TOTAL QUALITY MANAGEMENT TRAINING OF SMMEs BY GOVERNMENT BUSINESS SUPPORT INSTITUTIONS IN THE BUFFALO CITY METROPOLE.

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TOTAL QUALITY MANAGEMENT TRAINING OF SMMEs BY GOVERNMENT BUSINESS SUPPORT INSTITUTIONS IN THE BUFFALO CITY METROPOLE.

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Treatise is submitted in fulfilment of the requirements for the degree

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Research Supervisor: Prof Norman Kemp

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ABSTRACT

The aim of the study is to determine the extent of Total Quality Management training by the government business support institutions in the enterprise development of Small Medium Micro Enterprises in Buffalo City Metro area. The study reflects on the Total Quality Management elements and enterprise development activities by the government institutions located in the Buffalo City Metro area.

The researcher conducted literature review to ascertain what does Total Quality Management training entails. The study discussed the enterprise development services offered by the Government business support agencies in Buffalo City Metro. The empirical study conducted determined the views of Small Medium Micro Enterprises assisted by government business support service towards Total Quality Management.

The researcher collected quantitative data from the judgemental sample using five point linkert scale questionnaire. The study achieved the response rate of 52.5%. Descriptive statistics of the data was analysed using MS Excel, and the internal consistency or reliability was determined using SPSS software. The data achieved the Chronbach’s Alpha co-efficient of 0.879.

The research finding has certain limitations, and these limitations provide opportunities for further research studies. The limitation of this study was the fact that the sample was judgemental. It is possible that if another sampling method is used, it could arrive at a different conclusion.
The results from the study indicate that the government business support institutions in Buffalo City area do not provide total quality management training. Although it was not a focus of the research, the study found that the three government institutions also located in Buffalo City Metro area are not used by the Small Medium Micro Enterprises. Government business support institutions need to offer total quality management training as part of enterprise development.

Keywords: Total Quality Management, Enterprise Development, Small Medium Micro Enterprises
DECLARATION BY CANDIDATE

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DECLARATION:

In accordance with Rule G4.6.3, I hereby declare that the above-mentioned treatise/dissertation/thesis is my own work and that it has not previously been submitted for assessment to another University or for another qualification.

SIGNATURE: ____________________________________________________________

DATE: __________________________________________________________________
ACKNOWLEDGEMENTS

I would like to acknowledge the contribution of the following people in my three years of study for this qualification.

- First I would like to exalt the name of the LORD JESUS CHRIST. He has showered my life with the HOLY SPIRIT that has given me wisdom to strike balance between my family, my work and my studies.
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PERMISSION TO SUBMIT A TREATISE FOR EXAMINATION

FACULTY: Business and Economic Sciences

SCHOOL: Business School

I, KEMP N., the supervisor/promoter for MFENGWANA T, student number 210087315, a candidate for the MAGISTER IN BUSINESS ADMINISTRATION with a treatise entitled:

Total quality management training of SMMEs by Government business support institutions in the Buffalo City Metropole.

It is hereby certified that permission is granted to the candidate to submit his treatise for examination.

_______________________  ___________________
SUPERVISOR / PROMOTER  DATE
CHAPTER ONE

BACKGROUND INFORMATION, PROBLEM STATEMENT AND OUTLINE OF CHAPTERS

1.1 BACKGROUND INFORMATION

In 2003 the South African government promulgated the Broad Base Black Economic Empowerment (BBBEE) Act to establish a national policy on economic empowerment (Broad Base Black Economic Empowerment Act No 53 of 2003). The objective of the Act is to promote the economic unity of the nation, protect the common market, and promote equal opportunity. Subsequent to that, in 2007 codes of good practices were issued under section 9 (1) of the Act. Enterprise Development was identified as one of the Elements for Black Economic Empowerment (Codes of Good Practise, Notice 112 of 2007).

Quality is one of the requirements when big firms are evaluating their suppliers. Quality is an integral part of virtually all products and services (Montgomery, 2010:56). Okpara and Kabongo (2009:7) argue that small businesses are having challenges in developing quality products and services compared to large and well established companies.

According to Hugo, Badenhorst-Weiss and Van Biljon (2004:164) world class quality performance is a norm for all participants in the supply chain simply because customers in the global market place will not accept any other norm. SMMEs who are the beneficiaries of BBBEE act through enterprise development need to uphold world class quality standards.
The background above highlights the challenges faced by the SMMEs when it comes to quality management. The purpose of this study is to determine the extent of Total Quality Management (TQM) training by government business support institutions in SMMEs in Buffalo City Metropolitan area, and how it can be considered for enterprise development. The contribution of the study will assist the government business support institutions to understand the extent of the need for TQM training on SMMEs in Buffalo City Metropolitan area, and to understand how they can integrate it in their enterprise development services.

1.2 PROBLEM STATEMENT

The growth and sustainability of small business is important for emerging countries such as South Africa. SMMEs in South Africa contribute over 40% of Gross Domestic Product (GDP) and more than 50% of employment in the labour force (Herrington, 2011:116). Although the contribution of SMMEs to the economy is significant, Department of Trade and Industry annual review of small business 2005-2007 in South Africa (2008) estimated that new business ventures fail in their initial years of inception. Furthermore, the review state that 40% of new business ventures fail in their first year, 60% by the second year, and 90% within the first 10 years of existence.

According Harrington, Kew and Kew (2010:25) in the Global Entrepreneurship Monitor (GEM) the low success rate of small businesses is attributed to the factors such as poor levels of education and skills development, inadequate business infrastructure development and limited access to markets, few assets available to use as leverage for loans, and fewer entrepreneurial role models in previously disadvantaged communities.

Quality has emerged as a top priority in many companies due to the globalisation and the competitive pressure brought about by the escalating demands of consumers (Thiagaragan, Zairi and Dale, 2001:289). The GEM report needs to be
explicit on the contribution of quality of goods and services offers by the SMMEs. According to Mehra and Ranganathan (2008:913) improving quality is a duty of everybody in the organization, and quality improvement has become a philosophy as well as a way of life.

Mehra and Ranganathan (2008:913) further argued that there is a relationship between implementing TQM programs and the customer side of a business. The customer side of the business specifically refers to customer satisfaction and customer focus. Successful adoption of quality management practices impacts positively on customer satisfaction. SMMEs that have implemented successful TQM programs satisfy their customers and pay attention to customer attention (Mehra and Ranganathan, 2008:913).

TQM has factors such as employee involvement, customer focus, continuous improvement, leadership, information management, and process management (Das, Kumar & Kumar. 2011:196). Since TQM has been applied widely, it is important to understand the extent of TQM training in SMMEs by Government business support institutions in Buffalo City Metropolitan area.

The application of enterprise development element is important in compliance with the BBBEE Act and the development of SMMEs. The study need to establish the relationship between TQM training and enterprise development. The research question is: What is the extent of TQM training by the government business support institutions in the enterprise development of SMMEs in Buffalo City Metropolitan area.

1.3 SUB-PROBLEMS

In answering the research question and in line with the problem statement the following sub-problems were developed:
• What does TQM training entail?
• What are the enterprise development services offered by the Government business support institution in Buffalo City Metropolitan Municipality?
• What is the view of SMMEs assisted by government business support institutions towards TQM?

1.4 RESEARCH OBJECTIVES

1.4.1 Primary research objective
To determine the extent of TQM practices in SMMEs in Buffalo City Metropolitan Municipality and how TQM training by government business support institutions can be considered for enterprise development.

1.4.2 Secondary research objectives
To achieve the primary research objectives, the following secondary research objectives will be pursued:

• To discuss the elements of TQM.
• To discuss the nature of services offered by government business support institutions to the SMMEs in Buffalo City Metropolitan area.
• To discuss the enterprise development services offered to SMMEs in South Africa.
• To determine the views of SMMEs assisted by government business support service towards TQM.

1.4.3 Research design objectives
According to Bless and Higson-Smith (1995:63) research design is the planning of any scientific research from the beginning to the end meaning that it guides the researcher in collecting, analysing and observing facts. The objectives of the research design are to do the following actions.
To conduct a secondary literature review on TQM on its elements, enterprise development and government business support agencies in Buffalo City Metropolitan Municipality using articles, books, journals, and internet sources.

To conduct a survey using questionnaires on SMMEs in Buffalo City Metropolitan Municipality to answer research questions.

The results of the interviews and the surveys will be analysed using descriptive statistics to understand the research questions. The conclusions and recommendations will be made based on the research findings.

To achieve desirable outcomes the researcher has identified the unit of analysis as owners of SMMEs in Buffalo City Metropolitan area. Unit of analysis is a phenomenon under study about which data is collected, analyse and is closely linked to the research question (Bless and Higson-Smith, 1995:64; Collis and Hussey, 2009:115).

1.5 THESIS STATEMENT

Government business support institutions in Buffalo City Metropolitan area should consider TQM training for enterprise development in SMMEs. Government business support institutions offer support initiatives such funding, mentoring and training. There is no evidence of TQM training offered to SMMEs.

1.6 THE RESEARCH METHODOLOGY

1.6.1 The research paradigm
According to Collis and Hussey (2009:11), a research paradigm is a framework that guides how the researcher conducts the research, based on people’s philosophies and assumptions about the world and the nature of knowledge. To answer the
research question the researcher uses descriptive research method techniques that provide quantitative data.

1.6.2 The sample
To achieve accurate results the researcher will select the sample using judgement sampling. Evans (2010: 144) suggests that in judgement sampling the expect judgement is used to select the sample. The sample will comprise of 80 or more of SMMEs in Buffalo City Metropolitan Municipality.

1.6.3 The measuring instruments
The instrument to be used is the questionnaires with a five point linkert scale.

1.7 DEFINITIONS OF KEY CONCEPTS

1.7.1 Small Medium and Micro Enterprises
According to National Small Business Act, No 26 of 2003 (RSA,2003) SMMEs are entities with total fulltime employees equal to 200 or less and total turn over of R 64 million depending on the business sector and size of a class.

