future research themes to be tackled.

5.7 Recommendations

The following recommendations, in the context of this study, can be considered as important elements for the recovery strategies of entrepreneurs during this period of the Covid-19 pandemic.

5.7.1 Objective One: Explore Recovery Strategies that the SMMEs Should Benefit from

5.7.1.1 The implementation of Protective Measures

For the protection of their employees or collaborators, leaders must intervene quickly, whether in granting leave or facilitating remote work. Collaborative work tools must be chosen and communicated as soon as possible. What helps alleviate employees' fears, is engagement with official health authorities to get the right information on time and implement best practices. This can include promoting vaccination in the workplace.

5.7.1.2 Innovation as an Opportunity

The companies that fare best during disruptions are those that anticipate possible changes in customer behaviour. It should also be borne in mind that customer preferences may not return to what they were before the outbreak. As a result, the situation could also be seen as an opportunity for innovation to activate communication with staff and customers.

5.7.1.3 Supply Chain Stabilization

In this regard, supplier risks' must be assessed, with the preparation of alternative solutions. Then, depending on this, supply, production, and sales scenarios should be planned, in order to anticipate shortages and delayed supplies. Finally, consideration is needed in optimizing logistics capabilities, considering new circumstances, if possible.

5.7.1.4 Financial Resilience

It will be necessary to identify triggers that could alter liquidity, including key risk indicators. Defining the measures to stabilize the company, by working more on the reduction of unnecessary costs, is also needed. Finally, it is worth thinking about mobilizing external financial support, to manage changes to the supply chain.

5.7.1.5 Management of Cost

Regularly review the cost optimization. Cash flow and working capital are the most important. Analyse the performance of each division compared to the initial projections; having the information at your fingertips, along with details and key performance indicators (KPIs), will allow you to react faster and rectify something that is not working. Review all costs: look at every division, investment, contract, and loan. Aggressive cost management will be essential throughout 2021 as markets attempt to recover.

5.7.2 Objective Two: The extent of Survival Tactics Used by SMMEs During the COVID-19 Crisis

- **The establishment of security measures for employees and business partners.** Companies will have to ensure the safety of workplaces, but also of the services or products provided. This requires the implementation, communication, and monitoring of health measures
- **The simplification of logistics flows,** to avoid dependence on international supply chains and the chaos caused by regional blockages on the whole chain.
- **Put in place a joint framework to publicize the measures available to companies.** Lack of awareness of the programs and financial support available to businesses, hinders efforts to increase their productivity. It is desirable to intensify efforts to publicize the measures available to SMMEs.
- **eThekwini Municipal services need to increase assistance to and intervention on businesses,** to better support SMMEs who wish to deploy new B2B-type digital platforms for their exports.
- **SMMEs must adopt legal measures and fulfil required conditions to have access to government support.** This process must be done with caution to avoid exclusion from government.

5.7.3 Objective Three: The Critical Success Factors to be Adopted by SMMEs During Times of Crisis

- The COVID-19 pandemic, which has now affected all economic sectors, justifies the need to **strengthen risk management processes within all companies**. SMMEs can also ensure risk management processes despite their small size.
- **The development of a realistic and robust contingency plan**, allowing the company to deal with crises, with the necessary redundancies to ensure the continuity of operations and decision making. This plan should be tested regularly with rigorous evaluation of proposed initiatives.
- **Transparent and real-time communication of the company's responses to a crisis**, both to employees, business partners, customers, and to all those who are impacted.

