



THE DEVELOPMENT AND VERIFICATION OF AN INTEGRATED MODEL FOR  
IMPROVING MSME SUPPORT IN MULTIPLE SECTORS IN BOTSWANA

Dissertation Manuscript

Submitted to Unicaf University  
in partial fulfillment of the requirements  
for the degree of

Doctor in Business Administration (DBA)

By  
Raymond Doherty

February 2023

## Approval of the Thesis

### THE DEVELOPMENT AND VERIFICATION OF AN INTEGRATED MODEL FOR IMPROVING MSMES SUPPORT IN MULTIPLE SECTORS IN BOTSWANA

This Thesis by Raymond Doherty has been approved by the committee members below, who  
recommend it be accepted by the faculty of Unicaf University in partial fulfilment of  
requirements for the degree of

Doctor of Business Administration (DBA)

Thesis Committee:

Dr. Shilpa Jain, Supervisor

Date: 27/3/2023

Dr. Elena Papadopoulou, Chair

Date: 27/3/2023

Dr Attridge Mwelwa, External Examiner

Date: 27/3/2023

Dr Ursula Schinzel, Internal Examiner

Date: 27/3/2023

## Abstract

### THE DEVELOPMENT AND VERIFICATION OF AN INTEGRATED MODEL FOR IMPROVING MSMES SUPPORT IN MULTIPLE SECTORS IN BOTSWANA

Raymond Doherty

Unicaf University

The focus of this research is to investigate the how to improve the operation of MSMEs in Botswana. Although a high performing African country, Botswana is plagued by chronic unemployment particularly amongst its youth. The purpose of the integrated model is to provide a method for MSMEs to self evaluate and this identify areas within their operations which can be improved. The model is derived from four (4) key areas Finance and Capital, Teamwork, Business Environment and Productivity. Each of these factors are derived from development theories established in the second half of the 20<sup>th</sup> century.

The methodology involves a 3-stage mixed approach which targets MSMEs in Botswana and in the USA to establish the mechanisms of the model and to thus verify the operation of the model within Botswana. The model is based on extensive research into development models, economies which have recently emerged as tiger economies, business support strategies and substantial in-country research which identified societal norms and values which affect business. This research established each of the four (4) key areas of study provided society as the theme for integration. The concept of including society provides an opportunity to create a model unique to Botswana. As each country requires its own solutions, the integrated model avoids the “false paradigm” principal promoted by Todaro and Smith, (2015, p133) which accepts that what is successful in one country may not be successful in another.

The findings established that although all sectors have their own requirements within Botswana emphasis on support must be based on establishing better skills in Finance and Capital, creating better support business clusters and partnerships within the business environment and ensuring improved productivity through better commitment. All this within the context of a country which supports working together through teamwork.

The importance of an Integrated Model lies in its ability to identify areas of support. Traditional functional approaches rely on measuring discrete factors. The model relies on rating the complex interactions that exist in business and society.

Key words used throughout the thesis include: economic factors/indicators which are derived from the study of economic development, business support strategies which will be determined through the developed model, MSME (Micro, Small and Medium Enterprises) which are the main focus of the study and the concept of international transfer which is the false paradigm of taking ideas and concepts from the developed world and applying them in the developing world, also referred to as “Policy Borrowing”.

## Declaration

I declare that this thesis has been composed solely by myself and that it has not been submitted, in whole or in part, in any previous application for a degree. Except where stated otherwise by reference or acknowledgment, the work presented is entirely my own.

## Copyright Page

I confirm that I retain the intellectual property and copyright of the thesis submitted. I also allow Unicaf University to produce and disseminate the contributions of the thesis in all media forms known or to come as per the Creative Commons BY Licence (CC BY).