1.7.2 Total Quality Management
It is a holistic approach to the management of quality that emphasises the role of all parts of an organisation and all people with in it to influence and improve quality (Pycraft, Singh, Phihlela, Slack, Chambers and Johnson, 2010:660)

1.7.3 Enterprise Development
It is the development, support and promotion of small enterprises by ensuring their growth and sustainability.
1.7.4 Leadership
Leadership are the activities that contribute towards the establishment and maintenance of favourable team performance conditions relative to the given core team task and the goals to be achieved (Robbins, Odendaal and Roodt, 2003: 204).

1.7.5 Employee involvement
It is the freedom awarded to the employees to take independent action (Robbins, Odendaal and Roodt, 2003: 204).

1.7.6 Government business support institutions
They are government agencies that are meant to offer support to the businesses especially SMMEs. For the purpose of this study government business support institutions refers to Development Corporation (IDC), Khula Enterprise Finance Limited, National Youth Development Agency (NYDA), Small Enterprise Development Agency (SEDA), and Eastern Cape Development Corporation (ECDC).

1.8 OUTLINE OF THE CHAPTERS
This study has five chapters. Chapter one introduces the study by defining the research problem, problem statement and the research methodology to be followed. The following chapters are arranged as follows:

Chapter Two and Three: Literature review on TQM, SMMEs, government business support institutions, and Enterprise Development

Each chapter starts with introduction and discusses the literature. Chapter two discusses TQM and its elements and chapter three discusses SMMEs, government business support institutions and Enterprise Development.
Chapter Four: Research Methodology

In this chapter the methodology used in the study is discussed in detail specifically the paradigm, sample, measuring instruments and how they were administered; testing of reliability and validity.

Chapter Five: Analysis of results

This chapter presents the results on the extent of TQM practices in SMMEs in Buffalo City Metropolitan Municipality and how TQM training by government business support agencies can be considered for enterprise development.

Chapter 7: Discussion, recommendations and conclusions

The treatise ends with a discussion, concluding remarks and recommendations on small business owners and TQM.

1.9 CONCLUSION

The aim of this chapter was to present the main problem and its origin. The researcher further addresses and explains how the researcher aimed to solve it. The remaining chapters address the main question, sub-problems and how the research is conducted. Chapter two discusses the TQM literature review and its elements.
CHAPTER TWO

LITERATURE REVIEW ON TOTAL QUALITY MANAGEMENT

2.1 INTRODUCTION

Chapter one has set the scene for the entire study. This chapter discusses the philosophy of Total Quality Management (TQM). The researcher conducted a wide review of literature on TQM philosophy, and it is not limited by period or geographical boundaries. The objective is to review literature about TQM philosophy from the inception up to the present.

The remaining part of the chapter is arranged as following: Definition of TQM and its origin; discussion on TQM principles such as leadership; customer focus; employee involvement; and continuous improvement. Lastly, the contribution of TQM practices in Small Businesses is also being discussed.

2.2 TQM PHILOSOPHY

The improvement and management of quality has evolved rapidly in the recent years. Dale and Bunney (1999: 25) argues that in the last two decades inspection function in the production process have been replaced by quality control while the development and the refinement of quality assurance has taken place. Most companies are making strides in achieving TQM. Quality has four discrete stages that can be identified thus inspection, quality control, quality assurance, and TQM. Figure 2:1 illustrate the evolution of TQM.
Business enterprises need to ensure that they meet the needs of their customers to survive. This can only be done by consistently delivering good quality products and services. Quality control department of companies for a long time had a responsibility to deliver right quality (Stevenson, 1993: 101). Stevenson (1993:101) further argues that many companies were heavily dependent on inspection to sort out defects or identify mistakes before they reach a customer.

A. Feigenbaum introduced TQM concept in 1957 (Pycraft, et al., 2010:609). Feigenbaum defined TQM as an “effective system for integrating the quality development, quality maintenance, and quality improvements efforts of the various groups in an organisation so as to enable production and service at the most economical levels which allow for full customer satisfaction” (Pycraft et.al. 2010:609).
So-called quality gurus such as Deming, Juran, Ishikawa, Tagushi and Crosby (Stevenson, 1993:101; Pycraft, et al., 2010:609) further developed the philosophy.

Ho (1997:276) explained the word Total Quality Management and suggested that the word Total refers to everyone in a company who is involved in continuous improvement from the lowest level employees to the top management; Quality ensures customer’s requirements are met fully while Management means executives are fully committed. Pycraft, et al., (2010: 612) concur with Ho and further argue that for an organisation to be effective everyone must work properly together because every person and every activity affects and in turn is affected by others.

According to Ho and Fung (1994:26), TQM has principles that are used in its implementation. The principles can be classified into leadership commitment; total customer satisfaction, continuous improvement, total involvement, training and education, ownership, reward and recognition, error prevention, and co-operation and teamwork.

Talha (2004: 18) identifies six keys for the successful implementation of TQM program in small businesses. These keys include the understanding that quality work, customer satisfaction and improving quality must be a commitment of all employees. The company activities must incorporate quality, customers and suppliers. The company must make quality and customer satisfaction a priority. Significant changes may be required to make quality and customer satisfaction a priority, and small advances in all company functions can set its quality and customer satisfaction apart from that of its competitors.

Dale and Bunney (1999: 32) without much divergence from Talha argue that TQM has elements such as organisational senior leadership commitment, integrate TQM into the organisation planning, using quality management tools and techniques, educate and train employees for continuous improvement, team work in the
organisation must be paramount, and the continuous measurement and feed of performance indicators.

Based on the literature above and the research done by Talip, Rahman and Qureshi (2010: 279), there is high frequency of the occurrence of TQM practices such as leadership and management commitment, customer satisfaction, improvement and innovation, and employee involvement.

**FIGURE 2.2: IMPLEMENTATION CONCEPTS**

Continuous Improvement

Objective

Principle

Customer Focus

Process Improvement

Total Improvement

Elements

Leadership, Education and Training, Supportive infrastructure, Communications, Reward and Recognition, Measurement

(Source: Tenner and DeToro 1992:32)

The main objective of TQM is continuous improvement (Tenner and Detoro, 1992:32). Continuous improvement is built on three fundamental principles that are focus on customer, improvement of work processes, and involvement of all employees.
2.2.1 Leadership and management commitment

DuBrin (2010: 2) defines leadership as the ability to inspire confidence and support among the people who are needed to achieve organisational goals. Leadership set vision and align people to pull in the same direction; while management performs functions such as planning, organizing, directing and controlling (DuBrin 2010:106). According to Tenner and Detoro (1992: 160), TQM requires skills in both leadership and management.

It is the responsibility of the leader to commit and ensures that people are committed to the organisational goals including the implementation of TQM. According to Dubrin (2010: 231), commitment is the outcome of the influence tactics exercised by a leader. Furthermore, Dubrin (2010: 231) argues that the influence tactics are affected by the leader's traits, the leader's behaviour and the situations.

FIGURE 2.3: A MODEL OF POWER AND INFLUENCE

(Source: Dubrin 2010: 231)

Visagie (1999: 148) says SMME leadership is guided by culture that provides common objective and coordination of activities. Culture determines an important issue concerning SMMEs. It also gives an enterprise a direction, and integrates
internal activities such as policy, management systems, leadership styles, human resources systems and employee behaviour.

Factors such as size, culture, absorptive and innovative capacities and market orientation of firms may also have some impact on organisational performance and TQM implementation (Demirbag, Tatoglu, Tekinkus and Zaim, 2006: 843). Furthermore, Demirbag et al. (2006: 831) argue that TQM is the culture of an organization committed to customer satisfaction through continuous improvement.

The leadership of SMMEs should adopt strategies to achieve organisational goals and objectives. The strategy should include TQM practices as a comprehensive management system (Tenner and Detoro, 1992: 171). This assures that all work is performed in a systematic, integrated and consistent manner.

In every situation a certain style of leadership is needed to drive the organisation to achieve organisational vision. TQM practices to be implemented successfully; leaders should work with subordinates towards shared vision (Ehigie and Akpan, 2004: 27). According to Groth (1995: 56) in a situation where a clear and well-defined vision of the organization does not exist, TQM efforts yield desirable results by accident rather than design.

2.2.2 Customer satisfaction

Business enterprise needs customers to consume its goods or services in order to survive. Without customers, the business enterprise runs a risk of losing business; therefore, it needs to keep its customers satisfied. Hoffman, Czinkota, Dickson, Dunne, Griffin, Hutt, Krishnan, Lusch, Ronkainen, Rosenbloom, Sheth, Shimp, Siguaw, Simpson, Spesh, and Urbany, (2005: 329) argue that a firm achieves customer satisfaction by managing customer perception and expectation effectively. Customers are satisfied when the perceived service is better or equal to the expected service.
Zairi (2000: 291) suggests that by listening to the customers the organisation is empowered to understand the customer wants. The use of the root cause analysis techniques ensures that the reoccurrence of problems does not take place. Furthermore, the improvements arising require monitoring in terms of both their efficiency and ability to meet customer requirements (see Figure: 2.3).

FIGURE 2.4: CUSTOMER SATISFACTION CONTINUOUS IMPROVEMENT

An enterprise must produce goods and services that meet customer needs and is fit for use. Quality is the ability to meet the stated and implied requirements of customers and not an inherent feature (Shahin and Nikneshan, 2008 cited in Kreistianto, Ajmal, and Sandhu, 2012: 30). The enterprise does not only have to produce good quality, the business needs to implement effective quality initiatives to gain a sustainable competitive advantage and enhance business performance (Arumugam, Chang, Keng-Boon and Pei-Lee, 2009:48 ).

(Source: Zairi 2000: 292)
Customers choose products or services from a selection of different kinds based on pre-perceived value for the product (Kristianto, Ajmal, Sandhu, 2012: 30). The benefits customers get are functional and emotional; and the costs include monetary costs, time costs, energy costs and physics costs. Customer's satisfaction and dissatisfaction is the overall attitude of customers towards a good or service after they have acquired and used it (Kristianto, et al., 2012: 31).

