



# Erratum: Factors influencing strategic decision-making in South African small businesses



## Authors:

Ireze van Wyk<sup>1</sup> Peet Venter<sup>2</sup> 

## Affiliations:

<sup>1</sup>Department of Business Management, College of Economics and Management Sciences, University of South Africa, Pretoria, South Africa

<sup>2</sup>Graduate School of Business Leadership, University of South Africa, Midrand, South Africa

## Corresponding author:

Ireze van Wyk,  
vanwyki@unisa.ac.za

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In the published article, Van Wyk, I. & Venter, P., 2023, 'Factors influencing strategic decision-making in South African small businesses', *Acta Commercii* 23(1), a1070. <https://doi.org/10.4102/ac.v23i1.1070>, there was a mistake in Figure 1 as published. Incorrect themes and sub-themes were included in Figure 1. The corrected Figure 1 appears below.

The original incorrect Figure 1:

Risk		
Market influence	External influence	Financial costs
Alternatives better offering? changed platforms industry constraints marketing options needs (market/client) new industry developments as a guide possible industry trends what's already out there?	Covid-19 familial complication financial reality rsa uncertainty	\$ r (money) cash flow evaluate cut your losses (dump non-productive ideas) feasibility seed capital
SMEracter		
Market influence	Core	
Ability to improve/think on feet Big/small Boredom Dress code Freedom Gut	Belief Commitment Culture Identity Personal interest, passions, plans Vision and mission	Criticism Experience Moral code No compromise Self-believe What worked and what did not work
Operation		
Internal team	Engine	
Available position Contingency (I cannot clone) Human resources Impact on team Skill development	1,3,5 year plans Engine Industry compliance challenges King IV compliance Legal vehicle	Business canvas Corporate Legislation constraints
Limitation/Opportunities		
Internal team	Engine	
Time Time (limitations) Time constraints	Access (travel, knowledge, funds, international markets) Age Communication (positive and negative) Risk factor (young SME vs settled SME)	Demand Lack of knowledge Market limitations Small (key person) Technical implementation challenges
Limitation/Opportunities		
Financial potential	Fuzzy feeling	
Finances Long-term sustainability Potential	Charitable advantage Legacy Positive legacy Potential for positive overflow Purpose Value	Feeling of accomplishment Impact/outcome Paying it forward Personal endorsement (Will I be proud) Will it matter? (Timeline of consequences)

Source: Adapted from Van Wyk, I., 2022, 'An ethical strategic decision-making framework for South African small and medium enterprises', Doctoral dissertation, University of South Africa. COVID 19, coronavirus disease 2019; SME, small and medium enterprise; \$, US dollar; R, rand

**FIGURE 1:** Reflection notes, themes and sub-themes.

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The revised and updated Figure 1:

Risk		
Market influence	External influence	Financial costs
Alternatives Better offering? Changed platforms Industry constraints Marketing options Needs (market/client) New industry developments as a guide Possible industry trends What's already out there?	Covid-19 Familial complication Financial reality RSA Uncertainty	\$ R (Money) Cash flow Evaluate cut your losses (dump non-productive ideas) Feasibility Seed capital
SMEracter		
SME Agility	Core	
Ability to improve/think on feet Big/small Boredom Dress code Freedom Gut	Belief Commitment Culture Identity Personal interest, passions, plans Vision and mission	Criticism Experience Moral code No compromise Self-believe What worked and what did not work
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Limitation/Opportunities		
Time	Capacity	
Time Time (limitations) Time constraints	Access (travel, knowledge, funds, international markets) Age Communication (positive and negative) Risk factor (young SME vs settled SME)	Demand Lack of knowledge Market limitations Small (key person) Technical implementation challenges
Reward		
Financial potential	Fuzzy feeling	
Finances Long-term sustainability Potential Value proposition Will it grow? (money, business, happiness)	Charitable advantage Legacy Positive legacy Potential for positive overflow Purpose Value	Feeling of accomplishment Impact/outcome Paying it forward Personal endorsement (Will I be proud) Will it matter? (Timeline of consequences)

Source: Adapted from Van Wyk, I., 2022, 'An ethical strategic decision-making framework for South African small and medium enterprises', Doctoral dissertation, University of South Africa. COVID 19, coronavirus disease 2019; SME, small and medium enterprise; \$, US dollar; R, rand



**FIGURE 1:** Reflection notes, themes and sub-themes.

The publisher apologises for this error. The correction does not change the study's findings of significance or overall interpretation of the study's results or the scientific conclusions of the article in any way.

# Factors influencing strategic decision-making in South African small businesses



## Authors:

Ireze van Wyk<sup>1</sup> Peet Venter<sup>2</sup> 

## Affiliations:

<sup>1</sup>Department of Business Management, College of Economics and Management Sciences, University of South Africa, Pretoria, South Africa

<sup>2</sup>Graduate School of Business Leadership, University of South Africa, Midrand, South Africa

## Corresponding author:

Ireze van Wyk,  
vanwyki@unisa.ac.za

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**Orientation:** Good strategic decision-making (SDM) is vital for continuous long-term business performance and sustainability.

**Research purpose:** This study aimed to determine the influencing factors of SDM in small-, medium- and micro-enterprises (SMMEs) and how they relate to each other.

**Motivation for the study:** Strategic decision-making literature for SMMEs is underrepresented, particularly in South Africa. This article addressed this gap by investigating these factors, thereby improving the current understanding of SDM and enhancing environmental scanning and effective SDM in SMMEs.

**Research design, approach, and method:** A qualitative approach was adopted, implementing the interactive qualitative analysis (IQA) research technique involving a focus group session and interviews. Themes were identified through inductive and deductive coding. A total of 13 SMME owners participated in the study.

**Main findings:** The main findings identified five categories of influencing factors, namely Risk, SMERacter, Operations, Limitations and/or Opportunities and/or Rewards. The sub-themes highlighted unique influencing factors such as 'fuzzy feel good', financial potential, time, capacity, core of the entity and 'engine'. The findings also highlight how the five categories of influencing factors relate to each other in the SDM context.

**Practical/managerial implications:** The findings provide SMME managers and/or owners with insight into that which influences their SDM, and how these factors relate to each other. Such knowledge improves SDM, environmental scanning, and assists in identifying how to mitigate influencing factors during SDM.

**Contribution/value-add:** This article makes a theoretical contribution by providing additional insights pertaining to the influencing factors of SDM in SMME, and how they relate to each other, adding to the body of knowledge related to SDM in SMME.

**Keywords:** small and medium enterprises; SMEs; SMMEs; strategic decision-making; strategy; interactive qualitative analysis; South Africa.

## Introduction

Small-, medium- and micro-enterprises (SMMEs) are important players in the South African economy. They contribute to economic growth, innovation, job creation and employment opportunities (Ayandibu & Houghton 2017; Taiwo, Falohun & Agwu 2016). The long-term survival of SMMEs is paramount to help address some of South Africa's issues, such as the current high unemployment rates.

However, South African SMMEs have a high failure rate. Factors contributing to their failure rate are ineffective managerial practices (including strategic decision-making [SDM]), inadequate infrastructure and finances, risks emanating from economic factors and limited networks (Masama & Bruwer 2018; SEDA 2016).

