

**Evaluating the impact of Enterprise Supplier Development by the mining companies
on Small and Medium Enterprises in South Africa**

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2018105946

20 November 2023

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The research project submitted to the UFS Business School in the Faculty of Economic
and Management Sciences in partial fulfilment of the requirements for the degree of
Master in Business Administration at the University of the Free State

DECLARATION

I declare that the research project hereby handed in for the qualification Master's in Business Administration at the UFS Business School at the University of the Free State is my own independent work and that I have not previously submitted the same work, either as a whole or in part, for a qualification at/in another university/faculty.

I also cede copyright of the study/dissertation to the University of the Free State.

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Signature:  _____

Date: 20 November 2023

ACKNOWLEDGEMENTS

“Those who complete the course will do so only because they do not, as fatigue sets in, convince themselves that the road ahead is still too long, the inclines too steep, the loneliness impossible to bear and the prize itself of doubtful value.” — Thabo Mbeki

To God be the glory and the honour, for I have lived to witness that “I can do all things through Christ who strengthens me.” The Lord saw me through when everything appeared to be dark and fear and doubt crept in.

I want to express my heartfelt appreciation to:

My mother, Keitumetse Jacqueline Mokwena, the strongest lady I have ever seen, for your unconditional love, selflessness, and for sacrificing all of you, so that I may have the best education possible from kindergarten to now. I have watched all of your struggles and difficulties and I thank you from the bottom of my heart. I notice you and appreciate you. I can only hope and pray that one day I will be awarded the “Best Daughter.”

To my father, Thabo Patrick Mokwena, I am an affirmed young woman today because you affirmed me. Thank you, “De”, for telling me how smart I am and for having faith in me that I will succeed. The words that I will never forget, and that you still tell me today, “Faith, ek is baie lief vir jou”, will stay with me throughout my life.

To my beautiful daughter, Warona Kaboentle Mokwena, 29 June 2021 was the best day of my life. You came into this world while I was on this journey of completing the master’s degree. You have been part of this journey even before you were born. We burnt the midnight oil together to meet assignment deadlines. (One of my syndicate members nicknamed you “little Miss MBA”). I pray that, as you grow in stature and wisdom, you will know that with God and education you will never go wrong, and nobody will take that away from you. Ke a go rata, Kabololo.

To my maternal grandparents (Pulane Ellen Kaotsane and the late Itumeleng Peter Kaotsane), thank you for being present, for the principles you modelled before me, and lessons you taught me. Pa, if heaven could lend you to me for just one day, it would be for this moment, so you could see the seed you planted, but Mama is here to see it all.

Baile Monica Maqubu, my paternal grandmother: Moms, I just want thank you for always covering me with your prayers. Every call and every visit ends with a word of blessing.

To my extended family, aunts, uncles, cousins, friends, and colleagues in the Iron ore corridor from Assmang Iron Ore Khumani Mine, Afrimat Iron Ore Mine, as well as former colleagues at De Beers Group, thank you for your support. To Kabo's father, thank you for stepping in when I could not be a present mother, for keeping track of my assignment due dates, and for pushing me when all I wanted to do was sleep.

Dr Mike Mundy, my first designated supervisor, thank you for being so consistent with your energy. There was never a day when you did not crack a joke, even when I blundered and my grammar doesn't say what I meant.

To Dr Thandekile Madikane, you came on board while the ship was sailing, and you sailed along while taking the time to understand my space first. Your dedication to academics and quality is admirable. Thank you for guiding me and making it through with me to the end.

DEDICATION

I dedicate this study to my aunt, also known as my sister, Masego Menecia Kaotsane, my warrior. Cancer came to destroy you, but you won the battle against it.

Sister, I have witnessed your faith elevate to an admirable level and I have seen how God showed up for you. You lived Hebrews 11:1, when reality took you through the darkest tunnel you saw light and declared life. You are an inspiration.

Thank you for giving the fight your best shot, and for clinging to the Cross when all else was failing. Today you're a survivor, you have surely tasted that the Lord is good. Thank you for your love and support, Ontlametse, Kobamelo, Kaboentle and I are blessed to have you. I love you.

ABSTRACT

The study, "Evaluating the impact of Enterprise Supplier Development by mining companies on SMEs in South Africa," examines the effectiveness of ESD programmes implemented by mining companies in accordance with the BBBEE policy and the South African Mining Charter. Determining the effectiveness of these ESD programmes in enhancing the performance and capacities of small and medium-sized firms (SMEs) in South Africa's mining sector is the primary objective of the research. The study gathered data from 41 SMEs registered in ASSMANG's supplier and enterprise databases using a survey-based descriptive technique. These companies provided insightful details about their experiences with the ESD initiative. The research's primary conclusions are as follows: Programmes for Enterprise Sustainability (ESD) improve SMEs' efficacy, growth, competitiveness, and financial position while also assisting managers and owners in their personal and professional development. The study also identifies a variety of challenges that SMEs face, the most important being financial constraints. Financial constraints, issues with market access, and legislative obstacles are further challenges. ESD effectiveness is influenced by a wide range of factors, including market dynamics, organisational, social, legal, and economic factors. The study concludes that even though SMEs in the mining industry benefit from ESD programming, further growth is still necessary. It suggests improvements like focused campaigns, increased funding, legal assistance, specialist training, and tactical modifications to boost ESD's effectiveness. By addressing specific problems that SMEs face and offering tactical adjustments, these recommendations aim to enhance the growth of SMEs in South Africa's mining sector. Thus, when taking into account South Africa's economic growth and the empowerment of SMEs in the mining sector, this study gives significant insights and helpful recommendations that are notable.

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CHAPTER ONE: INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 Introduction

In the majority of economies worldwide, small and medium-sized businesses (SMEs) are crucial, but in developing countries with high rates of unemployment like South Africa, their significance is much greater. SMEs hold approximately 90% of all businesses and over 50% of all jobs globally. They can make up as much as 40% of GDP in developing countries (World Bank, 2022). Karlsson and Leanderson (2022) assert that SMEs contribute to economic growth in South Africa by creating new jobs, which in turn helps to alleviate poverty. Both the South African government and private sector players, such as mining firms, acknowledge the importance of SMEs in fostering economic development. To this end, they regularly organise enterprise development courses designed to assist SMEs in expanding. According to the Mining Charter of 2018, mining firms are required by law to implement enterprise supplier development programmes with the goal of integrating SMEs into the mining value chains. SMEs in South Africa, however, still have to overcome a number of challenges that limit their productivity and their capacity to make a major contribution to the country's economic development.

Bvuma and Marnewick (2020) record that a lack of skills, infrastructure, and access to financial resources are some of the biggest things that hold SMEs back in South Africa. Msomi and Olarewaju (2021), on the other hand, say that because SMEs are so important to community development, they must be helped to develop the skills they need to be successful. Kathu, a rural town located in the Northern Cape South Africa, has gained prominence as a major iron ore and manganese mining hub. The major mining companies operating in Kathu, namely Assmang Khumani Mine, Kumba Sishen Iron Ore, and Afrimat, have initiated programmes for developing local SMEs in order for them to become suppliers. Such programmes are formally known as Enterprise Supplier Development (ESD). The ESD is defined as a systematic approach to integrating emerging SMEs into the mining value chain, by which participating enterprises are provided with skills training, business mentorship and support, access to business processing technologies, and business capital (World Bank, 2019).

However, while many SMES have engaged in ESD implemented by mining corporations, no study has been conducted to evaluate its impact on the SMEs in Kathu. The current literature on the ESD considers the broad South African SME landscape and not SMEs engaged in

the mining sector (Coldwell et al., 2022). The available literature on SME development does not evaluate the impact of ESD in the mining sector.

1.2 Background to the study

The government's efforts to address historical economic injustices in South Africa have resulted in enterprise development, which is a component of the Broad-Based Black Economic Empowerment (BBBEE) economic redress policy. This is achieved by establishing support initiatives and opportunities for black-owned businesses to participate in the country's major economic sectors (Shai, Molefinyana, & Quinot, 2019). Originating from the BBBEE policy, enterprise development seeks to counsel corporations that are “willing” to assist black entrepreneurs in growing their current small, medium, and micro-sized enterprises (SMEs) or in establishing new black small businesses through financing or incubation. In the mining industry, ESD seeks to develop enduring business relationships between small businesses and mining enterprises within their respective operating regions. Long-term connections in the mining procurement network facilitate SMEs' integration into an efficient supply chain, which is advantageous for their long-term expansion. Haddouch, Beidouri, and El Oumami (2019) anticipate that successfully implementing supply chain management (SCM) will strengthen the relationship between upstream suppliers and downstream clients, boosting information sharing and business performance.

1.3 Problem statement

Despite the crucial role that SMEs play in job creation and economic growth, (Botha, et al., 2021) state that nearly 90% of South African SMEs fail in their third year of existence. In this context, government agencies such as the Small Business Development Agency, IDC, and private companies such as mines, banking institutions, and others routinely execute ESD targeted at increasing the survival rate of SMEs.

While there is a great deal of research that accounts for the success and failure of SMEs in South Africa (Msomi & Olarewaju, 2021; Bushe, 2019; Fatoki, 2018; Van Scheers, 2018), it has focused on the overall picture as it applies across industries and across the country. This is limiting because the experiences of SMEs vary depending on their size, sector participation, geography, and other unique conditions that influence their development and growth. There have been few studies on the role of ESD in SMEs operating in the mining

sector. In the research on SMEs, little attempt has been made to evaluate the impact of ESD as it relates directly to the mining sector. In this regard, the present study evaluates the impact of ESD by the mining companies in Kathu on locally based SMEs.

1.4 Research questions

1. What is the impact of ESD on the performance of SMEs operating in the mining sector?
2. What role has ESD played in the development of SME owners and managers who operate in the mining sector?
3. What are the factors affecting the implementation of ESD in the mining sector?
4. What challenges do SMEs in the mining sector face?

1.5 Aim and objectives of the study

To evaluate the impact of ESD on SMEs operating in the mining sector

1.5.1 Objectives of the study

1. Assess the Impact of enterprise supplier development on small and medium-sized enterprises in the mining sector.
2. Examine the role played by Enterprise Supplier Development in developing owners and managers of small and medium-sized enterprises in the mining sector.
3. Identify the factors affecting the implementation of enterprise supplier development within the mining sector.
4. Examine the factors affecting the development of small and medium-sized enterprises in the mining sector.
5. Propose ways in which enterprise supplier development can effectively address the challenges experienced by SMMEs in the mining sector.

1.6 Significance of the study

The study's findings are crucial because they yield sector-specific insights that can be used to create and administer ESD programmes that result in positive outcomes for both mining

corporations and SMEs. By investigating the following topics: the impact of ESD, the evaluation of ESD, the factors contributing to the success of ESD, and the challenges encountered in the implementation of ESD, the study's findings will be used to assist mining companies in developing and implementing ESD programmes that are suitable to meet the development needs of SMEs operating in the mining sector. In this regard, the study is useful for a number of stakeholders, which include small and medium-sized enterprises (SMEs), large mining companies, policymakers, and business investors.

This study is particularly necessary in evaluating South Africa's efforts to incorporate SMEs into the mining value chain. Understanding the drivers of the performance of ESD in the mining sector is essential for policy planning. It is the conviction of this researcher that current efforts to integrate emerging SMEs into the value chain of South Africa's mining sector can only be given priority and urgency if the impact is known of the present ESD programmes. The findings of this study will assist the national government and enterprise development agencies such as the Small Enterprise Development Agency, the Youth Development Agency, the Industrial Development Corporation, mining companies and others to develop effective ESD programmes. The study also adds new knowledge to the growing body of research on SME development in South Africa and other countries facing enterprise development conditions such as those existing in Kathu.

1.7 Assumptions of the study

To begin with, the majority of respondents have received assistance from mining companies. This assumption is based on the fact that respondents were selected from the mines' supplier database, who are known to have received development assistance offered by the mines.

Second, many respondents are unfamiliar with the obligations of mining companies in terms of BBBEE standards of good practice compliance.

Third, according to the literature, public sector organisations and mining enterprises do not collaborate sufficiently with local stakeholders in mining areas and instead rely on top-down decision-making (Corkery, 2022; De Sa, 2019). In this way, mining companies might not know what the needs are of the businesses they are trying to help.

1.8 Structure of the research report

The dissertation consists of five chapters presented as follows:

Chapter 1: Introduction and background to the study

The focus of this chapter is an evaluation of the ESD of mining firms on SMEs in Kathu, Northern Cape, South Africa. This chapter address esthe introduction and background of the study, the research questions, the problem statement, and the aim and objectives of the study.

Chapter 2: Literature review

This chapter contains a review of related research and scholarly work conducted by others on ESD and SMEs.

Chapter 3: Research methodology

This chapter provides an overview of the research design and methodology used to assess the impact of the ESD on SMEs in the mining sector of Kathu. In the research design discussion there are details about the tools for collecting and analysing data.

Chapter 4: Presentation of results and discussion of findings

This chapter presents an analysis of the data collected from the respondents. This includes a discussion of the variables influencing ESD in the mining sector and an evaluation of the impact of ESD on the development and performance of SMEs operating in Kathu.

Chapter 5: Summary and recommendations

This chapter contains a summary of the findings and conclusions of the study. The shortcomings of the study are highlighted here. Also included are suggestions for future research and recommendations that may be considered for the conceptualisation and implementation of ESD programmes in the future.

1.9 Definition of key concepts

1.9.1 Supplier selection

Supplier selection in the mining industry is the process by which SMEs are identified and contracted to become suppliers. Supplier selection seeks to discover and differentiate providers that are in an appropriate state or position to operate and have the greatest potential to meet a company's needs consistently (Van der Westhuizen & Ntshingila 2020).

While the academic literature is extensive, effective supplier development remains a challenge in the mining industry. As a result, implementing the correct ESD is critical, as the mining sector operates in a delicate setting of multiple stakeholders, environmental safety, evolving technical needs and capital-intensive operations.

1.9.2 Supplier development

Supplier development is defined as any effort undertaken by a buyer to improve a supplier's performance and/or capabilities in order to meet the buyer's short- and long-term supply requirements (Ballard & Elfving, 2020). So, supplier development is an undertaking that a buyer makes to help their suppliers get better at what they do. The goal is to improve the supplier's internal and external performance.

1.9.3 Business performance

There are numerous reasons for measuring business performance. Performance measurement is primarily a contrasting procedure in which various characteristics of performance are compared (McKenny et al., 2018). This comparison has three advantages. First, it allows a company to compare the performance of one period to another. Second, the company can compare the performance of one business sector or industry to another. Last, it can help the company to work out the pros and cons of each possible course of action and to choose the best one.

1.9.4 Enterprise development

Enterprise development refers to the financial and non-financial assistance provided to existing or new SMES operated by people from historically disadvantaged communities in South Africa. Enterprise development is used in the mining industry to bring SMEs into the

mining value chain. This is achieved by putting in place ESD programmes that help SMEs to improve their skills and gain access to procurement opportunities.

1.9.5 Broad-based socioeconomic empowerment

The goal of the BBSE is to redress the effects of past or current discrimination in mineral and petroleum industries and their value chains on historically disadvantaged people; to transform these industries to assist, provide for, initiate, or benefit from integrated socioeconomic development; and to encourage the development of a more equitable and inclusive society (Mining Charter, 2018). The primary objectives of the Broad-Based Socioeconomic Empowerment Charter are to ensure the achievement of the government's goals, which are to rectify historical socioeconomic inequalities; to ensure broad-based economic empowerment; and to ensure the meaningful participation of previously marginalised members of the community.

1.9.6 Business incubation

Business incubation is an economic and social initiative that provides intense support to new businesses, coaches them to get started, and accelerates their growth and success through a business aid programme (Lose, 2021).

1.9.7 Corporate social responsibility

Corporate social responsibility refers to the idea that corporations have obligations to constituent groups in society other than to stockholders, which go beyond what is required by law or a labour contract (Jiang, 2020).

1. 10 Conclusion

The study title was introduced. In addition, the study's context, problem statement, objectives, and significance were described, as were the research questions and definitions of concepts. The structure of the study was explained. The review of the literature is the focus of the next chapter.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

In the preceding chapter, we briefly described the research and its background. This chapter examines the theoretical and empirical data that assess the effect of ESD on SMEs in the mining industry. This chapter covers the main definitions of terms and the underlying theories of the study. In this chapter, we establish a conceptual framework to describe the main ideas of the study. In order to gain a better understanding of the subject, this chapter investigates the role of SMEs in the economy. This chapter explores the problems that small and medium-sized enterprises (SMEs) face, as well as the history and importance of ESD as it is defined by the Mining Charter and the BBBEE Act. This chapter also covers the significance of value chain analysis, which provides a basis of knowledge and a framework for generating relevant recommendations.

2.2 Definition of SMEs

According to Chonsawat and Sopadang (2020), small firms are defined as commercial organisations that satisfy three key criteria: they hold a modest market share, they are independently owned and operated by their owners or co-owners informally, and they are not a part of a larger company. The number of full-time equivalently paid employees and total annual revenue are the two factors used in South Africa to determine SMEs. The employee description includes job descriptions for micro, small, and medium enterprises, with each category having 0–10, 11–50, and 51–250 workers respectively.

2.3 Broad-Based Black Economic Empowerment Act 53 of 2003

The process of developing a firm is defined as "any contribution to a company's growth that can be measured" in BBBEE Code Series 600. Contributions to the firm can take the form of cash payments or other concrete help (Broad-Based Black Economic Empowerment Amendment Act 46 of 2013). Since corporations can assist in the development of SMEs and receive 50 points on the scorecard, supplier development is considered enterprise development. Preferred purchasing from small suppliers, financial support to establish a new supplier, and the incubation of unestablished providers are a few examples of supplier development (BBBEE Amendment Act). Supply chain development can help mining firms, or any other business, maximise its enterprise development points. Business development received just 15 points under the 2003 good practice code; however, the new code awards

30 points for any supplier and business development project that is successful. Since then, it has been made clear that, in accordance with the BBBEE standards of good practice (BBBEE Amendment Act), supplier development is also eligible to be classified as enterprise and supplier development, in addition to enterprise growth. This can take the form of monetary contributions, first dibs on purchases, training, or business coaching for those the mining firm has assured its customers will assist. Now, the mining firm allocates the annual earnings of a quantifiable entity to supplier development at 2% of net profit after tax and enterprise development at 1% of net profit. Funding for traditional business development was 1% more than that for supplier development. Companies with a majority black ownership are awarded 30 points for supplier development in preferential procurement of goods and services.

ESD is a tactic used to enhance the financial security of formerly marginalised populations and, consequently, the general welfare of the community. The codes now include a new category for socioeconomic progress. According to the new rule, an entity's socioeconomic influence might earn it up to 15 points. An entity allocates just 1% of its net profit after taxes to socioeconomic development. According to the BBBEE Amendment Act, the receiver and nature of the gift determine its position as a socioeconomic development contributor, not the outcome of the benefactor's contributions from a measured entity. Mining businesses can employ a range of company development techniques to meet their BBBEE commitments. According to the BBBEE Amendment Act, businesses can assist SMEs in obtaining financing by lending them money, guaranteeing those loans or providing collateral, establishing credit lines for them, providing growth capital, and offering them improved credit card terms. A mining company may also give non-cash gifts to a recipient organisation, such as first dibs on goods and/or services from small companies owned and operated by formerly underprivileged people. Mentoring or teaching a beneficiary entity establishes the program's worth. In order to assist beneficiaries in increasing their ability to supply goods or render services to major mining firms that they would not otherwise be able to, corporations may also offer training or coaching (BBBEE Amendment Act). Large markets are accessible to major mining organisations, which may not be the case for small businesses. As a result, benefit entities can gain access to markets that were previously closed off through large mining firms. According to the BBBEE Amendment Act, they can gain market access by limiting their purchases of goods and/or services to companies that are owned wholly or largely by black people or by introducing them to other companies that need the goods and/or services they provide (Devenin & Bianchi, 2018). As was previously said, South

Africa's severe apartheid past has left the country with poverty and unemployment. The growth of black-owned SMEs, which account for 56% of private sector employment, is seen as contributing to the country's efforts to address poverty and unemployment.

2.4 The South African Mining Charter

In order to help businesses in a variety of industries comply with the empowerment objectives of BBBEE, the South African government has also implemented sector charters. The government created the Mining Charter to assist mining companies in adhering to goals meant to address historical economic inequities by fostering community development in areas where mining enterprises operate. It is possible to foster mining communities by providing HDSAs with opportunities to engage in the formal sector. The Mining Charter states that the development of mining communities by mines involves the expansion of enterprises and the development of technical skills (such as boiler making and engineering) that can help members of the mining community obtain employment (Maponga & Musa, 2021).

