

# The Level of Knowledge in Financial and Non-Financial Support for SMMEs in South Africa

Felicity Kgomotso Tlhagale

[thlagfk@unisa.ac.za](mailto:thlagfk@unisa.ac.za)

University of South Africa, Pretoria, South Africa

Adam Ndou (PhD)

[endouaa@unisa.ac.za](mailto:endouaa@unisa.ac.za)

University of South Africa, Pretoria, South Africa

<https://doi.org/10.51137/ijarbm.2024.5.2.6>

**Abstract** – Over the past few years, Small, Medium, and Micro Enterprises (SMMEs) performance has been a global subject. This performance focuses on SMME support that must be used. This study examines African-owned SMMEs knowledge of organisations that support them financially and non-financially. For this study, quantitative research was used. The City of Tshwane Metropolitan Municipality was chosen because African-owned SMMEs fail at high rates. Self-administered questionnaires were utilised to collect data. Developed and tested two hypotheses. The results showed SMMEs are unaware of financial and non-financial help. This discovery helps financial and non-financial organisations to consider African-owned SMMEs when designing policies, adding to SMME sector theory. The Government, financial, and non-financial organisations must adopt methods to inform African-owned SMMEs of available help so they can sustain their enterprises.

**Keywords** – Financial Institutions, Government Programmes, SMMEs Performance

*Submitted: 2024-07-09. Revised: 2024-07-21. Accepted: 2024-07-28.*

## 1 Introduction

Over the past few years, SMME performance has been a global subject. South African new SMMEs have one of the highest failure rates in the world, according to Fatoki (2012a: 21). This is mostly due to government and non-financial agency assistance shortfalls. Studies claim that SMMEs are supported but unaware of it, however this story remains unproven, especially in developing nations with severe unemployment. The SMME sector is essential for sustained and inclusive economic growth in South Africa, according to Ramsuraj (2023). Bridging the gap and decreasing unemployment depend on SMMEs. Ramsuraj (2023) suggests that SMMEs can solve poverty, inequality, and social isolation in South Africa, especially when huge enterprises and the government are seen as insufficient.

Therefore, people and SMMEs must be aware of financial and non-financial help to apply for financing to start and sustain their firms. There are few studies

on understanding SMMEs awareness of the available support worldwide, especially in developing nations like South Africa. SMMEs are prevalent in underdeveloped nations, but Scholtz, Cronje, and Cilliers (2023) say they struggle to have a lasting economic impact. This study will fill the SMME literature vacuum and add to it. Fomum and Opperman (2023) argue that training, mentorship, and business development help improve SMME owners' financial literacy and business acumen. Insufficient collateral, credit history, and lender risk make it difficult for SMMEs to obtain funding, according to Sibiyi, van der Westhuizen, and Sibiyi (2023).

According to SEDA (2018), South Africa's economic growth is affected by the failure of African-owned SMMEs to get support financially and non-financially, as 75% of formal SMMEs are African. According to Mandishaya, Inderpal, and Karodia (2015) the SMME sector drives the economy by creating jobs, increasing production, and teaching innovation and entrepreneurship. Interestingly, South African small firms lack the same knowledge, technology, and expert guidance as larger organisations, according to Van Wyk and Venter (2023). SMMEs struggle to make educated decisions due to a lack of financial and non-financial institution expertise. With limited access to financial and non-financial institutions, SMMEs struggle to grow, invest in new technology, and sell their products and services, which inhibits their competitiveness (Sibiyi et al., 2023).

Due to a lack of financial understanding of financial institutions that help SMMEs, Singh and Wasdani (2016) discovered that small enterprises rely primarily on informal sources of financing, such as personal and family wealth. Inability to access non-financial institutions hampers SMMEs' ability to learn digital skills to use social media and other digital technologies for business (Fosu, Giba-Fosu & Odoi, 2024). The OECD stated that governments worldwide are responsible for assessing SMME financing needs and closing holes using appropriate participants like banks and financial institutions (OECD, 2015). Aluko, Bayai, & Enwereji (2023) noted that government financial and non-financial support programmes benefit SMMEs. SMME support is crucial to economic growth and resilience across sectors. The development and viability of these firms depend on awareness of financial and non-financial support. Financial aid like loans, grants, and subsidies is important, but mentorship, training, and market access are too. Understanding how SMMEs know about and can use these resources improves their competitiveness and economic impact.

The following hypotheses were tested:

- H1: SMMEs are knowledgeable of several organizations that support African-owned businesses financially.
- H2: SMMEs are knowledgeable of several organizations that support African-owned businesses non-financially.

Structure of the rest of the article: Section 2 reviews literature. Section 3 discusses the study's approach and research. Study results and discussions are in Section 4 and 5. Conclusion is in Section 6.

## 2 Literature Review

### 2.1 Theoretical Underpinnings

A theory is a system of interconnected thoughts, explanations, and proposals that justify and envisage events (Cooper & Schindler, 2014:62). Conveniently, like other models that support natural knowledge and real-world issue solutions (Wackerley et al., 2008). The context viewpoint is used in coaching, investigation, management training, and fostering the field awareness to provide comprehensive outline of crucial contexts which describe and anticipate SMME actions (Kuratko, Morris & Schindehutte, 2015). The resource-based view underpinned the investigation.