According to Sureshchandar, Rajendranv and Anantharaman, (2002:365) there are five identified factors of service quality that are critical from the customer point of view. These factors are core services or service product, human element of service delivery, systematization of service delivery, tangibles of service, and social responsibility.

### 2.2.3 Employee involvement and empowerment.

According to Owusu (1999: 110), employee involvement is the participation of the entire firm's workforce to improve the working environment, product quality, equipment productivity, and eventually, company competitiveness.

When employer gives employees power over their jobs, they perform better. Their performance translates to better customer service and happy customers. According to Pycraft, et al. (2010: 259) empowered employees interact with customers with more enthusiasm and they can be a useful source of service.

Employees do not have to be given the power only; they need to take responsibility and the control over their jobs. Kinicki and Kreitner (2009:332) argue that employees are empowered when the management gives them more responsibility and control over their work. Pycraft, et al. (2010: 259) suggest that employee empowerment is done by suggestion, job and high involvement in job design. The figure below graphically explains how management philosophy is leads to employee involvement.
Figure 2.5 explains that employee involvement entails the delegation of authority to the employees to take decision. The delegation forms part of the management philosophy that includes communication, training and offering of incentives.

Tenner and Detoro (1992: 179) go further suggesting two dimensions on the empowerment of employees. The first dimension is the alignment of employees to the mission, vision and values of the organisation. The second dimension is giving the employees the ability skills and knowledge needed to do the job. Skilled workers are able to follow required specifications. When the employees are aligned to the vision and values of the organisations, they become part of the organisation.

Employees are not participating in the decision-making structures of the organisation. Although they are the ones who are producing goods and products, the choice of the systems to be implemented rests with the top management. According to Stahl (1995: 389), suggestion groups and quality circles are good examples of involving employees in their jobs in order to increase the value provided to customers. Quality circles and employee’s involvement teams do not have power to
make changes in the work or systems rather they only recommend changes to the managers.

2.2.4 Continuous improvement and innovation

Continuous improvement is a culture of sustained improvement targeting the elimination of waste in all systems and processes of an organization (Bhuiyan and Baghel, 2005:761). Swartling and Olausson (2011: 337) argued that continuous improvement is an integral part of the TQM, lean and Six Sigma philosophies. It is a common approach to improve organisational performance, and it involves everyone working together to make improvements without necessarily making huge capital investments (Bhuiyan and Baghel, 2005:761).

Implementation of continuous improvement requires an organization to be willing and able to improve. According to de Jager, Minnie, de Jager, Welgemoed, Bessant, and Francis (2004:317) there are four basic elements or preconditions necessary to ensure a culture of continuous improvement for all employees. The figure below suggests that the successful implementation of continuous improvement needs the understanding of everyone in the organisation to commit themselves to the improvement of the organisation. Understanding and commitment should go with requisite skills and support especially from the top management.
Figure 2.6 suggests that for the organisation to improve, it has to ensure that everybody understand the change is for the better means for all. Successful improvement depends on the requisite skill the people posses. All systems in the organisation should support the planned improvement and leadership must commit itself.

Business enterprises need to implement systems that contribute towards continuous improvement. Some times, in a system, there are variations, and continuous improvement is achieved by removing unwanted variations and by improving the underlying work processes (Tenner and Detoro, 1992:33).
Dale and Bunney (1999: 45) posit the variations discussed by Tenner and Detoro can be reduced by applying Edward Deming’s advocates on statistical measurements. Dale and Bunney argue that Deming’s approach on managing systems is statistical, and every employee should be trained on statistical quality techniques.

Deming introduced a 14-point approach for management to improve quality (Dale and Bunney, 1999: 45). Deming’s views are that quality management and improvement is the responsibility of all employees in the firm. Top management must lead the drive for improvement and be involved in all stages of the process.

Most businesses are facing intensifying competitive pressures. The demand is increasing for customized solutions, fast delivery and sound environmental performance, all in a global market that is becoming increasingly sophisticated and growing rapidly. To ensure survival and continued prosperity, businesses must meet those challenges by providing a constant stream of new and improved products, processes and services (Sharp and Kagioglou, 1997:211). This can be achieved through innovation.

2.2.5 Contribution of TQM practises in Small Businesses

There is a link between TQM and performance (Martinez- Costa and Jimenez-Jimenez, 2009:99). TQM practices in SMMEs promote the generation and the use of new knowledge for the improvement of processes and products or services. SMMEs similar to big companies benefit from TQM implementation through use of knowledge and continuous improvement.

According to Das, Kumar and Kumar (2011:203) companies of different sizes have distinguishing characteristics that may have different effects on how TQM is implemented and on how TQM contributes to organizational performance. For instance, small and medium-sized companies have flatter management structures and higher flexibility than large companies (McAdam and McKeown, 1999 cited in
Das, Kumar and Kumar, 2011:203). However, they all need to produce quality products and services.

### 2.3 CONCLUSION

This chapter began by defining TQM philosophy from the inception up to the present. From the literature, study elements contributing to TQM were identified. Elements for TQM that were identified and discussed are leadership and management, customer focus, employee involvement, and continuous improvement.

SMME leadership need a way to incorporated TQM to its value system that drives the organisation to achieve its vision. TQM practices to be implemented successfully, leaders should work with subordinates towards shared vision. TQM as a set of management practices focuses on customer satisfaction and constant organizational development.

When employees are given power over their jobs, they perform better. Their performance translates to better customer services and happy customers. Empowered employees interact with customers with more enthusiasm and they can be a useful source of service. Management led business transformation is underpinned by the practice of innovation and continuous improvement of systems and processes, based on understanding and knowledge.
CHAPTER THREE

LITERATURE REVIEW ON SMALL MEDIUM MICRO ENTERPRISES AND ENTERPRISE DEVELOPMENT IN SOUTH AFRICA.

3.1 INTRODUCTION

The previous chapter reviewed the literature on Total Quality Management (TQM). This chapter discusses the Small Medium Micro Enterprises (SMMEs) sector in the South African economy and the enterprise development element of Broad Based Black Economic Empowerment Act (BBBEE act). The research is about SMMEs in South Africa; therefore, it is confined in the performance of the SMME sector within the country. In terms BBBEE Act the minister of trade and industry issued codes of good practice that include enterprise (Codes of Good Practise, Notice 112 of 2007). The literature reviewed is also based on the South African business sector.

The remaining section of the Chapter is arranged as follows: South African SMMEs sector since 1994; South Africa’s SMME support network; Enterprise Development; and conclusion.

3.2 SOUTH AFRICAN SMMES SECTOR

The National Small Business Act became an Act of parliament in 1996 and the small businesses were formally recognised in South Africa (National Small Business Act 102 of 1996). According to the Act, “small business is a separate and distinct business entity, together with its branches or subsidiaries, if any, including co-operative enterprises and non-governmental organisations, managed by one owner or more which, including its branches and subsidiaries, if any, is predominantly carried on in any sector or subsector of the economy, and which can be classified as a micro-, a very small, a small or a medium enterprise”.

22
The National Small Business Act provides tools for the public institutions to implement a strategy to assist in the development of SMMEs. The government developed a national small business strategy which is intended to address some of the common problems faced by SMMEs which includes an unfavourable legal environment, lack of access to markets and procurement, lack of access to finance and credit, low skills levels, lack of access to information, Shortage of effective supportive institutions (Swart, 2011: 10).

According to Phago and Tsoabisi (2010: 154), the recognition of small business serves as a basis for the establishment and promotion by all spheres of government. The National Small Business Act 102 of 1996 also provides for the establishment of a National Small Business Council whose function is to represent and promote the interests of small business, with emphasis on those entities contemplated in the National Small Business Support Strategy.

According to Nieman, Hough and Nieuwenhuizen (2009) SMMEs in South Africa generate 35% of the GDP and employ 54% of all formal private sector employees. It is estimated that in developed countries, small businesses contribute approximately 50% of the GDP. Small businesses in South Africa only contribute around 30% of the GDP; however, they provide around 80% of the employment opportunities.

The Global Entrepreneurship Monitor (GEM) (2010:24) report highlighted as critical factors in South Africa entrepreneurial activity, access to financial support and the negative impact by government policies on entrepreneurship. The report further argues that another big discrepancy is in the area of education and training.

The World Economic Forum (2010: 18) ranked South Africa dismally in respect of primary education and it continues to languish at the bottom of the scale. This is of particular concern as South Africa currently spends significantly more on education than many other African countries and the current education spend in South Africa is
closer in size to what is spent by wealthy Organisation for Economic Corporation and Development (OECD) countries, all of which are ranked significantly higher with respect to the quality of education (GEM, 2010:31). A sound basic education system is one of the fundamental requirements for the developing and sustaining SMMEs.

3.3 SOUTH AFRICA’S SMME SUPPORT NETWORK

According to Njiro and Compagnoni (2010:147) there is no comprehensive database of agencies and institutions providing services to SMMEs. Furthermore, Njiro and Compagnoni (2010: 147) argue that many of the service providers in the SMME space tend to operate in isolation, with no deliberate efforts to co-ordinate their activities and to ensure the most cost effective delivery of quality services to SMMEs.

Contrary to what Njiro and Compagnoni (2010: 153) alluded to on SMMEs support services; there are state agencies at National and Provincial level. Although most of these agencies have equivalent SMME support initiatives, for the purpose of the study the researcher concentrate on the agencies with offices in the East London.

3.3.1 Industrial Development Corporation (IDC)

According to IDC website, the company has a number entrepreneurial support initiative. Among those support initiatives, one is meant to support SMMEs called Transformation and Entrepreneurship Scheme. The Transformation and Entrepreneurship Scheme is designed to help entrepreneurs access finance to develop and grow their business. IDC offers funding for start-up businesses, expansions or expansionary acquisitions. Along with this, it offers business support, by way of a grant, helping with business planning, training and mentorship (IDC, 2012).

The institution offers much needed financial assistance to the SMMEs and big corporations. These financial assistance services are customised according to the
need of the targeted group. The website of the institution does not indicate whether it offers TQM training.

