“State financial assistance within Lesotho Maseru’s small, medium and micro enterprises”

AUTHORS	Liako Priscilla Masupha Andrisha Beharry-Ramraj John Amolo

ARTICLE INFO	Liako Priscilla Masupha, Andrisha Beharry-Ramraj and John Amolo (2017). State financial assistance within Lesotho Maseru’s small, medium and micro enterprises. *Public and Municipal Finance*, *6*(4), 7-14. doi:10.21511/pmf.06(4).2017.01
DOI	http://dx.doi.org/10.21511/pmf.06(4).2017.01
RELEASED ON	Monday, 11 December 2017
RECEIVED ON	Tuesday, 21 February 2017
ACCEPTED ON	Wednesday, 13 September 2017

LICENSE	This work is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License

JOURNAL	"Public and Municipal Finance"
ISSN PRINT	2222-1867
ISSN ONLINE	2222-1875
PUBLISHER	LLC “Consulting Publishing Company “Business Perspectives”
FOUNDER	LLC “Consulting Publishing Company “Business Perspectives”

NUMBER OF REFERENCES	NUMBER OF FIGURES	NUMBER OF TABLES
39	0	14

© The author(s) 2026. This publication is an open access article.

Liako Priscilla Masupha (South Africa), Andrisha Beharry-Ramraj (South Africa), John Amolo (South Africa)

State financial assistance within Lesotho Maseru's small, medium and micro enterprises

Abstract

Small, medium and micro enterprises (SMMEs) function in both the micro and macro environments, and are subject to internal and external forces in most economies. The monitoring of the external and internal factors and vital strategies by SMME owners and stakeholders including government and supporting institutions is necessary to attempt a reduction in their failure rates. Literature supports this proposition in the development of SMMEs.

The aim of this study was to analyze the environmental factors that result in a low rate of success and a high failure rate of SMMEs in Maseru, the capital city of Lesotho. Primary data for this study was collected through questionnaires which were distributed to a sample of 250 SMMEs owners, however, only 180 respondents completed and returned questionnaires, which were then used for data analysis. The data was analyzed using the Statistical Package for Social Sciences (SPSS21). The findings revealed that there still persists inadequacy in financial assistance and the need to develop a financial strategy by the state. Government key intervention is proposed to enable growth and development in a sector that sustains job creation and poverty reduction through financial strategy. Further research on how the sector establishes support is also proposed.

Keywords: enterprise, failure, poverty, job creation and financial acquisition.
JEL Classification: G1, G10.
Received on: 21st of February, 2017.
Accepted on: 13th of September, 2017.

Introduction

According to Gatt (2012), the share of employment in the SMME sector has steadily increased, with micro enterprises' share of employment being 30%, small enterprises at 20%, medium enterprises at 10%, while 50% accounts for large enterprises. However, SMMEs' share in Sub-Saharan African countries accounts for 99.5%, leaving the large enterprises' market shares at 0.5% (Pett, Wolff, & Sie, 2012).

Lesotho's small businesses' market is growing, albeit slowly. Sales have grown swiftly, but declined in 2009 due to South African currency depreciation, which remains in parity with the Loti (Index Mundi, 2013).

According to The Ministry of Trade and Industry, Cooperatives and Marketing (2012), unsuccessful SMMEs that are forced out of the market by harsh environmental factors have affected the economy negatively, since they are one of the biggest employers in Maseru, which contribute 9.1% to GDP and absorbs up to 20% of employment of the labor force. This paper investigated the environmental factors that impact on the SMMEs in Maseru city in Lesotho.

© Liako Priscilla Masupha, Andrisha Beharry-Ramraj, John Amolo, 2017.
Liako Priscilla Masupha, Ms., Masters Student, University of KwaZulu Natal, South Africa.
Andrisha Beharry-Ramraj, Dr., Lecturer, University of KwaZulu Natal, South Africa.
John Amolo, Dr., Post Doctoral fellow, Graduate School of Business and Leadership, University of KwaZulu Natal, South Africa.

This is an Open Access article, distributed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International license, which permits re-use, distribution, and reproduction, provided the materials aren't used for commercial purposes and the original work is properly cited.