## TABLE OF CONTENTS

List of Abbreviations.....	xiii
List of Tables. ....	xvi
List of Figures.....	Error! Bookmark not defined.
CHAPTER 1: INTRODUCTION.....	1
1.1 Introduction.....	1
1.2 Botswana Overview .....	3
1.3 Statement of the Problem.....	3
1.4 Research Aims and Objectives .....	10
1.5 Nature and Significance of the Study.....	12
1.6 Research Hypothesis and Questions .....	15
1.7 Scope of the Study.....	21
1.8 Summary.....	30
CHAPTER 2: LITERATURE REVIEW .....	32
2.1 Introduction.....	32
2.2 From the Theoretical Framework to the Conceptual Framework .....	33
2.2.1 Part 1: Analysis of Development Theories.....	34
2.2.2 Part 2: Analysis of economies that have emerged from "Factor Driven" status .....	35
2.2.3 Part 3: Analysis of Business Support .....	36
2.2.4 Part 4: Analysis of Target Countries .....	37
2.2.5 Part 5: Development of a Draft Integrated Model.....	38
2.2.6 Part 6: Verification of the Integrated Model.....	39
2.3 Part 1: Analysis of Development Theories.....	40

2.3.1 Dual Economy Models .....	42
2.3.2 Education and Health .....	46
2.3.3 Globalisation and Localisation .....	50
2.3.4 Implications for the Research .....	52
2.4 Part 2: Analysis of economies that have emerged from “factor driven” status .....	55
2.4.1 The Celtic Tiger or Kitten? .....	56
2.4.2 The Asian Tigers .....	60
2.4.3 SMEs in ASEAN Economies .....	64
2.4.4 Social Capital in ASEAN Economies. ....	66
2.4.5 Correlation of Factors Influencing the Research.....	67
2.5 Part 3: Analysis of Business Support .....	70
2.5.1 Looking into the Black Box .....	81
2.5.2 Supporting SMEs .....	84
2.6 Part 4: Analysis of the Target Countries – Botswana and the USA.....	85
2.6.1 Botswana .....	85
2.6.1.1 Work Ethic .....	95
2.6.1.2 Financial Competencies .....	95
2.6.1.3 Decision Making .....	96
2.6.2 The United States .....	98
2.6.3 The United States and Botswana reviewed.....	101
2.7 Part 5: Development of Draft Integrated Model.....	105
2.7.1 Capital, Finance and Productivity .....	106
2.7.2 The Team .....	107
2.7.3 The Business Environment .....	108
2.8 Summary - A Draft Model .....	111

<b>CHAPTER 3: RESEARCH METHODS AND DATA COLLECTION.....</b>	<b>113</b>
3.1 Introduction.....	113
3.2 Research Approach and Design - The Mixed Methodology Approach .....	114
3.3 Designing and Implementing the Mixed Methodology.....	116
3.4 Population and Sample of the Research Study .....	118
3.5 The Next Step .....	124
3.6 Study Procedures and Ethical Considerations.....	124
3.7 Further Considerations .....	131
3.8 Materials Instrumentation of Research Tools.....	132
3.8.1 Overview of Research Instruments .....	132
3.9 Validity and Reliability of the Instruments .....	140
3.10 Proposed Data Analysis Techniques .....	142
3.10.1 Data Collection .....	142
3.10.2 Data Analysis Preparation .....	143
3.10.3 Analysing Individual Questions.....	145
3.11 Operational Definition of Variables for Analysis .....	149
3.12 Summary.....	151
<b>CHAPTER 4: DISCUSSION OF RESEARCH FINDINGS.....</b>	<b>154</b>
4.1 Introduction.....	154
4.2 Trustworthiness of the Data.....	158
4.2.1 Reliability.....	160
4.2.2 Audit Reliability .....	162
4.2.3 Informal Interview Reliability .....	164
4.2.4 Validity.....	166
4.2.5 The Way Forward.....	170