The Department of Mineral Resources (2010) states that the primary objectives of the charter are to "promote employment and advance the social and economic welfare of mine communities and major labour-sending areas" and to "significantly and meaningfully expand opportunities for HDSA to enter the mining and minerals industry and benefit from the exploitation of the nation's mineral resources." Mining towns must gain economically and socially from the mines, not only in terms of jobs created but also in terms of the expansion of nearby companies (Hilson, Hilson, & Dauda, 2019). The practice of enterprise development in South Africa is not well supported, especially by the academic community. Kato (2021) argues that not all aspiring entrepreneurs possess the ideas or entrepreneurial skills to start businesses with room for expansion, and so neither the public nor private sectors should support them through any kind of funding source. They continue by arguing that providing subsidies to SMEs that lack the capacity to expand could be a waste of tax dollars because some of these businesses are unlikely to expand and generate enough revenue to support a large number of jobs.

Table 2.1: Government institutions related to SMMEs

Institution	Establishment	Main functions
National Small Business Act (No. 102 of 1996)	Established to protect and promote small business development in South Africa.	• provides a framework for government strategies to support SMEs • facilitates coordination among government levels for SME growth and sustainability
Small Enterprise Development Agency (SEDA)	Formed under the National Small Business Act.	• implements small business strategies • • Offers SMEs non-financial and financial support.develops a growth model for SME intervention assessment
Small Enterprise Finance Agency (SEFA)	formed by the combination of IDC's small business operations, Khula Enterprise Finance Ltd., and the South African Micro Apex Fund.	• offers bridging finance to small businesses. • focuses on fostering SMEs' financial stability and growth
Gauteng Enterprise Propeller	Established under the Gauteng Enterprise Propeller Act of 2005.	• assists small businesses with resources and market access • addresses poverty and unemployment in Gauteng

Institution	Establishment	Main functions
		• integrates formal and informal SMEs into the mainstream economy
National Youth Development Agency (NYDA)	Established by Act No. 54 of 2008, focusing on youth entrepreneurship.	• aids young entrepreneurs (ages 14–35) in starting and financing their businesses • works to reduce barriers for youth in business
National Empowerment Fund (NEF)	Set up to support the objectives of the BBBEE Act.	• offers loans and financial assistance to SMEs for expansion • promotes business transformation and inclusivity
Ministry of Small Business Development	It was formed in 2014 to develop and sustain small businesses in South Africa.	• coordinates policies and programmes supporting SMEs • creates an enabling environment for SME growth
Northern Cape Department of Economic Development and Tourism	Responsible for economic development and tourism in the Northern Cape.	• focuses on product development and funding support for SMEs, especially in manufacturing • encourages SMEs to apply for grant funding through EGDF

2.6 Role of SMEs in the global economy

On a global scale, SMEs significantly contribute to GDP growth, employment generation, and poverty reduction, making them major forces behind socioeconomic development (Saah & Musvoto, 2020). SMEs are believed to take a step towards industrialization (Saah & Musvoto, 2020). In the US, small and medium-sized enterprises (SMEs) account for 51% of GDP and 52% of the private sector labour force. Many consider SMEs to be the backbone of Europe's economy. While they make up 25% of the GDP of the United Kingdom and employ 62% of the labour force, SMEs account for 60% of employment in Germany. SMEs employ 63% of the workforce in France and 80% in Italy. SME data collection indicates that over 91% of all enterprises in Japan are SMEs (Urata, 2021). and medium-sized businesses (SMEs) play a significant role in the creation of jobs and economic expansion in many nations. Similar to this, SMEs constitute the backbone of emerging economies and are essential to their progress. SMEs comprise 58% of China's GDP and make up 97.9% of all registered firms. SMEs account for 90% of companies in Africa, comprising 92% of firms in Ghana and 91% of businesses in South Africa, respectively. Furthermore, projections indicate that SMEs will contribute 80% and 61% of jobs in Africa and South Africa, respectively. Gherghina (2020) advances that SME's are more suited to address the problem of location-based unemployment because they can generate employment in both rural and metropolitan locations. Therefore, including it in initiatives aimed at reducing poverty, inequality, and unemployment is crucial. (2020, Zervoudi). According to a number of studies, SMEs support economic development and innovation, which are two reasons why they are critical to local economies. This removes poverty, promotes market competitiveness, and creates jobs locally (Disse & Sommer, 2020; Chege & Wang, 2020).

2.7 Overview of the SME landscape in South Africa

Entrepreneurship in South Africa is considered to be a catalyst for new business ventures and economic growth. The South African government created the National Small Business Act in 1996 and established the Ministry of Small Business in 2014 in order to fulfil the nation's development goals. The National Development Plan 2030 outlines strategies for bolstering South Africa's economy and society by placing a high priority on job creation and economic development. This entails removing the intricate regulations that make it difficult for companies to operate and assisting newly established entrepreneurs in expanding and

maintaining their companies. COVID-19 severely damaged the economy of South Africa. Due to the looming lockdowns, which hindered social and commercial activity during the slump that the economy experienced in 2020 and 2021, businesses had to close (Yu et al., 2021). Additionally, the nation saw a spike in energy prices and power disruptions, which presented operational and financial difficulties for businesses (Bowman, 2020). In June 2022, the business confidence index of the Rand Merchant Bank/Bureau of Economic Research (RMB/BER) fell from 46 to 42. This indicates that the current status of the economy is causing six out of ten corporate executives to express dissatisfaction. The broader economic climate is impacting the SME sector in South Africa. Due to a number of internal and external problems, including a lack of general business abilities and skills, poor management practices, equipment, and access to formal markets, SMEs in South Africa have a high failure rate (Hewitt & Van Rensburg, 2020). Ferraris, Santoro, and Pellicelli (2020) assert that if businesses carry out enterprise development projects in collaboration with stakeholders, including local governments, communities, and SME owners and operators, the high failure rate can be reduced. The partnership would make an effort to help small business owners who are just starting out or who are in the early phases of their venture.

2.8 Impact of enterprise development by the mining companies on SMEs

Mining companies' support for SMEs could mean the difference between success and failure. A special kind of enterprise development strategy is supplier development for mining companies. Supplier development can occur if the following actions are executed correctly: raising performance targets for suppliers, training and equipping suppliers, offering technological support, exchanging knowledgeable staff between a buyer and a seller, assessing performance, and rewarding supplier advancement (Dalvi & Kant, 2018). According to Baloyi, Swanepoel, and Venter (2019), big businesses like mines should help entrepreneurs with non-financial matters so they can take advantage of procurement opportunities both inside and outside of other organisations. Mining firms must ensure that SMEs participate in the value chain. This can only be done by offering SMEs support services, including financial funding for startups, asset purchase security, and supplier training and mentoring. Having a wider pool of suppliers is advantageous to the firm that supports a small and medium-sized enterprise (SME).

2.9 Challenges faced by SMEs in South Africa

2.9.1 Limited access to finance

SMEs in South Africa are concerned about the difficulties of obtaining business finance. According to Jordaan and Coetzee's (2021) research, developing firms in South Africa are less productive overall when they do not have access to capital. Serame (2019) asserts that obtaining financing is more difficult for SMEs run by black people in South Africa, especially women. Studies conducted in other regions may not necessarily show the same financial biases as those discovered in South Africa, but these marginalised people face more financial limits because they are typically less educated. Wiid and Cant (2021) state that high loan rates, trouble obtaining collateral, and bad financial records put SMEs in a tough financial position.

2.9.2 Limited access to technology and innovation

SMEs have limited access to technology and innovation, making them less competitive and limiting their capacity to accumulate gains from participating in current value chains. According to Wiid and Cant (2021), emerging SMEs in South Africa often have substantially lower levels of investment oriented towards innovation than their counterparts owned by other ethnic groups in South Africa. Serumaga-Zake and Van der Poll (2021) report that SMEs in South Africa do not have enough new technology and good business management.

2.9.3 Competition

Strong competition in the market is a major barrier to SMEs' growth. This is due to the fact that SMEs in South Africa struggle to obtain a significant market share due to fierce competition from large, established businesses (Bhorat et al., 2018). Due to their inability to create goods and services that can compete in both domestic and foreign markets, SMEs have difficulty breaking into and remaining in corporate and global markets (Epede & Wang, 2022).

2.9.4 Human capital

Effective managers and staff are essential to the success of SMEs, especially those with experience in financial management (Kengne, 2021). A major barrier to the expansion of SMEs may be a lack of knowledge and experience. SMEs frequently struggle to find and keep qualified workers. This is especially true for fields like market analysis, strategic planning, and financial management. An inability to effectively compete in the market and operational inefficiencies might result from a shortage of skilled labour. A vital component of SMEs' development is human capital. To promote growth and competitiveness in this crucial sector of the economy, it is imperative to address and connect the difficulties pertaining to education, management expertise, and skill development with the needs of the SME sector.

2.9.5 Regulatory environment

The South African government heavily controls the corporate environment. Taxes, licences, and other industry-specific compliance requirements are examples of business rules that can be onerous and restrict the growth of a company (Tambe, 2019). A beneficial regulatory environment is linked to a low administrative burden, low taxes for start-ups and small businesses, flexible labour markets, strong property rights, and a reliable contract enforcement mechanism, according to Loayza (2018).

2.9.6 Infrastructure

According to Oba (2022), the condition of infrastructure that supports business, such as transport, telecommunications, roads, and electrical supplies, can either hinder or promote the expansion of SMEs. Blimpo and Cosgrove-Davies (2019) attribute the decreased margins and losses in SMEs to South Africa's erratic energy supply and the growing cost of gasoline. Other academics have explained the challenges faced by SMEs in various ways. PRISAR and BILKOVA (2019) assert that SME problems can be both internal and external. While external factors are systematic characteristics that small enterprises usually have little influence over, internal factors are usually firm-specific and within their control. Each of these components might affect the long-term viability of a business. Internal determinants include a company's location and proximity to important suppliers or buyers, its investment in technology, management abilities and experience, owners' stock or collateral, and access to internal capital. Economic variables, including laws and infrastructure, government

policies, crime and corruption, and labour that is sufficiently skilled and motivated, are examples of external influences.

2.10 Factors accounting for the failure and success of ESD for SMEs in the mining sector

2.10.1 Organizational capacity and readiness

Programmes for ESD, which aim to improve the sustainability and operational capability of SMEs, are largely dependent on the organisational capacity and preparedness of the companies that receive them. This is particularly true in industries where efficiency, safety, and compliance are crucial, like mining. It is impossible to overstate the significance of a firm's internal readiness as a critical factor in determining the success of ESD projects, as noted by (Stevanovic & Wanyang'Ochieng, 2023). In general, SMEs are more likely to derive value from ESD projects if they are well organised and structured. In the realm of the mining sector, which can be incredibly complex, a clear business structure is invaluable. Such a structure provides a framework that delineates responsibilities, communication lines, and operational protocols. When an ESD programme is introduced, an SME with a defined structure can seamlessly integrate the new resources, knowledge, or tools provided by the programme, ensuring that they are utilised effectively to achieve desired outcomes.

2.10.2 Management team

A strong management team serves as the backbone of any successful organisation. According to Stevanovic and Wanyang'Ochieng (2019), in the context of South African SMMEs in the mining sector, leadership acumen, experience, and adaptability can have a profound influence on the trajectory of ESD integration. ESD programmes often bring novel strategies and tactics which, if managed effectively, can result in enhanced operational efficiency, market penetration, and revenue streams.

2.10.3 Defined strategy

Having a well-defined strategy ensures that a company maintains focus on its core objectives and can make informed decisions swiftly. With such a strategy in place, ESD interventions can be aligned to complement and further the business's existing goals. Nkholise (2022) reports that mining-related SMMEs in South Africa with a clear strategic direction are more adept at leveraging ESD programmes to gain competitive advantages, access new markets, and foster innovation.

While ESD initiatives offer significant potential to uplift and bolster SMMEs in South Africa's mining sector, the receptivity and internal preparedness of these enterprises are critical determinants of the outcome.

2.10. 4 Quality of training and mentorship

In the sphere of ESD, the quality of training and mentorship is paramount. SMEs in the mining sector face a unique array of challenges, arising from both the intricacies of the industry and the socioeconomic context of the country. Deep-level mining is a characteristic of the South African mining industry, posing particular difficulties in contrast to other areas. Such complexities require training modules that are not just generic but are intricately tailored to these specificities (Nkholise, 2022). The regulatory landscape for mining, including the Broad-Based Black Economic Empowerment (BBBEE) framework, mandates certain supplier and enterprise development criteria. Training that factors in this regulatory framework is crucial for SMEs to be compliant and competitive (Van Niekerk, 2019). In this regard, tailored training is pivotal. A generic training module might offer broad-based skills, but the specificity of the South African mining landscape necessitates detailed, localised insights. This ensures that SMEs are not just equipped with skills but also with solutions to the real-world, on-ground challenges they face (Steuart, 2019).

2.10.5 Mentorship

The mining supply chain in South Africa is vast, encompassing various commodities from platinum to coal. Effective mentorship helps SMEs to understand and navigate these diverse supply chains, ensuring that they position their services and products optimally. Mentorship is an avenue where such experience meets the vibrancy of new-age SMEs, creating a synergy that is beneficial for the entire industry (Raheem, 2021). South Africa's unique socioeconomic challenges, from unemployment to inequality, can often spill over into the business realm. Effective mentorship can help SME owners to strategise, not just from a business standpoint but from a holistic perspective that factors in these larger challenges (Randle, 2023).

2.10.6 Access to finance

Access to financing is frequently stated as essential for the growth and survival of SMEs. Capital is a vital factor in determining the course of success for these enterprises, particularly in the context of South Africa's mining industry, which presents distinct opportunities and

problems. Due to its enormous mineral riches, the mining sector has historically drawn investment from both domestic and international sources. Yet, for SMMEs, particularly those in ancillary services, accessing this finance has remained challenging (Domela & Zakirullah, 2023). The sector inherently demands significant capital investment, not just for extraction but also for equipment, safety measures, and compliance with regulatory standards. This capital-intensive nature can often sideline SMMEs that lack substantial financial backing (Randle 2023). As noted, capital infusion enables SMMEs to undertake larger projects, invest in modern technology, and expand their operations. This is particularly pertinent in the mining sector, where the scale of operations often correlates with efficiency and profitability.

2.10.7 Financial literacy

The sector, characterised by volatile commodity prices, regulatory changes, and socio-political considerations, necessitates nuanced financial strategies. Financial literacy empowers business owners to make informed decisions, from investment choices to risk management (Bhattacharya, Lang & Hemerling, 2020). With increasing global attention to sustainable mining practices, there is an impetus for innovation. Financially literate SMME owners can allocate funds better towards innovative practices, ensuring long-term sustainability and compliance with global standards (Msomi and Olarewaju, 2021).

2.10.8 Information asymmetry as a key challenge

Information asymmetry, a situation where one party in a transaction has more or superior information than the other, often leading to an imbalance in the transaction's power dynamics, presents a critical challenge for SMEs in the mining sector. When it comes to accessing ESD, the lack of comprehensive, transparent and accessible information can disadvantage SMMEs significantly. ESD programmes, especially in the mining sector, are often government-backed- or industry-supported initiatives aiming to empower local enterprises and to foster a more inclusive economy. Given the country's historical socioeconomic disparities, these programmes are vital in bridging the gaps (Pisar & Bilkova, 2019).

Multiple stakeholders, from government agencies to mining corporations and NGOs, are involved in designing and implementing ESD programmes. This multifaceted involvement can often lead to complex information channels, exacerbating the asymmetry (Hilson & Ovadia, 2020). As Nkholise (2020) rightly points out, a lack of awareness about available

ESD opportunities can result in SMMEs missing out on critical developmental programmes. In an industry as competitive as mining, these missed opportunities can equate to missed growth prospects and sustainability risks (Gupta & Mthembu, 2020). When SMMEs lack adequate information, their bargaining power diminishes in negotiations or collaborations. This can lead to unfavourable terms, limited access to resources, or even exclusion from supply chains (Takacs, Brunner & Frankenberger, 2022). Without proper knowledge of ESD programmes, SMEs might misallocate their resources, investing in areas that might not yield optimal returns. In contrast, a well-informed SME can channel its resources more effectively towards initiatives that align with available ESD programmes.

2.10.9 Stringent eligibility criteria

The accessibility of ESD is paramount for SMEs in the mining sector to leverage growth opportunities and foster industry inclusivity. However, strict eligibility criteria often act as formidable gatekeepers. ESD programmes aim to capacitate suppliers, often prioritising efficiency, reliability, and quality assurance. To achieve these objectives, mining corporations and stakeholders design criteria to identify the most promising candidates (Pisar & Bilkova, 2019).

Given the high stakes and operational demands of the mining sector, the industry naturally leans towards established track records. However, this inclination can often conflict with the nascent capabilities of many SMMEs (Sibanda, 2021). As underscored by Raheem (2021), emphasising past successes can unintentionally exclude emerging businesses that may have significant growth potential but lack an extensive track record. This approach may lead to lost opportunities for innovative solutions and fresh perspectives (Nkosi & Sithole, 2023). Stringent criteria can deter new entrants, cementing the dominance of established businesses and potentially stifling competition and diversity within the supplier ecosystem (Raheem, 2021). Overly rigid criteria may affect businesses from historically disadvantaged backgrounds disproportionately, undermining the broader socioeconomic objectives of ESD programmes and perpetuating industry imbalances.

2.10.10 Bureaucratic hurdles

As SMMEs strive to integrate themselves into the dynamic and competitive landscape of the mining sector, their quest to access ESD programmes is often hampered by bureaucratic challenges. Bureaucratic processes, while meant to ensure adherence to standards and procedures, can inadvertently become formidable barriers for SMMEs. Engaging with large

mining corporations usually mandates compliance with a plethora of guidelines, documentation requirements, and multi-tiered approval mechanisms (Manchisi, 2019). These processes often necessitate substantial time, expertise, and financial resources, which many emergent SMMEs may not have at their disposal. A comprehensive understanding of these bureaucratic processes requires specialised knowledge. The absence of such expertise can lead to inadvertent errors and prolonged processing times. As Jain (2023) astutely points out, bureaucratic complexities can be discouraging. The prolonged wait times and uncertainties associated with these processes can deter SMMEs from even initiating their application (Msomi & Olarewaju, 2021).

2.11 The mining industry value chain

Porter (1985) introduced the notion of the "value chain" as a fundamental framework for developing a corporate strategy that enhances a firm's competitiveness by taking into account the entire system of activities involved in the production and consumption of a good. Porter (1985) presents the generic value chain model, which consists of a series of tasks shared by numerous companies. He argues that businesses might gain a competitive edge by redefining traditional operations. Large private companies engage in a variety of actions during the conversion of inputs to outputs. Value chain activities therefore have an impact on a company's expenses and, consequently, its earnings. Big businesses can better manage their operations and increase their competitiveness by adopting a value chain perspective. The value chain includes all of the actions a business must take to develop, produce, and dispose of a good or service. Therefore, a value chain strategy connects firms to the market in order to create a productive working environment for them (Linkov et al., 2020).

The country's rapidly growing middle- and upper-class populations, coupled with South Africa's mining industry boom, have created several opportunities for SMEs to operate in both local and international markets (Gongxeka, 2020). SMEs now have a great chance to enter the mining industry as suppliers of goods and services thanks to the current effort by South African mining companies to adhere to the Mining Charter and social labour programmes (Tshabalala, 2020). Mining businesses have the option of outsourcing some tasks or doing them internally. This increases market accessibility for small and medium-sized firms (SMEs) operating in mining areas.

2.12 Identification of Gaps in Existing Literature

Despite the extensive research on SMEs and their role in various industries, including mining, there are notable gaps in the literature, especially concerning the specific impacts of ESD on SMEs within the South African mining industry. These gaps are presented below.

2.12.1 Limited Focus on SME Challenges Specific to the Mining Industry

While the literature, as seen in sections 2.2 and 2.9, touches upon the broad challenges faced by SMEs, there is a lack of deep exploration into the unique difficulties encountered by SMEs operating specifically within the mining sector. These challenges might include specialised regulatory requirements, environmental concerns, or the high capital intensity of the mining industry.

2.12.2 Insufficient Analysis of the ESD's Impact under BBBEE

The literature review briefly discusses the BBBEE Act and its intended benefits for SMEs (section 2.3). However, there is a gap in analysing the actual impact of these policies on SMEs in the mining sector. Empirical data and case studies demonstrating the real-world effects of these policies are notably sparse.