Effective SDM is important to ensure the success and long-term performance of enterprises of all sizes. Strategic decision-making related research is one of two broad research streams of strategic management, namely strategy process (Burgelman et al. 2018; Hang & Wang 2012). However, research in this field, and strategy process research stream, is limited, because most SDM studies focus on large organisations (De Castro Krakauer & De Almeida 2016; Gopaul & Rampersad 2020; Musso & Francioni 2012). In South Africa, small businesses are classified into micro, very small, small and medium-sized entities (Nene 2017). Terms such as small business, small and medium

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enterprises (SMEs) and SMMEs are evident in literature, are sometimes used interchangeably (Smit & Watkins 2012) and refer to smaller scaled enterprises. The term SMMEs is used in this article, as it includes small, medium and micro enterprises.

There has been a call for further research in this field, particularly in South Africa (Gopaul & Rampersad 2020; Sandada, Poole & Dhurup 2014). Based on this gap in literature, this article aims to contribute to the deeper understanding of SDM in SMME literature by investigating the influencing factors of SDM in SMMEs and how they relate to each other. To achieve this aim, the following research questions were addressed: (1) What are the influencing factors of SDM in SMMEs and (2) How do they relate to each other?

The following sections address the literature review, focussing on SMMEs and SDM. Thereafter, the study's research methodology is explained followed by the research findings. The article concludes with the theoretical implications of this study, the managerial implications and highlights the limitations of this study and future research opportunities.

## Literature review

This section reviews the importance of SMMEs and defines SDM, before reviewing the influencing factors of SDM in broad literature, and then specifically, in SMME literature.

### Small-, medium- and micro-enterprises and strategic decision making

Small-, medium- and micro-enterprises in the South African private sector employ 50%–60% of all employees in the country (Nene 2017; Olawale & Garwe 2010). The SMMEs differ from larger organisations in terms of decision-making, processes, turnover, number of employees, market share and informal bureaucratic structures (Ayandibu & Houghton 2017; Coetzer, Wallo & Kock 2019; Liberman-Yaconi, Hooper & Hutchings 2010; Taiwo 2016). The numerous challenges they face, such as limited human, financial and technological resources, could contribute to inadequate decision-making skills and knowledge. In addition, decision-making in SMMEs is most likely performed by an individual, instead of

a team. These characteristics influence SDM, behaviour and processes in SMMEs (Ayandibu & Houghton 2017; Hang & Wang 2012; Savur, Provis & Harris 2018).

Despite a recent surge in interest, the field of SDM in SMMEs is under-researched (Gopaul & Rampersad 2020; Hang & Wang 2012; Liberman-Yaconi et al. 2010). Strategic decisions are important and intentional decisions and responses that substantially affect an organisation's survival prospects, overall scope, well-being and nature (Alsmairat, Alhawamdeh & Alsmairat 2019; Liberman-Yaconi et al. 2010; Schoemaker 1993). These decisions are characterised by complexity, uncertainty, rationality, and control and politics (Campos et al. 2015; Schwenk 1995).

An understanding of SDM in SMMEs is important, as their long-term survival is important for any economy. This is specifically true for developing countries, in general, and South Africa, in particular (Bruwer 2020; Fatoki 2020; Masama & Bruwer 2018; Mlotshwa & Msimango-Galawe 2020). Such additions to the body of knowledge could assist SMMEs to understand and improve their SDM and relevant environmental scanning and increase their chances of survival.

### Influencing factors of strategic decision making

Based on research that has primarily been conducted in larger organisations, the influencing factors of SDM can be classified as individual (or managerial) influencing factors, internal, external (or environmental factors) and decision-specific factors (Brouthers, Andriessen & Nicolaes 1998; Hang & Wang 2012; Shepherd & Rudd 2014). Table 1 summarises these broad influencing factors.

Table 1 was compiled from the following: (1) Brouthers et al. (1998); (2) Hang and Wang (2012); (3) Mehrabi and Kolabi (2012); (4) Mintzberg, Raisinghani and Theoret (1976); (5) Papadakis, Lioukas and Chambers (1998); and (6) Shepherd and Rudd (2014).

These same categories of influencing factors are evident in SMME-specific SDM literature. Table 2 summarises these influencing factors as identified in SMME literature. These influencing factors were identified in micro- to medium-

**TABLE 1:** Influencing factors in strategic decision making.

Individual	Internal factors	External factors	Decision-specific factors
Characteristics of the manager	Power and politics	Environmental characteristics (stability and dynamism, hostility and favourability, velocity and uncertainty and munificence of the environment)	Urgency, outcome uncertainty, complexity, catalyst driving the decision, expediency and risks associated with the decisions
Personality of the manager	Decision-making structure (i.e. centralised)	Industry factors	
Demographics of the manager (experience, age, qualifications, background)	Management structure	Stakeholders	
Aggressive philosophy	Structure of the organisation	Natural, market and legal environment	
Cognitive abilities and meta cognition	Organisational size		
Potency	Ownership structure		
	Performance and/or slack resources		

Source: Please see the full reference list of the article Van Wyk, I. & Venter, P., 2023, 'Factors influencing strategic decision-making in South African small businesses', *Acta Commercii* 23(1), a1070. <https://doi.org/10.4102/ac.v23i1.1070>, for more information

**TABLE 2:** Influencing factors relevant to strategic decision-making specific in small-, medium- and micro-enterprises.

Category	Influencing factors	Authors
Individual factors influencing SDM in SMMEs		
Characteristics of individual	Values, experience, demographics, managerial skills, cognitive biases, preferences, orientations, managerial and/or owner competencies, decision-making heuristics	Brouters et al. (1998) Fiegenger (2005) Gopaul and Rampersad (2020) Kroon, Van de Voorde and Timmers (2013) Lieberman-Yaconi et al. (2010) Mitchell, Shepherd and Sharfman (2011) Talaulicar, Grundeï and Werder (2002)
	Gender differences	Jocumsen (2004) Sonfield et al. (2001)
Decision-making behaviour	Information searching and processing, being proactive or reactive in information gathering, consistency in decision-making procedures	Gopaul and Rampersad (2020) Jansen et al. (2011) Lieberman-Yaconi et al. (2010)
	Dependency or independency in decision-making (using social networks or advisors)	Jansen et al. (2011) Lieberman-Yaconi et al. (2010)
Entrepreneurial dynamics	Entrepreneurial authority, orientation, approach, logic and alertness	Forbes (2005) Hauser, Eggers and Guldenberg (2019) Hayward et al. (2017) Kroon et al. (2013)
		Roundy et al. (2018)
Internal contextual factors influencing SDM in SMMEs		
Structure of the entity	Family ownership and/or influences	Sirmon et al. (2008)
	Management structures, management teams, board of directors	Fiegenger (2005) Lieberman-Yaconi et al. (2010) Sirmon et al. (2008) Talaulicar et al. (2005)
	Decentralised decision-making by the top management team	Talaulicar et al. (2005)
	Size of the entity (micro, very small, small, or medium)	Lieberman-Yaconi et al. (2010)
	Type of entity (family-owned, entrepreneurial enterprise)	Croonen and Brand (2009) Jansen et al. (2011) Sirmon et al. (2008)
	Physical structure (workspace, layout of the workspace)†	Gopaul and Rampersad (2020)
Resources	Resources of the enterprise	Lieberman-Yaconi et al. (2010)
	Skilled employee turnaround	Gopaul and Rampersad (2020)
	Employees (staffing structure and employee development)	Lieberman-Yaconi et al. (2010)
Culture†	Finances†	Gopaul and Rampersad (2020)
	Entity culture	Gopaul and Rampersad (2020)
Internal social networks	Social systems, formal or informal relationships, advisors	Jansen et al. (2011)
	Entrepreneurial networks	Lieberman-Yaconi et al. (2010)
	Power and politics	Brouters et al. (1998)
Development pressures	Pressure to grow the enterprise	Fiegenger (2005)
External contextual factors influencing SDM in SMMEs		
The environment	Characteristic or dynamics of the environment; customers; industry factors Stakeholders, regulation, competition Economic and customer environment	Gopaul and Rampersad (2020) Jansen et al. (2011) Jocumsen (2004) Mitchell et al. (2011) Roundy et al. (2018)
External networks	External social networks and advisors Strategic networks	Forbes (2005) Jansen et al. (2011) Lieberman-Yaconi et al. (2010) Wegner and Mozzato (2019)
		Croonen and Brand (2009)
		Jocumsen (2004)
		Jocumsen (2004)
Franchise influence	Changes or new plans made by franchise holder	
Finance	Credit, inflation, interest rate	
Technology	Technological trends and changes	
Decision-specific factors influencing SDM in SMMEs		
The strategic decision	The decision itself, the characteristics of the decision; type of decision	Bjuggren and Sund (2001) Jocumsen (2004) Kroon et al. (2013)
The decision-making context	The context in which the decision takes place	Fiegenger (2005)