<b>4.3 The Findings.....</b>	<b>171</b>
<b>4.3.1 Analysis of the Factors/Indicators.....</b>	<b>172</b>
<b>4.3.2 USA.....</b>	<b>175</b>
<b>4.3.2.1 USA Data Analysis.....</b>	<b>178</b>
<b>4.3.2.2 USA Capital and Productivity .....</b>	<b>178</b>
<b>4.3.2.3 The Team .....</b>	<b>186</b>
<b>4.3.2.4 Environment.....</b>	<b>191</b>
<b>4.3.3 Botswana.....</b>	<b>201</b>
<b>4.3.3.1 Botswana Data Analysis .....</b>	<b>206</b>
<b>4.3.3.2 Finance and Productivity .....</b>	<b>207</b>
<b>4.3.3.3 The Team .....</b>	<b>222</b>
<b>4.3.3.4 Environment.....</b>	<b>236</b>
<b>4.3.3.5 Botswana Ratings.....</b>	<b>251</b>
<b>4.4 Stage 3 Analysis.....</b>	<b>257</b>
<b>4.4.1 Stage 3 - Overall Data Analysis. ....</b>	<b>267</b>
<b>4.4.1.1 Technology Sector .....</b>	<b>275</b>
<b>4.4.1.2 Tourism Sector .....</b>	<b>283</b>
<b>4.4.1.3 Healthcare Sector.....</b>	<b>289</b>
<b>4.4.1.4 Finance Sector .....</b>	<b>296</b>
<b>4.4.1.5 Education Sector .....</b>	<b>302</b>
<b>4.4.1.6 Construction Sector .....</b>	<b>307</b>
<b>4.4.1.7 Commercial/Retail Sector .....</b>	<b>313</b>
<b>4.4.1.8 Anything and Everything .....</b>	<b>320</b>
<b>4.4.1.9 Single Person Enterprise .....</b>	<b>323</b>
<b>4.4.1.10 Manufacturing.....</b>	<b>325</b>

<b>4.5 Evaluation of the Findings against the Objectives.....</b>	<b>327</b>
<b>4.6 Making the Model .....</b>	<b>340</b>
<b>4.7 Implementation Gaps .....</b>	<b>342</b>
<b>4.8 S.T.E.P.F.C. ....</b>	<b>344</b>
<b>4.9 Contradictions and Uncertainties.....</b>	<b>346</b>
<b>4.10 Summary.....</b>	<b>348</b>
<b>CHAPTER 5: IMPLICATIONS, CONCLUSIONS AND RECOMMENDATIONS ...</b>	<b>352</b>
<b>5.1 Introduction.....</b>	<b>352</b>
<b>5.2Implications .....</b>	<b>355</b>
<b>5.3Limitations.....</b>	<b>359</b>
<b>5.4Verified Results .....</b>	<b>362</b>
<b>5.5 Conclusion .....</b>	<b>363</b>
<b>5.6 Recommendations for Application.....</b>	<b>369</b>
<b>5.6.1 Conclusion to Application .....</b>	<b>378</b>
<b>5.7 Recommendations for Future Research .....</b>	<b>379</b>
<b>5.7.1 Further Research considering the Findings. ....</b>	<b>380</b>
<b>5.7.2 Further Research Summary .....</b>	<b>388</b>
<b>5.8 Research Summary.....</b>	<b>391</b>
<b>REFERENCES.....</b>	<b>398</b>
<b>APPENDICES.....</b>	<b>439</b>
<b>Appendix A: Analysis of Business Support Interventions, External Factors and Economic Development Concepts .....</b>	<b>439</b>
<b>Appendix B: An economic model for linking MSMEs to business support strategies – DRAFT Version 1 .....</b>	<b>443</b>

<b>Appendix C: STEPs Schematic.....</b>	<b>444</b>
<b>Appendix D: Proposed Ethical Implementation Framework. ....</b>	<b>446</b>
<b>Appendix E: Research Tools.....</b>	<b>447</b>
<b>Appendix F: Gate Keeper letter .....</b>	<b>461</b>
<b>Appendix G: Informed Consent Form.....</b>	<b>463</b>
<b>Appendix H: Data Coding Strategy .....</b>	<b>464</b>
<b>Appendix I: UREC forms.....</b>	<b>473</b>