The role of SMMEs is significant in that they offer economic health and diverse opportunities to the municipal developments and it is for this reason that municipalities have developed various approaches to strengthen SMMEs. Financial access has been designed by municipal governments with the aim of developing and empowering SMMEs. Relationships have been fostered by government with institutions to help enterprise development in accessing finance. For this reason, relationships have been formed with major financial institutions such as ABSA, FNB, Standard Bank, Ned Bank, GroFin and Old Mutual in the EThekwini Municipality in Durban South Africa (EThekwini Municipality, 2017).

The SMMEs fall within the private sector and the private sector has been known for its ability in engineering economic growth. Governments have the duty to provide regulatory and legislative environments for the private sector to function effectively. How helpful is the regulatory network in sustaining small and medium enterprises in settings like Lesotho? In Africa, South East Asia, Asia, as well as Latin America, the regulatory and legislative environment is quite hostile to the private sector (Brent, 2014). Among the various government efforts for supporting the economy is the fostering of a business environment that is innovation friendly (Economic Overview, 2016).

1. The internal environment

According to Shepherd and Patzelt (2011), the internal environment includes all factors that are within the organization, which are controlled and influenced by management of the company. Premaratne (2001) states that "an enterprise's resources com-

prise of anything that it owns, such as capital, equipment, liabilities and experience". Migdadi (2009) points out that besides human resources, financial support is needed for investing in a technological system if necessary. According to Halme and Korpela (2013), SMMEs can find ways to compensate for resource deficiencies, as prior research by Fiore, Niehm, Hurst, Jihyeong, and Sadachar (2013) shows that resource insufficiency may be valuable for innovation.

Another aspect is related to leadership. O'Regan, Ghobadian, and Sims (2006) define leadership as a process of transforming an enterprise from what it currently is to what the leader of the enterprise wants it to become, which represents a substantial level of innovation. A strong entrepreneurial leader in small to medium-sized enterprises have to be able to influence the behavior of other individuals so that there is collective collaboration in the workplace (Soriano & Comeche Martinez, 2007). Leitch, Mcmullan, and Harrison (2009) suggest that leadership development for SMME owners and managers should build upon their existing skills and have to create a path for the development of future leaders rather than teaching only the current SMME owners how to lead. Research by Newman and Sheikh (2012) shows that for SMMEs to remain competitive in the long term, it is necessary for the owner-managers to reduce employee turnover and to improve their performance by developing high levels of employee commitment to the enterprises.

2. The task environment

Competition is one of the aspects of the task environment (Gunesekaran, Rai, & Griffin, 2011). The SMME sector is a competitive sector and it needs active and well strategized individuals to survive. Bekele and Worku (2008) state that social capital networks in which information, innovative ideas and business skills are shared amongst employees in an enterprise help SMMEs to gain competitive advantage.

Customers are included in the task environment sphere. According to Appiah-Adu and Singh (1998), SMMEs have to direct their efforts to meet customers' needs and wants, as these customers are now becoming well organized, informed and more demanding. Small businesses often fail to focus on the customers and markets they serve. Dos Santos (2009) states that a business enterprise cannot succeed without the existence of customers. According to Dabija (2011), SMME owners have to also take into account the preferences, lifestyles and needs of their customers. Bekele and Worku (2008) suggest that more focus should be placed on the emotional level of customer relationships and development strategies of an enterprise rather than traditional marketing approaches.

3. The SMME finance

One of the important issues in the SMME sector is their financial acquisition. SMMEs employ different methods of financing such as owners' managers savings and retained profits (Wu, Song, & Zeng, 2008), this then gets supplemented by friends and family (Abouzeedan, 2003). Other sources include trade credit, angel financiers and venture capital (He & Baker, 2007). The pecking order theory as postulated by Meyers (1984) that the decisions of capital venture are as a result of a firm's age is often applicable to SMMEs. The theory points that the internal sources are given priority until they are finally exhausted. On account of this theory, Gregory et al. (2005) emphasizes the need for older firms to be less reliant on external financing than their younger counterparts given their previous retained earnings. Banks have, however, been recognized as the main external funding providers for SMMEs in developing and developed economies. A number of authors have pointed out this (Vera & Onji, 2010; Ono & Uesugi, 2009; Zhou, 2009; Wu et al., 2008). In order to optimize their capital structure, Moro, Lucas, Grimm, and Grassi (2010) have suggested that the SMMEs should consider this type of funding. Much as this has been considered as a funding source for SMMEs, this study as such shall uncover how SMMEs in a setting like the developing economy in Lesotho are truly dependent on this type of funding. Though bank financing is expensive, yet the SMMEs are said to generate a greater return as a result of constant monitoring by the bank and careful usage of such funds (Keasy & McGuinness, 1990).