3.3.2 Khula Enterprise Finance Ltd
On the Khula Enterprise Finance website, it stated that it is a wholesale financial institution that operates across the public and private sectors. Khula Enterprise Finance works through a network of channels to supply much-needed funding to small business. The channels of Khula Enterprise Finance include South Africa’s leading commercial banks, retail financial institutions, specialist funds and joint ventures. Its primary aim is to bridge the "funding gap" in the SME market not addressed by commercial financial institutions.

On top of the financial assistance, Khula also offers pre and post loan mentorship support. The pre loan support services listed include the feasibility study that demonstrates the viability of the business idea and comprehensive and well-researched marketing plan assistance. The post loan support initiative is designed to provide business support services to enterprises in the early stage (introductory/compliance mentorship) as well as the decline phase (turnaround) of the SMMEs life cycle (Khula, 2012).

3.3.3 National Youth Development Agency (NYDA)
NYDA is a government developmental agency that empowers all South Africa’s youth socially and economically for a better life. In addition to funding for SMMEs by young people, NYDA has a business consulting service voucher programme and business opportunity support services programme. Business Consulting Services Voucher Programme offers business development support to help create a brand new business or improve and grow existing business. Services and products listed under business opportunity support services programme are:

- Sourcing of viable business opportunities;
- Companies are approached to set aside business opportunities for youth owned enterprises;
• Linking youth entrepreneurs to identified business opportunities; Providing technical assistance; Mentorship;
• Facilitating funding applications;
• Business development support; and
• Training programmes (NYDA. 2012).

3.3.3 Small Enterprise Development Agency (SEDA)
Seda is also government institution that helps entrepreneurs through business consulting, training and referrals to specialist service providers. Their business advisors help entrepreneurs identify what they need to succeed, whether it is skills, contacts or funding, and help them to access it. According to its website, it has three core objectives that are:

- To enhance the competitiveness and capabilities of small enterprises through coordinated services, programmes and projects;
- To ensure equitable access for small enterprises to business support services through partnerships; and
- To strengthen the organization to deliver on its mission.

Seda has a business programme designed to assist SMMEs with business assessment and diagnostic tools such as conducting an in-depth assessment of business’ needs for sustained growth. Seda has a network of service providers assisting SMMEs with business management and providing technical support such as ISO Accreditation Product Improvement, Market Penetration and Tender Support (Seda, 2012).

3.3.4 Eastern Cape Development Corporation (ECDC)
ECDC has an enterprise development programme committed to provide SMMEs with knowledge and expertise in business development. The programme aims to assist emerging businesses access business to development services through a network of accredited service providers. Among the services offered are non-
financial services that are sector-specific and demand-led, and business linkages and networks that strengthen the SMME sector.

### 3.4 ENTERPRISE DEVELOPMENT

Broad Base Black Economic Empowerment (BBBEE) act was legislated in 2003 and its objectives are to facilitate broad-based black economic empowerment. Subsequent to the promulgation of the BBBEE Act, a strategy for Broad-Based Black Economic Empowerment document was released outlining the first broad-based scorecard comprising the seven elements of broad-based BEE (DTI, 2003). The elements are:

- Ownership;
- Management control;
- Employment equity;
- Skills development;
- Enterprise development;
- Preferential procurement, as well as investment; and
- Ownership and control of enterprises and economic assets.

In 2007, the South African government gazetted codes of good practice to provide a standard framework for the measurement of broad-based BEE across all sectors of the economy (Codes of Good Practise, Notice 112 of 2007). Code 600 measures the Enterprise Development element of BBBEE, which is the extent to which enterprises carry out initiatives aimed at contributing to socio-economic and enterprise development. According to the Code of good practice on Black Economic Empowerment, Enterprise Development weighs 15 per cent. Provision of training and mentoring to beneficiary entities is one of the contributions that can be undertaken by large firms to be recognised as an enterprise development contributor.
In August 2007, Consulta Research conducted a study for the Department of Trade and Industry on the progress made in the implementation of the BBBEE. According to Scheuder, van Heerden and Khanya (2007:12) there is a very low progress reported on both Enterprise and Socio Economic Development elements.

Table 3.1 and Figure 3.1 indicate that the most progress is made with regard to Element 1 – Ownership, where organisations on a national basis has managed to accrue 60.3% of the weighted target of 25.1% black ownership (equivalent to 15.13% Black ownership) for this element. This is followed by Element 4 – Skills Development with a 43.8% accrual of the weighted target (3% of payroll). The element most lagging behind is Element 6 – Enterprise Development with a 12.2% accrual to the weighted target.

**TABLE 3.1: NATIONAL SCORECARD ON BBBEE**

<table>
<thead>
<tr>
<th>SCORECARD ELEMENT</th>
<th>WEIGHTINGS</th>
<th>TARGETS</th>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ELEMENT 1-OWNERSHIP</td>
<td>20</td>
<td>25% +1</td>
<td>12.06</td>
</tr>
<tr>
<td>ELEMENT 2-MANAGEMENT</td>
<td>10</td>
<td>40% to 50%</td>
<td>3.24</td>
</tr>
<tr>
<td>ELEMENT 3-EMPLOYMENT EQUITY</td>
<td>15</td>
<td>43% to 80%</td>
<td>5.50</td>
</tr>
<tr>
<td>ELEMENT 4-SKILLS DEVELOPMENT</td>
<td>15</td>
<td>3% of payroll</td>
<td>6.57</td>
</tr>
<tr>
<td>ELEMENT 5-PREFERENTIAL PROCUREMENT</td>
<td>20</td>
<td>70%</td>
<td>3.34</td>
</tr>
<tr>
<td>ELEMENT 6- ENTERPRISE DEVELOPMENT</td>
<td>15</td>
<td>0.375% of turnover</td>
<td>1.83</td>
</tr>
<tr>
<td>ELEMENT 7-SOCIO-ECONOMIC DEVELOPMENT</td>
<td>5</td>
<td>0.125% of turnover</td>
<td>1.35</td>
</tr>
<tr>
<td>Total BBBEE Points</td>
<td>100</td>
<td></td>
<td>33.89</td>
</tr>
</tbody>
</table>

(Source: Scheuder, van Heerden and Khanya 2007:12))
3.5 CONCLUSION

This chapter started by discussing the SMMEs sector in the South African economy and Enterprise Development element of Broad Base Black Economic Empowerment Act (BBBEE act). Public sector agencies with branches in Buffalo City Metro were discussed individually as well as the services they are offering to support SMMEs. These agencies mainly offer financial support and mentoring. From the literature, review on these agencies there was not evidence of TQM training services.

Enterprise Development that was discussed in the latter part of the chapter confirms that training and mentoring support contributes to enterprise development. The literature review suggests that Enterprise Development element of BBBEE is lagging behind in implementation.
CHAPTER FOUR

RESEARCH DESIGN AND METHODOLOGY

4.1 INTRODUCTION

According to Hofstee, (2006: 107) research method along with thesis statement is vital to the success of the dissertation. Hofstee further argues that the results can only be accepted, rejected, checked, replicated or understood in the context of how you get them. The study is about what is the extent of TQM training by the government business support institutions in the enterprise development of SMMEs in BCMM area. In chapter two, the researcher discussed the literature on TQM. In chapter three, the researcher pondered the nature of support service to SMMEs offered by government agencies.

This chapter describes in detail the methodology that was applied to answer the research questions. The methodology assisted the study to conclude about the thesis statement explained in chapter one. The researcher justified the quality of methodology used by discussing the following aspects in detail: Research design, population and sample, Research instruments, analysis of data and conclusion.

4.2 RESEARCH DESIGN

4.2.1 Research paradigm
Robinson and Reed (1998: 62) explain that methodology is the study of methods used in a research and it is a detailed account of the theoretical bases for such methods. According to Welman, Kruger and Mitchell (2005: 6) there are two research approaches namely positivist and anti-positivist approach. Collins and Hussey (2009: 55) refer anti-positivist approach as interpretivism that is based on the principles of idealism.
According to Welman, Kruger and Mitchell (2005: 6) positivist approach is a human behavioural research that underlines natural scientific features. The positivist approach also suggests that the research must be limited to what can be observed and measured objectively. Collins and Hussey (2009: 56) argue that positivism theories provide explanation and allow the anticipation of the phenomena. Explanation establishes casual relationship between the variables by establishing casual laws and links them to the deductive or integrated theories.

Anti-positivist or interpretivism differs to the latter since it is inappropriate to follow a strict natural- scientific method when collecting and interpreting a data and therefore natural scientific method is not applicable to the phenomena being studied in the human behavioural sciences (Welman, Kruger and Mitchell, 2005: 6). Collins and Hussey (2009: 57) also argue that interpretivism is underpinned by the belief that social reality is not objective but highly subjective because it is shaped by the perceptions.

The researcher in this study uses the positivist paradigm. The researcher collected quantitative data under positivist study (Collins and Hussey, 2009: 187). According to Welman, Kruger and Mitchell (2005: 78) a quantitative research design can be experimental, quasi-experimental or non-experimental.

Methodologies associated with positivism are experimental, surveys, cross sectional and longitudinal methodologies (Collins and Hussey, 2009: 74). Furthermore, Collins and Hussey argue that survey methodology is designed to collect data from the sample with a view to analysing them statistically and generalising the results to a population. The research used the descriptive survey to provide an accurate understanding of the extent of TQM training by the government business support institutions in the enterprise development of SMMEs in Buffalo City Metro area.
In chapter two, the researcher discussed the literature review on elements of TQM. The literature discussed the theory on leadership and management commitment and employee involvement in an organisation; customer satisfaction; and innovation. In chapter three, the literature on the origin of enterprise development was discussed as well as the support services offered by government business support institutions Buffalo City Metropolitan area.

In answering the research questions, the researcher collected and analysed quantitative data. The data was collected from sample that was drawn from the population of SMMEs in the Buffalo City Metropolitan area. Questionnaires were used as tools of collecting the data from the sample. The data collected comprised both ordinal and nominal variable. According to Collins and Hussey (2009: 189) quantitative data can be a ratio, interval, ordinal or nominal variable. For the purpose of this study, ordinal and nominal data were collected. The population and sample is explained in detail below. After the data was collected, analytical tools was used to analyse and interpret the data. Figure 4.1 demonstrate the quantitative method followed in the research.