## List of Abbreviations

3-D	Three Dimensional
ASEAN	Association of South East Asian Nations
BIDPA	Botswana Institute for Development Policy Analysis
BIUST	Botswana International University of Science and Technology
BoB	Bank of Botswana
BSS	Business Support Strategies
CEDA	Citizen Entrepreneurial Development Agency
CIA	Central Intelligence Agency
CoD	Cash on delivery
COVID	Corona Virus Disease
EC	European Commission
EN	Environment
EU	European Union
FASID	Foundation for Advanced Studies on International Development
FDI	Foreign Direct Investment
GATT	General Agreement on Trade and Tariffs
GDP	Gross Domestic Product
GOB	Government of Botswana
HDI	Human Development Index
HPAE	High Performing Asian Economies
ICT	Information and Communications Technology
ILO	International Labour Office
IT	Information Technology
ITA	International Trade Association

LDC	Least Developed Countries
LEA	Local Enterprise Authority
MSME	Micro, Small, Medium Enterprises
NDB	National Development Bank
OECD	Organisation for Economic Co-operation and Development
P	Probability
PESTEL	Political, Economic, Social, Technological, Legal and Environmental
PICO	Population, Intervention, Control, and Outcomes
PISA	Programme for International Student Assessment
PR	Production
QUAL	Qualitative
QUAN	Quantitative
R and D	Research and Development
R	Coefficient of Determination
SA	South Africa
SADC	Southern African Development Community
SC	Society
SME	Small, Medium Enterprises
SMME	Small Medium and Micro Enterprises
STEPFC	Society, Teamwork, business Environment, Productivity, Finance and Capital
TandC	Terms and Conditions
TM	Teamwork
TNC	TransNational Corporations
TVET	Technical and Vocational Education and Training

UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations International Children's Emergency Fund
US	United States
USA	United States of America
USD	United States Dollar
WEF	World Economic Forum

## List of Tables

<b>Table 1</b>	<b>Research Questions and Hypothesis.....</b>	<b>20</b>
<b>Table 2</b>	<b>Mixed Method Research Designs.....</b>	<b>26</b>
<b>Table 3</b>	<b>Mixed Three Stage Approach .....</b>	<b>29</b>
<b>Table 4</b>	<b>Factors Emerging from Development Theories .....</b>	<b>55</b>
<b>Table 5</b>	<b>Characteristics of SMEs in Botswana .....</b>	<b>91</b>
<b>Table 6</b>	<b>Social Capital in the Draft Economic Model .....</b>	<b>97</b>
<b>Table 7</b>	<b>Economic Indicators Comparison .....</b>	<b>102</b>
<b>Table 8</b>	<b>Three Stage Research Approach .....</b>	<b>117</b>
<b>Table 9</b>	<b>Ethical Approach Summary.....</b>	<b>129</b>
<b>Table 10</b>	<b>Relationship of Questions .....</b>	<b>136</b>
<b>Table 11</b>	<b>Verification Likert Scale.....</b>	<b>139</b>
<b>Table 12</b>	<b>Check Question Analysis .....</b>	<b>141</b>
<b>Table 13</b>	<b>Qualitative Analysis .....</b>	<b>145</b>
<b>Table 14</b>	<b>Data Percentages .....</b>	<b>146</b>
<b>Table 15</b>	<b>Rating Rubric Implementation Guide .....</b>	<b>148</b>
<b>Table 16</b>	<b>Sample Data Coding Strategy .....</b>	<b>156</b>
<b>Table 17</b>	<b>USA Date of Incorporation .....</b>	<b>160</b>
<b>Table 18</b>	<b>Botswana Date of Incorporation.....</b>	<b>161</b>
<b>Table 19</b>	<b>Qualitative Analysis .....</b>	<b>164</b>
<b>Table 20</b>	<b>Integrated Model Breakdown .....</b>	<b>174</b>
<b>Table 21</b>	<b>USA Raw Data.....</b>	<b>178</b>
<b>Table 22</b>	<b>US Rating Application .....</b>	<b>199</b>
<b>Table 23</b>	<b>USA Average Rating.....</b>	<b>200</b>
<b>Table 24</b>	<b>US Top Rated Factors.....</b>	<b>200</b>

