

**Perceptions of Small, Medium and Micro Enterprises' Owners on Services Provided by the Supporting Institutions in South Africa**

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# **Perceptions of Small, Medium and Micro Enterprises' Owners on Services Provided by the Supporting Institutions in South Africa**

## **Abstract**

*In South Africa (SA), there are public and private institutions that have been put in place to encourage the start-up and growth of Small, Medium and Micro Enterprises (SMMEs). There is a need to evaluate the impact of the services provided by these institutions to identify the gap(s) that need to be filled and suggest areas where there is a need for improvement. This study used a quantitative research approach. From a sample of 384 SMMEs from the Pietermaritzburg city in SA, this paper assesses SMMEs' satisfaction vis à vis the services provided by the supporting institutions. Specifically, the paper seeks to identify the relationship between the frequency of receiving support from the institutions and SMMEs' satisfaction. Spearman correlation and multiple regression analyses were used to depict the significance and the effect of receiving support from supporting institutions on SMMEs' satisfaction. Findings reveal that the frequency of receiving networking support, training, business advice and funding is significantly correlated with SMMEs' satisfaction while the frequency of receiving guidance on licensing procedures, assistance with access to business premises is not. This paper suggests a regression model that could assist supporting institutions in their attempt to increase SMMEs' satisfaction.*

*Keywords: SMMEs, supporting institutions, services provided, satisfaction, South Africa*

## **Introduction**

Today, governments build up the economic capacity of businesses at local, national and global levels with the goal of improving the economy and quality of life. According to Cohen (2017), if

this is not done, South Africa in particular will continue to experience economic and social challenges such as sustained poverty and high rate of unemployment. There are numerous studies that investigate governments initiatives that promote businesses (Chetty: 2009; Ngcobo and Sukdeo: 2014; Khoase: 2015). However, much is not said about the effectiveness of such interventions, especially in developing countries. Cohen (2017) states that there are possibilities of improving the effectiveness of public and private support of emerging enterprises. She further ascertains that rapid transformation of businesses relies on the significant role that government is playing in creating an enabling environment for growth. Amongst others, governments create conducive environment through business regulations, however, such regulations are often perceived to be cumbersome to businesses, especially small businesses (Cohen: 2017).

According to Cohen (2017), to speed up the SMMEs development process, business owners have a crucial role to play as well. That is, a collaborative partnership between the government and businesses is needed, as this might enable businesses to easily buy in into the initiatives introduced by the state (adopting entrepreneurship culture). Trust and conscious commitment between the two parties (government and businesses), are the key factors in achieving the mission of enhancing the economy of the country.

This paper focuses on three factors of business interventions by the government, namely, networking, training, and funding, with the aim of investigating the relationship between these factors and service satisfaction variables. When entrepreneurs are satisfied with the services provided, the perception is, their businesses will grow in numbers and economically, and ultimately contribute to better quality of life of everyone in the community. If entrepreneurs are

not satisfied with the services provided, or if they find it costly to comply with legislative requirements, they switch to operating informally (Khoase: 2015).

The objective of this research is to assess whether the frequency of receiving certain support from the government does contribute to SMMEs satisfaction.

### *Literature Review*

#### **Quality of Services Provided**

Economies create conducive environment for SMMEs, that is, offering services that contribute to the development of existing and potential businesses (Chetty: 2009). If the business environment is conducive, there is an assurance of job creation, poverty reduction and ultimately the experience of economic growth. As a result, governments' goal of developing the SMME sector is achieved, as more businesses are initiated and even grow sustainably (Matola: 2014). Conversely, if the business environment is not favourable for SMMEs, this becomes a barrier to SMMEs' establishment and growth (Khoase: 2011). For instance, SMMEs owners become dissatisfied and arguments against supporting institutions' interventions are raised.

Blackburn, Carey and Tanewski (2010) found that entrepreneurs seek for assistance only if they perceive that assistance given provides value and is worth being paid for. This brings to our attention that service quality is of paramount importance to all the customers, in this case, the SMMEs owners. Assistance offered is expected to be satisfactory to SMMEs owner-managers. Customer satisfaction is critically important for entrepreneurs to grow their businesses as a

response to the call of governments to develop SMMEs as they are perceived to contribute into economic growth of any country especially in developing countries. To maintain customer satisfaction, supporting institutions must ensure prompt service and quick problem resolution (Khoase: 2015).