One of the means by which SMMEs receive funding in different parts of the world is through government initiatives. The government official schemes are often introduced single handedly or in support of donor agencies (Mensah, 2004). The governmental assistance programs can be exemplified with the Canadian Small Business Finance program, where the government would guarantee loans of up to 85% if it is less than $C 250,000. This practice was also observed in UK in 1981 when the Small Firms Loan's Guarantee Scheme guaranteed loans of up to 45,000 loans with a value of # 189 m. However, at times, the consistency expected in achieving the objective of lending to the SMMEs has not been fruitful. In Croatia, a transition and developing economy, a national loan scheme implemented in 2000, with the objective of reducing the cost of borrowing only led to a low rate of up to 29% of loan approvals in the first two years (Cziraki, Tisma, & Pisarovic, 2005). The Kilimanjaro Cooperative Bank Scheme which aimed at the rural poor outperformed those in Asia, Latin and Central America and the Middle East with 500 active borrowers for each credit officer with an efficiency ratio of 30%. SMME

funding position in terms of enhancing their capital is therefore significant and is examined in the course of this presentation.

4. Research approach

A quantitative research approach was utilized in this study to collect the data. Lewis and Thornhill (2007) state that a quantitative research approach clarifies occurrences by collecting numerical data that are analyzed using statistically based methods. Miles, Huberman, and Saldana (2013) add that using the quantitative approach to collect data ranges from simple counts such as the frequency of occurrences to more complex data such as test scores, prices or rental costs.

4.1. Research population. Cavana, Delahaye, and Sekeran (2001) define population or target population as the entire group of people, events or things of interest to the researcher that s/he wishes to investigate. The target population for this study was 1,000 SMME owners who operate in the rural and urban areas of Lesotho's capital city which is Maseru. There is no accurate data regarding the number of SMMEs in Maseru. However, a study by Nthejane (2003) shows that the number of SMMEs in Lesotho is approximately 10,000, meaning that Maseru as a capital city is likely to have close to 1,000 SMMEs operating formally.

4.2. Sampling techniques and description of the sample. The sampling technique suitable for this study was the stratified sampling which is a form of probability sampling. Sekaran and Bogie (2010) add that stratified sampling is used when the researcher's targeted population is large, enabling the researcher to breakdown the sample into strata using fixed criteria which increases the accuracy of the sample information. According to Kotrlik and Higgins (2001), the sample size required to be representative of the responses of 1,000 SMME owners in Maseru relative to the environmental factors and strategies that impact on the success and failures of their enterprises is 250.

5. Results presentation and discussion

5.1. Objective 1: to ascertain the extent to which SMMEs are dependent on assistance from financial institutions. *5.1.1. Cross tabulations and correlations.*

Table 1. Age * How did you obtain the start-up capital for your business? Cross tabulation

		How did you obtain the start-up capital for your business?				Total
		Own savings	Friends/family	Bank loans	Finance schemes	
Age	Under 21 years	5	2	0	0	7
	21-34 years	43	17	12	5	77
	35-45 years	36	13	9	3	61
	45 years and above	15	4	12	4	35
Total		99	36	33	12	180

Table 2. Correlations

		Age	How did you obtain the start-up capital for your business?
Age	Pearson correlation	1	.159*
	Sig. (2-tailed)		.033
	N	180	180
How did you obtain the start-up capital for your business?	Pearson correlation	.159*	1
	Sig. (2-tailed)	.033	
	N	180	180

The analysis is used to determine whether the ease of access to financial assistance is determined by the age of SMME owners. The results outlined in Table 1 above show that a large number of SMME owners (99) in Maseru make only limited use of available financial institutions, resorting to their own savings for start-up capital. The next most likely source of capital indicated by the SMME owner-managers (36) was money borrowed from friends and family. Only 33 owner/managers indicated that they had obtained financial assistance in the form of bank loans. This is a clear indication that challenges still persist with respect to SMMEs' access to financial assistance, with the possibility that government's efforts in reaching out to SMMEs for financial support are limited.