<b>Table 25 US Lowest Rated Factors .....</b>	<b>200</b>
<b>Table 26 Botswana Raw Data .....</b>	<b>207</b>
<b>Table 27 Botswana Ratings .....</b>	<b>251</b>
<b>Table 28 Top 5 Botswana Ratings .....</b>	<b>252</b>
<b>Table 29 Top Ratings USA.....</b>	<b>253</b>
<b>Table 30 Top Rating Comparison .....</b>	<b>253</b>
<b>Table 31 Lowest Ratings Botswana.....</b>	<b>254</b>
<b>Table 32 Botswana - Most Support Needed .....</b>	<b>255</b>
<b>Table 33 Self Audit.....</b>	<b>256</b>
<b>Table 34. Sample Breakdown .....</b>	<b>259</b>
<b>Table 35 Stage 3 Factors.....</b>	<b>262</b>
<b>Table 36 Example Importance and Need Analysis .....</b>	<b>265</b>
<b>Table 37 Total Data Significant Indicators .....</b>	<b>268</b>
<b>Table 38 Integrated Indicators .....</b>	<b>270</b>
<b>Table 39 Total Data Least Significant Indicators .....</b>	<b>272</b>
<b>Table 40 Sector Break Down Analysis .....</b>	<b>275</b>
<b>Table 41 Technology Sector - Significant Indicators.....</b>	<b>282</b>
<b>Table 42 Technology Sector - Least Significant Indicators .....</b>	<b>282</b>
<b>Table 43 Technology Sector – Without Single Person - Most Significant Indicators....</b>	<b>282</b>
<b>Table 44 Technology Sector - Without Single Person - Least Significant Indicators....</b>	<b>283</b>
<b>Table 45 Tourism - Most Significant Indicators .....</b>	<b>288</b>
<b>Table 46 Tourism - Least Significant Indicators .....</b>	<b>289</b>
<b>Table 47 Healthcare Sector - Most Significant Indicators .....</b>	<b>295</b>
<b>Table 48 Healthcare Sector - Least Significant Indicators .....</b>	<b>296</b>
<b>Table 49 Finance Sector – Size of Business .....</b>	<b>296</b>

<b>Table 51 Finance Sector - Teamwork .....</b>	<b>298</b>
<b>Table 52 Finance Sector - Most Significant Indicators .....</b>	<b>301</b>
<b>Table 53 Finance Sector - Least Significant Indicators.....</b>	<b>301</b>
<b>Table 54 Education Sector - Most Significant Indicators .....</b>	<b>306</b>
<b>Table 55 Education Sector - Least Significant Indicators.....</b>	<b>307</b>
<b>Table 56 Construction Sector - Most Significant Indicators .....</b>	<b>312</b>
<b>Table 57 Construction Sector - Least Significant Indicators.....</b>	<b>312</b>
<b>Table 58 Commercial/Retail - Most Significant Indicators .....</b>	<b>318</b>
<b>Table 59 Commercial/Retail - Least Significant Indicators.....</b>	<b>319</b>
<b>Table 60 Commercial/Retail - Most Significant Indicators without Single.....</b>	<b>319</b>
<b>Table 61 Commercial/Retail - Least Significant Indicators without single.....</b>	<b>319</b>
<b>Table 62 Anything and Everything Sector - Quadrant Analysis.....</b>	<b>322</b>
<b>Table 63 Single Enterprise - Most Significant Indicators .....</b>	<b>324</b>
<b>Table 64 Manufacturing Sector - Most Significant Indicators.....</b>	<b>327</b>
<b>Table 65 Manufacturing Sector - Least Significant Indicators .....</b>	<b>327</b>
<b>Table 66 Business Support Initiatives .....</b>	<b>331</b>
<b>Table 67 Integrated Model for Business Support in Botswana .....</b>	<b>334</b>
<b>Table 68 Integrated Model for Business Support for Botswana Analysis.....</b>	<b>335</b>
<b>Table 69 T-Test Results .....</b>	<b>338</b>
<b>Table 70 All Sector Analysis - Important and Needed Indicators.....</b>	<b>339</b>
<b>Table 71 Types of MSME.....</b>	<b>386</b>