#### 2.1.1 Resource-Based Theory

As a managerial framework, the resource-based view (RBV) created by Barney (1991) helps SMMEs identify strategic resources for maintainable modest gain. Accordingly, Chipunza & Chipunza (2014) conclude that developing-world SMMEs struggle to obtain necessary resources for survival and expansion.

The owners of SMMEs control assets, competencies, organisational procedures, SMME characteristics, information, and expertise to help the business recognise and implement strategies to increase productivity and success. Practical debate exists about SMMEs that do not have resources to provide modest gain, steering to the purchase of new businesses using innovative competences (Nieman & Nieuwenhuizen, 2017).

Market and technology resources are essential for SMMEs in today's competitive business environment, according to Acheampong & Hinson (2018). According to Hyder & Lussier (2015) SMME venders must comprehend failure risks and obtain variable resources to succeed.

### 2.2 The concept of SMMEs

Several efforts, like fiscal provisions, were formed, but precise information about the sums and status of SMMEs countrywide must be challenging to get, and those that are accessible vary greatly. SMMEs were undefined and used differently by governments, authors, methodologists, statisticians, economists, and institutions. SMMEs are used in several fields, hence there is no standard definition (Boadi, Dana, Mertens & Mensah, 2017). Every country defines SMMEs differently, either economically or statistically (Mahembe, Chiumya & Mbewe, 2011). An initial glance at SMME definitions suggests significant disagreement, but they share some aspects (Wackerley et al., 2008). SMMEs are defined differently by scholars, so it's important to define them in this study.

### 2.3 South African context of African-owned SMMEs

SMME promotion has been a South African government priority since 1994's democratic transition (Rogerson, 2013). Accordingly, the White Paper (1995) initially focused on African entrepreneurship sector development in all areas of the strategy, with specific emphasis on other marginalised communities.

Previous studies on African-owned SMMEs overlooked government legislation as one of its key mechanisms to supply inadequate sources and financial possibilities (Freeman, 2008). While the pre-1994 partition of reserves severely limited post-1994 finance for most African-owned SMMEs. Woodward et al., (2014) stated that the administration in the republic has attempted boosting African-owned SMME growth after 1994.

Wingfield and Taylor (2016) examined how respondents who consistently become entrepreneurs were categorised by race. Accordingly, researchers argue that ethnicity affects SMME outcomes (Dzansi & Arko-Achemfuor, 2016). Byrnes and Henricks (2014) noted that other studies have presented alternative reason that recognises inequity and holds the government accountable, thus the alleged disadvantage of African-owned SMMEs in South Africa remains dubious.

### 2.4 Financial institutions that support SMMEs

Rungani & Potgieter (2018), SMME owners are unaware of the various financing options available to them and lack the financial literacy to navigate the application process effectively. Singh and Wasdani (2016) is in support with other researchers, SMME owners are unfamiliar with financing choices and application processes, making it difficult for them to obtain loans from financial institutions. According to SMMEs' key challenge is funding (Cant, Erdis & Seshapo, 2014). High interest rates and strict loan conditions from financial institutions make it hard for SMMEs to get financing, according to Abdullahi et al., (2015). SMME owners do not use bank loans or government support for start-up and expansion, according to many studies (Cullen, Calitz & Gaga, 2014). Literature on smaller institutions indicates that enhancing financing access was scarce (Beck et al., 2013). The study by Oyelana & Adu (2015) agrees with other academics that individual reserves, family and friend loans, bank loans, external help, and government loans were the main sources of company finance. Financial institutions perceive SMMEs as high-risk borrowers due to factors relating to market volatility and higher failure rates compared to larger businesses (Rungani & Potgieter, 2018).

Nedbank and Standard Bank reported good funding growth by way of the marketplace and saw African-owned SMMEs as extra lending-constrained (BASA, 2019). Accordingly, Gana & Ayari (2013) state, that SMME owners received loans from banks through their social networks by building long-term relationships with them.

Table 1 shows the organisations that support the African-owned SMMEs financially.

Table 1: Organisations that support SMMEs financially.