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SDM, strategic decision-making; SMME, small-, medium- and micro-enterprise.

†, Identified in the South African context only.



sized enterprises, either respectively (see, e.g. Liberman-Yaconi et al. 2010), or all inclusive (see, e.g. Fiegener 2005).

Some similarities and differences emerged when comparing Table 1, the broader literature based on larger organisations, with Table 2, the SMME-specific SDM literature. The similarities regarding individual factors include the characteristics and demographics of the individual (or manager). The differences regarding individual factors include entrepreneurial dynamics (Forbes 2005; Hayward et al. 2017) and decision-making behaviours such as, approaches to information search, and dependency or independency in decision-making (Jansen et al. 2011; Liberman-Yaconi et al. 2010). These factors could possibly relate to the meta-cognitive abilities of a manager, as identified in Table 1.

An interesting observation was that the literature highlighted limited individual factors in the South African context. The manager's approach to information gathering (how it varies), and use of experiences and attitude in SDM were the only individual factors identified in the South African context (Gopaul & Rampersad 2020).

Similar internal factors evident in Table 1 and Table 2 are organisational and decision-making structures, and resources. The impact of employees may relate to organisational structure evident in the broader literature (Table 1), while the type of entity (i.e. family entity or micro entity) may relate to ownership (Table 1). Power and politics, were however, identified as less of an influencing factor for SDM in SMMEs because of the informalities in SDM (Brouthers et al. 1998).

The unique internal factors identified were internal social networks (Jansen et al. 2011; Liberman-Yaconi et al. 2010) and pressure to grow (Fiegener 2005) (Table 2). Internal social networks include consulting with family or founding individuals and social and entrepreneurial systems (Jansen et al. 2011; Liberman-Yaconi et al. 2010). Such networks serve as a source of inputs, which influences SDM (Liberman-Yaconi et al. 2010). Pressure to grow may lead to joint SDM, which means the adoption of new decision routines in SDM. It may also lead to stronger interactions between decision-makers, should there be a team approach to SDM (Fiegener 2005).

Three interesting observations were made regarding internal factors in the South African context. Firstly, infrastructure was listed as an influencing factor. It includes staffing (employees), hierarchical (organisational structure) and physical structure (physical workspace and functionality) (Gopaul 2019). The physical workspace was unique to the South African context (Gopaul & Rampersad 2020) and SDM in SMME literature. Secondly, although identified as an external factor in both the broader (Table 1) and SMME literature (Table 2), finance was identified as an internal factor in the South African context (Gopaul & Rampersad 2020). Thirdly, organisational culture was a unique

contribution to the SDM in SMME literature in the South African context.

Similar external factors include the dynamics of the external and market environment and stakeholders. Unique external factors include external networks (Forbes 2005; Liberman-Yaconi et al. 2010). Also identified was the use of strategic networks, whereby SMMEs collaborate with each other (Wegner & Mozzato 2019). External finance, technological dynamics (Jocumsen 2004) and influences emanating from within the franchise context were also identified (Croonen & Brand 2009). While the broader literature shows that elements in the environment influence SDM, financial and technological influences seem to be perhaps more significant to SDM in SMMEs.

Decision-specific factors were also identified in SMME literature, although in SMMEs, this has been researched to a lesser extent. These factors include the strategic decision itself (Jocumsen 2004; Mitchell et al. 2011) and the context in which the decision takes place (Fiegener 2005), which was similar to the broad SDM literature (Table 1).

Another interesting observation concerning SDM in South African SMMEs is that social networks, specific managerial characteristics and the dynamics pertaining to type of enterprise (e.g. family business and entrepreneurship), decision-specific factors, and pressure to grow were not explicitly highlighted (Gopaul & Rampersad 2020).

## Research methods and design

### Research design

An interactive qualitative analysis (IQA) design was employed to investigate the influencing factors related to SDM in South African SMMEs. Using a qualitative research design, also addresses the call for more qualitative research in a field, strategic management, which is dominated by quantitative research (Aguinis & Solarino 2019). The design incorporated a focus group and follow-up in-depth interviews. Interactive qualitative analysis is a systematic approach to qualitative research and combines the tradition of phenomenology with systems theory (Ananth & Maistry 2020; Northcutt & Mccoy 2004).

### Sampling

Purposive and snowball sampling were used to reach suitable SMME owners or managers. The inclusion criteria were SMME owners or managers, with no more than 100 employees, excluding informal business. Two institutions, an international organisation and a membership-type organisation agreed to act as intermediaries between the researcher and their South African SMMEs.

Although the ideal group size for the IQA technique is 12–15 participants (Northcutt & Mccoy 2004; Wyatt 2010), last-minute cancellations, coronavirus disease 2019 (COVID-19)

implications, and time limitations hampered recruitment, resulting in a group of seven participants for the IQA focus group. As group sizes of between four and nine participants have been observed in IQA studies (De Swardt & Marx 2020; Karataş & Okan 2021; Le Grange & Botha 2019; Tseng 2019), it was decided to proceed with the smaller group. As a result of the small group size, additional interviewees were identified using snowball sampling to supplement the research findings and strengthen the data. The same protocols and questions were used for the additional interviews.

In the IQA, participants are central to producing and refining the data, and data collection and analysis are accordingly integrated. The focus group session and interviews were all recorded. In total, 13 Gauteng-based SMME owners participated. Seven individuals participated in the IQA focus group, of which six agreed to the follow-up interviews, and six additional interviews were conducted. The majority were male participants (nine). Respondent and enterprise profiles are included in Appendix 1.

## Ethical considerations

Ethical clearance to conduct this study was obtained from the University of South Africa (UNISA) College Ethics Review Committee, reference number: 2018\_CERC\_015(FA). The privacy, anonymity and confidentiality of the respondents and their answers, the participating SMMEs and the findings and data were ensured by removing any identifiers and using pseudonyms. Written consent of participants was obtained.

## Data collection and analysis

During the first phase of the study the participants generated, refined and defined themes (or affinities), and indicated the relationships between the themes. Phase 1 kicked off with a warm-up exercise, orientating participants on SDM, followed by silent brainstorming. The participants were requested to answer the issue statement, 'Tell me what influences your (strategic) decision-making?' by writing down all their thoughts on reflection cards. Seventy-eight reflection cards were obtained, posted on a wall by the researcher, and clarity was obtained on each card's meaning. Participants were then requested to group the reflection cards. The researcher facilitated the process with a view to limiting domineering personalities and encouraging group participation and consensus. Five affinities (themes) and 11 sub-categories were generated by the participants and named (inductive coding and axial coding).