5.7.4 Objective Four: The Analysis of Existential Support and Empowerment for SMMEs to be Competitive and Sustainable

- **A post-pandemic plan must be implemented**. Consider how trends will evolve so the company can position itself to emerge well from the crisis.
- **Remote work may be a model of the future for some, although it is not for everyone**. Evaluate the advantages and disadvantages of the experiment in terms of costs, productivity, and well-being.
- With new variants of Covid-19, nothing guarantees that a period of calm will come. So, **SMMEs have to move from the short-term crisis management phase to a longer period of adaptation** to a new reality.
- **Focus on the business that the company wants to protect at all costs and allocate resources accordingly**. Identify the talent that will do this work and make sure you don't lose them. Be strategic with the donations or grants obtained and use them to meet business challenges. Focus on projects with clear paths to revenue generation or cost management, to build the business' resilience when markets recover.

5.8 General Conclusion

The aim of this research was to examine and explore recovery strategies for SMMEs to deal with the unprecedented impacts of the COVID-19 pandemic. This study wanted to determine the type of strategies adopted by SMMEs, in order to understand the factors which determined the success of their recovery strategy during this crisis period. The breakdown of the chapters is as follows.

Chapter one helped to resolve the problem and establish the research questions that served to achieve the assigned objectives. Chapter two was devoted to the literature review and served as a point of reference for this study topic. In this part of the work, the researcher made a choice of a few theories which were used for this research. There was the theory of crisis management, innovation, and resilience. The next chapter was based on the method of investigation. For this, the study chose the qualitative method, an inductive approach, and a thematic analysis to assess the strategies employed by entrepreneurs. Chapter four focused on information gathering and feedback from SMMEs' leadership. The results of interviews with entrepreneurs were analysed and discussed, in order to understand the actions of the leaders during this time of crisis, and to examine how the leaders solved the problems within their business. Finally, the last chapter made a general conclusion of the work and explained how the decisions made by SMME leaders agreed or not with the ideas developed in the literature.

By examining the existing literature on this subject, we first observed that research had been done all over the world, in order to understand the degree of the impact and effects of COVID-19; these were not only on companies, but also on human lives, communities, and economies in different countries, including South Africa. From the research results discussed in the previous chapter, after analysis and evaluation, we concluded that the recovery strategies used were in line with those mentioned in the literature. Finally, this study also found that SMMEs who seek to achieve their objectives and ensure survival, should opt for two strategic options, namely standby and pivoting strategies. These strategies are seen as useful coping strategies, and are connected to resilience and innovation, mentioned in the literature. The goal of these adaptation tools was the continuity of business through the use of effective management during the crisis.

5.9 Limitations of the Study

There are rules to completing a master's dissertation in an institution. The sample may or may not be a reflective sample, given the number of the organizations. Since the organizations being researched had branches nationally, it could be argued that a greater sample size, and a sample focused on more than one province, may have different or varying results. The study was also dependent on who participated in it; while the aim was to get a reflective population, we were limited in terms of participation, as this was voluntary. There is also limited generalisability to other organizations. The findings may reflect the reality of what is found in one organization, but it is only one reality which may not be true for others (Salkind, 2012). Access to the library was limited during the Covid pandemic, and due to the time constraints set to complete the study, many sources of information were from online resources. Therefore, the researcher tried to read all items of methodology and theories extensively, in order to present a well-founded paper. Moreover, he has tried to present different viewpoints, and compared the similarities and differences adequately enough, to show understanding and the execution of a logical research study.

5.10 Managerial Implications of the Study

One of the main contributions of this research is the exploration of the recovery strategies that contribute enormously to the benefit of SMMEs, because it allows SMMEs to have information that can help them deal with the problems related to COVID-19, as this pandemic is far from over. This research also helps to better understand the impact of Covid-19 on SMMEs and how to deal with this situation. This study will help the government to develop policies on SMMEs and provide management impetus in the context of business acumen and leadership capabilities. It will also improve the strategic growth prospects of SMMEs during and after the pandemic. Finally, this research work will ensure a transfer of knowledge to students and academic partners, who would like to develop research projects in this area.