Organisations	Main function	started
National Youth Development Agency (NYDA)	Instead of loans, the NYDA provides micro-finance donations for young entrepreneurship and supportive funds for young engagement in enterprises.	2008
Small Enterprise Finance Agency (SEFA)	SEFA leads the way in financing balanced, Micro, Small, and Medium companies. South African Micro Apex Fund, Khula Enterprise Finance Ltd., and IDC's small company activities merged to become SEFA on April 1, 2012.	2012
National Empowerment Fund (NEF)	NEF creates, promotes, and implements innovative investment and transformation solutions to increase African economic participation.	1998
Industrial Development Corporation (IDC)	The national development finance institution IDC promotes economic and industrial growth. State-owned and supervised by Economic Development in South Africa.	1940
Development Bank of Southern Africa (DBSA)	In South Africa various development finance organisations, including the Development Bank of Southern Africa (DBSA). It funds physical, social, and economic infrastructure to speed up balanced socio-economic growth.	1983
Development Bank of Southern Africa (DBSA)	A number of Southern African development financing institutions include the Bank of Southern Africa (DBSA). It funds physical, social, and economic infrastructure to accelerate sustainable socio-economic growth.	2006
Standard Bank	A portal that helps small and medium entrepreneurs find new possibilities and regulatory and financial information on starting, running, and growing a firm.	2007
First National Bank (FNB)	A business unit for startups under three years old that gives free virtual business plans, cash flow estimates, mentorship, and counseling skills.	2007
Nedbank	Nedbank Small Business Services provides financial help and solutions for small business growth. It serves franchisees, startups, professionals, and small enterprises.	2007
Amalgamated Banks of South Africa (ABSA)	Offer products and services that help SMEs develop and enhance the economy.	2007

Source: Own compilation

## 2.5 Non-financial institutions that support SMMEs

Non-financial institutions and business performance have been studied extensively (Ajibade & Khuyundi, 2017). Non-financial assistance helps bridge the knowledge and skills gaps that hinder SMMEs' growth (Akinwale & Kachere, 2018). Agwa-Ejon & Mbohwa (2015) found that Gauteng Metropolitan SMMEs lack money management skills and proficiency. Ajibade & Khuyundi (2018) observed policies and governing structures did not address SMME data administration plan. Accordingly, Ajibade & Khayundi (2018) found no data administration plan knowledge and teaching to help organisations conform. Bongomin et al., (2014) indicated that entrepreneurship education helps SMMEs survive. Worku (2016) reported that SMMEs in the Vaal Triangle struggled to obtain loans, training, and entrepreneurial skills. Business success depends on training in business and related skills, according to Olokundun et al. (2017). According to Akinwale & Kachere (2018), business development assistance agencies should prioritise providing sufficient and timely non-financial assistance to improve SMMEs' performance. Government interventions increased business productivity, demonstrating they can help SMMEs function more efficiently (Aluko et al., 2023).

Akinwale & Kachere (2018), posit that non-financial assistance is a tool used to empower the SMMEs with the knowledge, skills, and support networks to overcome challenges, improve their performance, and achieve long-term sustainability. Ladzani et al. (2011) found that most respondents were unaware of regime entities that provide aid, coaching, and assistance to business persons. However, government support programmes increased SMME job generation. This shows these actions boost economic activity and lower unemployment (Aluko et al., 2023).

Table 2 shows the organisations that support African-owned SMMEs non-financially.

Table 2 : Organisations that support non-financially

Organisation	Main functions	Started
Company and Intellectual Property Commission (CIPC)	It covers firms, close corporations, co-operatives, trademarks, patents, designs, copyright, and rule enforcement in most of these sectors.	2008
Small Enterprise Development Agency (SEDA)	Entrepreneurs receive corporate discussing, guidance, and recommendations from expert provision contributors and affiliates organisations from SEDA	2004

National Em- powerment Fund (NEF)	To promote sustainable African economic participation, NEF create, encourages, and execute original financing and revolution decisions.	1998
Department of Trade and In- dustry-Incentive schemes (DTI)	The incentive supports capital investment and training.	2012
Technology In- novation Agency (TIA)	Goal: Develop and use technical advancements to boost efficient expansion and value of living for all in the republic.	2008
South African Women Entre- preneurs' Net- work (SAWEN)	SAWEN, a South African National Network, promotes and tracks women entrepreneurs' socioeconomic growth and economic benefits.	2002
Gauteng Enter- prise Propeller (GEP)	To expand SMME involvement in the conventional nation and boost Gauteng's economic growth and employment.	2005
Enterprisation- SAICA Enter- prise Develop- ment	SAICA has created an enterprise development and SME support hub, 'Enterprisation', that supports jobless African and coloured accounting graduates, African entrepreneurs, and small businesses through an alumna teaching agenda run in corporation with Guarantee Trust and SEFA.	2013
South African Bureau of Standards (SABS)	The SABS formed a business unit to provide exclusive product testing and certification assistance to SMMEs because they can also be vital to the South African economy.	2008
Proudly South African	Proudly South African promotes excellent value, regional contents, fair employment, and ecological attempts in South African businesses, organisations, and products.	2001

Source: Own compilation

### 3 Research Methodology

Research methodology includes reasoning norms, logical structures, and interaction (Parahoo, 2014). This research study design includes a quantitative methodology, data gathering, analysis, and ethical consideration to



arrange thoughts and communicate study findings. This study used the epistemological paradigm—knowledge and justification—to examine African-owned SMMEs' knowledge organisations that support them financially and non-financially. This research is based on positivism. The study evaluated the marvels of concern using a cross-sectional approach. The empirical study used questionnaires administered by respondents (Fatoki & Chilya, 2012). The sample frame for this investigation used probability sampling, which generalised the research findings. The study used random sampling, a statistical experiment that observed a sample from a population of data (Wackerly et al., 2008:77). The study included 925 African-owned SMMEs from the Tshwane database (City, 2017). The current study had a reasonable people determined through Raosoft sample size calculator with a 5% margin error, 95% confidence level, and 50% response distribution (Raosoft, 2017). An initial sample of 544 African-owned SMMEs in South Africa was studied.