Phase 2 entailed determining the relationships on an affinity relationship table (ART) (Bonthuys, Botha & Stols 2017; Northcutt & McCoy 2004). The relationships were demarcated as follows: (1) A influences (>) B, (2) B influences (>) A, or (3) no relationship (<>). Participants were asked to write down if-then statements, indicating how a theme would influence

another in word or text format on their respective ART table. These relationships were further explored during the follow-up interviews.

The ART tables identified 20 relationships in total. The Pareto principle was used to determine the degree of consensus on relationships (Du Preez & Stiglingh 2018; Northcutt & McCoy 2004). The Pareto principle considers close votes and identifies conflicting relationships. Through this method, the cumulative frequency (present), cumulative frequency (frequency) and power analyses were determined. The cumulative frequency (frequency) and power analyses determined the most optimal relationships to include in the group's system influence diagram (SID).

Phase 3 consisted of the subsequent interviews to gain better insight into the themes (axial interview) and relationships (theoretical interview). Additional interviews were conducted to better understand the pre-identified influencing factors. The axial interviews lasted on average 51.52 min, producing more than 10 h of interview data.

Through the IQA technique four sources of data were obtained. The first set of data was the reflection notes and subsequent themes. The second set was the ART tables and subsequent relations. The third set was the IQA session transcription and the fourth set was the interviews (the IQA follow-up and the additional interviews). During the interviews it was possible to distinguish between participants, but for the IQA session, participants were distinguished based on male or female participant. The following section reviews the identified influencing factors and how they relate to each other.

## Findings

### Influencing factors

The five themes identified were risk, operations, 'SMERacter' (wordplay between SMEs and business character), rewards, and limitations and/or opportunities. Figure 1 lists the reflections notes, their groupings into themes and sub-themes by the participants. The findings should be understood from a systems perspective where SDM is the 'system' (Northcutt & McCoy 2004; Tseng 2019).

### Risk

This theme represented the risks, uncertainties or challenges that need to be considered when making strategic decisions. In the findings, risk was perceived as the internal and external elements that impose a danger or a threat and can impact SDM, the business' success and goals during SDM. A participant during the IQA session said risks entails 'Challenges and pitfalls' (IQA session, female participant, SME owner). Another, in the context of risk said 'Yes, but risk is everything, from your input to the market influences to everything that could go wrong or could go right' (translated from Afrikaans) (IQA session, male participant, SME owner).

Risk		
Market influence	External influence	Financial costs
Alternatives better offering? changed platforms industry constraints marketing options needs (market/client) new industry developments as a guide possible industry trends what's already out there?	Covid-19 familial complication financial reality rsa uncertainty	\$ r (money) cash flow evaluate cut your losses (dump non-productive ideas) feasibility seed capital
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COVID 19, coronavirus disease 2019; SME, small and medium enterprise; \$, US dollar; R, rand.

**FIGURE 1:** Reflection notes, themes and sub-themes.

In the overall data and risk determined the effectiveness of a strategic decision, and the decision to pursue a new strategic decision. For example, participant 13 indicated that, in the context of online training:

'... [O]bviously to put things online is huge and so there is a risk to lose access to certain clients.' '... [I]f you don't put stuff online, then you will then run the risk of losing certain clients. [unclear 20:37] lot of money to maybe then have access to people or not.'  
(Additional interview, female participant, training and consulting)

The findings also assisted to understand the internal financial influences. For example, the aforementioned indicated the trade-off between financial costs and access to potential clients.

Participant 12 indicated that:

'The uncertainty in the markets and risk off that uncertainty in the markets influences my decision-making and any

changes in the markets, like new technologies, legislation, requirements in the markets.' (Additional interview, male participant, electronic and engineering)

Within this theme, B-BBEE requirements, familial complications, social networks and internal financial risks were identified as unique sources of risk. The B-BBEE requirements relate to the external environment, and more specifically, government policies, and can either be advantageous or disadvantageous. For example, participant 11 stated:

'... [B]lack economic empowerment has a huge impact on the company and one of the challenges that we are currently facing, especially within the business environment that we are operating in is that we are not getting government support, because we are not a black-owned business.'  
(Additional interview, male participant, conference and consulting)



During SDM, decision-makers may also use external (and internal) social networks to gain input. For example, participant 13 indicated that:

‘... [B]ecause I’m really a small business, it’s sometimes the inputs of other people, because I know I’m limited. I only look at things from my perspective and because there’s not perhaps three or four other people sitting around a table, I make a point of getting input from other people, strategically.’ (Additional interview, female participant, training and consulting)

Familial complications among staff members influence employee commitment to the implementation of the strategic decision. Familial complications were identified inside and outside the context of family ownership and family firms. For example, participant 10 (not a family SMME owner) indicated that:

‘... [W]e recognise the role of the family that supports you because if trouble is brewing at home then I can’t work with people’s minds, because we’ve got a tough business and I need to have, I can utilise the strength of, if you’ve got the backing from home then it works to our advantage.’ (Additional interview, male participant, strategic brand and management)

This theme concurs with the broad and SMME-specific literature relating to the external and market-related influencing factors and decision-specific factors (i.e. uncertainty and risks associated with decisions), and internal finances. While external (and internal) networks have been identified in the broader and SMME-related literature, it has not been explicitly identified in the South African context. In addition, the empirical findings highlight that social networks influence SDM in the South African SMME context, which has not been explicitly identified in South African literature.

Internal financial risks were a unique influencing factor identified in this context, which possibly extend the insight into SDM in SMME literature. It concurs with the unique finding of Gopaul and Rampersad (2020). Financial risks have been identified in the broader SDM literature and in SMMEs as an external factor. However, resources, as identified in literature may include financial resources. In the SMME context, it is more explicitly evident, and may be a significant element influencing SDM.

### **SMEracter**

This theme represented the business’ and/or SME character or ‘SMEracter’. For example, a participant, during the IQA session, indicated that:

‘... [W]e talk of the core of a small ... no, no not business, your indirect core, why you’re there.’ ‘Your business, small and medium enterprises core, what is your identity, what is your moral code, what is your culture, what is your vision, vision, what is your belief?’ (Translated from Afrikaans) (IQA session, male participant, SME owner)

In SMME literature, the role of the SMME owner or manager in the enterprise is well documented, as well as the SMME-related characteristics of being flexible and adaptive.

SMEracter represented the ‘core’ of the SMME owner or decision-maker (such as experiences, identity and belief) and the core of the entity. Participants were in agreement on how the ‘core influences’ SDM, and that it is sometimes difficult to separate the core of the owner from the core or the entity. Participant 13, for example, stated that:

‘... I’m not a person who likes a lot of complicated nonsense, and that I would, then when I take a decision, strategic decision, take the route where I don’t want a lot of complicated stuff to deal with.’ (Additional interview, female participant, training and consulting)

Another participant stated that ‘The focus is on business, but you cannot split the two from each other’ (Translated from Afrikaans) (IQA session, male participant, SME owner).

The SMEracter also included enterprise-specific characteristics that relate to agility (such as having freedom in actions and decision-making and being agile). Agility referred to flexibility and being agile or adaptable. Participant 13, for example, stated:

‘... [B]ecause you’re small, you can adapt quicker to changing, a changing environment. Yes, I often look at some huge companies, and they take forever to adapt. So, yes it makes it easier for you to adapt.’ (Additional interview, female participant, training and consulting)

While not explicitly listed as a theme or sub-category, ethical principles were identified under SMEracter, and more specifically, under the sub-theme ‘core’. Moral code, belief, and ‘no compromise’ (from reflection notes) indicate personal, and entity-related ethical elements that influence SDM. Ethical principles have an influence on SDM. It became evident that SMMEs would turn down opportunities if they were not aligned with their (or the entity’s) moral code.