2.12.3 Lack of Emphasis on Value Chain Integration

While the value chain is discussed in Section 2.11, there is a significant gap in understanding how SMEs integrate into the mining industry's value chain. Detailed insights into the roles, challenges, and opportunities for SMEs within this specific value chain are missing.

2.12.4 Underrepresentation of SME Voices

The literature predominantly presents a top-down perspective, with a focus on policy and macroeconomic factors. There is a lack of direct input or case studies from SME owners and managers themselves, which would provide a more nuanced understanding of the ground realities they face.

2.12.5 Limited Discussion on the Role of Technological Advancements

As the mining sector evolves with technological advancements, the literature (sections 2.9.2 and following) does not sufficiently address how these changes impact SMEs. This includes the adoption of new technologies, digital transformation, and how SMEs are adapting to these shifts.

In summary, while the existing literature provides a broad understanding of SMEs in the mining industry, it lacks depth in several key areas. These gaps present an opportunity for this study to

contribute meaningful insights, especially in understanding the nuanced challenges and opportunities for SMEs within the South African mining industry's context.

2.13 Summary and conclusion

This chapter covers the various definitions of SME and their importance to the economy. A conceptual framework was constructed, and the investigation's theoretical foundations were discussed. SMEs are widely acknowledged as catalysts for socioeconomic development and have played a critical role in expanding GDP, creating new jobs, and eradicating poverty. Notwithstanding the data supporting SMEs' significance, a review of the South African SME landscape reveals that SMEs still face a number of issues that prevent them from expanding and developing. In this chapter, we also discussed how the government incentivizes mining corporations to incorporate SMEs into their supply chains through BBBEE. It was also evaluated to see what other academics had to say about the function of enterprise supplier development. The methodology used to conduct the research on the impact ESD programmes on SMEs is presented in the next chapter.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The aim of the study was to evaluate the impact of Enterprise Supplier development by mining companies on SME in South Africa, with a focus in the Kathu area, which is a mining town in the Northern Cape province of South Africa.

This chapter provides and introduces the research design and methodology used to assess the impact of the ESD on SMEs in the mining sector of Kathu. The data was collected by issuing consent to participants who then completed the questionnaire.

3.2 Research philosophy

The underpinning research philosophy for this study is positivism, which is characterised by the pursuit of objectivity and the application of quantitative methodology (Eriksson & Kovalainen, 2020). Positivism establishes a structured research process, enabling the researcher to evaluate the interrelationships within a particular setting (Saunders, Lewis, & Thornhill, 2019). This quantitative study aims to uncover facts and to test their significance – these being the fundamental characteristics of positivism, namely inductivism and deductivism (Hair et al., 2020).

3.3 Research design

For this study, we employed a descriptive design based on surveys. According to Malhotra and Birks (2019), descriptive designs help depict an accurate profile of people, events, or circumstances. A descriptive study of the respondents' characteristics and opinions on ESD programmes was made possible by the survey method. The poll specifically targeted managers or owners of SMEs involved in the mining industry in the Kathu region.

3.4 Target population and sampling

The target population for this research comprises 195 SMEs ($n = 195$) registered on the enterprise and supplier database of ASSMANG. In determining the sample size, we employed the Cochran formula, which is widely used for sample size calculation in studies involving proportions (Kotrlík and Higgins, 2001). This formula ensures statistical

significance and accuracy in the findings, which is particularly crucial for non-probability sampling methods like convenience sampling.

Given the total population of 195, with an estimated response rate of 20%, the Cochran formula suggests a sample size of approximately 40 SMEs ($n = 40$). This size is deemed sufficient to represent the population adequately, considering the constraints of convenience sampling, which was selected for its practicality and cost-effectiveness (Ejiofor & Duru, 2019; Kotrlik & Higgins, 2001).

To ascertain respondents' availability, an initial email request was sent, followed by a phone call. This method aligns with best practices in research, ensuring a higher response rate (Smith, 2018).

The study specifically targets entrepreneurs of legal working age in Kathu, Northern Cape. These individuals must own businesses with a Level 1 BBBEE rating. This focus is in line with the study's aim to explore the impact of ESD programmes on SMEs in the mining sector. The choice to focus on Level 1 BBBEE-rated businesses is informed by literature that highlights the unique experiences and challenges faced by these enterprises in leveraging ESD programs (Johnson & Onwuegbuzie, 2004).

The study does not intentionally exclude any specific gender, race, age group, or education level, ensuring a diverse range of perspectives. The rationale behind focusing on SME owners is grounded in the assumption, supported by the theory of entrepreneurial expertise, that these individuals possess comprehensive knowledge about the ESD programmes impacting their businesses (Patel & Fiet, 2011).

The responses to the questionnaire are the opinions of SME owners, reflecting their firsthand experiences and insights. This approach is supported by phenomenological research methods, which emphasize the importance of subjective experiences in understanding a phenomenon (Moustakas, 1994). The selected sample size and sampling method are backed by established research methodologies and theories, ensuring the study's findings are both reliable and generalizable within the context of the research objectives.

3.5 Research instrument

The survey questionnaire aimed to evaluate the impact and effectiveness of enterprise supplier development (ESD) on small and medium-sized enterprises (SMEs) operating in the mining sector. The questionnaire consists of a series of Likert-scale statements categorised under five key objectives. Participants were required to indicate their level of agreement or disagreement with each statement, based on a 5-point scale ranging from 'Strongly Disagree' to 'Strongly Agree'.

The first objective was to measure the influence of ESD on the performance of enterprises. This section contains five statements probing the respondents' perceptions of the effects of ESD on enterprise performance, growth, competitiveness, financial performance, and its effectiveness in achieving enterprise objectives.

The second objective explored the role of ESD in developing SME owners or managers in the mining sector. This part focused on personal development aspects such as managerial capabilities, leadership style, skills in dealing with business challenges, and decision-making abilities.

The third objective aimed to identify the external and internal factors affecting the implementation of ESD within the participants' enterprises. It examined elements like regulatory, economic, and social influences, the impact of the enterprise's organisational structure, and market dynamics.

The fourth objective sought to uncover the main challenges faced by SMEs operating in the mining sector. It covers issues such as financial constraints, regulatory hurdles, market access difficulties, human resource constraints, and operational challenges.

The final objective proposed ways to improve the effectiveness of ESD in assisting the performance of SMEs in the mining value chain. Statements in this section suggest potential areas of improvement, including policy adjustments, process enhancements, increased funding, strategic changes, and an enhanced regulatory framework.

Table 3.1 Linking Research Objectives to the Data Tool

Research Objective	Corresponding Questions
1. Measure the influence of ESD on the performance of enterprises.	Section B: Impact of Enterprise Supplier Development (ESD) on SMEs ESD has significantly affected my enterprise's performance. The influence of ESD on my enterprise's growth has been positive. ESD has substantially contributed to my enterprise's competitiveness in the market. ESD has notably improved my enterprise's financial performance.
2. Explore the role of ESD in developing SME owners or managers in the mining sector.	Section C: Role of ESD in Developing SME Owners and Managers ESD has significantly contributed to my personal development as a manager and owner. ESD has substantially improved my managerial capabilities. ESD has noticeably influenced my leadership style or approach. ESD has greatly contributed to my skills in dealing with business challenges. ESD has notably helped in improving my decision-making abilities.

Research Objective	Corresponding Questions
3. Identify the external and internal factors affecting the implementation of ESD within the participants' enterprises.	Section D: Factors Influencing the Implementation of ESD Regulatory factors significantly affect the implementation of ESD in my enterprise. Economic factors greatly influence ESD implementation in my enterprise. The organisational structure of my enterprise has a high impact on the implementation of ESD. Social factors significantly affect the implementation of ESD in my enterprise. Market dynamics strongly influence the implementation of ESD in my enterprise.
4. Uncover the main challenges faced by SMEs operating in the mining sector.	Section E: Challenges Experienced by SMEs Financial constraints are a major challenge for my enterprise. Regulatory hurdles have been a significant challenge for my enterprise. Market access difficulties are a major challenge for my enterprise. Human resource constraints pose a significant challenge to my enterprise.

Research Objective	Corresponding Questions
	Operational challenges are significantly impactful to my enterprise.
5. Propose ways to improve the effectiveness of ESD in assisting the performance of SMEs in the mining value chain.	Section F: How to Improve the Effectiveness of ESD on SMEs in the Mining Value Chain Policy adjustments could significantly improve the effectiveness of ESD for my enterprise. Process improvements could greatly enhance the impact of ESD in my enterprise. Increased funding could considerably enhance the effectiveness of ESD for my enterprise. Strategic changes could substantially improve the impact of ESD on my enterprise. An enhanced regulatory framework could significantly improve the effectiveness of ESD for my enterprise.

3.6 Reliability and validity / trustworthiness

To ensure that the survey questionnaire correctly produces data that addresses the research questions and objectives of the study, reliability and validity measures are essential (Bolarinwa, 2020). We used certain aspects of validity, such as construct, criterion, and content validity, to evaluate how well the survey instrument achieved the study's objectives.

Assessing whether the survey questionnaire includes all the components required to adequately address the research questions ascertains content validity (Polit & Yang, 2019). To ensure the accuracy and dependability of the scale scores for drawing conclusions regarding the research issues, the researcher subjected the pilot study data to the construct validity test, which considers factors such as homogeneity, convergence, and theory evidence. Hinkin, Tracey, and Enz (2020) conducted this to ensure the accuracy and dependability of the scale scores for drawing conclusions regarding the research issues.

Researchers use criterion validity, including convergent, divergent, and predictive validity tests, to assess if the questionnaire successfully answers the study questions (Aithal & Aithal, 2020). The degree to which the instrument's results correspond with those of other measures of the same construct is known as convergent validity. The test of divergent validity determines whether there is a correlation between constructs that shouldn't be there. The instrument's predictive validity pertains to its capacity to forecast future results. Researchers use the test-retest method and parallel forms to assess the instrument's reliability, which demonstrates its stability and consistency. This establishes how consistently the questionnaire's elements respond to the study questions (Haynes, Richard, & Kubany, 2020).

Researchers assess the stability and consistency of the replies over time by calculating the correlation coefficient of the scores. According to Fowler (2019), the response rate is a useful metric for verifying that the data gathered fairly and adequately represents the sample, providing enough information to answer the study's objectives and research questions. Together, these metrics strengthen the research findings' credibility and offer a strong basis upon which to form precise and trustworthy conclusions.

3.7 Data analysis

The data generated from the questionnaire responses was thoroughly reviewed for integrity, discarding incomplete submissions. The entirety of valid responses were marked as affirmative, thereby facilitating the determination of the response rate. Descriptive statistical methods were employed to inspect and summarise the categorical and scale data evident in the responses to be provided. Expressions of frequencies or percentages and mean

values accompanied by standard deviations were used to depict the categorical and scale data, respectively.

The questionnaire is divided into five distinct sections, each representing a research objective and composed of closed-ended questions featuring a five-point Likert scale. This Likert scale is designed to ascertain the perceived influence level of each factor, with 1 representing 'Strongly Disagree' (Not at all impactful), 2 indicating 'Disagree' (Slightly impactful), 3 corresponding to 'Neutral' (Moderately impactful), 4 signifying 'Agree' (To some extent impactful), and 5 symbolising 'Strongly Agree' (Significantly impactful). This data analysis approach facilitated a detailed and systematic interpretation of the questionnaire responses, allowing for a quantitative examination of SMEs' views and experiences with ESD programmes in the mining sector.

3.8 Ethical considerations

The University of Free State's General/Human Research Ethics Committee approved the study's ethical clearance.

Potential participants, drawn from a pool of business owners predicated on their availability, were invited via email, delineating the study purpose and elucidating the instructions for completing the survey questionnaire (Kim & Thapa, 2020). It was explicitly communicated that participation would be entirely voluntary, and that all responses would be treated with the utmost confidentiality, safeguarding the anonymity of the participants (Park et al., 2020). Strict protocols were implemented in this scenario to safeguard the research participants' identities.

Participants were notified in advance about the non-obligatory nature of their participation in the study, in line with the ethical guidelines emphasising respect for persons and voluntary participation (Frankfort-Nachmias, Nachmias & DeWaard, 2021). There was no compulsion or inducement for the respondents to complete the survey. They were allowed the freedom to discontinue participation at any stage if they experience any discomfort with the study.

In order to verify their willingness to participate in the research, respondents were requested to fill out the consent form before beginning the online survey. This verified that they had carefully read, understood, and consented to the rules of participation, which included the goals and processes of the study.

Finally, the researcher is committed to adhering to the guidelines laid down in the Singapore Statement, which sets high standards of ethical conduct in research (Bezuidenhout & Morrison, 2020). This adherence underscores the researcher's commitment to maintaining ethical integrity throughout the study.

3.9 Conclusion

This chapter provided a comprehensive overview of the research methodology employed in this study, focusing on the impacts and roles of ESD programmes on SMEs in the mining sector. A positivist philosophy served as the foundation for the study, which was quantitative in nature. The deductive research approach guided the development of hypotheses and their subsequent testing. The methodology designed for this study was robust and comprehensive, allowing for a well-rounded investigation. The subsequent chapters will discuss the findings and implications drawn from the application of this research methodology.

CHAPTER FOUR: FINDINGS AND INTERPRETATION

4.1 Introduction

In this chapter, a comprehensive examination is provided of the attributes of the respondents to the study. An examination is conducted on a multitude of factors, including the age of businesses, their participation in supplier development programmes, industry classification, and educational attainment. This chapter's goal is to shed light on various characteristics of small companies in the mining industry while highlighting the ways in which these distinctive characteristics affect the effectiveness of ESD programmes. The analysis of these respondent characteristics provides a comprehensive comprehension of the sector's opportunities and challenges, with a specific focus on the sustainability of the market and the growth of SMEs.

4.2 Respondent characteristics

4.2.1 Business industry classification

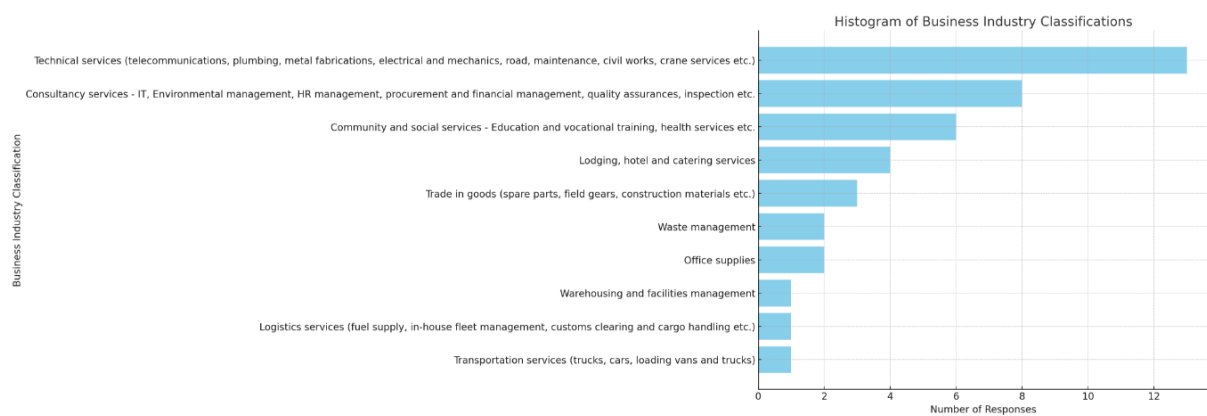


Figure 4.1: Business industry classification

The most often stated company involvements are those related to technical services for telecommunications, plumbing, metal fabrication, electrical and mechanical, road maintenance, civil works, and crane services. The fact that this category was mentioned thirteen times suggests that respondents are quite interested in this area. The second most common category is consultancy services, which includes a broad range of specialised services like IT, environmental management, HR management, procurement and finance management, quality assurances, and inspection. Eight times, this was mentioned, indicating that a sizable portion of respondents are consultants.

With six mentions, community and social services pertaining to health, education, and job training are likewise well represented. With four and three references, respectively, lodging, hotel, and catering services, as well as trade in commodities (such as field gear, spare parts, and building materials), were modestly represented.

There are only one or two mentions per category for other areas such as waste management, office supplies, warehouse and facility management, logistics services, and transportation services. This implies that, among the respondents, certain services might be more specialised. The respondents' varied industries suggest a wide range of knowledge, experience, and commercial interests. This also alludes to a diverse business community offering a range of products and services.

The coexistence of diverse company categories in the same town could present prospects for interdisciplinary cooperation. An additional economic indicator of the area from which the data were gathered is the distribution of industries. A rising infrastructure and corporate environment that prioritises specialised skills and knowledge-based services is implied by a high number of technical and consulting services.

4.2.2 Education level of respondents

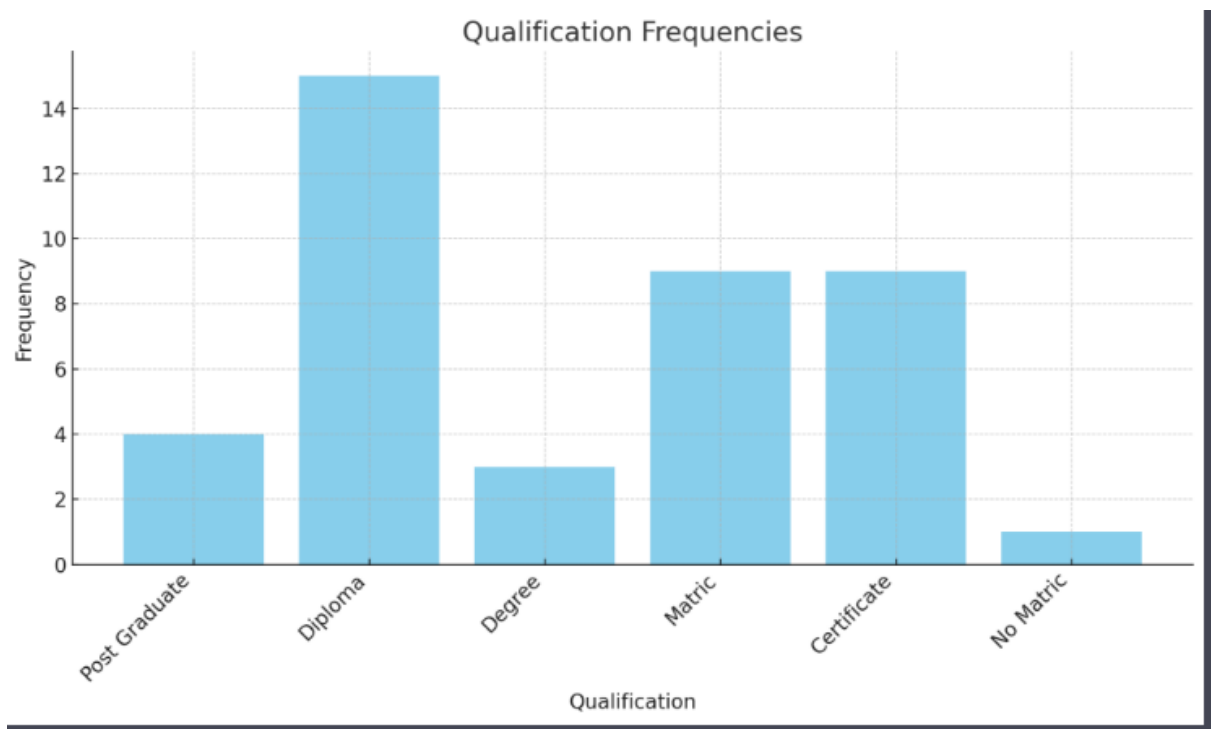


Figure 4.2: Education level of respondents

The results from the survey question “What is your qualification?” with the education levels and their respective counts (n) and percentages are as follows: 2.4% reported not having a matric qualification. This is the least represented group in the survey, which suggests that the majority of respondents have at least completed high school. Responses indicated that 22.0% have completed matric, and 22.0% have completed education to the level of a certificate, while 36.6% have a diploma, 7.3% have a degree, and 9.8% reported having postgraduate qualifications.