This study examined validity and reliability. Construction validity was assessed using a Kaiser-Meyer-Olkin (KMO) and Bartlett's sphericity test. The KMO measures sampling adequacy by comparing the sum of the squared inter-item correlations to the sum of the squared correlations plus the squared partial correlations, aggregated over all correlations. KMO should be 0.50 or above. If the significance value is less than 0.05, Bartlett's test of sphericity is meaningful. Factor loadings of  $\pm 0.30$  to  $\pm 0.40$  are suitable, but values over  $\pm 0.50$  are necessary for practical relevance (Hair, African, Babin, & Anderson, 2014). This study maintained a 0.30 minimum factor loading for interpretation. Cronbach alpha scores of 0.60 and higher indicated reliability (Cohen, Manion & Morrison, 2018).

This study analysed data using descriptive statistics. Descriptive statistics summarise sample features without inferences or casual correlations. Statistical descriptive statistics include frequency distributions, percentages, central tendency, and dispersion or variability (Verma, 2013).

## 4 Findings and Discussion

### 4.1 Reliability and Validity

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.834 for the knowledge construct, and Bartlett's Test of Sphericity was 839.659 ( $df = 10$ ;  $p = 0.00$ ) to reject the identity matrix null hypothesis. Convincing facts suggested the correlation matrix was factorable.

Tabachnick and Fidell (2014) say the correlation matrix is factor analysable when the KMO approaches unity or is greater than 0.60. All institutional restrictions scale items were part of the dimensionality analysis because none were problematic in the item analysis. After extraction, one factor had an eigenvalue of 3.281. Institutional restrictions explained 65.61% of variance. There was one factor loading and all factor loadings were 0.782 to 0.838.

Table 3 shows the KMO and Bartlett awareness tests.



Table 3: The Bartlett's test and KMO for the knowledge construct

Bartlett's test and KMO		
<b>KMO</b>		0.834
<b>Bartlett's Test of Sphericity</b>	Approx. Chi-Square	839.659
	Df	10
	Sig.	0.000

Source: Own compilation

The Cronbach alpha for the knowledge scale was 0.867. This reliability coefficient is acceptable if Cronbach's alpha is above 0.70 (Tabachnick & Fidell, 2014). Table 4 shows knowledge construct Cronbach alpha.

Table 4: Knowledge construct

<u>statistics</u>		
Cronbach's alpha	Cronbach's alpha based on standardized items	N of Items
<b>0,867</b>	0.869	5

Source: Own compilation

#### 4.2 Demographic Data

Section A: 1-6 included demographic questions to help respondents complete the questionnaire (Burns et al., 2008). Respondents were instructed to cross (x) the right information block. The sample included 544 African-owned SMMEs. Overall, 353 questionnaires were suitable for the investigation. The response rate was 65%. Participants in African-owned SMMEs were randomly selected (N=353; male=55.8%). The sample was mostly single (51.3%), in business (43.6%), and tricenarian (30-39 years). Most respondents (51.3%) were single. Table 5 shows demographics.

Table 5: Demographic data (n=353)

Categories	Frequency	Valid %	Cumulative %
<b>Gender</b>			
Male	197	55.8	55.8
Female	156	44.2	100.0
<b>Total</b>	<b>353</b>	<b>100.0</b>	
<b>Marital status</b>			
Single	181	51.3	51.3
Married	111	31.4	82.7
Divorced	24	6.8	89.5
Widowed	10	2.8	92.4
Cohabiting	27	7.6	100.0
<b>Total</b>	<b>353</b>	<b>100.0</b>	
<b>Occupational background</b>			
Unemployed	111	31.4	31.4
Self-employment	154	43.6	75.1
Employed-private sector	48	13.6	88.7
Farm worker	10	2.8	91.5
Government employee	19	5.4	96.9
Top Management	11	3.1	100.0
<b>Total</b>	<b>353</b>	<b>100.0</b>	
<b>Age</b>			
Less or equal to 19 Years	3	0.8	0.8
20 - 29 Years	76	21.5	22.4
30 - 39 Years	133	37.7	60.1
40 - 49 Years	89	25.2	85.3
50 - 59 Years	39	11.0	96.3
60 Years and more	13	3.7	100.0
<b>Total</b>	<b>353</b>	<b>100.0</b>	

Source: Own compilation

### 4.3 Hypotheses testing

To test hypotheses descriptive statistics was used, thus the following hypotheses are tested:

**H1: SMMEs are knowledgeable of several organizations that support African-owned businesses financially.**

This hypothesis examined the knowledge of South African organisations that support African-owned SMMEs financially. The knowledge of organisations that help African-owned businesses financially is seen in Table 6.

Table 6: Knowledge of several financial organisations (n=353)

Knowledge	Frequency	Valid %	Cumulative %
Yes	123	34.8	34.8
No	230	65.2	100.0
Total	353	100.0	

Source: Own compilation

As per Table 6, it is revealed that 65.2% are not knowledgeable and 34.8% of respondents were knowledgeable of several organisations that support SMMEs financially.