Participant 4, for example, indicated that:

‘... [W]hen it comes to risks, especially when it comes to the limitation opportunity factors, where the opportunity is in line with the moral code ... [I]f the opportunity meant you had to deceive a previous partner, or you had to completely fabricate a story, or tender for something that you don’t actually have the capacity to do, your moral code would prohibit the business from tendering in that situation or making a contract.’ (IQA interview, male participant, contract drafting)

Another participant highlighted that one needs to make good and right decisions:

‘But to try and be good citizens, don’t be bad businesspeople taking the money and run ... try and make the right choices and right decisions that you make a positive impact.’ (Additional interview, male participant, strategic brand and management)

This theme encapsulates the notion of the characteristics or the core of the individual and the entity as influencing factors in SDM. The empirical data also highlighted that culture is an element of SMEracter, which influences SDM in SMMEs (Figure 1). This concurs with the findings of Gopaul and Rampersad (2020) and extends the literature on

SDM in SMMEs. The personal and entity-related ethical elements influencing SDM in SMMEs are unique findings in this context (SMMEs in South Africa). It is evident that SMEracter determined if the strategic decision is aligned with the core of the individual or enterprise (i.e. the decision to pursue the strategic decisions), and it influenced decision-making speed.

### Operations

The term 'operations' refers to the functioning of the SMME that needs to be considered when making strategic decisions (Figure 1). Operations in this context refers to how or what makes the business 'work' or function or what drives the business (if looking at the concept of an engine), and subsequently assists in SDM. For example, operations were described as 'Running of the thing' (IQA session, male participant, SME owner) or 'Structure, business tools' (IQA session, male participant, SME owner).

Operations assist the decision-maker to assess whether a strategic decision can be implemented (i.e. the decision to pursue the strategic decisions). For example, participant 11 stated:

'... [T]he standards is the framework that we operate in and then secondly, the financial decisions is taken to, in such a way that it provides a capability for the company to operate. In other words, to provide the equipment, the services and the facilities to operate from. So, that definitely comes from the financial decisions that are being taken to provide for the capabilities of the company.' (Additional interview, male participant, male, conference and consulting)

Operations also assist the decision-maker when deciding what operational changes are needed to be able to implement a strategic decision. For example, participant 13 stipulated:

'It's, your internal team, obviously you look at their strengths and their weaknesses, and see if they will be able to execute ... [I]t's possible to source things out, it's possible to appoint other people.'

In addition:

'And sometimes the development of your internal team is anyway a part of their development. It's part of the strategic decision to develop someone [unclear 07:23] inherently.' (Additional interview, female participant, training and consulting)

In this context operations refer to the internal staff and processes (standards, frameworks and structures) that need to be in place to facilitate SDM. The empirical data highlights the 'soft elements' of operations and structures, as opposed to physical infrastructures, as highlighted in the broad SDM and SMME-specific literature and literature in South African SMMEs (Gopaul & Rampersad 2020). Internal staff, more specifically, the turnover of skilled staff was identified in the SDM literature in SMMEs. The findings highlighted that the internal staff and their commitment also influence SDM.

### Limitations and/or opportunities

This theme was the most difficult to name and define during the IQA session. The participants felt that the word 'limitations' did not just reflect limitations *per se*, but limitations in the sense of 'where does your limitation or your ceiling stop'. As indicated by the participants, limitations and/or opportunities reflect a positive and a negative. Participant 3, for example, said 'Each one of those cards can be a pitfall, but also an opportunity.' (Translated from Afrikaans) (IQA session, male participant, SME owner), while another, stipulated 'A ceiling ...' (IQA session, male participant, SME owner).

In literature, limitations and/or opportunities may relate to resources (Table 1 and Table 2). However, limitations and/or opportunities specifically highlighted time and capacity; not explicitly identified in extant literature. The time of the owner and entity, as well as the capacity of the owners and entity, influence SDM. Limitations and/or opportunities assist the decision-maker firstly to assess if a strategic decision can be implemented. As stipulated by participant 12, time is important, and the key is ensuring effectiveness:

'... [I]t plays a huge role and the key is effectiveness. To make use of your time and of your capacity effectively ... [W]e obviously started off as a fairly small company ... In the last few years as you can hear with our balanced score-card, process and procedures only have a better understanding of how to manage our time and resources.' (Additional interview, male participant, electronic and engineering)

Limitations and/or opportunities also assist the decision-maker on changes to make that will enable the strategic decision to be implemented. As highlighted by participant 5:

'If one person in my team has got the capability and decides to grow into dealing with more, fantastic, but time is literally the thing that defines. Do we appoint someone? Can I say yes to a new client? Do I have enough time to deal with the client in a professional way to give them what they need me for?' (IQA interview, male participant, marketing solutions)

### Rewards

This theme represented the rewards (returns or outcomes) for the SMME and the decision-maker or owner in SDM (Figure 1). For example, one participant stated that 'This is for me a reward at the end of the day, this financial and fuzzy feel goods' (translated from Afrikaans) (IQA session, male participant, SME owner), and 'it's what you're looking for. It's what you want to leave behind. It's the reward' (IQA session, female participant, SME owner). Rewards were the 'gains or benefits or returns' in SDM, and included the 'fuzzy, feel good', or positive feelings for the decision.

The literature identified finance as an external influencing factor, and within the South African context, also as an internal influencing factor. In the empirical data, finance, or financial costs, were listed as a risk. However, the empirical data highlighted a different dynamic, more specifically, financial potential (a reward) that influences SDM. Another

unique finding are the notions of a 'fuzzy feel-good' outcome. While the empirical findings highlighted that elements such as legacy, feeling of accomplishment and purpose influence SDM, two participants cautioned against emotions, specifically in SDM:

'... I used to be a Bank Manager, so I think very conservatively about money not that I don't spend, I can spend it, but in that instance, I sleep over a decision, I don't take impulsive decisions, impulsive decisions are very emotional, and you can't take emotional decisions around financial stuff.' (Additional interview, male participant, financial services)

'... [F]uzzy feel good is an emotion and that is not taken into consideration in strategic decision-making. And not under an emotion. Because a legacy is not an emotion. Fuzzy feel good is an emotion.' (Additional interview, male participant, male, conference and consulting)

However, emotions, such as guilt and feeling good about good strategic decisions, were evident in the empirical data. Participant 3, for example, indicated:

'And if it is the foundation in your life, it must also be the foundation and your business, and then you will also lie in bed at night and think, it was a good day, and in inverted commas, I don't owe anyone anything. My dues are paid for today. I didn't do anyone in. I didn't make R5.00 too much or R5.00 too little.' (IQA interview, male participant, Glass and aluminium)

Another participant indicated that decisions need 'to sit well':

'... [E]very single thing that I do has to sit well with my soul, I struggle to sleep enough as it is, I don't want to have a guilty conscience as well.' (IQA interview, male participant, marketing solutions)

Rewards assisted the decision-maker to determine if a strategic decision will be implemented (or not) (i.e. the decision to pursue the strategic decision), based on the good feeling it may result in or its financial potential.

The second aim of this paper was to understand how these identified factors relate to each other. The following section reviews these findings.