It is observed that most of the have post-secondary education, with diplomas being the most common. This suggests a workforce with a significant level of education, which can be indicative of a skill-specific job market. The relatively low percentage of degree holders suggests a variety of factors, such as accessibility, affordability, relevance of degree education to the job market, or the possibility that diploma courses are more aligned with the needs of the local economy. The educational qualifications of individuals within the community can have several implications for the development of small enterprises. With a large number of respondents holding diplomas (36.6%), small enterprises in the area could benefit from a workforce that is skilled and possibly specialised in particular trades or services. Diplomas often focus on practical and vocational skills, which can be applicable directly to the needs of small businesses. The presence of individuals with postgraduate qualifications (9.8%) suggests that there is a potential for innovation and high-level expertise within the small enterprise sector. These individuals could bring advanced knowledge and research capabilities to businesses, helping them to develop competitive advantages and unique offerings.

The existence of respondents with matric and certificate levels of education indicates the need to invest in training and development of SMEs workforce. The varied levels of education may support the diversification of the local economy. People with different qualifications might start businesses in various sectors, not just those traditionally associated with their field of study, which could stimulate cross-sectoral growth. For those with no matric or only matric, there may be barriers to entering certain markets or starting their own business. Entrepreneurs with higher education levels may have better access to funding, since they may be more capable of navigating the complexities of financial proposals and have a better understanding of financial management.

The educational makeup of the community suggests that there is potential for the development of skilled small enterprises, innovative business practices, and economic diversification.

4.2.3 Business experience

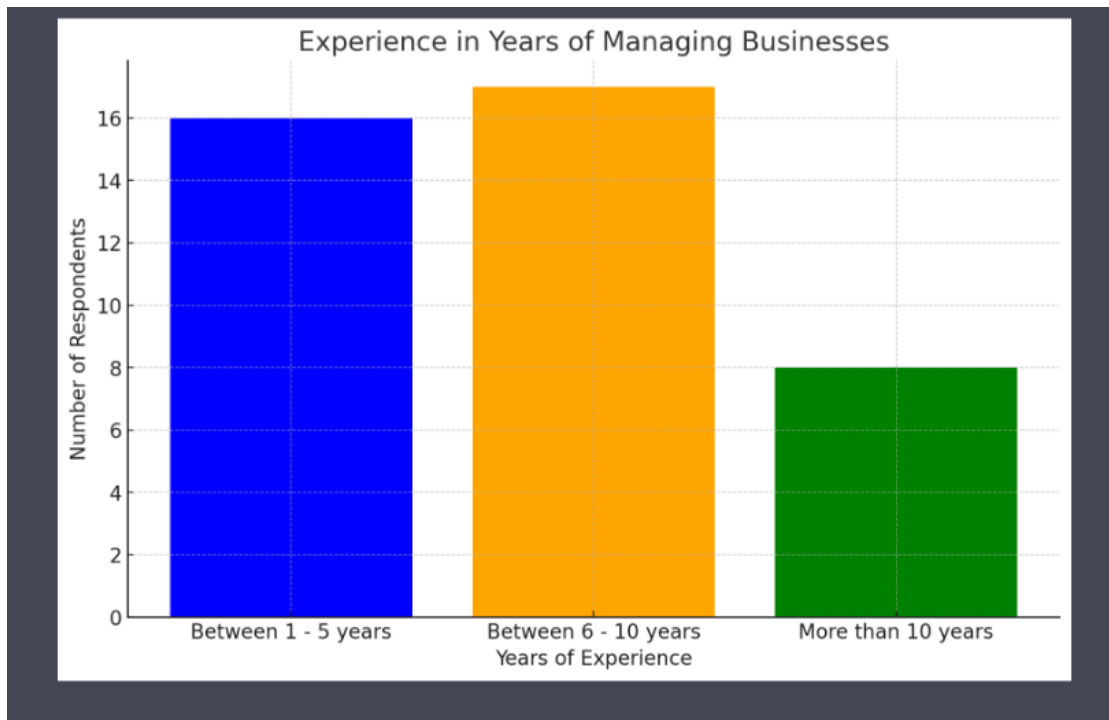


Figure 4.3: Respondents' years of experience in business

The respondents reported their years of experience in enterprise management or oversight of enterprises. Those with one to five years of experience, those with six to ten years of experience, and those with over ten years of experience comprise the three categories of responses. The responses indicate a variety of experience levels, which has implications for ESD. Experts with over ten years of experience can offer substantial knowledge, well-established connections, and potentially more stable and developed relationships with suppliers. They may have a more comprehensive understanding of the mining industry's risk management, market dynamics, and regulatory environments. Managers with between six and ten years of experience may contribute novel viewpoints in addition to a robust background in their field. Potentially more receptive to novel technologies and inventive approaches to ESD, they could be advantageous to SMBs seeking to distinguish themselves or increase efficiencies. Individuals with a shorter tenure (1 to 5 years) may possess greater agility and adaptability, both of which are crucial attributes in an industry as dynamic as

mining. They might be more receptive to collaborating with more recent SMBs and could facilitate the modernisation of supplier development procedures.

Consequently, the effects of ESD on businesses are dependent on how these varying degrees of experience manifest in practice. Individuals possessing greater experience might wield a greater impact when it comes to shaping policy and establishing optimal methodologies, whereas those with limited experience might play a pivotal role in stimulating innovation and facilitating the sector's response to emerging challenges. An ESD workplace that is more robust and dynamic through the balancing of the viewpoints and approaches of seasoned and inexperienced managers could favour the growth and sustainability of SMEs.. Concerning compliance, safety, environmental sustainability, operational efficiency, and so forth, the judgements and choices of seasoned business managers may be critical for SMBs. The way in which the experience of these managers interacts with their ESD strategies can have a substantial impact on the success of SMEs operating in this highly competitive sector.

4.2.4 Period of participation in enterprise and supplier development programmes

Table 4.1: Period of participation in ESD programmes

Duration	Frequency	Percentage
Less than 1	7	18.4%
Between 1 and 5 years	28	73.6%
Between 6 and 10 years	3	7.8%

The SMEs that were asked about their length of involvement in supplier development initiatives are indicated by the results in Table 4.1. Within the category of less than a year (18.4%), small businesses that are relatively new to supplier development programmes are included. They appear to be in the early stages of supply chain integration with the mining industry based on their lack of experience. The largest group, those with one to five years of experience (73.6%), consists of small businesses that have had some time to become

acquainted with the standards and operational demands of the mining industry. Businesses in this stage are probably expanding their operations and strengthening their positions in the market. The high percentage in this category implies that supplier development programmes are effective in keeping respondents engaged, a sign that businesses value the chances and ongoing support offered. This time frame is essential for networking, capacity building, and small business growth as they transition to sustainability. This lesser percentage of businesses (7.8%) is probably more developed inside the industry's supply chain after six to ten years. They have had plenty of time to take advantage of the development plans, which point to a long-term, well-honed, sustainable company strategy. These businesses are probably more resilient, and they might be essential in guiding the development of smaller businesses.

The length of time that small enterprises in the mining industry have participated in enterprise and supplier development programmes is a crucial indicator of their performance. Long-term engagement emphasises the possibility for growth and the significance of ongoing assistance, whereas short-term participation emphasises the difficulties and requirements of new arrivals. The majority of businesses fall into the one-to-five-year age range, which indicates that enterprise and supplier development programmes should adjust their resources to assist these companies throughout their crucial growth stage on the way to long-term sustainability.

4.2.5 Age of the business

Table 4.2: Age of the business

Duration of existence	Frequency	Percentage
Less than 1 year	0	0.0%
Between 1 and 5 years	13	32.5%
Between 6 and 10 years	22	55.0%
More than 10 years	5	12.5%

The aforementioned table shows that the majority of the companies (55%) have been in business for six to ten years. A sizeable portion (32.5%) has been in operation for one to five years, while a lesser portion (12.5%) has been operational for ten years or longer. The preponderance of businesses with six to ten years of experience points to a mature and possibly stable group of organisations that have survived the early stages of start-up and are probably in the process of establishing their clientele, operational stability, and business procedures. Businesses that have been in operation for one to five years are probably still in the growth stage and may be having difficulties scaling. As businesses look to build their brand and solidify their place in the market, this stage is crucial. There are established participants in the market if there are organisations with more than a decade of experience. These businesses might serve as industry leaders or pillars, establishing best practices and standards. The lack of businesses with less than a year of operation may indicate entrance obstacles in the mining sector. This implies that support networks are necessary to encourage and sustain new business ventures in the sector.

Companies that have been in business for extended periods of time may have stronger ties with the local government, communities, and other stakeholders in the Kathu mining cluster, which can support ESD initiatives. Additionally, their increased familiarity with the unique opportunities and constraints faced by the Northern Cape's mining industry may help them to provide SMEs with more effective support. Conversely, more recent businesses may contribute novel ideas and cutting-edge approaches to ESD. Additionally, they might be more driven to participate in ESD if it means they can start off with a solid reputation and solid community ties. Many factors, including but not limited to a company's age, determine its potential to impact ESD. Important factors include resources, a dedication to corporate social responsibility, strategic priorities, industry position, and the regulatory environment.

4.2.6 Implications of the enterprise characteristics

Examining the interactions and effects of various variables, including industry classification, educational background, management experience, years of participation in a supplier programme, and business age on ESD outcomes is part of the analysis of the relationships between various characteristics of respondents. A summary analysis that takes into account every variable examined is provided below:

4.2.7 Business sector categorisation

There appears to be a high demand for specialised skills in the mining industry based on the prevalence of technical services. These companies are essential to the mining value chain and small enterprises engaged in these service have the potential for faster growth once engaged in ESD programmes. The availability of community and consulting services suggests that ESD in the mining industry might gain from a range of professional perspectives and social development know-how, supporting all-encompassing development plans.

4.2.8 Background in education

The workforce is probably equipped with a practical and vocational skill set that is directly transferable to technical and operational responsibilities in the mining industry, given the high number of respondents who hold diplomas. Postgraduate degrees imply that certain companies have access to sophisticated research and analytical capabilities, which could spur innovation and strategic thinking in ESD.

4.2.9 Supervisory experience

A solid balance between respondents with one to five years and six to ten years of managerial experience points to a blend of new ideas and well-established industry knowledge. This may help to create an ESD environment that is flexible and dynamic. For the purpose of creating robust ESD programmes, the presence of managers with more than ten years of experience can offer stability and mentorship.

4.2.10 Years in the programme for supplier development

Most respondents in the supplier development programme are in the early- to mid-stages of their involvement. This shows that ESD is actively growing and that learning and support are still needed. More recent programme s can challenge the status quo and offer creative solutions, which will enhance the ESD environment. Companies that have been in operation for six to ten years may have stabilised and are therefore in a better position to make meaningful contributions to ESD. Although they are less likely to have ESD programmes in place, younger businesses can nonetheless contribute new ideas and creative ways to the ESD process.

The way these factors interact indicates that the Kathu mining centre offers a setting for ESD that is dynamic, diversified, and possibly cooperative. Programmes must be created thoughtfully to take into account the unique features of the businesses engaged, such as their industry categorisation, levels of expertise, and educational backgrounds, in order to optimise the impact of ESD. The best strategies for advancing ESD and, consequently, the region's overall economic development will probably be those that are specifically tailored to each firm and take into account its distinct requirements and contributions.

4.2.11 Impact of enterprise supplier development on SMEs

Table 4.3: Impact of ESD on SMEs

Statement	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)
ESD has significantly affected my enterprise's performance.	43.90	36.59	9.76	0.00	9.76
The influence of ESD on my enterprise's growth has been positive.	43.90	46.34	2.44	0.00	7.32
ESD has substantially contributed to my enterprise's competitiveness.	34.15	43.90	12.20	2.44	7.32
ESD has notably improved my enterprise's financial performance.	43.90	34.15	7.32	9.76	4.88
ESD has been effective in helping my enterprise to meet its objectives.	35.90	43.59	12.82	2.56	5.13

The data presented in Table 4.3 reflects responses to the questions on assessing the impact of ESD on SMEs in the mining sector.

- **ESD has significantly affected my enterprise's performance.**

43.90% of respondents strongly agree, and another 36.59% agree, that ESD has had a major impact on their enterprise's performance. This indicates a strong positive perception of ESD's impact on performance. Notably, there are no respondents who disagree, but a small percentage (9.76%) strongly disagree, which may suggest some disparities in the experiences or expectations of the effectiveness of ESD.

- **The influence of ESD on my enterprise's growth has been positive.**

The majority of respondents (90.24%) have rated ESD's influence on growth positively, combining those who agree and strongly agree. This suggests that ESD initiatives are seen largely as beneficial for enterprise growth. Only a minimal percentage disagree or strongly disagree, indicating a consensus on the positive impact of ESD on growth.

- **ESD has substantially contributed to my enterprise's competitiveness.)**

Respondents generally view ESD as a contributor to competitiveness, with 78.05% affirming this sentiment. The presence of neutrality (12.20%) and some level of disagreement suggests that, while ESD is perceived as beneficial, there may be factors that hinder its effectiveness in enhancing competitiveness for some enterprises.

- **ESD has notably improved my enterprise's financial performance.**

This statement shows a relatively more balanced distribution of responses, with 43.90% strongly agreeing and 34.15% agreeing. However, there is a notable disagreement (9.76%) and a strong disagreement (4.88%), implying that while many respondents recognise financial improvements owing to ESD, there is a significant minority for whom ESD has not translated into financial performance improvements.

- **ESD has been effective in helping my enterprise meet its objectives.**

The majority of respondents' view ESD as effective in helping their enterprises meet objectives, with 35.90% strongly agreeing and 43.59% agreeing. A small percentage disagree, and the neutral responses (12.82%) might suggest that while ESD is generally effective, it may not fully align with or impact the specific objectives of all enterprises.

The data indicate a predominantly positive impact of ESD on the surveyed enterprises, particularly in performance, growth and meeting objectives. The strong agreement across most statements highlights ESD's role as a beneficial factor in the mining sector for SMEs. However, it is important to acknowledge the neutral and negative responses. The neutrality may stem from a lack of direct experience with ESD's benefits or from ESD programmes not being sufficiently tailored to some enterprises' specific needs and circumstances. The disagreements, especially those strongly disagreeing, underscore that ESD is not universally beneficial and may not address all challenges faced by SMEs.

4.2.12 Role of ESD in developing SME owners

Table 4.4: Role of ESD In developing SME

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
ESD has significantly contributed to my personal development as...	46.34%	31.71%	12.20%	4.88%	4.88%
ESD has substantially improved my managerial capabilities.	34.15%	43.90%	7.32%	9.76%	4.88%
ESD has noticeably influenced my leadership style or approach.	34.15%	39.02%	12.20%	12.20%	2.44%
ESD has greatly contributed to my skills in dealing with business.	39.02%	36.59%	9.76%	12.20%	2.44%
ESD has notably helped in improving my decision-making abilities.	39.02%	34.15%	14.63%	9.76%	2.44%

The data in Table 4.4 reflect the perceptions of owners and managers of SMEs about the impact of ESD on various aspects of their personal and professional development.

- **Contribution to personal development**

A significant majority (78.05%) either strongly agree or agree that ESD has contributed to their personal development. Only a minority (9.76% neutral; 9.76% disagree) hold a neutral or negative view.

- **Improvement in managerial capabilities**

The majority (78.05%) feel that their managerial capabilities have improved owing to ESD. A small proportion (14.64%) disagree with this, indicating a need to focus on aspects of ESD that could enhance managerial skills.

- **Influence on leadership style or approach**

The fact that 73.17% of the respondents agree or strongly agree that ESD influenced their leadership style suggests positive effects. However, a significant portion (24.4%) either disagrees or is neutral, highlighting areas for potential improvement in leadership development aspects of ESD.

- **Contribution to skills in dealing with business challenges**

75.61% of the respondents agree or strongly agree that ESD has made a significant contribution to their ability to handle corporate difficulties, demonstrating the effectiveness of this approach in developing practical skills. 14.64% disagree, indicating a need for more specialised or concentrated training in this area.

- **Help in improving decision-making abilities**

Again, a majority (73.17%) acknowledge an improvement in their decision-making abilities, while 12.20% disagreement indicates a gap that ESD programmes could address to enhance decision-making skills further.

The majority of the data indicate that SME owners and managers have a positive opinion of ESD's contribution to their professional development, particularly in the areas of decision-making, managerial aptitude, and personal growth. Even if the overall trend is good, there are, however, discernible percentages of neutral and negative answers, particularly when it comes to managing company challenges and leadership style. This suggests that ESD programmes should be improved through measures such as adding more specialised training or attending to the unique needs of managers and owners. In order to improve their efficacy and relevance, ESD programmes need to modify their techniques to be more industry-specific, given the mining sector's setting, which frequently involves unique

problems and dynamics. The Mining Charter states that mines develop mining communities by promoting enterprise growth and fostering technical skill development, such as engineering and boiler making, to facilitate employment opportunities for community members (Maponga & Musa, 2021).

4.2.13 Factors influencing the implementation of ESD

Table 4.5: Factors influencing the implementation of ESD

Statement	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)
Regulatory factors significantly affect the implementation of ESD in my enterprise.	17.07	41.46	31.71	4.88	4.88
Economic factors greatly influence ESD implementation in my enterprise.	26.19	47.62	16.67	7.14	-
The organisational structure of my enterprise has a high impact on the implementation of ESD.	14.63	41.46	21.95	14.63	7.32
Social factors impact the implementation of ESD in an enterprise.	19.51	39.02	31.71	9.76	-
Market dynamics strongly influence the implementation of ESD in my enterprise.	24.39	53.66	17.07	4.88	-

The data presented in Table 4.5 offer insights into various factors affecting the implementation of ESD within the mining sector. The factors include regulatory, economic, organisational, social, and market dynamics, with responses ranging from strong agreement to strong disagreement.

- **Regulatory factors**

Of the respondents, 58.53% (17.07% strongly agree; 41.46% agree) acknowledge the significant effect of regulatory factors on ESD implementation. A notable 31.71% remain neutral, possibly indicating uncertainty or variability in how regulations impact different enterprises.

- **Economic factors**

A majority of 73.81% (26.19% strongly agree; 47.62% agree) believe that economic factors have a great influence on ESD implementation, suggesting that economic conditions are critical in shaping ESD initiatives. Only 7.14% disagree, indicating general consensus on the importance of economic factors.

- **Organisational structure**

Of the respondents, 56.09% (14.63% strongly agree; 41.46% agree) consider their enterprise's organisational structure as highly impactful on ESD implementation. However, 22.95% (14.63% disagree; 7.32% strongly disagree) indicate a dissenting opinion, suggesting that the effect of organisational structure on ESD might vary greatly among different enterprises.

- **Social factors**

Of the respondents, 58.53% (19.51% strongly agree; 39.02% agree) acknowledge the impact of social factors, indicating a recognition of the role of societal issues and norms in ESD implementation. A large segment (31.71%) is neutral, reflecting either varied experiences or a lack of clear understanding of how social factors play a role. SMEs have a great potential to enter the mining industry as suppliers of goods and services due to the current drive by South African mining companies to comply with the Mining Charter and social labour programmes (Tshabalala, 2020), which will lead to the creation of jobs and the development of skills.

- **Market dynamics**

A significant 78.05% (24.39% strongly agree; 53.66% agree) believe that market dynamics influence ESD strongly, suggesting that market conditions, competition, and customer demands are crucial in shaping ESD practices. Only 4.88% disagree, indicating a broad consensus on the importance of market factors.

According to the study results, most respondents agreed that a range of issues, such as organisational, social, legal, economic, and market dynamics, affect how ESD is implemented in the mining industry. The economic and market dynamics exhibit the highest levels of agreement, indicating that these are critical domains in which ESD policies need to adjust and react. The varying responses regarding the organisational and social aspects indicate that, depending on the unique circumstances of each firm, their influence on the implementation of ESD may differ significantly. In order to optimise the implementation of ESD, businesses must take these factors into account in a comprehensive manner. They must then customise their ESD strategies so that they not only fit the external market and economic conditions but also take internal organisational structures into account and react to the regulatory and social environments.

4.2.14 Challenges experienced by SMEs

Table 4.6: Challenges experienced by SMEs

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Financial constraints	43.90%	39.02%	7.32%	9.76%	0.00%
Regulatory hurdles	7.32%	39.02%	29.27%	12.20%	12.20%
Market access difficulties	19.51%	39.02%	12.20%	14.63%	14.63%
Human resource constraints	9.76%	46.34%	21.95%	19.51%	2.44%
Operational challenges	17.07%	39.02%	17.07%	17.07%	9.76%

The data in Table 4.6 provide a summary view of the challenges experienced by SMEs in the mining sector.

- **Financial constraints**

A significant majority (82.92%) either strongly agree or agree that financial constraints are a major challenge. This indicates that access to funding, financial management, or capital investment is a critical issue for SMEs in the mining sector. Only a small portion (9.76%) disagree, suggesting a broad consensus on the importance of financial issues.