Figure 1: Knowledge of several organisations that support SMMEs financially (n = 353)

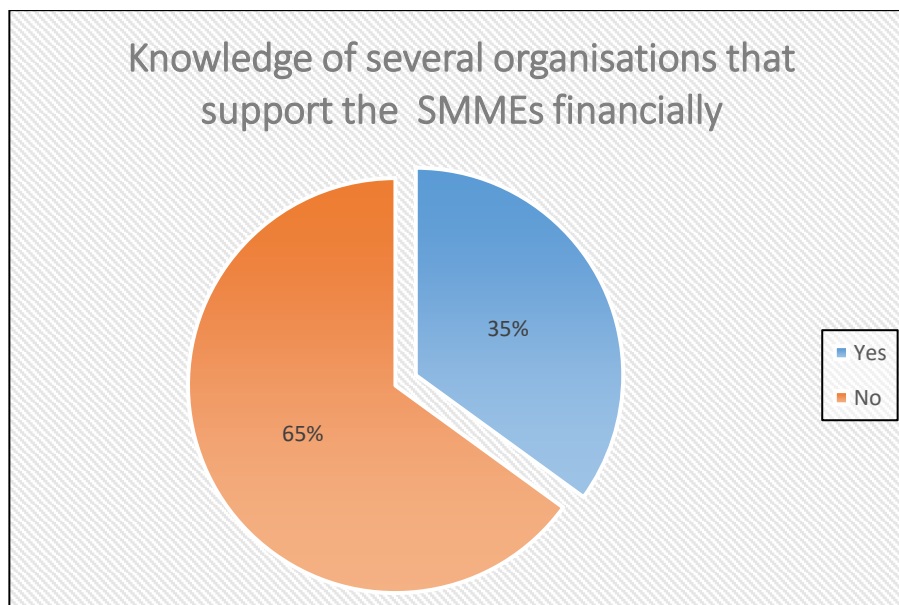


Table 6 and Figure 1 reveal that most participants were not knowledgeable of organisations that help African-owned SMMEs. Abdullahi et al. (2015) found that SMMEs in Nigeria lack opportunities despite government and financial backing. This hypothesis is rejected by the results.

**H2: SMMEs are knowledgeable of several organizations that support African-owned businesses non-financially.**

This hypothesis examined the knowledge organisations that non-financially help African-owned SMMEs. Table 7 shows the knowledge of organisations that promote African-owned enterprises non-financially.

Table 7: Knowledge of several organisations that support SMMEs non-financially (n=353)

Knowledge	Frequency	Valid %	Cumulative %
Yes	98	27.8	27.8
No	255	72.2	100.0
Total	353	100.0	

Source: Research Findings (2020)

As per Table 7, it is revealed that 72.2% are not knowledgeable and 27.5% of respondents are knowledgeable of several organisations that support SMMEs non-financially.

Figure 2: Knowledge of several organisations that support SMMEs non-financially (n = 353)

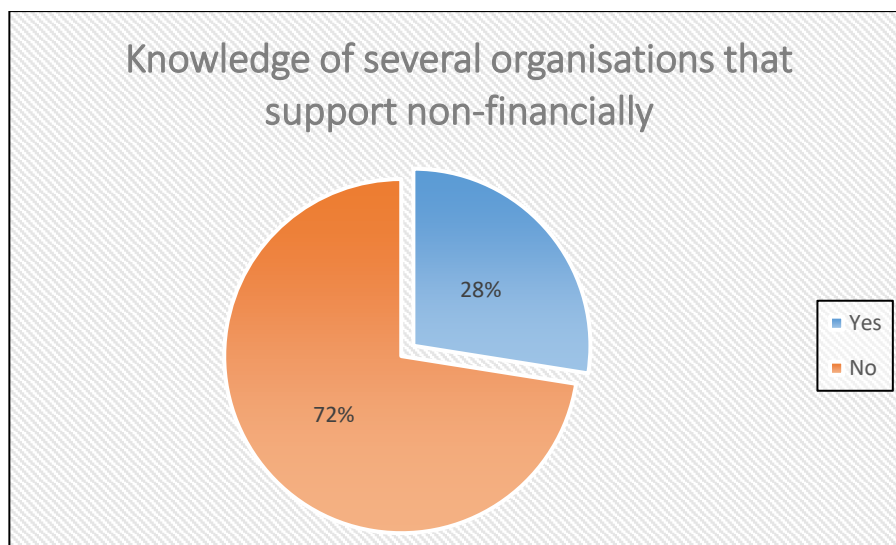


Table 7 and Figure 2 reveal that most participants were not knowledgeable of organizations that support them non-financially. Ladzani et al. (2012) concur with other studies that majority respondents were unaware of government entities that help entrepreneurs and SMMEs with funding, training, and support. This hypothesis is rejected.

After testing, all hypotheses were rejected. Table 8 shows hypothesis choices.