These results show that access to credit for start-up capital is not determined by the age of SMME owners. In establishing confidence in the results, the Pearson coefficient was used, as shown in Table 2 above. The results reveal that there is a very weak positive relationship between age and ease of access to financial assistance (r=.159, n=180). The correlation was found to be significant at only a 5% level of significance (p=.033). Reade (2017), however, has noted that the average age for successful start-ups is 35-45, in this age he states that one has been old enough to have started a start-up or two and is ready with youthfulness to move ahead with another.

Table 3. Registration with OBFC * How did you obtain the start-up capital for your business?

		How did you obtain the start-up capital for your business?				Total
		Own savings	Friends/family	Bank loans	Finance schemes	
Registration with OBFC	Registered	20	16	31	11	78
	Not registered	48	14	0	0	62
	Will not register	14	1	0	0	15
	In the process of registering	17	5	2	1	25
Total		99	36	33	12	180

Table 4. Correlations

		Registration with OBFC	How did you obtain the start-up capital for your business?
Registration with OBFC	Pearson correlation	1	-.421**
	Sig. (2-tailed)		.000
	N	180	180
How did you obtain the start-up capital for your business?	Pearson correlation	-.421**	1
	Sig. (2-tailed)	.000	
	N	180	180

Table 3 indicates the relationship between the registration status of SMMEs and their sources of start-up capital. It provides an indication that a majority of registered SMMEs use financial institutions as compared to unregistered enterprises, which is beneficial to their growth. Unregistered SMMEs rely on friends, family and own savings to establish their businesses, which is a clear indication, that business registration results in definite chances for government financial assistance.

A correlation analysis was done to determine the confidence of the results. Table 4 shows that there is a moderate, negative relationship between the sources of capital and business registration (r=.-421, n=180), with high rates of SMME establishment through different sources of start-up capital associated with decreasing rates of SMME registration. The correlation was significant at 1% level of significance (p=.000). Finance are considered as an issue that causes a number of businesses to fail. According to the South African Small Business Minister, 70%-80% and only a half of those who survive remain for the next five years. This is mainly due to the funding problem (Lamna, 2015).

Table 5. Are you aware of the financial institutions assisting SMMEs? *Was your request (loan) approved? Cross tabulation

		Was your request (loan) approved?		Total
		Yes	No	
Are you aware of the financial institutions assisting SMMEs?	Yes	50	52	102
	No	0	7	7
Total		50	59	109

Table 5 shows the relationship between the respondents' awareness regarding financial institutions established to assist small businesses and whether or not their loans were approved. A large number (52) of SMMEs were aware of the financial institutions, however, their loans had not been approved. The second largest number of respondents (50) was aware of such institutions and their loans had been approved. The least number (7) of respondents were not aware of financial institutions, however, went ahead to apply for loans and were thus unapproved.

Table 6. Correlations

		If yes, have you tried applying for assistance of start-up capital from such institutions?	Was your request (loan) approved?
If yes, have you tried applying for assistance of start-up capital from such institutions?	Pearson correlation	1	.186
	Sig. (2-tailed)		.053
	N	149	109
Was your request (loan) approved?	Pearson correlation	.186	1
	Sig. (2-tailed)	.053	
	N	109	109

Pearson correlation was used to determine the confidence in the results. Table 6 indicates that there is a weak, positive relationship between application of financial assistance and approval of loans (r=.186, n=180). The correlation was not statistically significant between application for start-up capital and the loan approval (p=.053). This means that increasing or decreasing rates of applications for start-up capital by SMMEs do not significantly relate to increasing or decreasing rates of loan approvals by financial institutions.

5.1.2. Pearson Chi-square test for goodness-of-fit.

Table 7. Gender

	Observed N	Expected N	Residual
Male	115	90.0	25.0
Female	65	90.0	-25.0
Total	180		

Table 8. How did you obtain the start-up capital for your business?