- **Regulatory hurdles**

Of the respondents, 46.34% agree that regulatory hurdles are a challenge, reflecting concerns about compliance, licensing, and navigating government regulations. A notable portion is either neutral (29.27%) or disagrees (24.4%), indicating variability in how different SMEs experience regulatory challenges, possibly owing to variations in location, size, or sector specifics.

- **Market access difficulties**

Of the respondents, 58.53% agree that market access is a difficulty, indicating challenges in finding markets, competition, and customer acquisition, while 29.26% either disagree or strongly disagree, suggesting that for some SMEs, market access may not be as significant a barrier. Market accessibility is still a problem since SMEs find it hard to develop goods and services that can compete in both domestic and foreign markets, which makes it impossible for them to participate and thrive in corporate and global markets (Epede & Wang, 2022).

- **Human resource constraints**

Of the respondents, 56.1% agree on the challenge of human resources, indicating issues with finding skilled labour, training employees, or managing staff. These results support the notion that managers and staff with advanced degrees are essential to the success of SMEs, especially those in finance (Kengne, 2021). A major barrier to the expansion of SMEs may be a lack of knowledge and experience. There is a disagreement of 21.95%, which may indicate that SMEs have different demands in terms of human resources or management skills..

- **Operational challenges**

Of the respondents, 56.09% agree that operational challenges are a concern, pointing to issues in day-to-day management, supply chain logistics, or technology usage, while

26.83% either disagree or strongly disagree, suggesting that operational issues may vary greatly depending on specific business models or operational efficiencies. According to the data, SMEs in the mining industry have a variety of difficulties, the most well-known of which is financial limitations. The wide range of responses to the different questions suggests that the impact of these difficulties varies significantly based on the organisation's size, location, and industry within the mining sector. The research indicates that, in order to assist SME development in this industry, stakeholders must adopt customised strategies that take into account these various obstacles. Key areas of concentration could include financial support, regulatory guidance, market access facilitation, human resource development, and help for operational management. These issues are probably influenced by the particulars of the mining industry, which may require large capital expenditure, specialised knowledge, and particular regulatory frameworks. This suggests that industry-specific solutions are required for the successful development of SMEs.

4.2.15 How to Improve the effectiveness of ESD on SMEs in the mining value chain

Table 4.7: Improve effectiveness of ESD in value chain

Statement	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)
Policy adjustments could significantly improve the effectiveness of ESD.	48.78	41.46	7.32	2.44	-
Process improvements could greatly enhance the impact of ESD.	43.9	48.8	2.4	4.9	-
Increased funding could considerably enhance the effectiveness of ESD.	78.05	19.51	2.44	-	-
Strategic changes could substantially improve the impact of ESD.	39.47	52.63	5.26	2.63	-
An enhanced regulatory framework could improve the effectiveness of ESD significantly.	24.39	41.46	12.20	4.88	17.07

The data in Table 4.7 provide insights into the perceptions of SMEs regarding how ESD can address their challenges effectively.

- **Policy adjustments**

A substantial 90.24% (48.78% strongly agree; 41.46% agree) believe that policy adjustments could significantly improve the effectiveness of ESD. This suggests a strong perception that current policies may not be fully aligned with the needs of SMEs in the mining sector. Only a small fraction (2.44%) disagrees, indicating broad consensus on the importance of policy alignment.

- **Process improvements**

A combined 92.7% (43.9% strongly agree; 48.8% agree) perceive that process improvements could greatly enhance the impact of ESD. This highlights the need for more efficient, transparent, and streamlined processes in ESD initiatives. Only 4.9% disagree, suggesting that, while most see room for improvement, a few might be satisfied with current processes.

- **Increased funding**

An overwhelming 97.56% (78.05% strongly agree; 19.51% agree) believe that increased funding could considerably enhance ESD's effectiveness. This reflects a clear demand for more financial resources, aligning with the previously identified challenge of financial constraints. There is almost no disagreement here, underscoring the perceived importance of financial support. The research confirms that the statement of Wiid and Cant (2021), that SMEs face financial constraints as a result of excessive borrowing rates, difficulty meeting collateral requirements, and poor financial records.

- **Strategic changes**

Of the respondents, 92.1% (39.47% strongly agree; 52.63% agree) agree that strategic changes could substantially improve the impact of ESD. This indicates a need for rethinking and possibly reorienting ESD strategies to better align with SME needs and challenges. A small proportion (2.63%) disagrees, suggesting that some may find current strategies adequate. According to Baloyi, Swanepoel, and Venter (2019), large companies like mines should help entrepreneurs with non-financial matters so they can take advantage of procurement opportunities both inside and outside of other organisations. SME participation in the value chain is essential for mining companies, and this can only be achieved by providing SMEs with support activities such as financial start-up capital, securing asset purchase security, and training and mentoring suppliers. The company that helps an SME stay in business benefits from having a larger supply of suppliers.

- **Enhanced regulatory framework**

Of the respondents, 65.85% (24.39% strongly agree; 41.46% agree) see an enhanced regulatory framework as beneficial for improving ESD's effectiveness. This aligns with the challenge of regulatory hurdles faced by SMEs. Still, 17.07% strongly disagree, indicating a notable group who may perceive current regulations as adequate or are sceptical about regulatory changes.

According to the research, SMEs clearly want broad ESD improvements, such as improved policies, improved procedures, more financing, altered strategies, and improved regulatory frameworks. Priority areas are indicated by the especially strong agreement on increasing spending and strategic reforms. This is in line with the problems SMEs encounter with limited resources and gaining access to markets. Although SMEs have a complex perspective, there is a moderate agreement on strengthening the regulatory framework. This suggests that any changes to the regulations should be calibrated carefully to suit a range of demands. However, there is also a major disagreement. The study supports the findings of Loayza (2018), who pointed out that positive regulatory environments are linked to low administrative costs, low taxes for start-ups and small businesses, adaptable labour markets, strong property rights, and a reliable mechanism for enforcing contracts.

4.3 Conclusion

The investigation conducted regarding the attributes of respondents reveals a nuanced and complex environment. The diversity in the classification of business industries is indicative of the extensive range of talents and services that contribute to the mining value chain. Diverse levels of education, along with varying degrees of business experience and involvement in supplier programmes, reveal the sector's complex tapestry of expertise and developmental stages. These observations emphasise the necessity for customised ESD programmes that take into account these varied characteristics. The data shows that successful ESD projects can significantly impact SMEs' performance, expansion, and competitiveness. This chapter also stresses how important it is to deal with specific problems that small and medium-sized businesses (SMEs) face, like limited funds, legal issues, and complicated operations, in order to make ESD work better across the whole mining value chain. Essentially, this chapter offers a basic understanding of the respondents' demographics, which is essential for formulating effective policies and plans related to the long-term growth of small businesses in the mining sector.

CHAPTER FIVE: RECOMMENDATIONS, SUMMARY AND CONCLUSION

5.1 Introduction

This chapter offers a thorough overview of the study, combining the vast amounts of data and knowledge gathered to make useful recommendations for enhancing ESD, particularly for SMEs in the mining industry. The analysis incorporates insights derived from the educational backgrounds, business experiences, participation in supplier development programmes, and company ages of the respondents. The objective of this chapter is to apply these understandings to real-world situations by suggesting customised ESD initiatives, enhanced availability of financial aid and legal support, targeted training programmes, mentoring programmes, networking prospects, and strategic operational support. Furthermore, it promotes the establishment of a conducive environment by means of policy restructuring and multisector cooperation. In addition to presenting these suggestions, the chapter revisits the study's main findings and provides a thorough summary and concluding remarks regarding the effects of ESD on SMEs operating in the mining industry.

5.2 Main findings

5.2.1 Diversity of industry and skill set

The variety of company involvement – from technical services to consulting and community services – highlights the rich tapestry of talents and abilities of the SME community. This diversity creates opportunities for innovation and cross-sector collaboration, in addition to reflecting the complex structure of the mining industry.

5.2.2 Background in education and its consequences

The majority of respondents had post-secondary education, particularly those with diplomas, which highlights a workforce with relevant knowledge and abilities. This instructional composition states that SMEs have a great opportunity to significantly contribute to the mining industry's ability to meet its operational and technical needs. But the existence of people with different educational backgrounds also suggests that specialised training programmes are necessary to improve abilities and skills.

5.2.3 Knowledge and business development

The range of company experience, from start-ups to companies operating for more than ten years, suggests a vibrant industry with both cutting-edge concepts and conventional

knowledge. Established companies offer consistency and guidance, but more recent establishments bring in creativity and flexibility.

5.2.4 Effects of ESD on development and performance

It is encouraging to see the general outpouring of support for the effects of ESD on business performance, expansion, and competitiveness. It implies that the majority of ESD activities are successful in improving the operational capacities of SMEs. However, the fact that neutral and negative comments were included indicates that there is still a need for development, particularly in terms of customising ESD programmes to the various needs of SMEs.

5.2.5 Obstacles and potential improvement areas

For SMEs, financial limitations, legal issues and barriers to market access continue to be major obstacles. These difficulties highlight the need for ESD programmes to adopt a more targeted strategy that includes market entry tactics, financial assistance, and regulatory guidance.

Table 5.1 contains a summary of the findings and how the study achieves its objectives.

Table 5.1: Summary of findings and achievement of objectives

Objective	Summary of findings	How the study achieves its objective
Assess the impact of ESD on SMEs in the mining sector.	The study reveals a positive impact of ESD on various aspects of SME performance, including performance, growth, competitiveness, financial performance, and objectives.	By collecting and analysing responses from SMEs, the study gauged the direct impact of ESD on SME performance in the mining sector.
Examine the role of ESD in developing	ESD contributes significantly to the personal development, managerial capabilities, leadership style, business challenge skills, and	To illustrate the impact that ESD plays in helping SME owners and managers develop their skills, data on

Objective	Summary of findings	How the study achieves its objective
owners and managers of SMEs.	decision-making abilities of SME owners and managers.	their personal and professional development was gathered.
Identify factors affecting ESD implementation in the mining sector.	Regulatory, economic, organisational, social, and market dynamics are key factors influencing ESD implementation, with diverse impacts on different enterprises.	A detailed analysis of responses identified external and internal factors affecting ESD implementation, providing insights into areas needing attention.
Examine factors affecting SME development in the mining sector.	SMEs face challenges such as financial constraints, regulatory hurdles, market access difficulties, human resource constraints, and operational challenges, with financial constraints being most acknowledged.	The study highlighted key challenges faced by SMEs, offering a foundation for understanding hurdles in SME development and effective areas for ESD intervention.
Propose ways ESD can address SME challenges in the mining sector.	Improvements include policy adjustments, process improvements, increased funding, strategic changes, and an enhanced regulatory framework, with a high consensus on the need for increased funding and strategic changes.	Direct feedback from SMEs identified specific improvement areas in ESD programmes, which is crucial for tailoring ESD initiatives to meet SME needs more effectively.

The key needs of SMEs in the mining industry were addressed by the study recommendations, which call for tailored ESD programmes, improved financial access, regulatory support, skill development, and market networking. The focus on strategy and policy reform is in line with the need to improve the conditions that support the expansion and development of SMEs.

5.2.6 Cooperation among stakeholders and modification of strategy

For these proposals to be implemented successfully, government agencies, business executives, financial institutions, and educational institutions must work together. To guarantee that ESD programmes remain relevant and effective, strategies must be adjusted and monitored regularly.

The study provides a thorough and nuanced overview of the situation that SMEs are in right now in the mining industry, as well as the effects of ESD initiatives. It notes the beneficial aspects of these programmes as well as important areas in need of development. The suggestions made set out a course for improving ESD efficacy, with the ultimate goal being to support the expansion, creativity, and sustainability of SMEs in this crucial industry.

The study comes to the conclusion that, even though SMEs in the mining industry have benefitted from ESD programmes, ongoing development is still clearly needed. The results support customised strategies to address particular issues and tactical modifications to improve the efficacy of ESD initiatives. The study emphasises how crucial it is to match ESD programmes to the particular requirements of SMEs and to modify them in response to shifting market and economic circumstances.

5.3 Recommendations

In light of the survey's comprehensive data collection and analysis, this study makes suggestions for enhancing ESD efficiency among SMEs in the mining industry. These suggestions are based on a synthesised analysis of the following: respondents' educational backgrounds, business experience, involvement in supplier development programmes, age of the company, impact of ESD, how it helps to develop SME owners and managers, factors influencing ESD implementation, challenges faced by SMEs, and opinions on how to increase the efficacy of ESD.

5.3.1 Tailored ESD initiatives

Given the diversity of SMEs, ESD programmes ought to be specially designed. This entails carrying out in-depth analyses of the requirements of every SME in light of their sector categorisation, degree of expertise, and educational background. Then, in order to improve each SME's particular competencies and business prospects, tailored training and development programmes can be created to target their particular difficulties and opportunities. ESD initiatives must be adaptable and sensitive to shifting social, political, and commercial landscapes. ESD programmes can maintain their effectiveness and relevance by implementing regular evaluations and feedback systems.

5.3.2 Improved access and financial support

Since financing is the main obstacle, ESD programmes should concentrate on expanding funding availability. This can entail joint ventures with financial institutions to offer grants, venture capital, or low-interest loans. Furthermore, financial literacy seminars should be provided by ESD programmes to assist SMEs with financial planning, budgeting, and understanding funding sources.

5.3.3 Legislative advice and promotion

ESD programmes should incorporate legal assistance to help traverse complicated regulatory landscapes, given the regulatory obstacles that SMEs confront. This can entail providing legal clinics, streamlining compliance procedures, or even advocating for legislation that is more SME friendly. In addition to easing regulatory burdens, this kind of assistance would enable SMEs to run their businesses with greater assurance and effectiveness.

5.3.4 Focused training and skill development

Offering specialised training programmes is essential because SME participants have diverse educational backgrounds. These ought to emphasise both soft skills (like management and leadership) and physical skills (like specialised mining technologies or procedures). Partnerships with academic institutions and career training facilities could offer relevant and useful training for workers.

5.3.5 Opportunities for networking and market access

ESD initiatives ought to make a concerted effort to link SMEs with prospective customers and markets. This can be accomplished by attending trade shows and networking events, and making introductions to bigger mining industry companies. SMEs can also improve their market presence by receiving support with branding and marketing.

5.3.6 Mentoring initiatives and information sharing

By utilising the knowledge of seasoned company managers, ESD programmes could build mentorship programmes where experienced experts guide up-and-coming entrepreneurs. The sharing of insightful ideas, practical tactics, and industry-specific expertise can be facilitated by this interchange.

5.3.7 Operational and strategic assistance

ESD programmes ought to provide consulting and advisory services in order to assist SMEs in resolving operational issues. This can include suggestions for enhancing the effectiveness of the supply chain, implementing new technology, or optimising corporate procedures to increase production. ESD programmes can provide tools and training in areas such as resource allocation, risk assessment, and strategy planning to improve decision-making abilities. Case studies and simulations could be utilised to give students real-world decision-making experience.

5.3.8 Initiatives for cross-sector collaboration

Promoting cross-sector collaboration among SMEs can result in creative solutions and increased business diversity. In planning cross-industry workshops and cooperative projects, ESD programmes can help with this by creating an environment that promotes mutual growth and cooperation.

5.3.9 Advocating for a supportive ecosystem and reforming policy

It is imperative to advocate for policy reforms that foster an environment more favourable to the growth of SMEs. This entails interacting with legislators to advocate for changes that lower red tape, provide tax breaks, and encourage SME sector innovation and research.

A concerted effort is needed from a range of stakeholders, including governmental organisations, business executives, financial institutions, educational institutions, and SMEs

themselves, to put the following ideas into practice. The success of these initiatives and the general improvement of the efficiency of ESD among SMEs in the mining sector will depend on regular monitoring and adaptation.

5.5 Areas for further research

Further research is necessary to determine the effectiveness of the given strategies in different mining industries and regions of South Africa, as well as the long-term benefits of ESD projects. Some of the areas for further research include;

1. Exploring ESD Effectiveness Across Different Mining Industries and Regions

Further research should investigate the applicability and effectiveness of the recommended ESD strategies across various mining industries and regions in South Africa. This would provide a broader understanding of the regional differences and industry-specific challenges and opportunities within the mining sector.

2. Long-term Benefits and Sustainability of ESD Projects

Future studies should focus on the long-term impacts of ESD projects on SMEs. This includes assessing the sustainability of growth and development fostered by ESD initiatives and how these benefits evolve over time.

3. Comparative Studies with International Models

Comparing ESD models in South Africa with those in other countries with significant mining industries could offer valuable insights into best practices and innovative approaches to SME development in the mining sector.

4. Impact of ESD on Socioeconomic Factors

Research could be expanded to include the socioeconomic impact of ESD, such as its effects on job creation, poverty reduction, and local community development in mining areas.

5. Role of Technology and Innovation in ESD

Investigating the role of technological advancements and innovation in the implementation and effectiveness of ESD programmes could provide insights into how SMEs in the mining sector can leverage technology for growth and competitiveness.

5.6 Limitations of the study

1. Limited Geographic Scope

The study primarily focuses on SMEs within a specific database for one mining company (ASSMANG), potentially limiting the generalizability of the findings to the broader mining industry in South Africa.

2. Descriptive Design and Subjective Data

The reliance on a descriptive design and subjective survey responses may limit the depth of understanding regarding the complex dynamics of ESD's impact. Future studies could benefit from a mixed-method approach, incorporating both qualitative and quantitative data.

3. Short-term Perspective

The study captures a snapshot of the current state of ESD impacts on SMEs but may not fully account for long-term trends and changes in the mining industry and ESD effectiveness.

4. Underrepresentation of Diverse SME Categories:

While the study includes a variety of SMEs, there may be an underrepresentation of certain categories or sizes of enterprises, which could lead to an incomplete picture of the industry.

5. Limited Examination of Policy and Regulatory Factors

Although the study mentions regulatory influences, a more detailed examination of specific policies, legal frameworks, and their direct impact on ESD and SMEs could provide more actionable insights.

In consideration of the observed limitations, the conclusion can be drawn that while the study provides valuable insights into ESD's impact on SMEs in the mining sector, future research is needed to address its limitations and expand understanding in this important area.

5.7 Significance

This study provides significant insights into the dynamics of company development in South Africa's mining industry, along with practical recommendations for fostering SME growth and development. It highlights how crucial ESD is to the advancement of the nation's economy and to the empowerment of SMEs in the mining industry. The study conducted on SMEs in the mining industry provides a comprehensive understanding of the intricate effects of ESD on SMEs. Numerous subjects have been considered in the study, such as the length of the supplier development programme, educational background, business experience, and the industry classification of businesses. This comprehensive approach allows for a full understanding of the sector's potential for future growth as well as its existing position.

5.8 Conclusion

As this chapter's introduction makes clear, SMEs in the mining industry face a variety of intricate and varied possibilities and difficulties, which emphasises the need for a customised and nuanced approach to ESD. The suggestions made are intended to address the particular needs and issues faced by SMEs and are founded on a well-investigated study. These include focusing on the strategic planning and skill development of SMEs as well as enhancing market connectivity, legal support, and financial accessibility. In order to successfully implement these recommendations, this chapter has underlined the significance of developing collaboration among varied stakeholders, including financial institutions, government agencies, and industry frontrunners. This essentially highlights how carefully thought-out ESD programmes may significantly improve the functioning, growth, and sustainability of SMEs in the mining sector. The conclusion of the chapter states that even though ESD projects have shown benefits, there is still a great deal of room for improvement and adaptation to the changing mining industry environment. It is advised that more research be done to look at the long-term effects of ESD programmes, which will help to better understand and support SME development in South Africa's mining industry.

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ANNEXURES

Annexure A: General/Human Research Ethics Committee Approval



GENERAL/HUMAN RESEARCH ETHICS COMMITTEE (GHREC)

19-Sep-2023

Dear Ms Faith Mokwena

Application Approved

Research Project Title:

Evaluating the impact of Enterprise Supplier Development by the mining companies on SMEs in South Africa

Ethical Clearance number:

UFS-HSD2022/2074

We are pleased to inform you that your application for ethical clearance has been approved. Your ethical clearance is valid for twelve (12) months from the date of issue. We request that any changes that may take place during the course of your study/research project be submitted to the ethics office to ensure ethical transparency. Furthermore, you are requested to submit the final report of your study/research project to the ethics office. Should you require more time to complete this research, please apply for an extension. Thank you for submitting your proposal for ethical clearance; we wish you the best of luck and success with your research.