Table 8: Hypothesis decision

Hypothesis	Results
H1: SMMEs are knowledgeable of several organisations that support African-owned businesses financially	Rejected
H2: SMMEs are knowledgeable of several organisations that support African-owned businesses non-financially.	Rejected

Source: Own compilation

Table 8 showed hypothesis choices. Since SMMEs are not knowledgeable of the organisations that help African-owned businesses financially and non-financially in South Africa, H1 and H2 were rejected. This study is the first to find that SMMEs are not knowledgeable of the organisations that help African-owned businesses financially and non-financially in South Africa. The outcomes of this study will inform future South African research in this field. This study confirms past global studies that indicated SMMEs are not knowledgeable of the entities that help them financially and non-financially (Ladzani et al., 2012; Abdullahi et al., 2015).

## 5 Discussion

The findings reveal a concerning lack of awareness, with most participants indicating limited knowledge of financial and non-financial support. This result aligns with previous research conducted in other developing economies. For instance, Abdullahi et al. (2015) found a similar lack of awareness among SMMEs in Nigeria, highlighting a potential disconnect between available support and SMMEs' understanding of how to access financial and non-financial institutions. The study conducted by Akinwale & Kachere (2018), found a correlation between insufficient non-financial assistance and poor performance in SMMEs. Rungani & Potgieter (2018), are supported by other researchers as financial and non-financial support are the main determinant of SMME success.

Furthermore, our findings echo the work of Ladzani et al. (2012), who reported that a significant proportion of respondents were unaware of government entities and programmes designed to assist entrepreneurs and SMMEs with funding, training, and other forms of support. This recurring theme across different geographic contexts underscores a critical need for improved communication and outreach strategies from both government and private sector support organisations. The rejection of both hypotheses, which posited that SMMEs would possess adequate knowledge of support organisations, emphasises the novelty and significance of these findings within the South African context. This study is the first to specifically examine and confirm this knowledge gap among African-owned SMMEs in South Africa, paving the way for future research to delve deeper into the underlying causes and potential solutions.

## **6 Conclusion**

This study examined the level of knowledge among South African SMMEs regarding organisations that provide financial and non-financial support. Contrary to the initial hypotheses, the findings revealed a significant lack of awareness among SMMEs about these support structures. This knowledge gap was particularly evident in the realm of financial institutions, with many SMME owners relying on personal savings for start-up capital due to limited awareness of alternative funding options.

### **6.1 Practical Implications**

These findings hold crucial practical implications for various stakeholders invested in SMME success. The financial and non-financial support organisations must prioritise targeted outreach and awareness campaigns specifically designed for African-owned SMMEs. This includes utilising accessible communication channels, simplifying information dissemination, and fostering collaborations to reach a wider audience. Government agencies should consider policies that incentivise information sharing and collaboration between support organisations and SMMEs. Additionally, streamlining access to information about available support programmes through centralised online platforms could prove beneficial.

### **6.2 Recommendations**

Based on the research findings, the recommendations are proposed to Support organisations that actively engage in raising awareness about their services through diverse channels such as radio commercials, workshops, community meetings, and online platforms. Regularly updated and user-friendly financial and non-financial institutions websites can also play a crucial role in providing accessible information. Developing tailored outreach programmes that cater specifically to the needs and challenges faced by African-owned SMMEs can improve engagement and knowledge uptake. Fostering stronger partnerships between support organisations, government agencies, and SMME representative bodies can facilitate information sharing, coordinated outreach efforts, and more effective support delivery.

### **6.3 Limitations and Recommendations for Future Research**

This study investigated the level of knowledge among African-owned SMMEs in the City of Tshwane Metropolitan Municipality, South Africa and employed a quantitative approach. Future research could benefit from conducting in-depth qualitative studies to understand the underlying reasons behind the lack of awareness among SMMEs. This could involve interviews or focus groups to explore their experiences, challenges, and information-seeking behaviors. By investigating whether the level of awareness varies

across different SMME sectors and tailoring recommendations accordingly. Tracking the impact of implemented recommendations over time to assess their effectiveness in improving SMME knowledge and access to support services.

Future research should delve deeper into the reasons behind the observed knowledge gap. Exploring the role of information accessibility, cultural factors, and trust in financial and non-financial institutions could provide valuable insights. Additionally, investigating the effectiveness of different outreach and awareness strategies would be beneficial in guiding practical interventions. By addressing these knowledge gaps and improving access to vital support services, stakeholders can contribute significantly to the growth, sustainability, and overall success of African-owned SMMEs in South Africa, ultimately fostering economic development and empowerment.

## 7 Acknowledgement

This study is based on the Masters' dissertation by the corresponding author.

## 8 Authors

**Felicity Kgomotso Tlhagale**, a lecturer from the University of South Africa, holds a Masters degree in Finance. Her area of expertise is in development finance, small business finance, and corporate governance.

**Adam Ndou**, a senior lecturer from the University of South Africa, holds a PhD degree in Management studies. His area of expertise is in small business finance, financial literacy, financial socialization, and consumer behaviour.