## List of Figures.

<b>Figure 1 The Research Onion .....</b>	<b>22</b>
<b>Figure 2 Conceptual Framework .....</b>	<b>34</b>
<b>Figure 3 World Bank Economies.....</b>	<b>54</b>
<b>Figure 4 ASEAN Economies .....</b>	<b>60</b>
<b>Figure 5 Draft Integrated Model .....</b>	<b>111</b>
<b>Figure 6 MSME Life Cycle .....</b>	<b>134</b>
<b>Figure 7 Mapping Interview Themes to Development Characteristics .....</b>	<b>138</b>
<b>Figure 8 Verification Graph .....</b>	<b>139</b>
<b>Figure 9 Verification Quadrants .....</b>	<b>140</b>
<b>Figure 10 MSME Responses .....</b>	<b>145</b>
<b>Figure 11 Data Coding.....</b>	<b>146</b>
<b>Figure 12 Triangulating Data .....</b>	<b>147</b>
<b>Figure 14 Two tailed t-test .....</b>	<b>150</b>
<b>Figure 15 Data Coding.....</b>	<b>157</b>
<b>Figure 16 Check Question Analysis.....</b>	<b>162</b>
<b>Figure 17 Qualitative Analysis.....</b>	<b>165</b>
<b>Figure 18 USA STEPFC Factors Comparison.....</b>	<b>172</b>
<b>Figure 19 Botswana STEPFC Factor Comparisons .....</b>	<b>174</b>
<b>Figure 20 USA MSME Responses .....</b>	<b>175</b>
<b>Figure 21 Sector USA .....</b>	<b>176</b>
<b>Figure 22 Highest Level of Education - USA.....</b>	<b>176</b>
<b>Figure 23 USA Local or Foreign Owned MSMEs .....</b>	<b>177</b>
<b>Figure 24 USA - Sources of Capital.....</b>	<b>177</b>
<b>Figure 25 USA - Question 13.....</b>	<b>179</b>

<b>Figure 26 USA - Revenue Vs Debtor Policies .....</b>	<b>181</b>
<b>Figure 27 USA - Question 12.....</b>	<b>181</b>
<b>Figure 28 USA - Revenue Vs Knowledge of Financial Implications .....</b>	<b>182</b>
<b>Figure 29 USA - Question 18.....</b>	<b>183</b>
<b>Figure 30 USA - Revenue Vs Knowledge of Production Rate .....</b>	<b>183</b>
<b>Figure 31 USA - Question 17.....</b>	<b>184</b>
<b>Figure 32 USA - Question 14.....</b>	<b>185</b>
<b>Figure 33 USA - Question 19.....</b>	<b>185</b>
<b>Figure 34 USA - Question 20.....</b>	<b>186</b>
<b>Figure 35 USA - Question 10.....</b>	<b>187</b>
<b>Figure 36 USA - Question 11.....</b>	<b>188</b>
<b>Figure 37 USA - Question 21.....</b>	<b>188</b>
<b>Figure 38 USA - 5 years or more active Vs Objective Setting .....</b>	<b>189</b>
<b>Figure 39 USA - Question 23.....</b>	<b>190</b>
<b>Figure 40 USA - Question 22.....</b>	<b>190</b>
<b>Figure 41 USA - Commitment and Teamwork vs Employee Growth .....</b>	<b>191</b>
<b>Figure 42 USA - Question 28.....</b>	<b>192</b>
<b>Figure 43 USA - Question 25.....</b>	<b>192</b>
<b>Figure 44 USA - Question 24.....</b>	<b>193</b>
<b>Figure 45 USA - 5 years or more active vs Supply Chain Policies .....</b>	<b>194</b>
<b>Figure 46 USA - Question 26.....</b>	<b>195</b>
<b>Figure 47 USA - Question 27.....</b>	<b>195</b>
<b>Figure 48 USA - Question 15.....</b>	<b>196</b>
<b>Figure 49 USA - Question 16.....</b>	<b>197</b>
<b>Figure 50 USA - Overall Response .....</b>	<b>197</b>