	Observed N	Expected N	Residual
Own savings	99	45.0	54.0
Friends/family	36	45.0	-9.0
Bank loans	33	45.0	-12.0
Finance schemes	12	45.0	-33.0
Total	180		

Table 9. Test statistics

			Gender	How did you obtain the start-up capital for your business?
Chi-square			13.889[a]	94.000[b]
Df			1	3
Asymp. Sig.			.000	.000
Monte Carlo Sig.	Sig.		.000[c]	.000[c]
	99% Confidence Interval	Lower Bound	.000	.000
		Upper Bound	.000	.000

Table 7 provides the observed numbers of males (115) and females (65), as well as the expected numbers of males (90), females (90) which were the frequencies expected from the study, meaning that there was an anticipation of equal proportion of both males and females in the SMME sector. The differences between the observed and expected frequencies are provided in the residual column with males (25.0) and females (-25.0), respectively.

Table 8 sources for start-up capital, provides the observed frequencies own savings (99), friends/ family (36), bank loans (33) and finance schemes (12), as well as the expected frequencies of 45 for each category.

Table 9 indicates the grouped actual results of the Chi-square test for goodness-of-fit. From the table it can be concluded that there was a statistical significance in gender ($x^2(1, n=180) = 13.89$, p=.000), as well as a statistical significance in sources of capital ($x^2(3, n=180) = 94.0$, p=.000). It can thus be concluded that there are statistically significant differences in the preference of the type of source of start-up capital utilized by SMME owner-managers, with few people attaining an opportunity of support from finance schemes (12) and bank loans (33) compared to those left with no choice but to get assistance from either friends/family (36) or own savings (99).

Table 10. Are you aware of the financial institutions assisting SMMEs?

	Observed N	Expected N	Residual
Yes	138	90.0	48.0
No	42	90.0	-48.0
Total	180		

Table 11. If yes, have you tried applying for assistance of start-up capital from such institutions?

	Observed N	Expected N	Residual
Yes	99	74.5	24.5
No	50	74.5	-24.5
Total	149		

Table 12. Test statistics

			Are you aware of the financial institutions assisting SMMEs?	If yes, have you tried applying for assistance of start-up capital from such institutions?
Chi-square			51.200[a]	16.114[b]
Df			1	1
Asymp. Sig.			.000	.000
Monte Carlo Sig.	Sig.		.000[c]	.000[c]
	99% Confidence Interval	Lower Bound	.000	.000
		Upper Bound	.000	.000

Table 10 outlines the observed numbers of respondents who were aware of the financial institutions (138) and those who were not aware (42), as well as the equal proportion of expected frequencies of 90 in both categories.

Table 11 provides the observed frequencies of respondents who have made initiatives in applying for government financial assistance (99) and those who failed to apply for financial assistance (50), as well as the equal proportion of expected frequencies of 74.5 in both categories.

Table 12 provides the actual results of the Chi-square test for goodness-of-fit and from the table it can be concluded that there was a statistical significance ($x^2(1, n=180) = 51.2$, p=.000 and $x^2(1, n=149) = 16.1$, p=.000, respectively).

5.1.3. Mann-Whitney U-test.

Table 13. Ranks

	Was your request (loan) approved?	N	Mean rank	Sum of ranks
Do you feel that inadequate finance impacts on your ability to undertake strategies that would help your business to grow?	Yes	50	54.59	2729.50
	No	59	55.35	3265.50
	Total	109		

Table 14. Test statistics

	Do you feel that inadequate finance impacts on your ability to undertake strategies that would help your business to grow?
Mann-Whitney U	1454.500
Wilcoxon W	2729.500
Z	-.440
Asymp. Sig. (2-tailed)	.660

Table 13 above shows the difference between loan request approval and inadequate finance to undertake growth and development strategies. A Mann-Whitney U-test in Table 14 revealed no significant difference between the two variables (U=1454.500, z=-.440, p=.660, r=.04). Test results of this study, carried out on a sample of 180 SMME owners, were used to describe the interpretation of research results using the Mann-Whitney U-test. As the sample included more than 30 SMME owners the z-approximation was calculated. The banks in South Africa have not shown interest in supporting small business comments Grovest (2013). South Africa happens to be a beacon of hope in the continent and therefore the challenge remains in that the likelihood of the financial system towards SMMEs in the neighboring countries remains the same.

Table 14 presents data on the calculated z-values and the approximately calculated statistical significance of differences between the tested variables. In this table, the z-value was -.440. The statistical significance of differences (p-.660) was calculated and it was greater than .05. The results, therefore, showed no statistically significant differences that the inadequacy of finance had hampered the ability to undertake business growth strategies.