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APPENDIX 1: Ethical Clearance



07 December 2021

Papadit Bassia (221079828)
Grad School Of Bus & Leadership
Westville Campus

Dear P Bassia,

Protocol reference number: HSSREC/00003688/2021

Project title: Repurposing Entrepreneurial Recovery Strategies employed by Small Medium and Micro Enterprises during Covid-19 Pandemic within eThekweni Municipality

Degree: Masters

Approval Notification – Expedited Application

This letter serves to notify you that your application received on 01 December 2021 in connection with the above, was reviewed by the Humanities and Social Sciences Research Ethics Committee (HSSREC) and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

This approval is valid until 07 December 2022.

To ensure uninterrupted approval of this study beyond the approval expiry date, a progress report must be submitted to the Research Office on the appropriate form 2 - 3 months before the expiry date. A close-out report to be submitted when study is finished.

All research conducted during the COVID-19 period must adhere to the national and UKZN guidelines.

HSSREC is registered with the South African National Research Ethics Council (REC-040414-040).

Yours sincerely,

Professor Dipane Hlalele (Chair)

/dd

APPENDIX 2: Informed Consent Letter & Interview Schedule

Informed Consent Letter

UNIVERSITY OF KWAZULU-NATAL

GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

Master of Commerce in Leadership Studies

Researcher: Papadit Bassia

221079828@stu.ukzn.ac.za

Supervisor: Dr Tony Ngwenya (031 260 7825)

Ngwenyat2@ukzn.ac.za

Research Office: HSSREC (031) 260 8350/3587

Email: hssrec@ukzn.ac.za

Dear Respondent,

My name is Papadit Bassia I am a MCOM student at the Graduate School of Business and Leadership of the University of KwaZulu-Natal (Student number: 221079828). You are invited to participate in a research project entitled:

“Repurposing Entrepreneurial Recovery Strategies Employed by Small, Medium, and Micro Enterprises during the Covid19 Pandemic within eThekweni Municipality.”

The aim of this research is

The main objective of this study is to examine and evaluate the SMMEs entrepreneurial recovery and associated cogent sustainable strategies they could adopt to sustain their entities from this covid-19 pandemic crisis.

I volunteer to participate in a research project conducted by **Papadit Bassia** from the University of KwaZulu- Natal. I understand that this research project is designed to study the State of SMMEs strategies in eThekweni municipality-KwaZulu Natal.

I understand that in agreeing to participate:

- My participation is voluntary. I understand that I will not be paid for my participation.
- The interview will last approximately 35 minutes. Notes will be written during the interview and/or an audio taped. I can decline to be recorded.
- I understand that if I feel uncomfortable in any way during the interview, I have the right to decline to answer any question or ask to leave the interview session.
- I understand that the researcher will not identify me by name in any reports using the information obtained from the interview. My confidentiality as a participant will remain secure. Subsequent uses of recordings and data will be subject to standard data use policies which protect anonymity of individuals and institutions.
- If I choose to be interviewed, I have the right to view and comment on the transcribed interview data before the findings are analysed.
- I have read and understand the participant information sheet provided to me. I have had all my questions answered to my satisfaction, and I voluntarily agree to participate in this study.
- I have been given a copy of this informed consent form.

Your participation in this research project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this interview. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

If you have any questions or concerns about participating in this study, you may contact me or my supervisor at the numbers listed above.

Sincerely,

Researcher/Investigator's

signature: _____ **Date:** _____

CONSENT

I..... (full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

Audio Recording: Yes / No

SIGNATURE OF PARTICIPANT

DATE

.....
.....

INTERVIEW SCHEDULE

Title of the Study

**Repurposing Entrepreneurial Recovery Strategies Employed by Small,
Medium, and Micro Enterprises during the Covid19 Pandemic within eThekweni
Municipality**

SECTION A: DEMOGRAPHIC CHARECTERISTICS

1. Age Category:

Age: 24 -35 36-49 50-59 60 +

2. Gender Type:

a. Male b. Female c. Other

3. Educational achievements?

Below Matric Diploma Degree PGD

4. What is your tenure?

a. Permanently employed b. on Contract.