### **Satisfaction by SMMEs Regarding Services Provided**

According to Maswadeh (2015) and Wamuyu (2015), several authors have used SERVQUAL model to measure customers' perceptions of service quality. It is perceived that public and private supporting institutions' compliance; assurance; reliability; tangibility; empathy; and responsiveness (CARTER) toward SMMEs are important factors that influence SMMEs satisfaction.

Economies demonstrating these factors that influence SMMEs' owners' satisfaction are expected to experience a high rate of business creation and the growth of existing businesses (Wamuyu: 2015). According to Goldstuck (2014) South African government has demonstrated these factors that influence SMEs owners' satisfaction. For instance, the South African commitment towards SMMEs development is expected to influence satisfaction of SMMEs' owners. Furthermore, based on the interventions put in place, one can attest that SA flexibly responds to SMMEs' external conditions through amongst others, the establishment of public and private supporting institutions meant to develop SMMEs. This is an indication of the creation of a conducive business environment.

*Compliance.* Supporting institutions are aware that entrepreneurs need assistance in terms of training, funding, networking just to mention a few. Therefore, these institutions make it a point that they assist SMMEs and make it easier for SMMEs to comply with the business rules and regulations in place (Maswadeh: 2015).

*Assurance.* It is the responsibility of the supporting institutions to make sure that the services they provide satisfy the needs of their clients. If entrepreneurs' expectations are met, entrepreneurs develop trust and confidence in supporting institutions (Chetty: 2009).

According to Wamuyu (2015) entrepreneurs have trust and confidence in supporting institutions if services provided to them meet their expectations. This implies that it is essential for supporting institutions to have competency, courtesy and credibility to inspire trust and confidence in SMMEs' owners . If entrepreneurs' expectations are met, then it means the goal of satisfying entrepreneurs is achieved. Supporting institutions are also expected to be able to provide enough information to entrepreneurs which assist SMMEs' owners more in making concrete decisions. Wamuyu (2015) found that in SA in particular, SMMEs' owners do not have assurance from the supporting institutions which could mean their expectations are not met. The assumption is that perhaps the supporting institutions are unable to inspire trust and confidence to SMMEs' owners or SMMEs' owners have different expectations that these institutions are unable to meet or satisfy.

*Reliability.* Supporting institutions' trustworthiness and willingness to assist SMMEs, are what entrepreneurs depend on. According to Maswadeh (2015), if service providers are reliable, services are provided within a very short-time, of which is convenient for the customers. For instance, if supporting institutions show ability to perform the promised support to SMMEs' owners

dependably and accurately, then SMMEs' owners are also able to consistently perform their intended duties without failure (Chetty: 2009).

The study by Chetty (2009) has confirmed that some SMMEs' owners in SA are not utilising supporting institutions because they do not trust such institutions. Chetty further perceives that, not making use of the services could mean these supporting institutions are not consistent and their services are not reliable. Furthermore, the assumption is that, supporting institutions are not willing to assist SMMEs' owners, hence, entrepreneurs are not interested in using these services. The consequence here could be low quality services, as the supporting institutions do not find a reason why they should improve their services (Wamuyu: 2015).

According to Wamuyu (2015), willingness to assist clients and the trust developed between the two parties, benefit both the supporting institutions and the SMMEs' owners. In this regard, SMMEs' owners long to frequently use the services provided by the supporting institutions. Likewise, the supporting institutions become willing to serve SMMEs' owners, therefore, they ensure that their services are of a high quality.

*Tangibility.* Entrepreneurs are concerned about the availability of public and private supporting institutions at their area of reach. Some institutions are only available in urban areas, and this becomes a disadvantage for businesses in the remote areas. If supporting institutions' staff are available to provide necessary services to entrepreneurs, and they directly communicate with them, there is a guaranteed trust amongst the concerned parties (Othman and Owen: 2001).