## 9 References

Abdullahi, S.M., Abubakar, A., Aliyu, R.L., Umar, K., Umar, M.B., Sabiu, I.T., Naisa, F.U.K., Khalid, S.S. & Abubakar, L.S. (2015). The nature of small and medium scale enterprises (SMEs): Government and financial institutions support in Nigeria, *International Journal of academic research in business and social sciences*, 5(3):526-537.

Acheampong, G. & Hinson, R.E. (2018). Benefitting from alter resources: Network diffusion and SME survival, *Journal of Small Business and Entrepreneurship*, 30(1):1-18.

Agwa-Ejon, J. & Mbohwa, C. (2015). Financial challenges faced by SMMEs in Gauteng South Africa. *International Association for Management Technology, IAMOT 2015 Conference Proceedings*: 520-534.

Ajibade, P. & Khayundi, F.E. (2017). The role of records management in small micro and medium enterprises (SMMEs) in South Africa and its implications for business sustainability. *African Journal of Library Archives and Information Science*, 27(2):175-188.



Akinwale, O., & Kachere, D. W. (2018). Insufficient Non-Financial Development Assistance: A Barrier To SMMEs Performance In South Africa. *WEI*, 52.

Aluko, T., Bayai, I., & Enwereji, P. (2023). Effects of Government Intervention on SMMEs: A Review of Empirical Evidence. *Acta Universitatis Danubius. Œconomica*, 19(5): 264-289.

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1):99-120.

BASA. (2019). *Transformation in Banking Report*.

Beck, T., Demirgüç-Kunt, A. & Singer, D. (2013), Is small beautiful? Financial structure, size and access to finance. *World Development*, 52(C):19-33.

Boadi, I., Dana, L.P., Mertens, G & Mensah, L. (2017). SMEs' financing and banks' profitability: A "Good date" for banks in Ghana? *Journal of African Business*, 18(2):257-277.

Burns, K.E., Duffett, M., Kho, M.E., Meade, M.O., Adhikari, N.K., Sinuff, T. & Cook, D.J. (2008). A guide for the design and conduct of self-administered surveys of clinicians. *Canadian Medical Association Journal*, 179(3):245-252.

Cant, M.C., Erdis, C. & Seshapo, C.M. 2014. Business survival: The constraints experienced by South African SMEs in the financial sector. *International Journal of Academic Research in Business and Social Sciences*, 4(10):565-579.

Chipunza, L.T. & Chipunza, C. (2014). The influence of selected demographic variables on the choice of bootstrap financing methods in small owner-managed businesses in Zimbabwe. *Journal of Economics*, 5(2):219-229.

City of Tshwane. (2017). *City of Tshwane database for African-owned SMMEs*.

Cooper, D.R. & Schindler, P.S. (2014). *Business research methods* 12th edition. New York: International Edition, McGraw-Hill.

Cullen, M.D.M., Calitz, A.P. and Gaga, S. (2014). SMME access to finance in South Africa. *Journal of Emerging Economics, Finance and Banking*, 3(6):1255-1273.

Dzansi, D.Y & Arko-Achemfuor, A. (2016). Understanding entrepreneurship in the South African context: Insights from entrepreneurial risk attitudes of four major ethnic groups. *African Journal of Science, Technology, Innovation and Development*, 8(2):146-154.

Fatoki, O.O. (2012a). The Impact of ethics on the availability of trade credit to new small and medium sized enterprises (SMEs) in South Africa. *Journal of Social Sciences*, 30(1):21-29.

Fatoki, O.O. & Chiliya, W. (2012). An Investigation into the attitudes toward business ethics and corporate social responsibility by local and immigrant SME owners in South Africa, *Journal of Social Sciences*, 32(1):13-21.

Fomum, T. A., & Opperman, P. (2023). Financial inclusion and performance of MSMEs in Eswatini. *International Journal of Social Economics*, (ahead-of-print).

Fosu, A., Giba-Fosu, N., & Odoi, E. (2024). Assessing E-commerce Readiness and E-Skills of Developing Nations' SMMEs in the Era of Global Digital Economic Evolution: A Case Study of the Bono Region, Ghana. *African Journal of Development Studies (formerly AFFRIKA Journal of Politics, Economics and Society)*, 14(1): 59-71.

Freeman, A. (2008). Community reinvestment legislation and access to housing finance in post-apartheid South Africa. *Housing Studies*, 23(5):697-716.

Gana, M.R. & Ayari, R.S. (2013). Social interactions and access to credit: The case of Tunisian SMEs. *Journal of Business Studies Quarterly*, 4(4):153-165.

Hooper, V., Kew, J. & Herrington, M. (2010). *The use of mobile phones by SMMEs in a developing economy: The case in South Africa*. IECIS 2010 Proceedings, 1-13.

Hyder, S. & Lussier, R.N. (2016). Why businesses succeed or fail: A study on small businesses in Pakistan. *Journal of Entrepreneurship in Emerging Economies*, 8(1):82-100.

Kuratko, D.F., Morris, M.H. & Schindehutte, M. (2015) Understanding the dynamics of entrepreneurship through framework approaches. *Journal of Small Business Economics*, 45(1):1-13.