## Influencing factors: Process and outcomes

Determining how these influencing factors relate to each other was the phase 2 of this research study. The affinities were assigned numbers, in no particular order, and the relationships were demarcated as > (indicative of a relationship, e.g. 1 > 2) or <>, indicating no relationship. The numbers assigned to the infinities were: limitations and/or opportunities (1), rewards (2), risk (3), SMERacter (4), and operations (5).

Table 3 summarises the 20 relationships as indicated by focus group participants, in descending order. The first six relationships (30%) accounted for over half of the variances (55.2%). The Pareto principle was used to determine the

**TABLE 3:** Pareto and power analysis.

Affinity pair relationship	Frequency sorted (descending)	Cumulative frequency	Cumulative percent (relation)	Cumulative percent (frequency)	Power
1 1 < 4	7	7	5.0	10.4	5.4
2 2 < 4	7	14	10.0	20.9	10.9
3 1 > 2	7	21	15.0	31.3	16.3
4 4 > 5	6	27	20.0	40.3	20.3
5 2 < 3	5	32	25.0	47.8	22.8
6 3 > 5	5	37	30.0	55.2	25.2
7 2 < 5	5	42	35.0	62.7	27.7
8 1 < 3	4	46	40.0	68.7	28.7
9 1 < 5	4	50	45.0	74.6	29.6
10 1 > 5	3	53	50.0	79.1	29.1
11 3 < 4	3	56	55.0	83.6	28.6
12 2 > 5	2	58	60.0	86.6	26.6
13 3 > 4	2	60	65.0	89.6	24.6
14 3 < 5	2	62	70.0	92.5	22.5
15 2 > 3	2	64	75.0	95.5	20.5
16 1 > 3	2	66	80.0	98.5	18.5
17 4 < 5	1	67	85.0	100.0	15.0
18 2 > 4	0	67	90.0	100.0	10.0
19 1 < 2	0	67	95.0	100.0	5.0
20 1 > 4	0	67	100.0	100.0	0.0
<b>Total frequency</b>	<b>67</b>	<b>Equal to total frequency</b>	<b>Equals 100%</b>	<b>Equals 100%</b>	<b>Power = E-D</b>

Source: Adapted from Van Wyk, I., 2022, 'An Ethical Strategic Decision-Making Framework for South African Small and Medium Enterprises', doctoral dissertation, University of South Africa. The cumulative percentage relation (column D) is 100 divided by the total number of cases. The cumulative percentage frequency (column E) is the percentage of the number of votes cast divided by the cumulative total of frequencies.

The power analyses are the cumulative percentage frequency relation minus the cumulative percentage frequency relation.

optimal amount of relationships to include. In essence, the Pareto principle maintains that 20% of the relationship pairs account for 80% of the variance in this particular group (Human-Vogel & Van Petegem 2008; Northcutt & McCoy 2004).

According to the power analysis, the maximum power (the maximum variance) was reached with nine relationships, with a 74.6% variance. These nine relationships account for 75% of the variation in this system. Therefore, nine relationships were a defensible choice for inclusion in drafting the SID.

The next step determined the primary and secondary drivers and outcomes. This is determined by calculating the directions of the relationships (the 'Ins' and the 'Outs'). The delta values (calculated by subtracting the Ins from the Outs), assist in determining the drivers and outcomes. Table 4 summarises the identified systems' drivers and outcomes, according to the delta values.

The SID was drafted based on the delta values (Table 4), starting with the highest on the left, and the lowest on the right. Figure 2 illustrates a cluttered SID on the left and a clean SID on the right. The clean SID represents the influences or the relationships, by only including a path 'of least resistance', and removing redundant links (Bonhuys et al. 2017; Northcutt & McCoy 2004:178). Redundant links are

links where the path is achieved through an intermediary affinity. For example, path 3 to 1 is redundant, as the path is already indicated through 3 to 5 to 1.

### Primary driver: Risk (3)

Risk (3) was identified as a primary driver of SDM and had a direct impact on three other elements identified in the system. Four (out of the seven) participants agreed that Risk influences limitations and/or opportunities (1) (Figure 2). In SDM, risks introduce limitations and/or opportunities and assists the decision-maker to determine if it is worth taking the risk, based on the limitations and/or opportunities:

‘External influences, i.e., Covid-19 lockdown could implicate on time and capacity.’ (ART table, female participant, property and real estate)

‘The risk factor introduces limitations.’ (ART table, male participant, marketing solutions)

Five participants indicated that Risk (3) influences Rewards (2). In SDM, risks assist the decision-maker to determine if the reward is worth the risk and determine the magnitude of the reward (based on the risk):

‘If cost = high, then reward = low.’ (ART table, participant 4, male)

**TABLE 4:** Determining the drivers and outcomes for the system influence diagram.

Tentative SID assignments	Affinity name	Outs	Ins	Delta (outs minus Ins)
3 <b>Primary driver</b> Many Outs but NO Ins (the highest positive delta value)	Risk (3)	4	0	4
4 <b>Secondary driver</b> Both Ins and Outs, but there are MORE Outs than Ins (the second highest positive delta value)	SMEracter (4)	3	1	2
5 <b>Circulator</b> Equal numbers of Ins and Outs (delta value of zero)	Operation (5)	2	2	0
1 <b>Secondary outcome</b> Both Ins and Outs, but there are MORE Ins than Outs (the second highest negative delta value)	Limitations and/or opportunities (1)	1	3	-2
2 <b>Primary outcome</b> Many Ins but NO Outs (the highest negative delta value)	Rewards (2)	0	4	-4

Source: Adapted from Van Wyk, I., 2022, ‘An Ethical Strategic Decision-Making Framework for South African Small and Medium Enterprises’, doctoral dissertation, University of South Africa

SID, system influence diagram.

‘... [T]he risks that I am willing to take determines the magnitude of my reward ....’ ‘The way that I deal with these risks and the risks that I am willing to deal with determines how large my reward is going to be ....’ (IQA interview, male participant, marketing solutions)

Five participants also indicated that Risk (3) influences operations (5). In SDM, operations assisted the decision-maker to determine the needed operations, and if the operations needed to be adjusted to accommodate risks in SDM:

‘Operations and/or engine will be adjusted because of external influences.’ (Translated from Afrikaans) (ART table, male participant, glass and aluminum)

‘Your risk dictated your needed structure of operations ... That’s like building a dam without figuring out how much it rains, do we need rain? Do we need water?’ (IQA interview, male participant, marketing solutions)

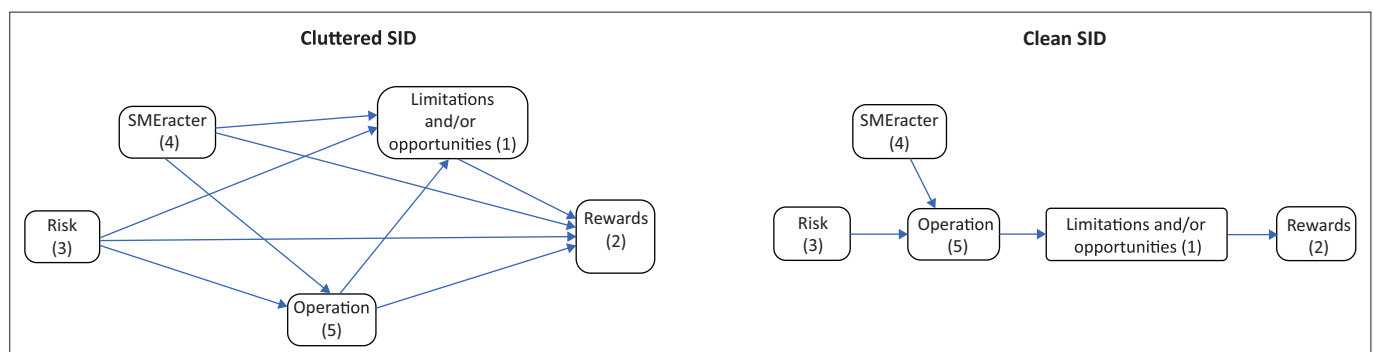
### Secondary driver: SMEracter (4)