*Empathy.* Caring for other people and having a desire to help them can bring satisfaction to the person being helped and ultimately can nurture long-term relationships. According to The Organisation for Economic Co-operation and Development (OECD) (2004) if the organisational culture of supporting institutions lacks empathy with SMMEs' owners, then the SMME sector will struggle and not grow. Therefore, caring and providing individualised attention to SMMEs' owners is important, as empathy can contribute to the satisfaction of entrepreneurs and hence, the achievement of the governments' goals (Wamuyu: 2015).

The great initiatives SA has put in place, show how much SA cares about the development of the SMME sector but the uptake of these initiatives is minimal (Khoase: 2015). A reason for this, according to Wamuyu (2015), could be that the supporting institutions do not take good care of and are not providing individualised attention to SMMEs, as a result, SMMEs' owners do not use their services. For SMMEs owners not making use of available services could be an indication of dissatisfaction.

*Responsiveness.* Responsiveness is one of the dimensions customers use to determine the quality level of the services provided. For managers to enhance service quality, they must understand how service quality affects customers' perceptions. It is then the manager's responsibility to maximise satisfaction with the product or service based on customer wants (Wamuyu: 2015).

The business world is rapidly changing and a flexible response to its dynamics is of paramount importance. It is rewarding if supporting institutions are able to adjust quickly to external



conditions and resume stable operations without undue delay. Service providers should be active and prompt when providing their services (Zeithaml, Bitner and Gremler: 2006).

The needs of SMMEs' owner-managers are expected to constantly change as the environment they are operating in continuously changes. Supporting institutions have to be flexible and respond to the matters arising, so that they do not hinder SMMEs from operating smoothly. Their ability to perform a given task on time, brings satisfaction to SMMEs' owners, and both parties experience no delay in their daily operations (Atkinson: 2004). If supporting institutions are able to complete assigned tasks at a given time, this pleases SMMEs' owners and daily operations are performed without any delay (Atkinson: 2004).

South Africa seems to be responsive to current situations and demonstrates flexibility as a number of programmes are put in place to assist SMMEs' owners to operate smoothly, and to enable the institutions to complete their given tasks without delay (Zeithaml *et al.*: 2006). This shows that SA responds flexibly to the dynamics of the current business environment and hopefully the supporting institutions as well, which makes one to believe that the SMMEs' owners are satisfied with the great initiatives put in place to assist in developing its sector.

### ***Methodology***

The study used a survey as the research design and the quantitative research method to collect data from a sample of 384 SMMEs' owner-managers conveniently sampled in Pietermaritzburg in South Africa. The survey research design was deemed appropriate as this study aims to identify

the relationship between the frequency of receiving support from the supporting institutions and SMMEs' satisfaction. A closed-ended questionnaire was designed to capture SMMEs owners' frequency of receiving services from the supporting institutions and their perceptions of the services received (satisfaction) from the institutions. An informed consent letter was issued to the participants stipulating the purpose of the study, voluntary participation in the study and their rights to withdraw from participating in the study at any time. A number of 210 usable questionnaires were collected from the participants. Data were analysed through factor analysis to identify the emerging clusters from the support services received from the supporting institutions. In addition, Spearman correlation analysis was performed to ascertain the relationship between the frequency of receiving support from supporting institutions and the perceived SMMEs' satisfaction. Moreover, regression analysis was conducted in order to ascertain how each frequency of receiving support relates to SMMEs satisfaction.

## ***Results***

### **Reliability Test**

Table 1 below depicts the reliability test performed on two sets of data. The Cronbach Alpha coefficient for the set of questions pertaining to *frequency of receiving support* is close to the required 0.7. On the other hand, questions related to service satisfaction have a higher score (0.986) which depicts a very high internal consistency within the data related to service satisfaction.

**Table 1**

**Reliability Statistics**

|  | <b>Number of Items in the<br/>Questionnaire</b> | <b>Cronbach Alpha<br/>Coefficient</b> |
|--|---|---------------------------------------|
| <b>Frequency of receiving<br/>support from supporting<br/>institutions</b> | 6   | 0.663                                 |
| <b>Service satisfaction</b>  | 13  | 0.986                                 |

**Frequency Analysis**

The frequency analysis depicted in Table 2 below shows that training is the most received assistance, that is, only 47.1 percent of the respondents did not receive training assistance from the supporting institutions. Access to business premises was the least received service amongst the participants as 88.6 percent of participants indicated that they never received such support from the institutions.