5. Level of experience

1-5 years 6-10 years 11-15 years + 16 years

6. What is your management position at the company?

Lower Middle Senior Business Owner

7. What is the current operational state of your business?

a. Open b. Closed

SECTION B: CHALLENGES & COVID-19 RELATED

Objective one: Explore recovery strategies that the SMMEs should benefit from

8. What do you think are the main challenges for your business before Covid pandemic?
9. What is the average number of collaborators?
10. Has the number of collaborators changed due to COVID-19?
 - a. Yes
 - b. No
11. If yes, how many are there currently?
12. How many collaborators are on sick leave due to COVID-19?
13. In the next 6 months, do you envisage a reduction in the number of collaborators?
 - a. Yes
 - b. No
 - c. I am not sure
 - d. Other:
14. Indicate the impact COVID-19 and preventive measures will have on your business?

Objective two: This study will aid the government in SMME policy development and managerial impetus within the context of business acumen and leadership astuteness.

15. In what local authority is your firm located?
16. Does your firm have received of credit to help overcome the problems caused by COVID-19?
17. Did your firm face measures from local authorities that decelerated or hindered commercial operations?
 - a. Yes
 - b. No
18. how your business in eThekweni municipality has been affected by COVID-19 so far.
19. Does your firm continue to provide the following items to support the efforts of the South African government to contain COVID-19? Select all that apply
 - a. Food
 - b. Prepared meals
 - c. medical equipment
 - d. financial donations
 - e. Logistic support
 - f. Other

20. what strategies is your firm put in place to face this COVID-19?

21. What type of support measures would you like the south African government to introduce for your firm in particular? Please mention specific matters that we can draw the government's attention to.

Objective three: Better understanding the impact of Covid-19 on SMMEs and how to deal with that situation.

22. What are the survival tactics used by your firm during the COVID-19 crisis?

23. What is Critical Success Factors adopted by your firm during the times of crisis?

24. Specify your firm's main sector of activity.

25. To what extent will COVID-19 and the preventive measures have impacts on your firm's income in the first semester

Objective four: Improve the strategic growth prospects of SMMEs during and post COVID-19 Pandemic

26. What is your recovering strategies post pandemic?

27. To what extent will COVID-19 and the preventive measures have impacts on your firm's income in the first semester of 2020?

APPENDIX 3: Editing Certificate



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www.kznlanguageinstitute.com

Registration number: 131 804 NPO

Certificate of editing

25 February 2022

Name: **Papadit Bassia**

Title: **Repurposing entrepreneurial recovery strategies employed by small, medium and micro enterprises during the Covid 19 pandemic within Ethekewini municipality**

This serves to confirm that the above document was edited substantively by members of the KZN Language Institute's professional English language editing team. The document was returned to the author with tracked changes and comments intended to correct errors and to clarify meaning. It was the author's responsibility to attend to these changes.

A handwritten signature in black ink, appearing to read 'J Kerchhoff', is written in a cursive style.

Ms J. Kerchhoff

Director of the KwaZulu-Natal Language Institute

APPENDIX 4: Turnitin – Similarity Index Percentage

REPURPOSING ENTREPRENEURIAL RECOVERY STRATEGIES
EMPLOYED BY SMALL, MEDIUM, and MICRO ENTERPRISES
DURING THE COVID19 PANDEMIC WITHIN ETHEKWINI
MUNICIPALITY

ORIGINALITY REPORT

| | | | |
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|-------------------------------|-------------------------------|---------------------------|-----------------------------|

PRIMARY SOURCES

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|----------|---|-----------|
| 1 | www.researchgate.net Internet Source | 2% |
| 2 | digilib.buse.ac.zw Internet Source | 1% |
| 3 | www.ukessays.com Internet Source | 1% |
| 4 | corporatefinanceinstitute.com Internet Source | 1% |