Ladzani, W., Nhlapo, S. & Nieuwenhuizen, C. (2011). Government support and factors hindering small business survival in the Kroonstad area. *Journal of Public Administration*, 46(4):1459-1478.

Mahembe, E., Chiumya, C. & Mbewe, M. (2011). *Literature review on small and medium enterprises' access to credit and support in South Africa*. Prepared for: National Creditor Regulator: By Underhill Corporate Solutions.

Mandishaya, H.; Inderpal, L. & Karodia, A.M. (2015). An evaluation of the challenges faced by women owned small to medium enterprises and their impact on organisational performance: A case study Of Katter Incubation Centre, Thomas Region, Namibia, *Kuwait Chapter of Arabian Journal of Business and Management Review*, 5(3):1-28.

Mhlongo, T., & Daya, P. (2023). Challenges faced by small, medium and micro enterprises in Gauteng: A case for entrepreneurial leadership as an essential tool for success. *The Southern African Journal of Entrepreneurship and Small Business Management*, 15(1), 591.

Nieman, G & Nieuwenhuizen, C. (2017). *Entrepreneurship: A South African perspective* 6th edition. Pretoria: Van Schaik.

Ngonisa, P., Mgxekwa, B., Ndlovu, N., Ngonyama, N., & Mlambo, C. (2023). Bank market structure and SMMEs' access to finance: A South African perspective. *Economies*, 11(1), 30.

OECD (2015). *Progress report on G20/OECD high-level principles on SME financing*. OECD report to G20 finance minister and central banks governors, OECD Paris Available at <https://www.oecd.org/finance/private-pensions/G20-OECD-High-level-Principles-on-SME-Financing-Progress-Report.pdf>

Olokundun, M.A., Ibidunni, A.S., Peter, F., Amaihian, A.B. & Ogbari, M. (2017). Entrepreneurship educator's competence on university students' commitment to learning and business plan writing. *Academy of Strategic Management Journal*, 16(2):1–10.

Oyelana, A.A. & Adu, E.O. (2015). Small and medium enterprises (SMEs) as a means of creating employment and poverty reduction in Fort Beaufort, Eastern Cape Province of South Africa. *Journal of Social Sciences*, 45(1):8-15.

Parahoo K. (2014) *Nursing research: Principles, process and issues* 3rd edition. Houndmills Basingstoke: Palgrave Macmillan.

Ramsuraj, T. (2023). Assessing the role of entrepreneurship industry and SMEs to economic growth in South Africa. *International Journal of Research in Business and Social Science* (2147-4478), 12(7): 283-291.

Raosoft. 2017. Sample size calculator. Available:

<http://www.raosoft.com/samplesize.html> [Accessed: 15 November 2017].

Rogerson, C.M. (2013). Improving market access opportunities for urban small, medium and micro-enterprises in South Africa. *Urbani Izziv*, 24(2):133-143.

Rungani, E. C., & Potgieter, M. (2018). The impact of financial support on the success of small, medium and micro enterprises in the Eastern Cape province. *Acta Commercii*, 18(1), 1-12.

Scholtz, E., Cronje, L. & Cilliers, J. O. (2023). Quality service SMMEs in South African townships: A comparative study of the Soweto and Diepsloot townships. *Journal of Contemporary Management*, 20(2): 199-235.

SEDA. (2017). *The small, medium and micro enterprise sector of South Africa*. Available at

<http://www.seda.org.za/Publications/Pages/SmallBusinessPublications.aspx> (Accessed 08/10/2017).

Sibiya, A., van der Westhuizen, J., & Sibiya, B. (2023). Challenges Experienced by SMMEs and Interventions by the South African National and Provincial Government: A Literature Review. *African Journal of Inter/Multidisciplinary Studies*, 5(1): 1-11.

Singh, C., & Wasdani, P. (2016). Finance for micro, small, and medium-sized enterprises in India: Sources and challenges.

Tabachnick, B.G. & Fidell, L.S. (2013). *Using multivariate statistics* 6th edition, Boston: Pearson.

Van Wyk, I. & Venter, P. (2023). Factors influencing strategic decision-making in South African small businesses, *Acta Commercii* 23(1): a1070

Wackerly, D.D., Mendenhall III, W. & Scheaffer, R.L. (2008). *Mathematical statistics with applications* 7th edition. Brooks/Cole, Cengage Learning.

White Paper. (1995). *White paper on national strategy for the development and promotion of small business in South Africa*. Parliament of the Republic of South Africa, Notice 213 of 20 March 1995.

Wingfield, A.H & Taylor, T. (2016). Race, gender, and class in entrepreneurship: intersectional counter frames and African business owners. *Ethnic and Racial Studies*, 39(9):1676-1696.

Woodward, D., Rolfe, R. & Ligthelm, A. (2014). Microenterprise, multinational business support, and poverty alleviation in South Africa's informal economy. *Journal of African Business*, 15(1):25-35.

Worku, Z. (2016). Barriers to the growth of small, micro and medium sized business enterprises in the Vaal Triangle region of South Africa. *African Journal of Science, Technology, Innovation and Development*, 8(2):134-141.