**Table 2**

**Frequency of receiving support from supporting institutions (in percentages)**

|                   | <b>Funding</b> | <b>Training</b> | <b>Business<br/>Advice</b> | <b>Access to<br/>Business<br/>Premises</b> | <b>Networking<br/>Support</b> | <b>Licensing<br/>Procedures</b> |
|-------------------|----------------|-----------------|----------------------------|--|-------------------------------|---------------------------------|
| <b>Not at All</b> | 57.6           | 47.1            | 63.3                       | 88.6                                       | 61.9                          | 54.3                            |

|                   |       |       |       |       |       |       |
|-------------------|-------|-------|-------|-------|-------|-------|
| <b>Rarely</b>     | 15.7  | 11.9  | 10.5  | 6.7   | 5.7   | 14.8  |
| <b>Sometimes</b>  | 11.9  | 14.8  | 13.8  | 1.9   | 9.0   | 15.7  |
| <b>Often</b>      | 6.2   | 11.4  | 5.2   | 1.9   | 10.5  | 11.4  |
| <b>Very Often</b> | 8.6   | 14.8  | 7.1   | 1.0   | 12.9  | 3.8   |
| <b>Total</b>      | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

### Factor Analysis

Exploratory factor analysis (using Varimax with Kaiser Normalization and Principal Component Analysis as the extraction method) was performed to ascertain whether there are clusters within each set of variables. The Rotated Component Matrix depicted in Table 3 shows that respondents' answers can be grouped in two factors (categories). Factor1 englobes receiving networking support, training and funding from supporting institutions while factor2 encompasses receiving guidance with licensing procedures, assistance with access to business premises and business advice from the supporting institutions. The variables within each factor were identified based on the closeness of their loading factors. Subsequent analysis (correlation and regression analyses) were performed on the two sets of data separately.

**Table 3**

#### **Factor Analysis on Frequency of Receiving Support from Supporting Institutions**

| <b>Rotated Component Matrix<sup>a,b</sup></b> |            |   |
|---|------------|---|
|   | Components |   |
|   | 1          | 2 |

|  |             |             |
|--|-------------|-------------|
| How often did you receive networking support from supporting institutions?   | <b>.861</b> | .008        |
| How often did you receive training (management skills, marketing, business planning skills, financial management skills) from the supporting institutions? | <b>.840</b> | .060        |
| How often did you receive funding from the supporting institutions?  | <b>.588</b> | .266        |
| How often did you receive guidance with licensing procedures from supporting institutions?   | -.152       | <b>.784</b> |
| How often did you receive assistance with access to business premises?   | .195        | <b>.702</b> |
| How often did you receive business advice from the supporting institutions?  | .324        | <b>.688</b> |

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Business location = Pietermaritzburg

b. Rotation converged in 3 iterations.

Unlike the factor analysis results depicted above, the results of factor analysis depicted in Table 4 show that variables representing service satisfaction can be grouped under one factor. Thus, variables pertaining to receiving support from the supporting institutions will be grouped and analysed in two groups (factor 1 and factor 2) while service satisfaction will be treated as a single construct.

**Table 4**  
**Factor Analysis on SMMEs Satisfaction**

| <b>Component Matrix<sup>a,b</sup></b>  |           |
|--|-----------|
|  | Component |
|  | 1         |
| I have confidence in supporting institutions because they are courteous        | .943      |
| I have confidence in supporting institutions because they are credible         | .941      |
| I trust supporting institutions because they are courteous                     | .941      |
| Supporting institutions provide prompt support                                 | .936      |
| I have confidence in supporting institutions because they are competent        | .936      |
| Supporting institutions cared for my business                                  | .932      |
| Supporting institutions provided individualized attention to my business       | .930      |
| I trust supporting institutions because they are credible                      | .930      |
| I trust supporting institutions because they are competent                     | .928      |
| Supporting institutions are willing to help SMMEs                              | .926      |
| I am satisfied with the assistance I received from the supporting institutions | .923      |
| Supporting institutions provide their services accurately                      | .897      |
| Supporting institutions provide their services dependably                      | .837      |

Extraction Method: Principal Component Analysis.

a. Business location = Pietermaritzburg

b. 1 components extracted.