SMEracter (4) was a secondary driver and had an impact on three out of the five elements. Seven participants indicated that SMEracter (4) influences limitations and/or opportunities (1). In SDM, SMEracter dictates how limitations and/or opportunities will be overcome or exploited or what limitations and/or opportunities to address:

‘... [M]y core and character plays such a large role around who I am and my business will be the foundation of everything your SMEracter is. And how you overcome limitations and how you use opportunities can only be determined of who your core is and how you’re put together.’ (Translated from Afrikaans) (IQA interview, male participant, glass and aluminium)

‘The question, should I go for this opportunity, should I try to place myself in this particular niche? The question is answered by whether that opportunity ties up with your core values, your SMEracter. If it doesn’t then to my mind the limitation you putting on yourself for the opportunity that you’re going for [unclear 14:46] you want to see it isn’t worthwhile.’ (IQA interview, male participant, contract drafting)

Seven participants indicated that SMEracter (4) influences Rewards (2), and dictates what rewards are important (i.e. what is being ‘chased’) during SDM:



SID, system influence diagram.

**FIGURE 2:** Cluttered system influence diagram and clean system influence diagram.



'Reward is directly influenced by the core of your business.' (ART table, female participant, property real estate)

'My SMERacter will always have an impact on what I'm getting out of this experience, it just boils down, so at my core I am not personally money hungry.' (IQA interview, male participant, marketing solutions)

Six out of seven participants indicated that SMERacter (4) influences operations (5) and dictates how it is structured and functions:

'Core and/or character influences and/or determines the guidelines of your operations and/or engine and/or internal team.' (Translated from Afrikaans) (ART table, male participant, glass and aluminium)

'Who am I as a person, and who my business is in terms of the vision, mission and all those things, is influenced by ... No, it influences the operations. It says to me, how am I going to act as an engine and how will my internal team function and be.' (Translated from Afrikaans) (IQA interview, female participant, funeral and assurance)

### Circular: Operations (5)

Operations (5) was regarded as a circular element and influenced some of the affinities, while being influenced in turn. Four participants indicated that Operations (5) influence limitations and/or opportunities (1). In SDM, how operations are structured determines the limitations and/or opportunities, and how these limitation and/or opportunities can be overcome and/or exploited:

'If the team and engine is in place, there are fewer limitations and more opportunities.' (ART table, male participant, IT support)

'5 can definitely also change the limitations and/or opportunities, because remember now I can again see limitation as a result it can change my operations. And in that I can overcome that limitation. So yes, I definitely think operations can influence, overcome, or exploit limitations and/or opportunities.' (Translated from Afrikaans) (ART table, male participant, IT support)

Five participants indicated that Operations (5) influences Rewards (2). In SDM, operations determined the magnitude of the rewards and if the operations need to be adjusted to exploit more rewards:

'The potential of the team will limit the potential financial impact and satisfaction.' (ART table, male participant, financial services)

'So if my core allows it, I can adjust operations and that adjustment will definitely influence the reward either positively or negatively.' (Translated from Afrikaans) (IQA interview, male participant, glass and aluminium)

### Secondary outcome: Limitations and/or opportunities (1)

Limitations and/or opportunities (1) was a secondary outcome and only influenced Rewards (2). All seven participants indicated that Limitations and/or opportunities (1) influence Rewards (2). Limitations and/or Opportunities determined the magnitude of the rewards:

'To generate more reward and get satisfaction you need to have more time and/or more capacity to achieve the rewards.' (ART table, male participant, financial services)

'Inputs [referring to Limitations and/or Opportunities] = Output.' (ART table, male participant, contract drafting)

Rewards (2) was influenced by all the other themes. How this theme is affected by the other affinities has already been highlighted in the given sections.

## Conclusion and theoretical implications

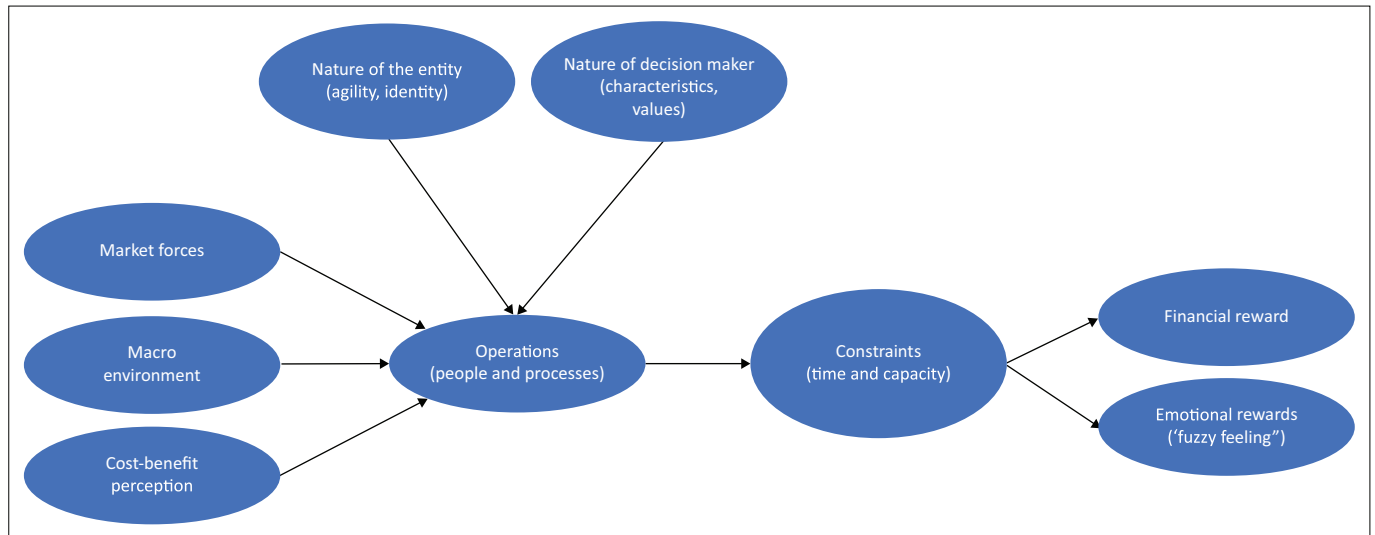
The aim of this research was to explore the influencing factors related to SDM in South African SMMEs. The first research question was: *What are the influencing factors of SDM in SMMEs?* The findings highlighted that risks, limitations and/or opportunities, operations, SMERacter and rewards influence SDM in SMMEs. These findings concur with literature; however, a few additional or unique findings became evident.

Concurrent with literature are the external influencing and market-related factors (i.e. market and macro environment). However, unique findings under Risks, specifically, highlighted the sub-category financial costs, an internal factor. Previously in the literature, finances had been identified as an external factor, except in the South African SMME context. Concurrent with internal finances was found the subcategory financial potential under the theme, Rewards that further highlights internal finances, and in essence, cost-benefit perceptions. Finances as a resource is a limitation and a great challenge to many SMMEs, and therefore a significant consideration for SMMEs in terms of SDM, from both a risk and reward point of view.