FIGURE 4.1: QUANTITATIVE METHOD APPROACH

(Source: Owner model, 2012)
4.3 POPULATION AND SAMPLE SELECTION

According to Barnett (2002:12), population has an aggregate feature that varies from one individual and termed variable of the interest. The population under study are owners and managers of the SMMEs in Buffalo city metropolitan municipality area. The Buffalo City Metropolitan area is situated in the Eastern Cape and it is the second metro in the province. Buffalo City Metropolitan area comprises of three towns such as East London, King William's town and Bhisho.

According to Argyrous (2005:4), a sample is a set of cases that does not include every member of the population. Furthermore, Argyrous argues that working with a sample is relevant in a situation where it is costly and time consuming to include every member of the population.

The researcher found it difficult to obtain the exact number of the target populations. Judgement sample of eighty (N=80) SMMEs was selected across three towns of the metro. According to Evans (2010:144) is a subjective method in which an expect judgement is used to the sample.

4.4 RESEARCH INSTRUMENTS

David and Sutton (2004:159) suggest that there are two main methods of data collection when adopting quantitative research and they are questionnaire survey and structured interview. Furthermore, David and Sutton argue that these two methods require a series of questions designed by the researcher that need to be completed by respondent.

Martella, Nelson and Marchand- Martella (1999: 450) suggest that there are three purposes for conducting a survey. These purposes are description, explanation and exploration. In many surveys, self-administered methods are used where
questionnaires are administered to respondents (Punch 2003: 40). Furthermore, Punch (2003: 40) argues that quality of data is a major determinant of the credibility of research findings. In justifying further, that choice of the self-administered survey is a cost factor. Self-administered surveys are cost effective and data collection and management is efficient (Martella, Nelson and Marchand-Martella, 1999: 452).

4.4.1 Design of Questionnaires
The questionnaire comprised of thirty questions. Twenty-four questions of the questionnaire measure the TQM training elements that are discussed in literature review and the remaining six questions of the questionnaire measure the enterprise development.

The questionnaire is organised into two sections and the questions on the following elements were developed:

- Company information;
- Leadership and Management commitment;
- Customer satisfaction;
- Employee involvement;
- Continuous improvement and innovation; and
- Enterprise development.

The questionnaire is a measuring instrument and Welman, Kruger and Mitchell (2005: 138) identify four levels of measurement such as nominal, ordinal, interval and ratio measurement. The questionnaire in the study applies nominal measurement to distinguish the attributes of the unit of analysis and ordinal measurement is applied to measure the TQM and enterprise development discussed in the literature review.

The questionnaires comprised of the Likert scale. According to Welman, Kruger and Mitchell (2005: 156) Likert scale consists of a collection of statements about attitudinal object. Further more for each statement in the scale, subjects have to
indicate the degree to which they agree or disagree with its content using a point scale. In this study, the scale ranges from one to five as outlined below:

1: Strongly Agree;
2: Agree;
3: Undecided;
4: Disagree; and
5: Strongly disagree

In collecting the data, the researcher distributed questionnaires to the respondents with instructions and guidelines of how to complete the questionnaire. The respondents' records were kept for follow up and return of the questionnaire. This was done in a view of influencing the quality of the responses and the response rate.

4.4.2 Coding of questions
According to Collins and Hussey (2009:204), pre coding of questions during the questionnaire design make the subsequent data entry easier and less prone to error. The questions in the questionnaires were coded before distributed to respondent.

4.4.3 Validity
Durrheim (1999:83) argues that validity is the degree to which a measure does what it is intended to do. Furthermore Durrheim (1999:83) explains that to establish validity, the researcher must determine whether the instrument provides a good operational definition of the construct and whether the instrument is suited to the purpose for which it will be used.

Collins and Hussey (2009:204) posit that validity of results is important. Furthermore, validity is concerned with the extent to which the research findings accurately represent a true picture of what is being studied. On the questionnaire responses, there was no uncompleted questionnaires and low percentage of non-responses.
4.4.4 Reliability

Collins and Hussey (2009:204) argue that the findings are reliable if someone else repeats the research and obtains the same results. The questionnaire was issued to the same group of five respondents on two occasions. The result from the questionnaires were the same for each responded in the group on both occasions. According to Durrheim (1999:91), reliability is a key concept in positivist measurement because it addresses the problem of objectivity.

4.5 ANALYSIS OF DATA

In answering the research question, the collected is analysed using descriptive statistics. According to Collis and Hussey, (2009:221) descriptive statistics is used to summarise the data in more compact form and can be presented in tables, charts and other graphical forms. Evans (2010: 62) explains that in descriptive statistics data is described using measures of central tendency, measures of dispersion, frequency distribution and histograms.

In the study, nominal data about the characteristics of the population and ordinal data about the views of the respondents on TQM training was collected. According to Collis and Hussey, (2009: 252) appropriate descriptive statistics for the measurement of nominal and ordinal is the percentage frequency, median and mode. The descriptive statistics will be analysed using Ms Excel.

4.6 CONCLUSION

The researcher in this study used the positivist paradigm. The quantitative data collected were ordinal and nominal. Judgement sample of eighty (N=80) SMMEs was selected across three towns of the metro. The reliability of the measuring instrument was tested using the responses of the same group on two occasions. Responses were the same on both occasions in this study the scale ranges from one to five as outlined below. The descriptive statistics was analysed using Ms Excel.
CHAPTER FIVE

DATA ANALYSIS AND INTERPRETATION

5.1 INTRODUCTION

Chapter four discussed the methodology used in answering the research question outlined in chapter one. In chapter one the research objectives were also presented. Quantitative design was used to collect and analyse the data after the literature review was conducted. The detailed methodology and the process followed were discussed in chapter four.

This chapter presents the data analysis and interpretation of the data. The researcher collected the data was using a questionnaire. The questionnaire was subdivided into two sections. The first section requested the respondents to respond on the questions about their demographics. The second section was about the views of respondents on Total Quality Management (TQM) and enterprise development.

Chapter four discussed that nominal and ordinal data that was collected. Nominal data determine the characteristics of the population while ordinal data is about the views of the respondents on TQM training and enterprise development. According to Collis and Hussey (2009: 252) the descriptive statistics to be analysed when nominal and ordinal ordinal data is collected are the percentage frequency, median and mode. Median is a middle value when data is arranged from smallest to largest and mode is the observation that occurs most frequently (Evans, 2010: 64).

The remaining section of this chapter discusses the following:

- internal consistency of the data; and
- The characteristics of the target sample.
The chapter also analyses and interprets the views of the respondents on the following:

- leadership and management commitment;
- customer satisfaction;
- employment involvement and empowerment;
- continuous improvement and innovation; and
- Enterprise development.

The questionnaire comprised of the five point likert scale. The legend key used in the five point likert scale is as follows: 5- Strongly Agree, 4-Agree, 3- Undecided, 2-Disagree, and 1- Strongly Disagree. The chapter ends with conclusion.

5.2 INTERNAL CONSISTENCY

The researcher used SPSS software to determine the Chronbach’s Alpha coefficient. According to table 5.1, the Chronbach’s Alpha coefficient of the data is 0.879. According to Durrheim (1999: 90), the Chronbach’s Alpha coefficient greater than 0.75 is considered reliable.

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>Cronbach's Alpha Based on Standardized Items</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.879</td>
<td>.902</td>
<td>35</td>
</tr>
</tbody>
</table>

(Source: SPSS)

5.3 CHARACTERISTICS OF THE TARGETED SAMPLE

5.3.1 Response rate

Questionnaires were distributed to the Small Medium and Micro Enterprises (SMMEs) in East London, King William’s Town and Bhisho. These three towns form the Buffalo City metropolitan municipality where the study took place. The
distribution of questionnaires was administered and they we hand delivered to the respondents premises. Respondents were required to indicate to the researcher when finished completing the questionnaires for collection.

Out of the sample of eighty (N=80), 42 respondents returned the questionnaires representing 52.5 percent of the sample. Collis and Hussey (2009: 210) argue that in a questionnaire survey a response rate of 10 per cent or less in expected. The response rate of 52.5 per cent is acceptable to generalise about the population.

5.3.2 Demographic data
Respondents were required to provide demographic data on the questionnaire. The data is summarised on Table 5.1.

<table>
<thead>
<tr>
<th>Type of business</th>
<th>Response frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Close Corporation</td>
<td>19</td>
<td>45%</td>
</tr>
<tr>
<td>Private Company</td>
<td>23</td>
<td>55%</td>
</tr>
<tr>
<td>Sole Proprietor</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Co operative</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>
According to the table 5.1 and figure 5.1, the largest proportions of the respondents were private companies with 55% response rate. There were no co-operatives and sole proprietors on the respondents who returned their research questionnaire.

### 5.3.3 Business sector of respondents

The business sector from which the respondents are participating is important to further understand the population. Table 5.2 and figure 5.2 indicate the business sector from which the respondents are participating.

### TABLE 5.3: BUSINESS SECTOR OF RESPONDENTS

<table>
<thead>
<tr>
<th>Business sector</th>
<th>Response frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional services</td>
<td>27</td>
<td>64%</td>
</tr>
<tr>
<td>Retail</td>
<td>10</td>
<td>24%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>10%</td>
</tr>
</tbody>
</table>
Professional services had a largest proportion with 64 per cent while manufacturing had 2 per cent. The 10 per cent of the respondents indicated that they are participating in business sectors not listed in the questionnaire.

5.3.4 Years of in operation of respondents
The number of years the business has been operating is important in the analysis of the sample. Table 5.3 and figure 5.3 show the number of years the business has been in operation.

TABLE 5.4: YEARS OF IN OPERATION OF RESPONDENTS

<table>
<thead>
<tr>
<th>Years in operation</th>
<th>Response frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>6</td>
<td>14%</td>
</tr>
<tr>
<td>6-10</td>
<td>22</td>
<td>52%</td>
</tr>
<tr>
<td>11-20</td>
<td>13</td>
<td>31%</td>
</tr>
<tr>
<td>20+</td>
<td>1</td>
<td>2%</td>
</tr>
</tbody>
</table>
The 52% of the respondents are having six to ten years in operation and only 2% is have more than twenty years in operation.