## Correlation Analysis

*Correlation Analysis between Variables within Factor 1 and Service Satisfaction.* The Spearman correlation was performed between each variable within factor1 and service satisfaction. Table 5 below shows that service satisfaction is significantly and moderately correlated with the frequency of receiving funding from supporting institutions ( $\rho=0.461$ ,  $p=0.000$ ,  $N=210$ ). In addition, frequency of receiving training ( $\rho=0.664$ ,  $p=0.000$ ,  $N=210$ ) is strongly correlated with service satisfaction while service satisfaction is moderately correlated with frequency of receiving networking support ( $\rho=0.542$ ,  $p=0.000$ ,  $N=210$ ).

**Table 5**

### Correlation Analysis between Variables within Factor 1 and Service Satisfaction

|                |  |                                |         |
|----------------|--|--------------------------------|---------|
| Spearman's rho | Frequency of receiving funding from the supporting institutions (FF)   | <b>Correlation Coefficient</b> | 0.461** |
|                |  | <b>Sig. (2-tailed)</b>         | 0.000   |
|                |  | <b>N</b>                       | 210     |
| Spearman's rho | Frequency of receiving training from the supporting institutions? (FT) | <b>Correlation Coefficient</b> | 0.664** |
|                |  | <b>Sig. (2-tailed)</b>         | 0.000   |
|                |  | <b>N</b>                       | 210     |
| Spearman's rho |  | <b>Correlation Coefficient</b> | 0.542** |

|  |  |                  |
|--|--|------------------|
| Frequency of receiving networking support from supporting institutions (FNS) | <b>Sig. (2-tailed)</b><br><br><b>N</b> | 0.000<br><br>210 |
|--|--|------------------|

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*Correlation Analysis between Variables within Factor 2 and Service Satisfaction.* Table 6 below shows that the frequency of receiving business advice (FBA) from supporting institutions is significantly and positively correlated with service satisfaction with a small effect size ( $\rho=0.290$ ,  $N=210$ ,  $p=0.000$ ) while FABP and FBLP are not significantly correlated with service satisfaction. Thus, for factor 2, regression analysis is carried out where there is a significant correlation that is between FBA and service satisfaction as depicted in Table 6 below.

**Table 6**

**Correlation Analysis between Variables within Factor 2 and Service Satisfaction**

|                |  |  |                               |
|----------------|--|--|-------------------------------|
| Spearman's rho | Frequency of receiving business advice from the supporting institutions (FBA)    | <b>Correlation Coefficient</b><br><br><b>Sig. (2-tailed)</b><br><br><b>N</b> | .290**<br><br>.000<br><br>210 |
| Spearman's rho | Frequency of receiving assistance in terms of access to business premises (FABP) | <b>Correlation Coefficient</b><br><br><b>Sig. (2-tailed)</b><br><br><b>N</b> | .132<br><br>.056<br><br>210   |
| Spearman's rho |  | <b>Correlation Coefficient</b><br><br><b>Sig. (2-tailed)</b>                 | .049<br><br>.483              |



Frequency of receiving guidance in terms of business licensing procedures (FBLP) N 210

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### Regression Analysis

*Regression Analysis between Factor 1 and Service Satisfaction.* A multiple regression analysis was performed between the dependent variable (service satisfaction) and three variables representing factor 1. Table 7 shows that the multiple correlation coefficient *R* value is 0.672 which signifies a high degree of correlation. The R Square value (0.452) indicates that 45.2 percent of the total variation in the dependent variable (service satisfaction) can be explained by the independent variables.

**Table 7**

#### **Model Summary of the Regression Analysis between Factor 1 and Service Satisfaction**

| Model Summary |                   |          |                   |                            |
|---------------|-------------------|----------|-------------------|----------------------------|
| Model         | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1             | .672 <sup>a</sup> | .452     | .444              | .74563343                  |

a. Predictors: (Constant), How often did you receive networking support from supporting institutions? How often did you receive funding from the supporting institutions? How often did you receive training (management skills, marketing, business planning skills, financial management skills) from the supporting institutions?