Identified under SMERacter was the 'core' of the individual which is concurrent with the literature (i.e. characteristic of the individual). While agility or being able to adapt to change quickly is a known characteristic of SMMEs, the findings highlight SMME agility as an influencing factor in SDM. Unique findings under SMERacter highlighted the subcategory 'core' of the entity. This includes culture and ethical values. The 'core' nature or perhaps the 'DNA' of the entity has not been highlighted in the broad or SMME-specific literature. In the South African context, culture, was however identified. The findings of this study concur that culture is also an influencing factor (under the theme SMERacter) in the South African context. It is reasonable to assume that strategic decisions and SDM need to be aligned with the core, nature or 'DNA' of the entity. In essence, strategic decisions will be 'filtered' through the nature of the entity and the decision-maker.

The category Operations highlighted staff and 'engine'. Staff or employees as an influencing factor are concurrent with literature. 'Engine', however, is a unique influencing factor, which highlights the 'soft elements' (processes, frameworks and standards) of infrastructure, as opposed to managerial and physical infrastructure that are evident in literature. Structure was identified in SMME-related SDM literature but included decision-making or managerial structures. In this case, the





Source: Adapted from Van Wyk, I., 2022, 'An Ethical Strategic Decision-Making Framework for South African Small and Medium Enterprises', doctoral dissertation, University of South Africa

**FIGURE 3:** Factors influencing strategic decision-making in small-, medium- and micro-enterprises.

decision-maker would, for example, determine if the current processes, standards and frameworks can accommodate the strategic decision, or if these need to be adjusted accordingly.

Limitations and/or opportunities highlighted the time and capacity of the individual and the entity, respectively. Time and capacity have not been explicitly identified in literature; however, time may be related to resources. In literature, the resources listed have mainly been finances, human resources and technology (Coetzer et al. 2019; Hang & Wang 2012). Given the size of SMMEs, time and capacity may be a pivotal element in SDM for smaller-scaled SMMEs, as it can either introduce constraints or opportunities. Small-, medium- and micro-enterprises either have the time or capacity to implement a strategic decision or not, mainly because of them being small in size and scope.

Rewards in itself, was a unique finding, and also highlighted both the fuzzy feel good and financial potential as influencing factors. Rewards have not explicitly been highlighted, in either the broad or SMME-related SDM literature. In essence, what is being 'chased' (the reward) influences SDM and includes an emotional reward (the fuzzy feel good), and the financial potential of a decision. The rewards would either be worth the strategic decision, and associated risks and resource allocations, or not.

The second research question was: *How do these factors relate to each in SDM?* SDM is primarily driven by risk, which consists of the market forces, macro environment and cost-benefit perceptions. The secondary driver is SMERacter, or alternatively, the nature of the entity and decision-maker. These primary and secondary drivers determine how people and processes (operations) will be structured. Operations, in turn, either introduce new constraints or opportunities – depending on the time and capacity that operations will either limit or create. The constraints, in turn, determine the financial and emotional rewards – the primary outcome of the

system (SDM). Based on this system, and in SDM, the market forces, macro environment, cost benefit perception, nature of the entity and core of the decision-makers are antecedents, while operations and constraints and opportunities are moderators within this SDM system. Figure 3 depicts the influencing factors within the system of SDM.

## Managerial implications

Understanding the influencing factors and how they relate may improve SDM, environmental scanning, and enhance SMMEs' long-term performances as they engage in effective SDM. The findings contribute to the literature on SDM that reflects SMMEs in South Africa. The identified factors are not all-inclusive and are limited to the scope and nature of this study; however, they provide a good guideline.

Knowing what influences SDM and how these influences relate to each other can assist SMME owners or managers to better understand their own SDM processes and how to possibly mitigate these influences. In addition, knowing the unique and specific influencing factors, creates more awareness and a sensitivity towards what influences SDM, ultimately enabling effective environmental scanning and information gathering.

An understanding of what influences SDM in South African SMMEs can inform government agencies, policymakers and agencies that assist with decisions, programmes and workshops on how to develop and sustain SMMEs. This article recommends that development programmes include knowledge sharing on the influencing factors and that these influencing factors should be incorporated in training materials.

## Limitations and directions for future research

As a result of the challenges of the IQA technique and COVID-19, the present study only managed to include 7 participants in the IQA session and 12 participants in the

interviews. It is recommended that future research duplicate this study to include additional SMMEs, and medium-sized entities, from various industries to investigate the relationships between the influencing factors. Such a focus will validate and provide additional perspectives on the relations of the influencing factors.

This study included only Gauteng SMMEs and these SMMEs were micro to small enterprises, with the majority being white-owned enterprises. It would be beneficial for future research to conduct this research in other regions and obtain better representation of the South African SMME demographics. Such research may discover additional influencing factors that this study did not identify, across regions, and culture, and highlight differences.

Another recommendation is to conduct the same study among medium-sized SMMEs. Such a focus would enable comparative investigations and highlight the differences between smaller scale enterprises and medium scale enterprises. Lastly, this study implemented a qualitative research methodology. Future studies adopting a quantitative research design may reach larger numbers of SMMEs, which will allow for greater generalisability of the findings.

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## Competing interests

The authors declare that they have no financial or personal relationships that may have inappropriately influenced them in writing this article.

## Authors' contributions

I.v.W. collected the data as part of her PhD degree, of which P.V. was the supervisor. I.v.W. prepared and drafted the article, and P.V. and I.v.W. refined the article.

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## Data availability

The identified raw data supporting the conclusions of this article will be made available by the authors, without undue reservation.

## Disclaimer

The views and opinions expressed in this article are those of the authors and do not necessarily reflect the official policy or position of any affiliated agency of the authors.

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## Appendix

**Table 1-A1:** Participants' profiles.

Pseudonym (P); male (M) or female (F)	Products or services	VAT registered	Size of the enterprise (in terms of number of employees)	Classification of enterprise	Interviewed and interview type
<b>IQA participants</b>					
P1 (F)	Funeral and assurance	No	0–5	Micro	Face to face
P2 (F)	Property real estate	No	0–5	Micro	Face to face
P3 (M)	Glass and aluminium	Yes	11–50	Small	Face to face
P4 (M)	Contract drafting, negotiation and advisory services, labour and law consulting, facilitation and advice, commercial structuring and agreements	No	0–5	Micro	Online via MS Teams
P5 (M)	Marketing based business development, with service inclusions ranging from business strategy/planning, digital and traditional marketing, design, and a range of event-specific services	No	0–5	Micro	Online via MS Teams
P6 (M)	IT Support	Yes	0–5	Micro	Telephonic
P7 (M)	Financial services	No	0–5	Micro	No interview
<b>Additional interview participants</b>					
P8 (M)	Financial services	Yes	35–40	Small	Online via MS Teams
P9 (F)	Window and window glazing installations	Yes	0–5	Micro	Online via Zoom
P10 (M)	Strategic brand and management (consulting)	Yes	35–40	Small	Online via MS Teams
P11 (M)	Conference organisers and consulting	Yes	5–7	Very small	Online via Zoom
P12 (M)	Electronic and engineering company	Yes	25–30	Small	Online via MS Teams
P13 (F)	Training and consultation	Yes	0–5	Micro	Online via MS Teams

Source: Adapted from Van Wyk, I., 2022, 'An Ethical Strategic Decision-Making Framework for South African Small and Medium Enterprises', doctoral dissertation, University of South Africa  
 IQA, Interactive qualitative analysis; VAT, value added tax; P, Pseudonym; (M) male; F, female.