5.3.5 BEE level contributor of respondents
The BEE level contributor of the respondents is shown in table 5.4. and figure 5.4.
TABLE 5.5: BEE LEVEL CONTRIBUTOR OF RESPONDENTS

<table>
<thead>
<tr>
<th>BEE level Contributor</th>
<th>Response frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level one</td>
<td>2</td>
<td>5%</td>
</tr>
<tr>
<td>Level two</td>
<td>4</td>
<td>10%</td>
</tr>
<tr>
<td>Level three</td>
<td>26</td>
<td>62%</td>
</tr>
<tr>
<td>Level four</td>
<td>9</td>
<td>21%</td>
</tr>
<tr>
<td>Level five</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Level six</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Level seven</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

FIGURE 5.4: BEE LEVEL CONTRIBUTOR OF RESPONDENTS

The large portion of respondents is on BEE level three contributors, 62% indicated so. Respondents on level four are 21% while there is no level six and level seven BEE contributor respondents.
5.3.6 Business size of respondents in number of employees

The business size of the respondents is displayed in table 5.5 and figure 5.5. The large portion of the respondents has between 11 and 20 employees while only 5% of the respondent has between 0 and 5 employees.

### TABLE 5.6: BUSINESS SIZE OF RESPONDENTS

<table>
<thead>
<tr>
<th>Size of business in no of employees</th>
<th>Response frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>2</td>
<td>5%</td>
</tr>
<tr>
<td>6-10</td>
<td>15</td>
<td>36%</td>
</tr>
<tr>
<td>11-20</td>
<td>20</td>
<td>48%</td>
</tr>
<tr>
<td>20+</td>
<td>5</td>
<td>12%</td>
</tr>
</tbody>
</table>

### FIGURE 5.5: BUSINESS SIZE OF RESPONDENTS

5.3.7 Institution the SMME got assistance from

The government business support institutions that offered assistance are indicated in the following table and figure. Table 5.6 and figure 5.6 indicate the responses of the respondents to the question about the assistance from the government in institution.
TABLE 5.7: INSTITUTION THE SMME GOT ASSISTANCE FROM.

<table>
<thead>
<tr>
<th>Institution the SMME got assistance from</th>
<th>Response frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial Development Corporation</td>
<td>3</td>
<td>7%</td>
</tr>
<tr>
<td>Khula Enterprise Finance Ltd</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>National Youth Development Agency</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Small Enterprise Development Agency</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Eastern Cape Development Corporation</td>
<td>19</td>
<td>45%</td>
</tr>
<tr>
<td>None of the above</td>
<td>20</td>
<td>48%</td>
</tr>
</tbody>
</table>

FIGURE 5.6: INSTITUTION THE SMME GOT ASSISTANCE FROM

Table 5.6 and figure 5.6 show that 45% of the respondents got assistance from Eastern Cape Development Corporation (ECDC). The 7% of the respondents got an assistance from Industrial development Corporation (IDC) while none of the respondents indicated an assistance from both Khula Enterprise Finance limited and
Small Enterprise Development Agency (SEDA). The results also show that a large proportion (48%) of respondents indicated that they received none of the assistance from any of the listed government business support agency.

5.3.8 Town where respondents are located
Since Buffalo City metro municipality is comprised of three towns, the researcher felt that it is imperative for respondents to indicate the town where they are located.

<table>
<thead>
<tr>
<th>Town where SMME is located in Buffalo City.</th>
<th>Response frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>East London</td>
<td>41</td>
<td>98%</td>
</tr>
<tr>
<td>King Williams Town</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Bhisho</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Figure 5.7: Town where respondents are located**

- Eastern London: 98%
- King Williams Town: 2%
- Bhisho: 0%
Although the questionnaires were distributed to the respondents in all three towns, 98% of the respondents are located in East London. The 2% of respondents are from King Williams Town and none from Bhisho.

5.3.9 Summary of the characteristics of the sample
The characteristics of the sample indicate that the largest proportions of the respondents were private companies. The business sector in which the respondents are operating is professional services sector with 64% of the respondents indicated as such. The large proportion of respondents is between six and ten years in operation and having between eleven and twenty number of employees.

The BEE level contribution of the respondents is level three with 62% indicated so. The large proportion of respondents has between 11 and 20 numbers of employees, and 52% indicated that they have between 6 and 10 numbers of employees. Although 48% indicated that they do never have assistance from any of the government institutions, 45% have received assistance from ECDC. East London appears to be the town in Buffalo City Metro where the 98% of respondents are located.

5.4 ANALYSIS AND INTERPRETATION OF LEADERSHIP AND MANAGEMENT COMMITMENT

The questionnaire required the respondents to indicate their view towards leadership and management commitment. Table 5.8 below presents descriptive statistics analysis of the sample.
TABLE 5.9: LEADERSHIP AND MANAGEMENT COMMITMENT

<table>
<thead>
<tr>
<th>Sample</th>
<th>Response Percentage</th>
<th>Median</th>
<th>Mode</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td>52.5%</td>
<td>5</td>
<td>5</td>
<td>My company has a clear Vision</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>4</td>
<td>5</td>
<td>Company culture is aligned with company vision</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>5</td>
<td>5</td>
<td>Quality is part of the company culture</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>5</td>
<td>5</td>
<td>Management is committed in quality</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>5</td>
<td>5</td>
<td>Quality is part of the company plans</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>5</td>
<td>5</td>
<td>Management focuses on quality improvement</td>
</tr>
</tbody>
</table>

5.4.1 General analysis and interpretation

On leadership and management commitment, the research revealed the respondents strongly agree on the following:

- Their companies has clear vision;
- Their company culture is aligned with the vision;
- Management is committed to quality and quality is part of the company culture and plans; and
- Management also focuses on quality improvement.

5.4.2 Interpretation of results

The respondents strongly agree that their companies have clear vision. Vision and company culture are aligned. Quality is inherent in the company culture and the management is committed in achieving good quality. When company plans are formulated, quality becomes part of those plans. The respondents also strongly agree that management of their enterprises focuses on quality improvement.
5.5 ANALYSIS AND INTERPRETATION OF CUSTOMER SATISFACTION

The questionnaire required the respondents to indicate their views towards customer satisfaction. Table 5.9 below presents descriptive statistics analysis of the sample.

<table>
<thead>
<tr>
<th>Sample</th>
<th>Response Percentage</th>
<th>Median</th>
<th>Mode</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td>52.5%</td>
<td>4</td>
<td>4</td>
<td>The company understand what the customer wants</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>4</td>
<td>3</td>
<td>The company understand customer perceptions</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>4</td>
<td>4</td>
<td>The company meet the customer expectations</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>4</td>
<td>4</td>
<td>The company respond to customer complaints</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>4</td>
<td>4</td>
<td>The company give feedback to customers on customer complaints</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>4</td>
<td>3</td>
<td>Customer complaints are linked to product or service quality</td>
</tr>
</tbody>
</table>

5.5.1 General analysis of results.

On customer satisfaction, the research revealed that the respondents agree about the following:

- Their companies understand what the customers want;
- They meet the customer expectations;
- The company respond to customer complaints; and
- They give feedback to customers on their complaints.
The research also revealed that the respondents were undecided on the following questions:

- The company understand customer perceptions; and
- Customer complaints are linked to product or service quality

### 5.5.2 Interpretation of results

Respondents agree with the questions on customer satisfaction asked on the questionnaire. According to the responses received, the respondents understand what their customers want. They meet the customer expectations and their company respond to customer complaints. The respondent also agreed that they give feedback back to the customers on their complaints. The respondents could not decide whether they understand customer perceptions and could not decide whether customer complaints are linked to product or service quality.

### 5.6 ANALYSIS AND INTERPRETATION OF EMPLOYEE INVOLVEMENT AND EMPOWERMENT

The questionnaire required the respondents to indicate their views towards employment involvement and empowerment. Table 5.10 below presents descriptive statistics analysis of the sample.
### TABLE 5.11: EMPLOYEE INVOLVEMENT AND EMPOWERMENT.

<table>
<thead>
<tr>
<th>Sample</th>
<th>Response Percentage</th>
<th>Median</th>
<th>Mode</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td>52.5%</td>
<td>4</td>
<td>4</td>
<td>Employees of the company participate in quality decisions</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>4</td>
<td>4</td>
<td>Working environment in conducive for better quality</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>4</td>
<td>4</td>
<td>Employees are empowered to take decisions on quality</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>4</td>
<td>4</td>
<td>Employees are involved in drafting of standard work instructions.</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>4</td>
<td>4</td>
<td>Quality decision are communicated to all employees</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>4</td>
<td>4</td>
<td>Employees are trained to do their jobs properly</td>
</tr>
</tbody>
</table>

#### 5.6.1 General analysis of results

On employee involvement and empowerment, the research revealed that the respondents agree on the following:

- Employees of their companies participate in quality decisions;
- Working environment is conducive for better quality;
- Their employees are empowered to take decisions on quality;
- Their employees are involved in drafting of standard work instructions;
- Quality decisions are communicated to all employees; and
- Employees are trained to do their jobs properly.

#### 5.6.2 Interpretation of results

Respondents agree that their employees participate in quality decisions. Employees of their companies participate in quality decisions. Working environment in their facilities is conducive for better quality. Their employees are empowered to take decisions on quality and they are involved in drafting of standard work instructions.
Quality decisions are communicated to all employees and employees are trained to do their jobs properly.

5.7 ANALYSIS AND INTERPRETATION OF CONTINUOUS IMPROVEMENT AND INNOVATION

The questionnaire required the respondents to indicate their views towards continuous improvement and innovation. Table 5.11 below presents descriptive statistics analysis of the sample.

TABLE 5.12: CONTINUOUS IMPROVEMENT AND INNOVATION.