The ANOVA table (Table 8) depicts how well the regression equation predicts the dependent variable. The F-ratio depicts whether the overall regression model is a good fit for the data. The

table shows that the independent variables (i.e. frequency of receiving 1. Funding, 2. Training and 3. Networking support) significantly predict the dependent variable i.e. service satisfaction [F (3, 206) = 56.640,  $p < .0005$ ].

**Table 8**

**ANOVA Statistics of the Regression Analysis between Factor 1 and Service Satisfaction**

| ANOVA <sup>a</sup> |                   |                |     |             |        |                   |
|--------------------|-------------------|----------------|-----|-------------|--------|-------------------|
| Model              |                   | Sum of Squares | df  | Mean Square | F      | Sig.              |
| 1                  | <b>Regression</b> | 94.470         | 3   | 31.490      | 56.640 | .000 <sup>b</sup> |
|                    | <b>Residual</b>   | 114.530        | 206 | .556        |        |                   |
|                    | <b>Total</b>      | 209.000        | 209 |             |        |                   |

a. Dependent Variable: Service satisfaction

b. Predictors: (Constant), How often did you receive networking support from supporting institutions? How often did you receive funding from the supporting institutions? How often did you receive training (management skills, marketing, business planning skills, financial management skills) from the supporting institutions?

Unstandardized coefficients depicted in Table 9 below indicate how much the dependent variable varies with an independent variable when all other independent variables are held constant. The unstandardized coefficient for the frequency of receiving funding (FF) is 0.202 meaning for each one unit increase in the frequency of receiving funding from supporting institutions there is an increase of 0.202 (or 20.2 percent increase) in service satisfaction. In addition, a one unit increase in the frequency of receiving training (FT) will increase service satisfaction by 28.4 percent. Moreover, a one unit increase in the frequency of receiving networking support (FNS) will lead to a 9.4 percent increase in service satisfaction. The p values (sig. values) of all the dependent

variables are less than 0.5 meaning that from a statistical point of view, the dependent variables significantly predict the dependent variable. Hence, a regression model can be drawn as follows:

$$\text{Service satisfaction} = -1.251 + (0.202 * \text{FF}) + (0.284 * \text{FT}) + (0.094 * \text{FNS})$$

**Table 9**

**Coefficients of the Regression Analysis between Factor 1 and Service Satisfaction**

| Coefficients <sup>a</sup> |            |                             |            |                           |         |      |                                 |             |
|---------------------------|------------|-----------------------------|------------|---------------------------|---------|------|---------------------------------|-------------|
| Model                     |            | Unstandardized Coefficients |            | Standardized Coefficients |         |      | 95.0% Confidence Interval for B |             |
|                           |            | B                           | Std. Error | Beta                      | t       | Sig. | Lower Bound                     | Upper Bound |
| 1                         | (Constant) | -1.251                      | .110       |                           | -11.380 | .000 | -1.468                          | -1.034      |
|                           | <b>FF</b>  | .202                        | .042       | .265                      | 4.756   | .000 | .118                            | .286        |
|                           | <b>FT</b>  | .284                        | .043       | .431                      | 6.553   | .000 | .199                            | .370        |
|                           | <b>FNS</b> | .094                        | .044       | .143                      | 2.167   | .031 | .008                            | .180        |

a. Dependent Variable: Service satisfaction

*Regression Analysis between Factor 2 and Service Satisfaction.* The linear regression analysis depicted below shows that the regression coefficient value (R) is 0.320, which indicates a low degree of correlation. The R square value (0.103) indicates that 10.3 percent of the variation in the dependent variable (service satisfaction) can be attributed to the independent variable, that is, frequency of receiving business advice from the supporting institutions (FBA). The F ratio in the ANOVA table (Table 10) shows that FBA significantly predicts service satisfaction (F (1, 208) = 23.787, p<0.0005). The unstandardized coefficient for FBA is 0.253 meaning for each one unit

increase in the frequency of receiving business advice, there is a 25.3 percent increase in the service satisfaction. Thus, a linear regression equation can be deduced as follows:

$$\text{Service satisfaction} = -462 + (0.253 * \text{FBA})$$

**Table 10**

**Regression Analysis between Factor 2 and Service Satisfaction**

| Model Summary |                   |          |                   |                            |
|---------------|-------------------|----------|-------------------|----------------------------|
| Model         | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1             | .320 <sup>a</sup> | .103     | .098              | .94957330                  |

a. Predictors: (Constant), frequency of receiving business advice from the supporting institutions

| ANOVA <sup>a</sup> |            |                |     |             |        |                   |
|--------------------|------------|----------------|-----|-------------|--------|-------------------|
| Model              |            | Sum of Squares | df  | Mean Square | F      | Sig.              |
| 1                  | Regression | 21.449         | 1   | 21.449      | 23.787 | .000 <sup>b</sup> |
|                    | Residual   | 187.551        | 208 | .902        |        |                   |
|                    | Total      | 209.000        | 209 |             |        |                   |

a. Dependent Variable: Service satisfaction

b. Predictors: (Constant), frequency of receiving business advice from the supporting institutions

| Coefficients <sup>a</sup> |            |                             |            |                           |        |      |                                 |             |
|---------------------------|------------|-----------------------------|------------|---------------------------|--------|------|---------------------------------|-------------|
| Model                     |            | Unstandardized Coefficients |            | Standardized Coefficients |        |      | 95.0% Confidence Interval for B |             |
|                           |            | B                           | Std. Error | Beta                      | t      | Sig. | Lower Bound                     | Upper Bound |
| 1                         | (Constant) | -.462                       | .115       |                           | -4.011 | .000 | -.689                           | -.235       |
|                           | (FBA)      | .253                        | .052       | .320                      | 4.877  | .000 | .151                            | .356        |

a. Dependent Variable: Service satisfaction

### ***Discussion and Recommendations***

This paper identified four components of SMMEs business support that are significantly correlated with SMMEs' owners satisfaction. These include provision of funding, training, networking support and business advice. The provision of these types of support have been previously identified as the determinants of SMMEs business growth in the South African context (Chetty: 2009; Mahembe: 2011; Ngcobo and Sukdeo: 2014). This paper adds to the body of knowledge as it established that the frequency of provision of these supports has an impact on SMME's owners' satisfaction. This research is significant within the South African context due to the dearth of research that investigates the impact of supporting institutions interventions. This paper shed light on where supporting institutions should be channelled to ensure that SMMEs are satisfied with the provision. Although establishing the relationship between satisfaction and relevance of the provision of services is beyond the scope of this paper, however, the authors hypothesize that SMMEs satisfaction might be an indication of relevance of supporting institutions interventions. However, such association is subject to further research to ascertain the truthfulness of such hypothesis. Literature suggests that public and private supporting institutions' assurance, reliability, tangibility, empathy and responsiveness towards SMMEs' owners are important factors that influence SMMEs' owners' satisfaction which can translate into the increase of SMMEs' start-up and growth (Wamuyu: 2015; Khoase: 2015).

The findings have some implications. Firstly, although significant correlations were found between the four types of provision and SMMEs' satisfaction, frequency analyses reveal that only few SMMEs received each support except for training. This could be an indication that either the SMMEs know about what these supporting institutions offer but do not seek such assistant

(Khoase: 2015) or maybe they do not know about such support (Chetty: 2009). Thus, dual interventions are needed to bring an awareness of the support provided and encourage the use of such support.

From the supporting institutions perspective, there is a need to put in place monitoring interventions and indicators that could help ascertain the impact of their interventions vis a vis SMMEs' needs and growth.

Assessing the efficiency or effectiveness of services provided would assist supporting institutions to cost-effectively deliver necessary support to the SMME sector. This would also assist policy makers in formulating implementable SMMEs' development policies, as the supporting institutions will be involved during the formulation process (as stakeholders). Furthermore, assessing the effectiveness of services provided by supporting institutions, and their improvement thereafter, might contribute to SMMEs' owner-managers' satisfaction with the services provided.

When entrepreneurs are satisfied with the services provided, they might make more use of such services.

Moreover, SMMEs owners should make use of services provided by the supporting institutions interventions. If such services are not used, it becomes difficult to ascertain whether entrepreneurs (SMMEs owners) are satisfied with the services provided by these institutions and areas where the providers need to improve

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