Yours sincerely

Dr Adri Du Plessis

Chairperson: General/Human Research Ethics Committee

Adri
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Annexure B: Written Consent to Participate in the Study

Research study information leaflet and consent form

Date

28 September 2023

Title of the research project

Evaluating the impact of Enterprise Supplier Development by the mining companies on SMEs in South Africa.

Principle investigator / researcher(s) name(s) and contact number(s):

Faith Tumelo Mokwena 2018105946 078 097 9500

Faculty and Department:

Faculty of Economic Management
Sciences UFS Business School

Study leader(s) name and contact number:

Mr Thandekile Madikane (UFS staff member)

061 028 2008

What is the aim / purpose of the study?

The aim of the study to evaluate the impact of ESD on the performance of SMEs in the mining sector.

Who is doing the research?

My name is Faith Tumelo Mokwena, a final year MBA student registered at the University of Free State. I am employed full time by Assmang Iron Ore Khumani Mine. I am conducting this project for my academic research which seeks to understand how Enterprise and

Supplier (ESD) programmes in mining areas are beneficial or can be improved to promote local businesses and create jobs.

Has the study received ethical approval?

This study has received approval from the Research Ethics Committee of UFS. A copy of the approval letter can be obtained from the researcher.

Approval number: UFS-HSD2022/2074

Why have you been invited to take part in this research project?

You are invited to participate in this study based on your current status as an SMME operating in Kathu and having being part of an ESD programme. The study aims to reach at least 40 respondents.

What is the nature of participation in this study?

The respondents who take part in the research are requested to respond to a questionnaire on a voluntary basis. The questionnaire is divided into five distinct sections, each representing a research objective and composed of closed-ended questions featuring a five-point Likert scale. This Likert scale is designed to ascertain the perceived influence level of each factor, with '1' representing 'Strongly Disagree' (Not at all impactful), '2' indicating 'Disagree' (Slightly impactful), '3' corresponding to 'Neutral' (Moderately impactful), '4' signifying 'Agree' (To some extent impactful), and '5' symbolising 'Strongly Agree' (Significantly impactful).

Can the respondent withdraw from the study?

There is no compulsion or inducement for the respondents to complete the survey. They will be allowed the freedom to discontinue participation at any stage if they experience any discomfort with the study. Participants will be notified in advance about the non-obligatory nature of their participation in the study, in line with the ethical guidelines emphasising respect for persons and voluntary participation.

What are the potential benefits of taking part in this study?

The participants will have access to the final report or will be provided with a copy of the report. Questionnaire. The participants have a right to decline responding to the

questionnaire or to some of the questions being asked. In addition, survey responses will be left entirely up to the participant, ensuring that they are free of any outside influence.

What is the anticipated inconvenience of taking part in this study?

There is no inconvenience expected from participating in the survey. Although a time estimated at 15 minutes is required for one to adequately answer all the questions, this duration of participation is not compulsory, and the respondents reserve the right to withdraw their participation at any time during the administration of the influence.

Will what I say be kept confidential?

All responses are anonymised. Therefore, all information collected and participants identifies are kept confidential. At any time in the process the participant has the right to withdraw.

How will the information be stored and ultimately destroyed?

All data for this study will be obtained from SMMEs only. Only data that has been completely deidentified will be obtained. After the survey, no further data gathering operations will be conducted with the respondents. The data will be saved on a secure flash drive in a password-protected CSV file. While the data includes human participants, only de-identified data will be accessed and used for the study. A copy of the raw data will be kept with the researcher for period of five years and another copy will be submitted to the university faculty.

Will I receive payment or any incentives for participating in this study?

Participation in this study will not result in any form of payment or incentive. Participation is voluntary and does not insinuate payment or expected benefits from the mines either.

How will the participant be informed of the findings / results of the study?

If you would like to be informed of the final research findings, please contact Faith Tumelo Mokwena on 078 097 9500 or email 2018105946@ufs4life.ac.za. The findings will be accessible for Jan – June 2024. Should you require any further information or want to contact the researcher about any aspect of this study, please contact Faith Tumelo Mokwena 078 097 9500 2018105946@ufs4life.co.za. Should you have concerns about the way in which the research has been conducted, you may contact Mr Thandekile Madikane on 061 028 2008 or email Thandekilemadikane@gmail.com

Thank you for taking the time to read this information sheet and for participating in this study.

A handwritten signature in black ink, appearing to be 'J. M.', is positioned above a solid black horizontal line.

Consent to participate in this study

I, the undersigned,

(participant's full names to be included), (the "Participant") confirm that I voluntarily agree to participate in the research study referred to as **"Evaluating the impact of Enterprise Supplier Development by the mining companies on SMEs in South Africa"** (the "Study") in relation to Master of Business Administration Project Research and which Study is being conducted by **Faith Tumelo Mokwena** (insert the name of the researcher), (the "Researcher").

I, the undersigned Participant, further confirm that–

1. the Researcher has explained the nature, procedure, potential benefits and anticipated inconvenience of my participation in the Study;
2. I have read (or had explained to me) and understood the Study as explained in the attached information sheet;
3. I have had sufficient opportunity to ask questions and am prepared to participate in the Study;
4. I understand that my participation in the Study is entirely voluntary and that I am free to withdraw at any time without penalty (if applicable);
5. I voluntarily provide the UFS and the Researcher with my personal information and consent to the UFS and the Researcher collecting, disclosing and processing my personal information in order to conduct the Study and any related activities in relation thereto;
6. I hereby acknowledge and confirm that I understand the purpose for which the UFS and the Researcher may collect, store, use, delete, destroy, outsource, transfer or otherwise process, as the context and circumstances may require and as contemplated in terms of POPIA, my personal information as set out herein;

7. I am aware that the findings of the Study will be anonymously processed into a research report, journal publications and/or conference proceedings and that my personal information will be aggregated and deidentified at such stage;
8. I also give the UFS permission to share, without notification, the collected data with other researchers at the UFS or other Higher Education Institutions. This permission is dependent on the same principles of ethical research practices, anonymity/confidentiality, safekeeping of information, and other issues listed above applying.

I, the Participant, agree to the recording of the questionnaire.			
Full	Name	of	Participant:
Signature	of	Participant:	Date:
Full	Name(s)	of	Researcher(s):
Signature	of	Researcher:	Date:

Annexure C: Approved Questionnaire Research Tool

SME SURVEY

Thank you very much for making yourself available to participate in this survey. My names are Faith Tumelo Mokwena, a student at the University of Free State. I am conducting this survey as part of my learning outputs and kindly ask you to complete this questionnaire as your participation is a valuable contribution towards my research project.

This survey supports the purpose of my academic study that seeks to understand how ESD programmes in the mining sector could be improved in order to promote local enterprises and create jobs. Participation in this survey is voluntary. Please rest assured that the information that you will share with me will be kept confidential and that you will remain anonymous. You are free to stop responding to these questions if you become uncomfortable with the survey.

SECTION A: GENERAL

Please indicate your Business Industry classification

Industry	TICK
Transportation services (trucks, cars, loading vans and trucks)	
Logistics services (fuel supply, in-house fleet management, customs clearing and cargo handling etc.)	
Technical services (telecommunications, plumbing, metal fabrications, electrical and mechanics, road, maintenance, civil works, crane services etc	
Financial services (Insurance policies, personal loans)	
Lodging, hotel and catering services	
Trade in goods (spare parts, field gears, construction materials etc.)	
Real estate, camps and accommodation	
Consultancy services - IT, Environmental management, HR management, procurement and financial management, quality assurances, inspection etc.	

Industry	TICK
Community and social services - Education and vocational training, health services etc.	
Waste management	
Ambulance and emergency services	
Warehousing and facilities management	
Labour contracting (casual and semi-skilled)	
Security	
Office supplies	
Mining Services (drilling,	
Cleaning Services (general, office, industrial etc.)	
Beauty Services (salon, spa etc.)	

What is your qualification?

No Matric	
Certificate	
Diploma	
Degree	
Post Graduate	

Your experience in years of managing businesses

Less than 1	
Between 1 - 5 years	
Between 6 - 10 years	
More than 10 years	

How long have you been participating in the supplier development programme at the Mine?

Less than 1	
Between 1 - 5 years	
Between 6 - 10 years	
More than 10 years	

How long has your company been in existence?

Less than 1	
Between 1 - 5 years	
Between 6 - 10 years	
More than 10 years	

SECTION B: Impact of Enterprise Supplier Development (ESD) on SMEs

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
ESD has significantly affected my enterprise's performance.					
The influence of ESD on my enterprise's growth has been positive.					
ESD has substantially contributed to my enterprise's competitiveness in the market.					
ESD has notably improved my enterprise's financial performance.					

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
ESD has notably improved my enterprise's financial performance.					

Section C: Role of ESD in Developing SME Owners/Managers

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
ESD has significantly contributed to my personal development as a manager/owner.					
ESD has substantially improved my managerial capabilities.					
ESD has noticeably influenced my leadership style or approach.					
ESD has greatly contributed to my skills in dealing with business challenges.					
ESD has notably helped in improving my decision-making abilities.					

Section D: Factors influencing the Implementation of ESD

Likert Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Regulatory factors significantly affect the implementation of ESD in my enterprise.					
Economic factors greatly influence ESD implementation in my enterprise.					

Likert Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The organizational structure of my enterprise has a high impact on the implementation of ESD.					
Social factors significantly affect the implementation of ESD in my enterprise.					
Market dynamics strongly influence the implementation of ESD in my enterprise.					

Section E: Challenges experienced by SMEs

Likert Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Financial constraints are a major challenge for my enterprise.					
Regulatory hurdles have been a significant challenge for my enterprise.					
Market access difficulties are a major challenge for my enterprise.					
Human resource constraints pose a significant challenge to my enterprise.					
Operational challenges are significantly impactful to my enterprise.					

Section F: How to Improve the Effectiveness of ESD on SMEs in the Mining Value Chain

Likert Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Policy adjustments could significantly improve the effectiveness of ESD for my enterprise.					
Process improvements could greatly enhance the impact of ESD in my enterprise.					
Increased funding could considerably enhance the effectiveness of ESD for my enterprise.					
Strategic changes could substantially improve the impact of ESD in my enterprise.					
An enhanced regulatory framework could significantly improve the effectiveness of ESD for my enterprise.					

End of Questionnaire. Thank you for participating

Annexure D: Permission Letter – Assmang Khumani Mine



be worth more

Annexure C: Permission Letter – Assmang Khumani Mine

2 February 2022

TO WHOM IT MAY CONCERN

PERMISSION TO COMPLETE AND OBTAIN INFORMATION AS PART OF THE MAGISTER IN BUSINESS ADMINISTRATION

Name: **FT MOKWENA**
Student No: **2018105946**

Dissertation Topic: Investigating the Sustainability of Small Medium Micro Enterprises in Gamagara Local Municipality

Research supervisor: **Dr M Mundy**

It is a requirement of the MBA qualification that all students must undertake a research project (a field study) in their final year of study to obtain the Master in Business Administration qualification.

Your assistance in permitting access to your organization for purposes of this research is most appreciated. Please be assured that all information gained from the research will be treated with the utmost confidentiality. Further, should you wish the results from the dissertation “to be embargoed” for an agreed period of time, this can be arranged.

Thank you for your assistance in this regard.

Yours sincerely

1 Dr Liezel Massyn UFS BUSINESS SCHOOL

T: +27(0)51 401 7305
E: massynL@ufs.ac.za
<http://www.ufs.ac.za/bus>

Room 312
EMS Building, Block B
205 Nelson Mandela Drive
Bloemfontein
9301

PO Box 339 (IB17)
Bloemfontein
South Africa
9300



UNIVERSITY OF THE FREE STATE
UNIVERSITEIT VAN DIE VRYSTAAT
YUNIVESITHI YA FREISTATA

Approved Permission

I, Wilson Smith in my capacity as Head of Department Finance for Assmang Khumani Iron Ore Mine. Hereby grant permission to Faith Tumelo Mokwena with student number 2018105946 to access company database of SMMES to conduct the study.

Wilson



Smith

Head of Department: Finance

Email: wilson.smith@assmang.co.za

Tel: 053 723 8108

Annexure E: Permission Letter – Afrimat Iron Ore



Afrimat Iron Ore Proprietary Limited
(previously Afrimat Domanang Proprietary Limited)
Registration no: 2003/010218/07
Physical address: Rust & Vreds, Portion 1 of the farm
Moshwening 517, Kuruman,
Northern Cape, 8460
Postal address: Portnet Suite 87,
Private Bag 2908, Ertsh, 8446
Telephone: 063 - 492 0499
Email: info@afirmat.co.za
Website: www.afirmat.co.za

30 August 2023

Dear Tumelo Mokwena

REQUEST FOR ACCESS TO ENTERPRISE AND SUPPLIER DEVELOPMENT DATABASE

Afrimat Iron Ore (Pty) Ltd hereby grants you access to the Enterprise and Supplier Development database. This database is to be treated as confidential and may not be shared with any third party outside of your research study.