<table>
<thead>
<tr>
<th>Sample</th>
<th>Response Percentage</th>
<th>Median</th>
<th>Mode</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td>52.5%</td>
<td>3</td>
<td>3</td>
<td>The company has measures in place to Eliminate waste</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>4</td>
<td>4</td>
<td>The company has quality performance standards in place.</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>4</td>
<td>4</td>
<td>The processes in the company are documented</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>4</td>
<td>4</td>
<td>Classic tools of statistical analysis are applied to measure performance.</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>4</td>
<td>4</td>
<td>Company is allowing suggestion from employees for new products and processes.</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>5</td>
<td>5</td>
<td>The company is willing to improve.</td>
</tr>
</tbody>
</table>

5.7.1 General analysis of results
On continuous improvement and innovation, the research revealed that the respondents are undecided on the following:
• The company has measures in place to Eliminate waste;
• On the following the respondents agreed;
• The company has quality performance standards in place;
• The processes in the company are documented;
• Classic tools of statistical analysis are applied to measure performance; and
• Company is allowing suggestion from employees for new products. Processes.

On one question, the respondents strongly agreed which is.

• Their companies are willing to improve.

5.7.2 Interpretation of results
Respondents did not decide whether their companies have measures in place to eliminate waste. This indicates that they neither agree nor disagree. According to their responses their companies has quality performance standards in place and their processes are documented. Classical tools of statistical analysis are applied to measure performance. Employees are allowed to make suggestions for new products and processes.

5.8 ANALYSIS AND INTERPRETATION OF ENTERPRISE DEVELOPMENT

The questionnaire required the respondents to indicate their views towards enterprise development. Table 5.12 below presents descriptive statistics analysis of the sample.
### TABLE 5.13: ENTERPRISE DEVELOPMENT.

<table>
<thead>
<tr>
<th>Sample</th>
<th>Response Percentage</th>
<th>Median</th>
<th>Mode</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td>52.5%</td>
<td>4</td>
<td>5</td>
<td>Quality is important in enterprise development</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>4</td>
<td>5</td>
<td>I expect government support agencies to offer TQM.</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>2</td>
<td>1</td>
<td>Training by Government Support Agencies in my company lead to continuous improvement</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>2</td>
<td>1</td>
<td>The training my company received from Government Support Agencies improved our company focus on customers.</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>1</td>
<td>1</td>
<td>Training received from Government Support agencies improve my company quality</td>
</tr>
<tr>
<td>80</td>
<td>52.5%</td>
<td>1</td>
<td>1</td>
<td>Government Support agencies mentoring include quality</td>
</tr>
</tbody>
</table>

#### 5.8.1 General analysis of results

On enterprise development, the research revealed that the respondents strongly agreed on the following:

- Quality is important in enterprise development; and
- They expect government support agencies to offer TQM training.

The respondents strongly disagreed on the following.

- Training by Government business support agencies in their companies lead to continuous improvement;
- The training their company received from Government Support Agencies improved our company focus on customers;
- Training received from Government Support agencies improves their company’s quality; and
- Government Support agencies mentoring include quality.
5.8.2 Summary of results
Respondents strongly agreed that the quality is important in enterprise development. They expect government business support agencies to offer TQM training. The respondents felt that the training by government business support agencies in their companies did not lead to continuous improvement.

The respondents did not agree that the training their companies received from government support agencies make focus on customers. The training received from government business support agencies did not improve their company’s quality. Lastly, the mentoring offered by government business support agencies does not include quality.

5.9 CONCLUSION

The largest proportions of the respondents were private companies and the business sector in which the respondents are operating is professional service sector with 64% of the respondent indicated as such. The large proportion of respondents is between six and ten years in operation and having between eleven and twenty number of employees.

The BEE level contribution of the respondents is level three with 62% indicated so. The large proportion of respondents has between 11 and 20 numbers of employees, and 52% indicated that they have between 6 and 10 numbers of employees. Although 48% indicated that they do never have assistance from any of the government institutions, 45% have received assistance from Eastern Cape Development Corporation. East London is the town in Buffalo City Metro where the 98% of respondents are located.
The vision and the culture of surveyed companies are aligned. Quality is inherent in the company culture and the management is committed in achieving good quality. When company plans are formulated, quality becomes part of those plans. The respondents also strongly agree that management of their enterprises focuses on quality improvement.

The companies understand what their customers want. They meet the customer expectations and their company respond to customer complaints. The respondent also agreed that they give feed back to the customers on their complaints. The respondents could not decide whether they understand customer perception and could not decide whether customer complaints are linked to product or service quality.

Employees of their companies participate in quality decisions. Working environment in their facilities is conducive for better quality and. Their employees are empowered to take decisions on quality and they are involved in drafting of standard work instructions. Quality decisions are communicated to all employees and employees are trained to do their jobs properly.

There is no indication whether the surveyed companies have measures in place to eliminate waste. This indicates that they neither agree nor dis agree. According to their responses their companies has quality performance standards in place and their processes are documented. Classical tools of statistical analysis are applied to measure performance. Employees are allowed to make suggestions for new products and processes.

Quality is important in enterprise development. Surveyed companies expect government business support agencies to offer TQM training. The respondents felt that the training by government business support agencies in their companies did not lead to continuous improvement.
The training received by the companies from government support agencies does not make them focus on customers. The training received from government business support agencies did not improve their company’s quality. Lastly, the mentoring offered by government business support agencies does not include quality.
CHAPTER SIX

DISCUSSIONS, RECOMMENDATIONS AND CONCLUSIONS

6.1 INTRODUCTION

Chapter five presented the analysis and interpretation of the research results. The results are discussed in light of the literature reviewed in chapter two and chapter three. The thesis statement in chapter one stated that government business support institutions in Buffalo City Metropolitan (BCM) area should consider Total Quality Management (TQM) training for enterprise development in Small Medium and Micro Enterprises (SMMEs). Subsequent to that, the research question was raised as: What is the extent of TQM training by the government business support institutions in the enterprise development of SMMEs in BCM area.

In answering the research question sub questions were developed: What does TQM training entails? What are the enterprise development services offered by the Government business support agencies in Buffalo City Metropolitan Municipality? Moreover, what is the view of SMMEs assisted by government business support service towards TQM?

In chapter two literature review on element of TQM were discusses. The TQM elements discussed were Leadership and management commitment; Customer satisfaction; Employee involvement and empowerment; and Continuous Improvement and innovation. In Chapter three enterprise development and SMMEs in South Africa was discussed in detail. The research methodology followed in answering the research question and the instruments used was discussed in chapter four.
This chapter answers the research questions by integrating the literature review on TQM and enterprise development discussed in chapter two and chapter three respectively, and with the empirical results from chapter five. The aim of the chapter is to make conclusions on theoretical overview of TQM, present the findings of the empirical study and make recommendations on the TQM training by the government business support institutions and enterprise development. This chapter also identify limitations of the study and opportunities for further research.

The conclusion chapter rounds off what started in the introduction chapter (Hofstee, 2011:155). It contains four distinct sections such as summary of findings, conclusions, summary of contributions and suggestions for further research. The remaining part of the chapter is arranged according to the four distinct sections and discussion of problems.

6.2 SUMMARY OF FINDINGS

The main problem and its origin was discussed in chapter one. The thesis statement and research question are highlighted again as:

The thesis statement of the study:

**Government business support institutions in Buffalo City Metropolitan area should consider TQM training for enterprise development in SMMEs.**

Government business support institutions offer support initiatives such funding, mentoring and training. There is no evidence of TQM training offered to SMMEs.

The research question of the study:
What is the extent of TQM training by the government business support institutions in the enterprise development of SMMEs in BCMM area?

In answering the research question, the following sub-problems were developed.

Sub-problem one: What does TQM entails?

Chapter two discussed and summarised TQM. TQM elements were identified as leadership and management, customer focus, employee involvement and continuous improvement. The literature review identified that in every situation a certain style of leadership is needed to drive the organisation to achieve its vision. TQM practices to be implemented successfully, leaders should work with their junior team members towards shared vision. TQM as a set of management practices focuses on customer satisfaction and constant organizational development.

When employees are given power over their jobs, they perform better. Their performance translates to better customer service and happy customers. Empowered employees interact with customers with more enthusiasm and they can be a useful source of service. Management-led business transformation is underpinned by the practice of innovation and continuous improvement of systems and processes, based on understanding and knowledge.

Sub-problem two: What are the enterprise development services offered by the Government business support agencies in Buffalo City Metropolitan Municipality?

Chapter three discussed the SMMEs sector in the South African economy and Enterprise Development element of Broad Base Black Economic Empowerment Act (BBBEE act). Public sector agencies that offer support to SMMEs with branches in Buffalo City Metro were discussed individually. They were identified as Independent
Development Corporation (IDC), Khula Enterprise Finance Limited, National Youth Development Agency (NYDA), Small Enterprise Development Agency (SEDA), and Eastern Cape Development Corporation (ECDC).

These agencies mainly offer financial support and mentoring. From the literature review, there is no evidence of TQM training services offered by these agencies. SEDA is the only agency that does not offer financial support. It has a network of service providers assisting SMMEs with business management and providing technical support such as ISO accreditation, product improvement, market penetration, and tender support.

Sub-problem three: What is the view of SMMEs assisted by government business support service towards TQM?

Chapter five analysed the characteristics of the targeted SMMEs in Buffalo City Metro area. SMMEs were private companies and they operate in professional service sector with 64 per cent of the respondent indicated as such. The number of years the companies in operation is between six and ten years, they are having between eleven and twenty number of employees.

The SMMEs indicated that they have never received assistance from any of the government institutions. Although there are five institutions with branches in Buffalo City Metro, SMMEs have received assistance mainly from ECDC with 45% of the companies indicated so.

The vision and company culture are aligned, and quality is inherent in the company culture. The management of the companies is also committed in achieving good quality. When company plans are formulated, quality becomes part of those plans. The management of the enterprises focuses on quality improvement.
SMMEs understand what their customers want. They meet the customer expectations and their company respond to customer complaints. They also give feedback to the customers on their complaints. The SMMEs could not decide whether they understand customer perception, and could not decide whether customer complaints are linked to product or service quality.