Recommendations and conclusion

The role of SMMEs has been deliberated in this paper and particularly the challenges that face a developing economy in the SMME sector. It is recommended that SMMEs receive state support in forging their way forward.

The financial challenges can be settled by developing a strategy with financial institutions that facilitates the SMME success and the economy at large. Since this study has indicated that a number of SMMEs loan application were not approved by the financial institutions, it is recommended that the businesses develop a relationship in which financial institutions create awareness on issues that lead to successful loan applications. A government department in trade industry would handle this process, as well as educational institutions alongside the financial institutions. SMMEs that are not registered encounter difficulties of getting loans, therefore government should run awareness of registration benefits to the businesses and encourage them to register.

SMMEs shall continue to form part of economic paradigm without any further debate. A financial strategy needs to be developed by the state in advancing the needs of SMMEs in Lesotho and thus make capital start-ups easy to deal with. Training and development are important for this sector and the state needs to empower this sector by facilitating training in conjunction with the department of further education and higher education, where applicable and relevant especially in the financial matters. Further research would do better investigating strategies applicable to SMMEs in raising performance and support of stakeholders in pursuit of progressive financial development.

References

1. Appiah-Adu, K., & Singh, S. (1998). Customer orientation and performance: a study of SMEs. *Management decision, 36,* 385-394.
2. Bekele, E. & Worku, Z. (2008). Factors that affect the long-term survival of micro, small and medium enterprises in Ethiopia. *South African Journal of Economics, 76,* 548-568.
3. Brent, W. (2014). How the private sector drives economic growth and well-being. Retrieved from http://www.tradeforum.org/article/How-the-private-sector-drives-economic-growth-and-well-being/ (accessed on April 26, 2017).
4. Cavana, R., Delahaye, B. L., & Sekeran, U. (2001). *Applied business research: Qualitative and quantitative methods*. Australia, John Wiley & Sons.
5. Dabija, D. C. (2011). Aspects Regarding The Marketing Environment Of Retailers. *Revista tinerilor economişti*, 63-74.
6. Dos Santos, M. (2009). Achieving Sustainable Competitive Advantage Through The Implementation Of The Societal Marketing Concept By A Major Retailer In South Africa. *Journal of Global Business & Technology, 5*.
7. Economic Overview (2016). 2016 Budget Review. Retrieved from http://www.treasury.gov.za/documents/national%20budget/2016/review/chapter%202.pdf (accessed on March 15, 2017).
8. EThekwini Municipality (2017) SMME development [Online] Retrieved from http://www.durban.gov.za/City_Services/BST_MU/Pages/SMME-Development.aspx (accessed on March 10, 2017).
9. Fiore, A. M., Niehm, L. S., Hurst, J. L., Jihyeong, S., & Sadachar, A. (2013). Entrepreneurial Marketing: Scale Validation with Small, Independently-Owned Businesses. *Journal of Marketing Development & Competitiveness, 7,* 63-86.
10. Gatt, L. (2012). *SMEs in Africa: Growth despite constraints.* Retrieved from http://www.consultancyafrica.com/index.php?option=com_content&view-article&id=1120:smes-in-africa-growth-despite-constraints&catid=82:african-industry-a-business&Itemid=226 (accessed March 27, 2014).
11. Grovest, E. (2013). New venture capital fund to give little guy a lift. Retrieved from http://www.grovest.co.za/new-venture-capital-fund-to-give-little-guy-a-lift/ (accessed July 4, 2017).
12. Halme, M., & Korpela, M. (2013). Scarcity Or Abundance? Examination Of Resources Behind Responsible Innovation In Small Enterprises. *Academy of Management Annual Meeting Proceedings,* 602-607.
13. Index Mundi (2013). *Lesotho Economy Profile*. Retrieved from http://www.indexmundi.com/lesotho/economy_profile.html (accessed March 14, 2014).
14. Index Mundi (2013). Contraceptive prevalence in Iraq. Retrieved from www.indexmundi.com/facts/Iraq/contraceptive prevalence (accessed October 15, 2013).
15. IFAC (2006) *business Planning Guide: Practical Application For Smes.* New York, IFAC.
16. Ihab, K. M., Radwaan, K., & Khaled, A. L. (2011) determinants and Impact of Training: The Case of SMEs in Jordan. *International Journal of Economics and Finance, 3*(5), 104-116.
17. Jeppesen, S. (2005). Enhancing competitiveness and securing equitable development: Can small, micro, and medium-sized enterprises (SMEs) do the trick? *Development in practice, 15,* 463-474.
18. Keh, H. T., & Shieh, E. (2001). Online grocery retailing: success factors and potential pitfalls. *Business Horizons, 44,* 73-83.
19. Kotrlik, J. W. K. J. W., & Higgins, C. (2001). Organizational research: Determining appropriate sample size in survey research appropriate sample size in survey research. *Information technology, learning, and performance journal, 19,* 43.
20. Lamna (2015) Funding for start-ups and entrepreneurs in South Africa. Retrieved from https://www.lamna.co.za/blog/2015/09/funding-for-start-ups-and-entrepreneurs-in-south-africa/ (accessed on July 13, 2017).
21. Leitch, C. M., Mcmullan, C., & Harrison, R. T. (2009). Leadership development in SMEs: an action learning approach. *Action Learning: Research & Practice, 6,* 243-263.
22. Lewis, P., & Thornhill, A. (2007). *Research methods for business students*. Pearson Education UK.
23. McNamara, C. (2017) Understanding Strategic Planning. Retrieved from http://managementhelp.org/strategicplanning/index.htm (accessed July 13, 2017).
24. Migdadi, M. (2009). Knowledge management enablers and outcomes in the small-and-medium sized enterprises. *Industrial Management & Data Systems, 109*(6) 840-858.
25. Miles, M. B., Huberman, A. M. & Saldana, J. (2013). *Qualitative Data Analysis: A methods source book* (third edition). Thousand Oaks, SAGE Publications, Inc.
26. Newman, A., & Sheikh, A. Z. (2012). Organizational commitment in Chinese small- and medium-sized enterprises: the role of extrinsic, intrinsic and social rewards. *International Journal of Human Resource Management, 23,* 349-367.