Sincerely,

Katarien Drysa
Mine Manager

Directors: PGS de Wit; JM Kalo; C Ramakhuatho; CF Teffo

Annexure F: UFS Survey Results Graphs Dr Mandla Diko

FT Mokwena Survey

Items by Education level

What.is.your.qualification. n percent

No Matric 1 2.4

Matric 9 22.0

Certificate 9 22.0

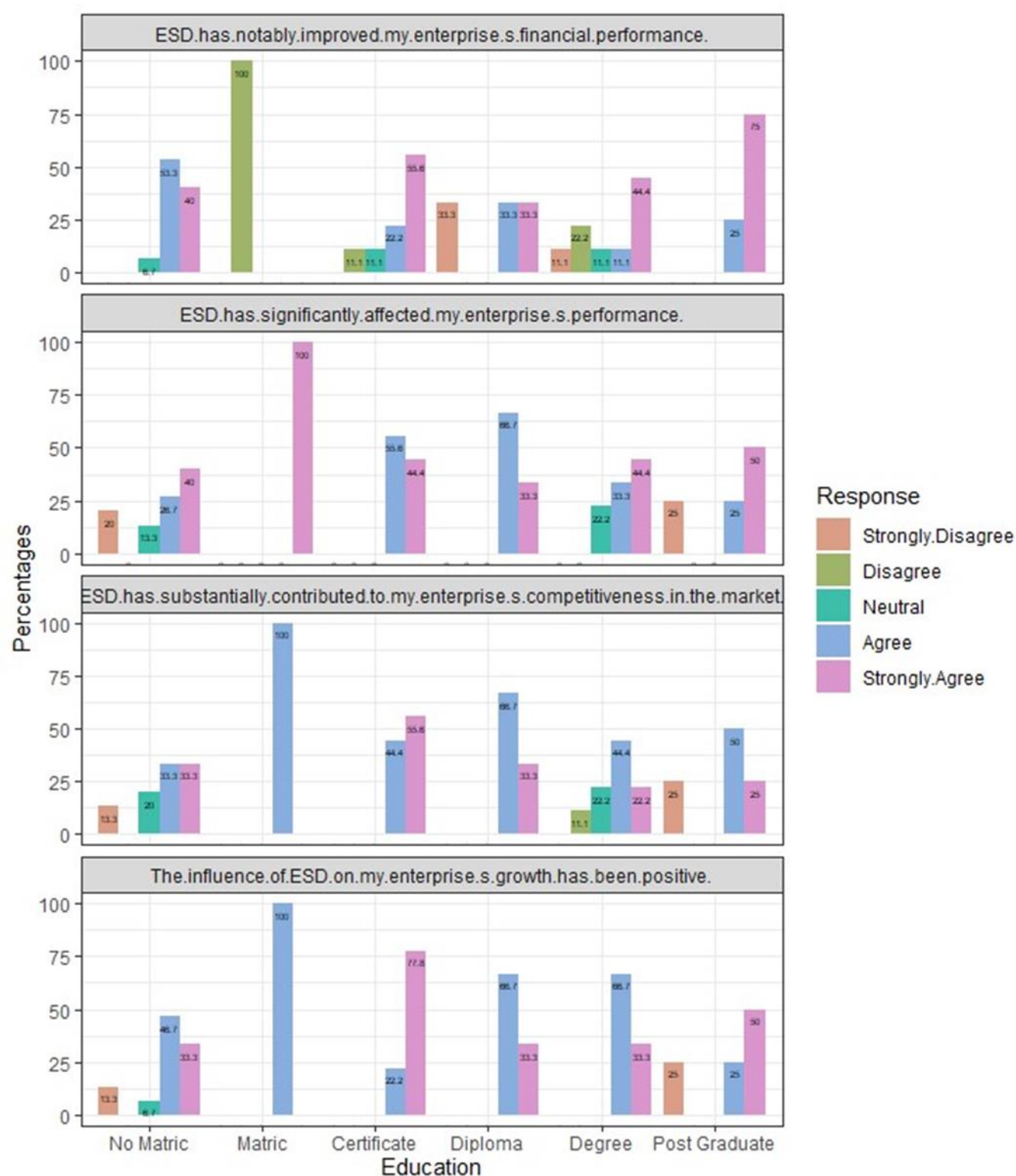
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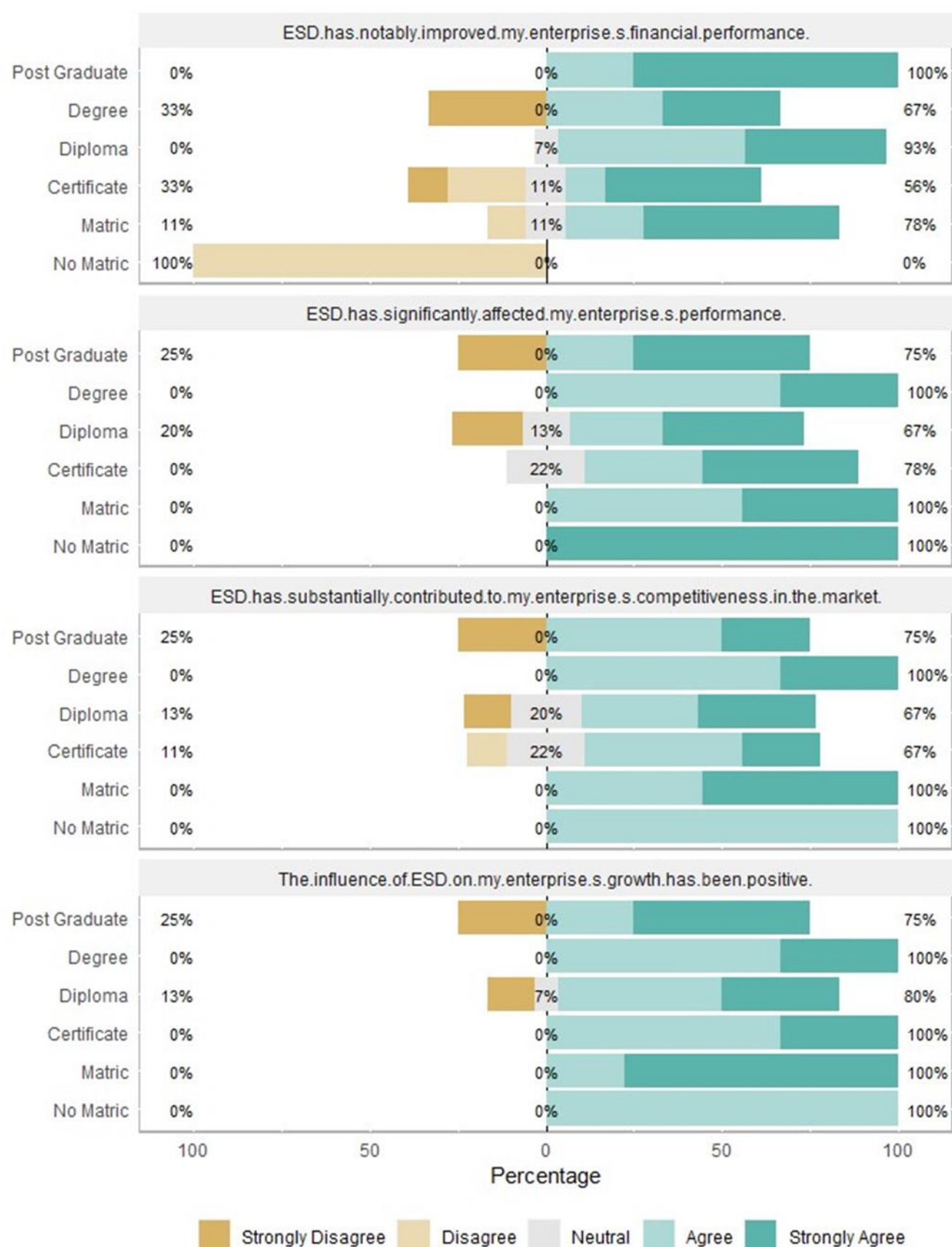
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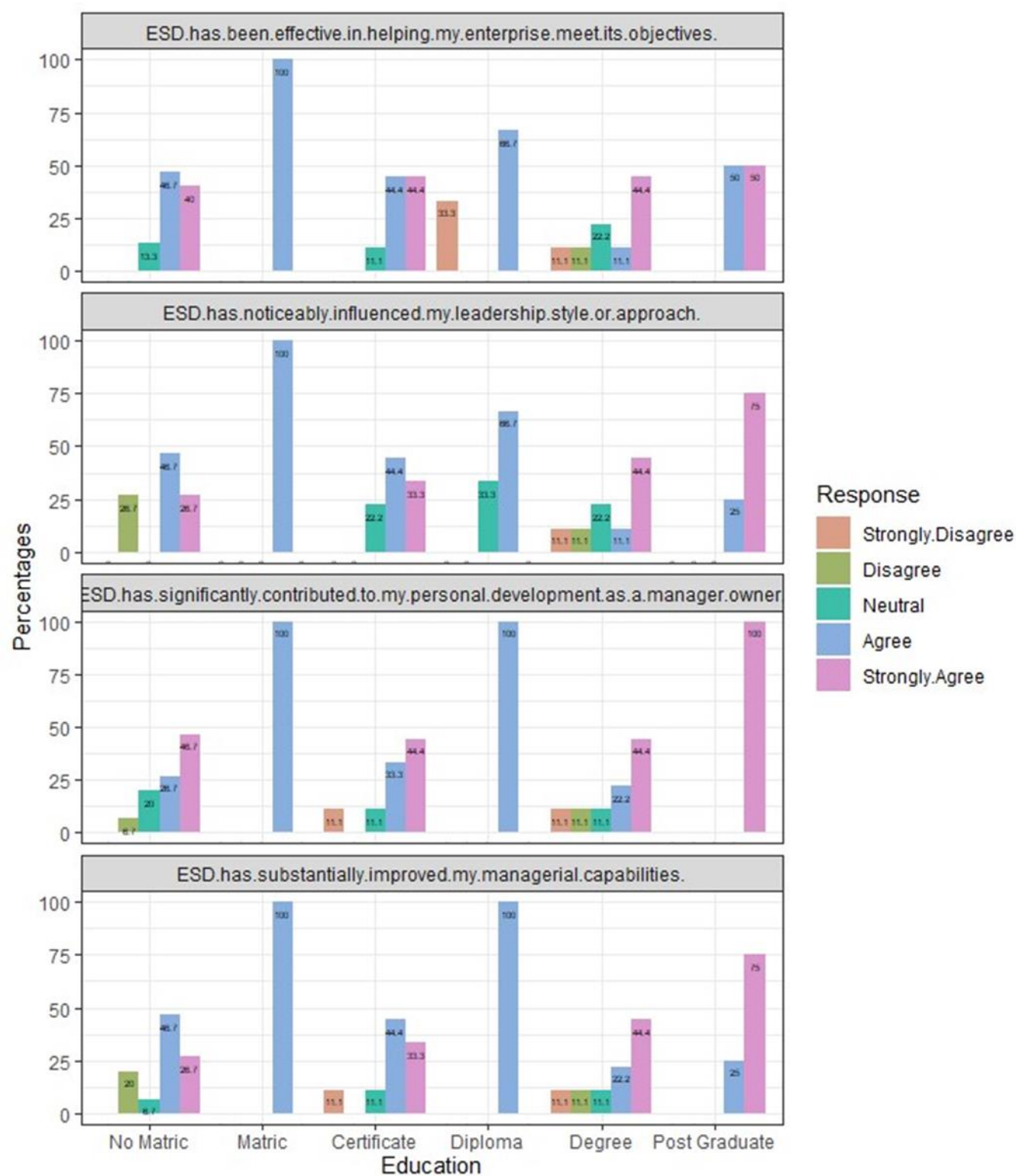
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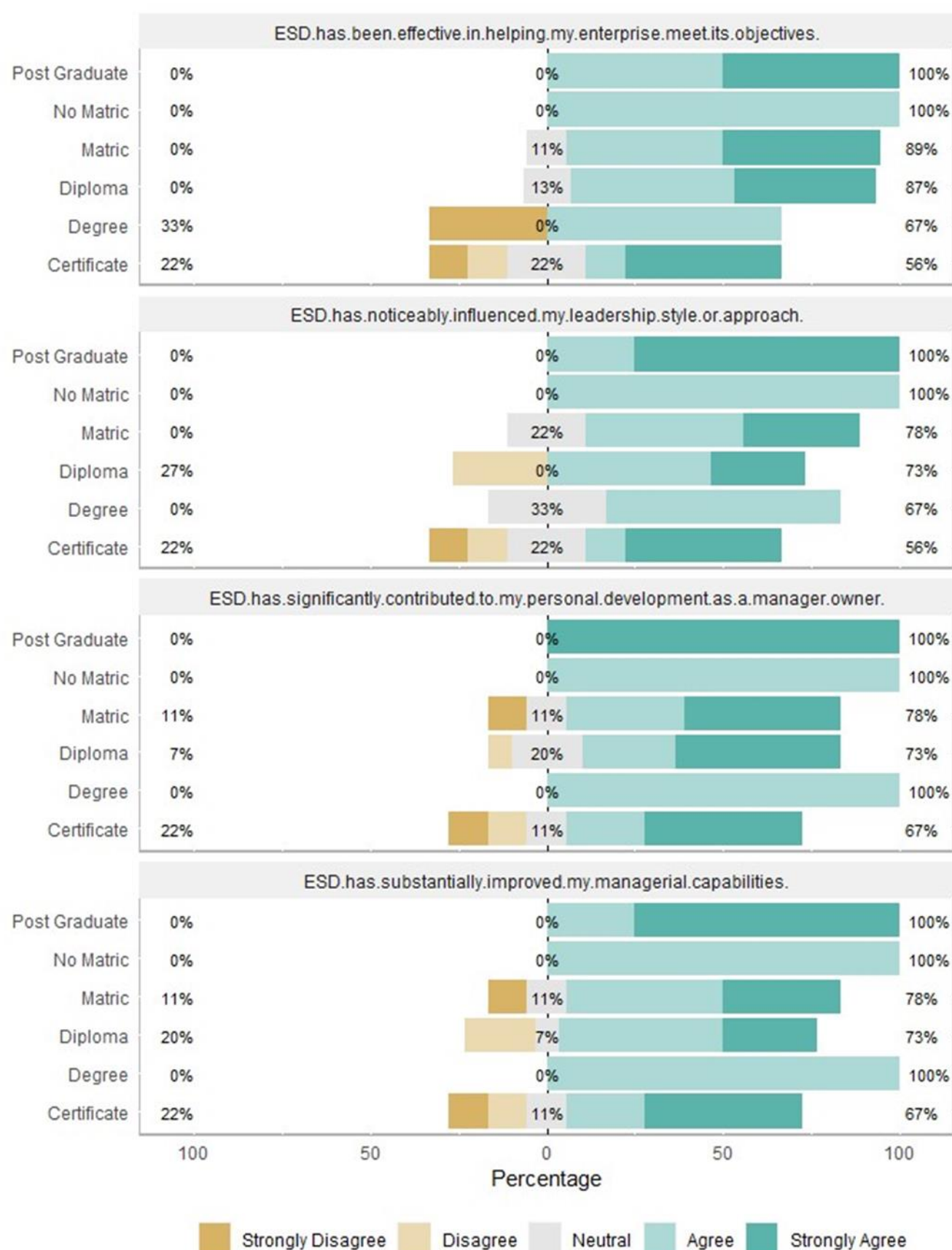
Education Items		Str
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No Matric	ESD.has.significantly.affected.my.enterprise.s.performance.	
No Matric	ESD.has.substantially.contributed.to.my.enterprise.s.competitiveness.in.the.market.	
No Matric	The.influence.of.ESD.on.my.enterprise.s.growth.has.been.positive.	
Matric	ESD.has.notably.improved.my.enterprise.s.financial.performance.	0.0
Matric	ESD.has.significantly.affected.my.enterprise.s.performance.	0.0
Matric	ESD.has.substantially.contributed.to.my.enterprise.s.competitiveness.in.the.market.	0.0
Matric	The.influence.of.ESD.on.my.enterprise.s.growth.has.been.positive.	0.0
Certificate	ESD.has.notably.improved.my.enterprise.s.financial.performance.	0.0
Certificate	ESD.has.significantly.affected.my.enterprise.s.performance.	0.0
Certificate	ESD.has.substantially.contributed.to.my.enterprise.s.competitiveness.in.the.market.	0.0
Certificate	The.influence.of.ESD.on.my.enterprise.s.growth.has.been.positive.	0.0
Diploma	ESD.has.notably.improved.my.enterprise.s.financial.performance.	
Diploma	ESD.has.significantly.affected.my.enterprise.s.performance.	0.0

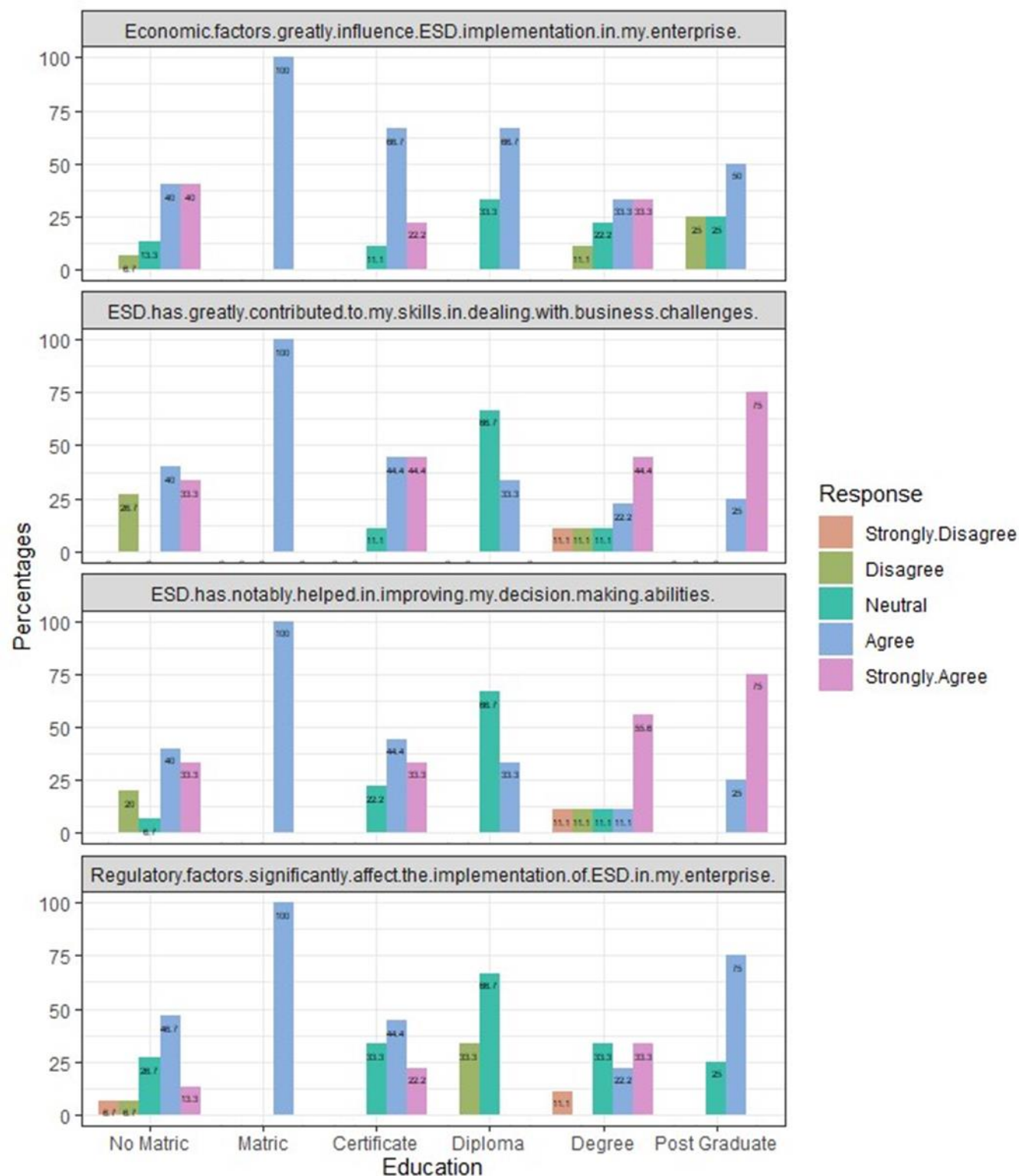
Diploma	ESD.has.substantially.contributed.to.my.enterprise.s.competitiveness.in.the.market.	0.0
Diploma	The.influence.of.ESD.on.my.enterprise.s.growth.has.been.positive.	0.0
Degree	ESD.has.notably.improved.my.enterprise.s.financial.performance.	
Degree	ESD.has.significantly.affected.my.enterprise.s.performance.	0.0
Degree	ESD.has.substantially.contributed.to.my.enterprise.s.competitiveness.in.the.market.	0.0
Degree	The.influence.of.ESD.on.my.enterprise.s.growth.has.been.positive.	0.0
Post Graduate	ESD.has.notably.improved.my.enterprise.s.financial.performance.	0.0
Post Graduate	ESD.has.significantly.affected.my.enterprise.s.performance.	
Post Graduate	ESD.has.substantially.contributed.to.my.enterprise.s.competitiveness.in.the.market.	
Post Graduate	The.influence.of.ESD.on.my.enterprise.s.growth.has.been.positive.	