Employees of the companies surveyed participate in quality decisions, and working environment in their facilities is conducive for better quality. Their employees are empowered to take decisions on quality, and they are involved in drafting of standard work instructions. Quality decisions are communicated to all employees, and employees are trained to do their jobs properly.

SMMEs surveyed are not sure, whether their companies have measures in place to eliminate waste. There are quality performance standards in place, and their processes are documented. Classical tools of statistical analysis are applied to measure performance. Employees are allowed to make suggestions for new products and processes.

SMMEs strongly agreed that the quality is important in enterprise development. They expect government business support agencies to offer TQM training. They also feel that the training offered by government business support institution does not lead to continuous improvement. The training the SMMEs received from government support institution also does not lead the company to focus on customers. The training received from government business support institutions also did not improve their company’s quality. When government business support institutions embark on mentoring of SMMEs, quality is not included.

6.2 CONCLUSIONS

Research findings and conclusions discussed are about TQM training by the government business support institutions and enterprise development. Research
reveals that the SMMEs surveyed follow the principles of TQM. In the literature review, it was discussed that quality should be part of the company culture and the culture should be aligned to the company vision. The research concurs with the literature review and the SMMEs strongly agreed on the requirements of leadership and commitment element of TQM.

On customer focus, the research reveals that the surveyed SMMEs understand what the customer wants. In literature review, it has been argued that a firm achieves customer satisfaction by managing customer perception and expectation effectively. The SMMEs surveyed could not decide on customer perceptions. The research revealed that SMMEs respond to customer complaints, and they give feedback to customers as required by the customer focus element of TQM.

The research reveals that the employees are involved in the quality decisions, and they are empowered to take quality decisions. When the quality decisions are taken, they are communicated to all employees. On continuous improvement and innovation, the employees are allowed to suggest on new products and processes. The research also reveals that quality is important in enterprise development. It is expected that government support institutions should offer TQM training.

The survey revealed that the SMMEs do not use the services of the government business support institutions in Buffalo City Municipality area except ECDC. This finding applies to a geographical area where the survey took place. The training provided by government support institutions does not lead to continuous improvement. The training also does not improve the SMMEs focus to customers and quality. Although the government business supports institutions suggest that they provide mentoring services, the research reveals that they do not provide mentoring on quality.

The research reveals that the SMMEs practice TQM to some extent but this is not due to the training provided by the government institutions. Surveyed SMMEs expect
government institutions to offer training on TQM because they view quality as important aspect of enterprise development.

The findings of the research are more attributed to ECDC and IDC. The research reveals that SMMEs offered assistance by ECDC are from professional services sector and they are level three BEE level contribution.

Government business support institutions in Buffalo City Metropolitan area does not provide TQM training for enterprise development in SMMEs especially ECDC. The literature review does indicate that government business support institutions offer support initiatives such funding, mentoring and training. The empirical study indicates that the training provided does not include TQM.

Finally, in answering the research question, there is no empirical evidence of TQM training offered by government business support institutions in Buffalo City Metropolitan area. SMMEs view TQM training as important and quality contributes to enterprise development.

6.3 RECOMMENDATIONS AND OPPORTUNITIES FOR FURTHER RESEARCH

The research surveyed the SMMEs only on the TQM training as an enterprise development aspect; a study can then be conducted to ascertain whether the responsible managers at these relevant institutions understand the TQM concept. The study can also be broadened to private institutions such as commercial banks that offer the same support services to SMMEs.

6.4 LIMITATIONS OF THE STUDY

The research findings have certain limitations and these limitations provide opportunities for further research studies. Firstly, a possible limitation of this study
was fact that the sample was judgemental. It is possible that if another sampling method was used it could have arrived at different conclusion. Secondly, the understanding of TQM concept separate to quality by the SMMEs could have been given more time to simplify.

6.5 CONCLUDING REMARKS

The study has answered the research question and responded to the thesis statement. It has been suggested throughout the study that the answering of the research question is dependant on support of SMMEs surveyed and the quality of information they provide. The questionnaire was developed from literature review discussed in chapter two and three. The empirical study was carried out according to the methodology discussed in chapter four.

The results from the study indicate that the government business support institutions do not provide TQM training. Although it was not a focus of the research, it has transpired that only three government support institutions located in Buffalo City Metro area are mostly used by the SMMEs. Government business support institutions need to offer TQM training as part of enterprise development.
LIST OF REFERENCES


Hofstee, E. 2006. Constructing a Good Dissertation: *A practical Guide to finishing a Master’s MBA or PhD on Schedule*. Sandton: EPE.


Phago, K.G and Tsoabisi, S.J. 2010. Small, Medium and Micro Enterprises in the


RSA (Republic of South Africa).,2003. *National Small Business Act, No. 26 of*


QUESTIONNAIRE
I am currently conducting research at the Nelson Mandela Metropolitan University (NMMU). The data collected will be used in partial fulfilment towards a Masters Degree in Business Administration. My research topic is: What is the extent of Total Quality Management training by the government business support institutions in the enterprise development of Small Micro Medium Enterprises in Buffalo City Metro area.

Please assist in supplying me with the information required on the attached questionnaire. Please note that the information gathered from you will be used solely for academic purposes and will be treated as confidential. Thank you for your cooperation.

Best Regards

Thobelani Mfengwana
0825091548
## QUESTIONNAIRE

### SECTION A

<table>
<thead>
<tr>
<th></th>
<th>Company Information (Tick one box only)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A</strong></td>
<td>Type of business</td>
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<tr>
<td>1</td>
<td>Close Corporation cc</td>
</tr>
<tr>
<td>2</td>
<td>Private Company (Pty) Ltd</td>
</tr>
<tr>
<td>3</td>
<td>Sole Proprietor</td>
</tr>
<tr>
<td>4</td>
<td>Co operative</td>
</tr>
<tr>
<td>5</td>
<td>Other</td>
</tr>
<tr>
<td><strong>B</strong></td>
<td>Business sector industry classification</td>
</tr>
<tr>
<td>1</td>
<td>Profession services</td>
</tr>
<tr>
<td>2</td>
<td>Retail</td>
</tr>
<tr>
<td>3</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>4</td>
<td>Other</td>
</tr>
<tr>
<td><strong>C</strong></td>
<td>Years in Operation</td>
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<td>2</td>
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<td>20+</td>
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<td>Level seven</td>
</tr>
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<td></td>
<td>Size of business in number of employees</td>
</tr>
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<td>---------------------------------------</td>
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<tr>
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<td>4</td>
<td>20+</td>
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</tbody>
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<table>
<thead>
<tr>
<th></th>
<th>Institution you got assistance in the past</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Industrial Development Corporation (IDC)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Khula Enterprise Finance Ltd</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>National Youth Development Agency (NYDA)</td>
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</tr>
<tr>
<td>4</td>
<td>Small Enterprise Development Agency (SEDA)</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Eastern Cape Development Corporation (ECDC)</td>
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<table>
<thead>
<tr>
<th></th>
<th>Town located in Buffalo City Metropolitan Municipality</th>
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<tbody>
<tr>
<td>1</td>
<td>East London</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>King Williams Town</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Bhisho</td>
<td></td>
</tr>
</tbody>
</table>
SECTION B

Legend Key: 5- Strongly Agree ; 4-Agree ; 3- Undecided ; 2-Disagree ; 1- Strongly Disagree.

<table>
<thead>
<tr>
<th></th>
<th>Leadership and management commitment( Circle number closest to your view)</th>
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<tbody>
<tr>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A</td>
</tr>
<tr>
<td></td>
<td>B</td>
</tr>
<tr>
<td></td>
<td>C</td>
</tr>
<tr>
<td></td>
<td>D</td>
</tr>
<tr>
<td></td>
<td>E</td>
</tr>
<tr>
<td></td>
<td>F</td>
</tr>
<tr>
<td>3</td>
<td>Customer satisfaction</td>
</tr>
<tr>
<td></td>
<td>A</td>
</tr>
<tr>
<td></td>
<td>B</td>
</tr>
<tr>
<td></td>
<td>C</td>
</tr>
<tr>
<td></td>
<td>D</td>
</tr>
<tr>
<td></td>
<td>Employee involvement and empowerment.</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>A</td>
<td>Employees of the company participate in quality decisions</td>
</tr>
<tr>
<td>B</td>
<td>Working environment in conducive for better quality</td>
</tr>
<tr>
<td>C</td>
<td>Employees are empowered to take decisions on quality</td>
</tr>
<tr>
<td>D</td>
<td>Employees are involved in drafting of standard work instructions.</td>
</tr>
<tr>
<td>E</td>
<td>Quality decision are communicated to all employees</td>
</tr>
<tr>
<td>F</td>
<td>Employees are trained to do their jobs properly</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Continuous Improvement and innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>The company has measures in place to Eliminate waste</td>
</tr>
<tr>
<td>B</td>
<td>The company has quality performance standards in place.</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>C</strong></td>
<td>The processes in the company are documented</td>
</tr>
<tr>
<td><strong>D</strong></td>
<td>Classic tools of statistical analysis are applied to measure performance.</td>
</tr>
<tr>
<td><strong>E</strong></td>
<td>Company is allowing suggestion from employees for new products and processes.</td>
</tr>
<tr>
<td><strong>F</strong></td>
<td>The company is willing to improve.</td>
</tr>
</tbody>
</table>

### 6 Enterprise development

| **A** | Quality is important in enterprise development | 5 | 4 | 3 | 2 | 1 |
| **B** | I expect government support agencies to offer total quality management. | 5 | 4 | 3 | 2 | 1 |
| **C** | Training by Government Support Agencies in my company lead to continuous improvement | 5 | 4 | 3 | 2 | 1 |
| **D** | The training my company received from Government Support Agencies improved our company focus on customers. | 5 | 4 | 3 | 2 | 1 |
| **E** | Training received from Government Support agencies improve my company quality | 5 | 4 | 3 | 2 | 1 |
| **F** | Government Support agencies mentoring include quality | 5 | 4 | 3 | 2 | 1 |