27. Nthejane, P. (2003). *The process of SME policy formulation in Lesotho*. Retrieved from http://library.fes.de/fulltext/bueros/botswana/00552003.htm (accessed September 12, 2014).
28. O'regan, N., Ghobadian, A., & Sims, M. (2006). Fast tracking innovation in manufacturing SMEs. *Technovation, 26,* 251-261.
29. Olawale, F., & Garwe, D. (2010). Obstacles to the growth of new SMEs in South Africa: A principal component analysis approach. *African Journal of Business Management, 4,* 729-738.
30. Premaratne, S. P. (2001). Networks, resources, and small business growth: the experience in Sri Lanka. *Journal of small business Management, 39,* 363-371.
31. Reade, R. (2017) What is the average age of founders for the most successful startups? Retrieved from https://www.quora.com/What-is-the-average-age-of-founders-for-the-most-successful-startups (accessed July 13, 2017).
32. Riddell, W. C. (2006). *The impact of education on economic and social outcomes: An overview of recent advances in economics*. Canadian Policy Research Networks.
33. Sekaran, U., & Bougie, R. (2010). *Research methods for business: A skill building approach.* Wiley. London.
34. Shepherd, D. A., & Patzelt, H. (2011). The new field of sustainable entrepreneurship: studying entrepreneurial action linking "what is to be sustained" with "what is to be developed". *Entrepreneurship Theory and Practice, 35,* 137-163.
35. Soontiens, W. (2002). Managing international trade: an analysis of South African SMEs and regional exports. *Management Decision, 40,* 710-719.
36. Soriano, D. R., & Comeche Martinez, J. M. (2007). Transmitting the entrepreneurial spirit to the work team in SMEs: the importance of leadership. *Management Decision, 45,* 1102-1122.
37. The Ministry of Trade and Industry Cooperatives and Marketing. (2012). Retrieved from http://www.eif.org.ls/docs/capdev.pdf (accessed June 11, 2014).
38. The Economist. (2009). *South Africa in Recession. Repo rate down to 7.5%.* Retrieved from http//www.economist.org.uk (accessed on 1 October 2014).
39. Tshabalala, D. B., & Rankhumise, E. M. (2011). What Impact Do Economic Issues Have on the Sustainability of Small, Medium and Micro Entrepreneurs? *Journal of Management Policy & Practice, 12,* 108-114.