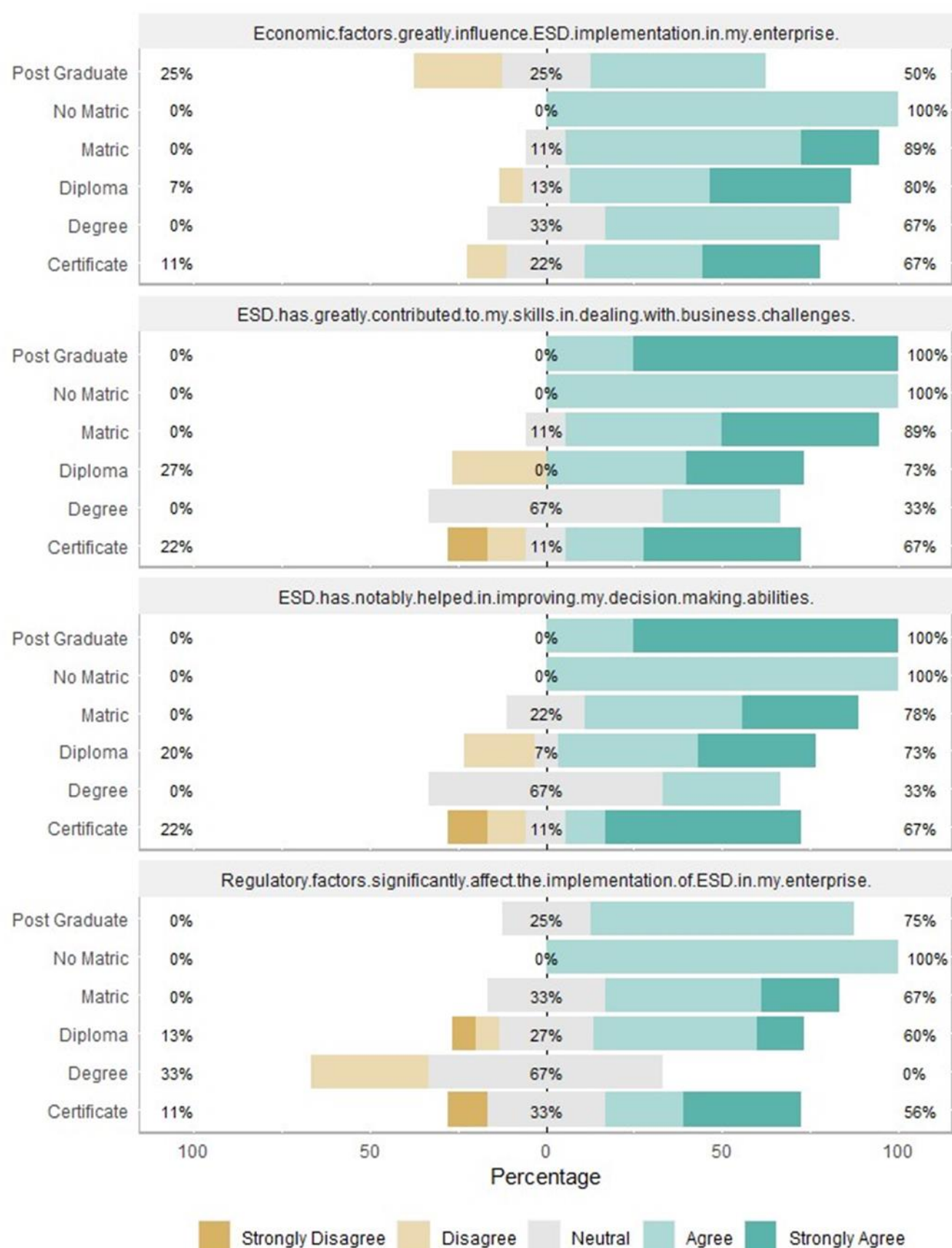


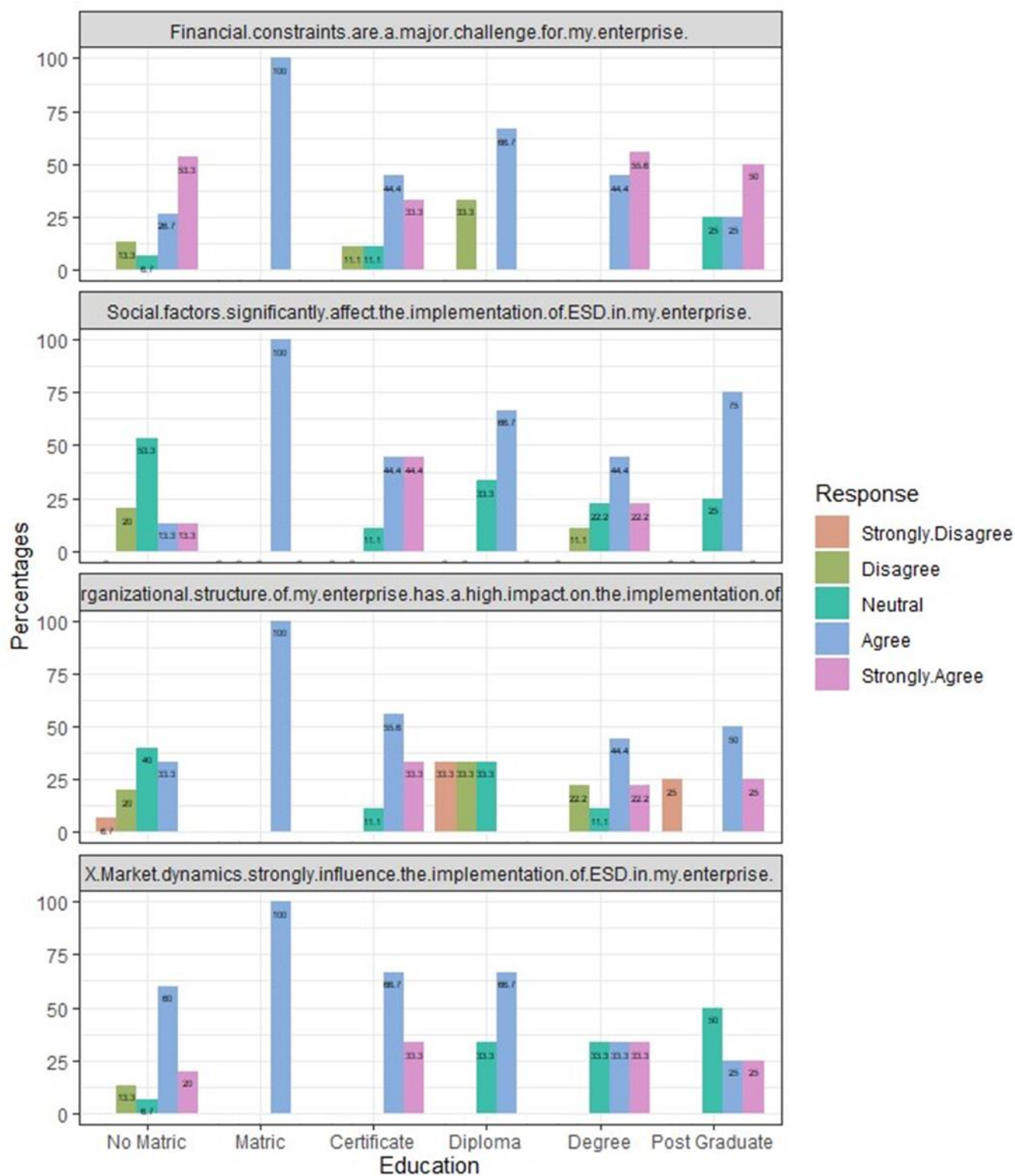


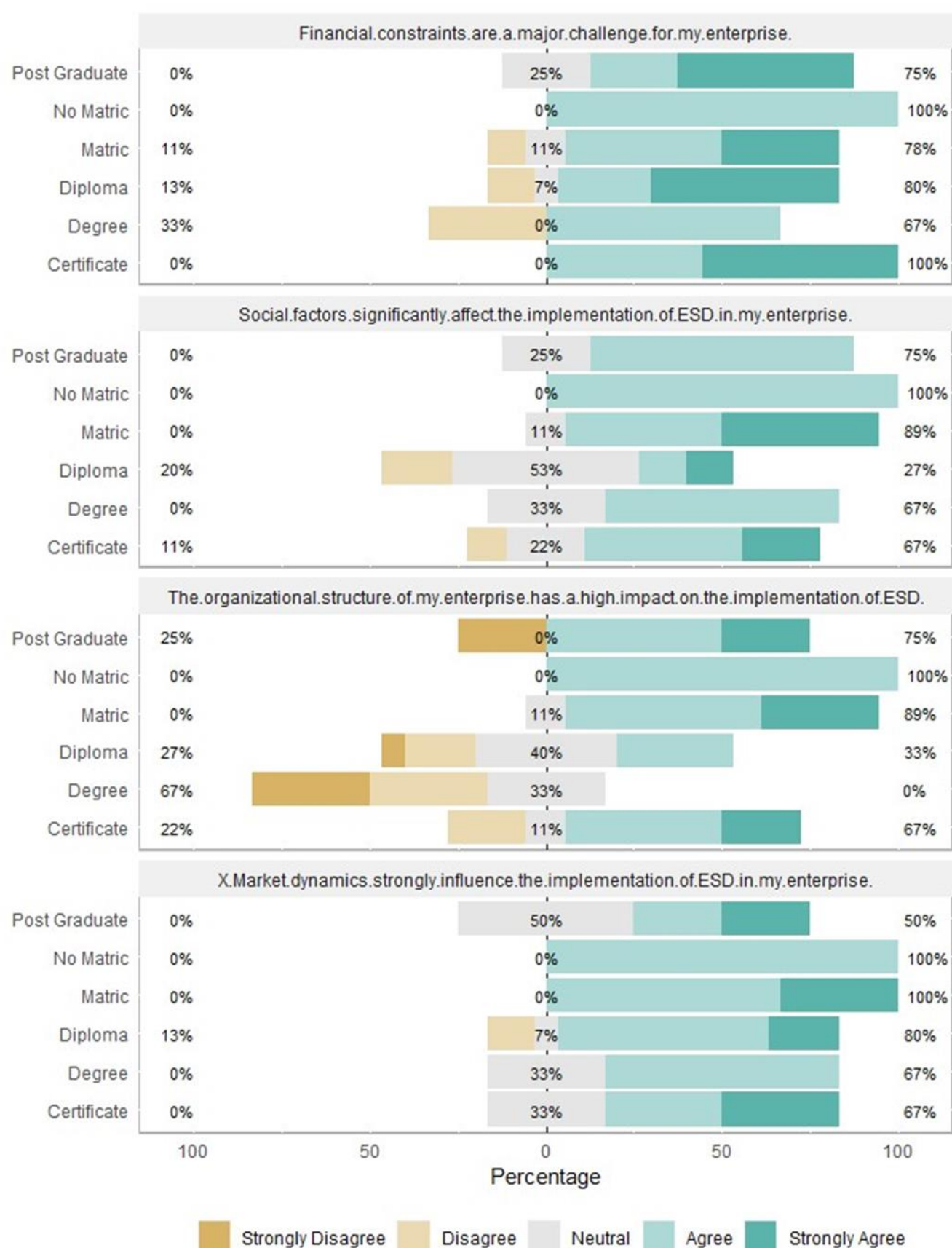


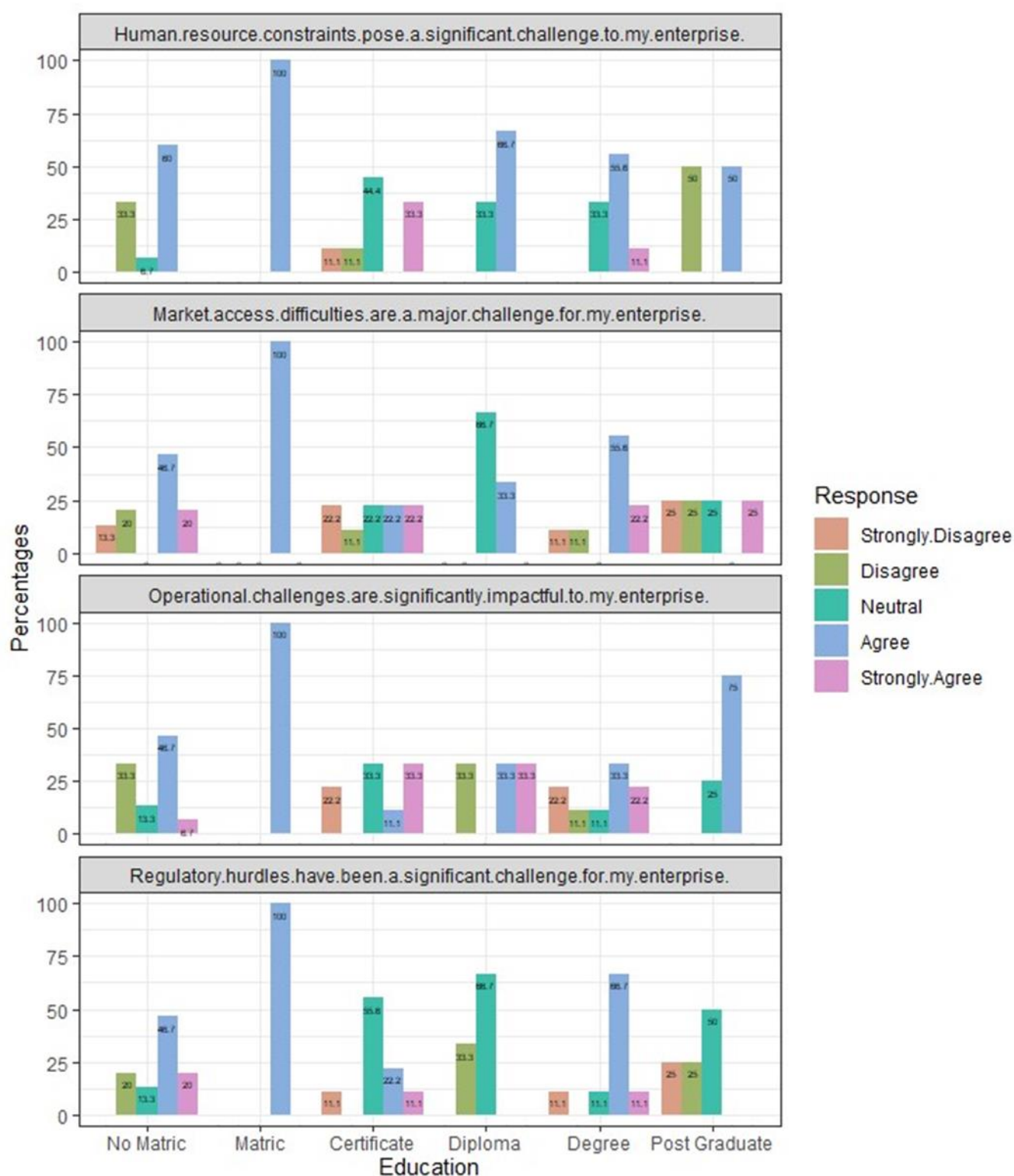


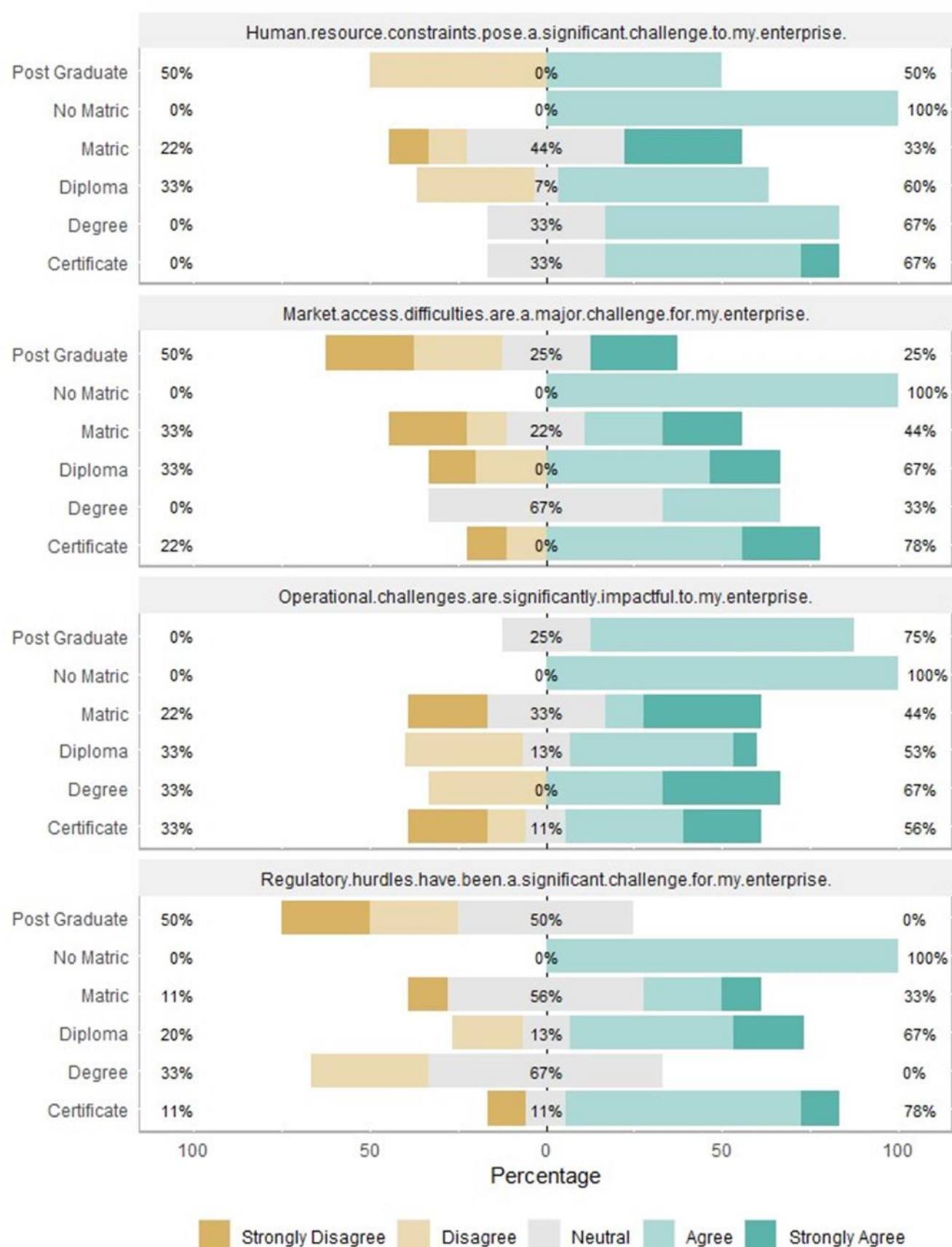


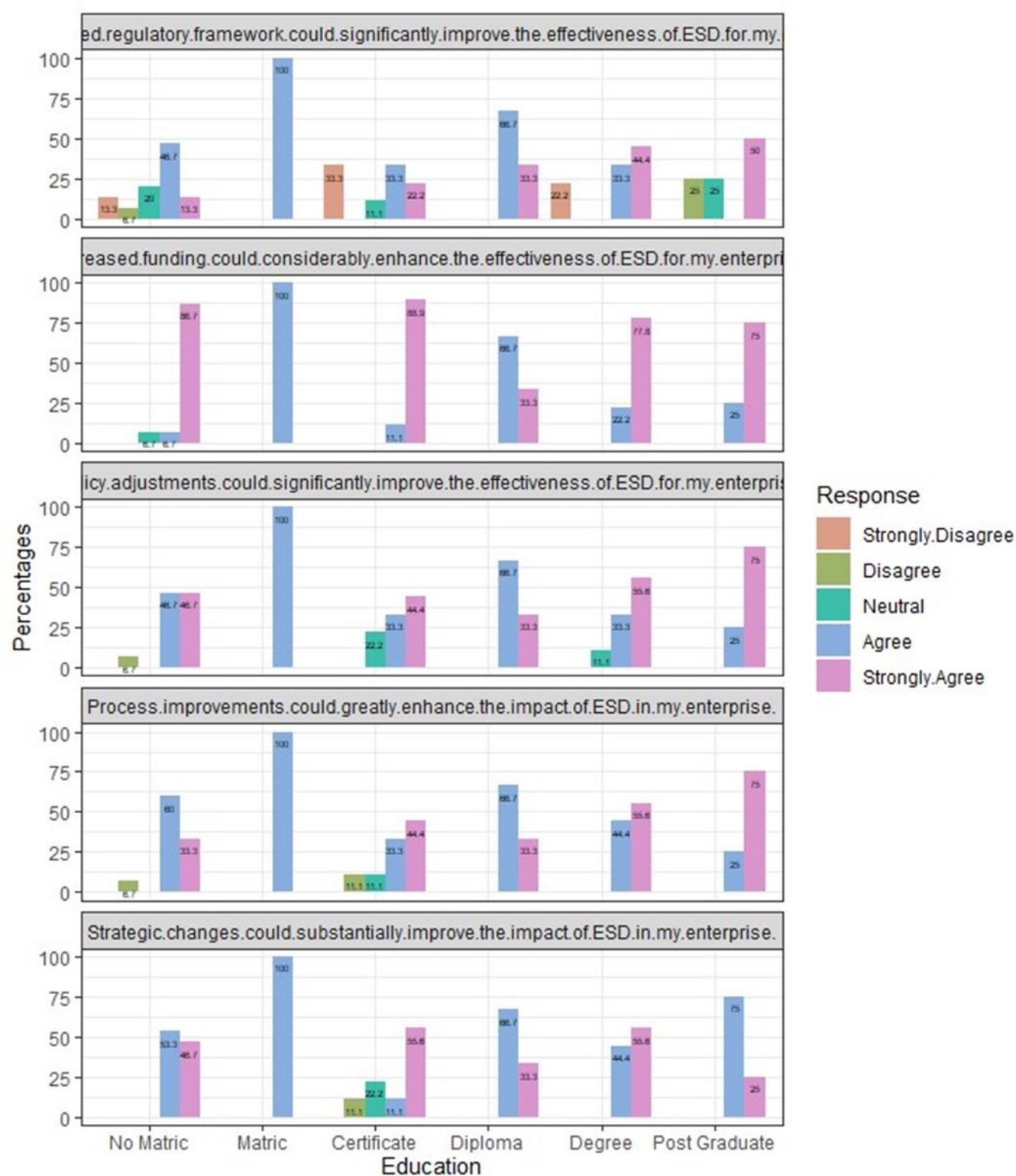


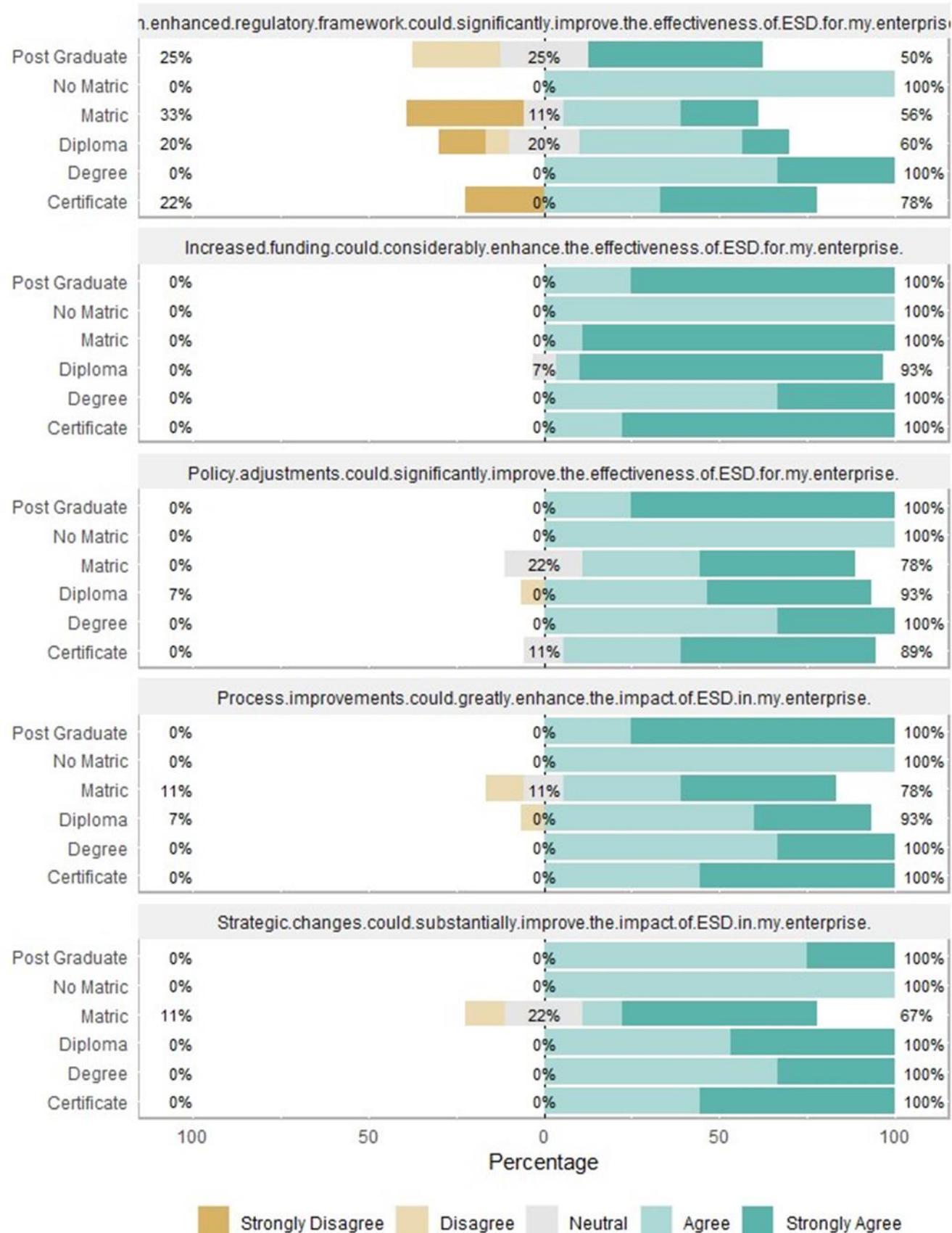












Annexure G: Editing Certificate

Ricky Woods Academic Editing Services

Editing Certificate

Ricky Woods Academic Editing Services

Cell: +27 (0)83 3126310

Email: rickywoods604@gmail.com

To Whom It May Concern

University of Free State

Editing of a Master's Dissertation

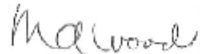
I, Marietjie Alfreda Woods, hereby certify that I have completed the editing and correction of the master's dissertation: **Evaluating the impact of Enterprise Supplier Development by the mining companies on SMEs in South Africa** by Faith Tumelo Mokwena, submitted in fulfilment of the requirements for the Master of Business Administration degree.

I believe that the research proposal meets with the grammatical and linguistic requirements for a document of this nature.

Name of Editor: Marietjie Alfreda Woods

Qualifications: BA (Hons) (Wits); Copy-editing and Proofreading (UCT); Editing Principles and Practice (UP); Accredited Text Editor (English) (PEG)

MA (Ricky) Woods



16 November 2023