<b>Figure 51 Overall Model Data USA .....</b>	<b>198</b>
<b>Figure 52 Botswana - MSME Responses .....</b>	<b>203</b>
<b>Figure 53 Botswana - Sector .....</b>	<b>203</b>
<b>Figure 54 Botswana - Highest level of Education .....</b>	<b>204</b>
<b>Figure 55 Botswana - Sources of Capital.....</b>	<b>204</b>
<b>Figure 56 Botswana - Foreign or Locally Owned .....</b>	<b>205</b>
<b>Figure 57 Botswana - Overall Responses.....</b>	<b>205</b>
<b>Figure 58 Botswana - Overall Data Analysis.....</b>	<b>206</b>
<b>Figure 59 Botswana - Question 13.....</b>	<b>208</b>
<b>Figure 60 Botswana - Qualitative Findings – Finance Breakdown.....</b>	<b>208</b>
<b>Figure 61 Botswana - Finance Qualitative Findings.....</b>	<b>209</b>
<b>Figure 62 Botswana - Question 53.....</b>	<b>211</b>
<b>Figure 63 Botswana - Question 54.....</b>	<b>211</b>
<b>Figure 64 Botswana - Revenue Increase .....</b>	<b>212</b>
<b>Figure 65 Botswana - Question 12.....</b>	<b>215</b>
<b>Figure 66 Botswana - Question 18.....</b>	<b>215</b>
<b>Figure 67 Botswana - Question 17.....</b>	<b>216</b>
<b>Figure 68 Botswana - Increase in Revenue Vs Productivity Vs Size.....</b>	<b>217</b>
<b>Figure 69 Botswana - Question 19.....</b>	<b>218</b>
<b>Figure 70 Botswana - Question 40.....</b>	<b>219</b>
<b>Figure 71 Botswana - Question 14.....</b>	<b>219</b>
<b>Figure 72 Botswana - Question 48.....</b>	<b>220</b>
<b>Figure 73 Botswana - Question 50.....</b>	<b>221</b>
<b>Figure 74 Botswana - Average Years Active Vs Productivity .....</b>	<b>222</b>
<b>Figure 75 Botswana - Average Years Active Vs Objective Setting .....</b>	<b>223</b>

<b>Figure 76 Botswana - Question 39 .....</b>	<b>224</b>
<b>Figure 77 Botswana - Question 36 .....</b>	<b>224</b>
<b>Figure 78 Botswana - Question 20 .....</b>	<b>225</b>
<b>Figure 79 Botswana - Question 10 .....</b>	<b>226</b>
<b>Figure 80 Botswana - Question 11 .....</b>	<b>227</b>
<b>Figure 81 Botswana - Question 37 .....</b>	<b>227</b>
<b>Figure 82 Botswana - Question 21 .....</b>	<b>229</b>
<b>Figure 83 Botswana - Qualitative Findings - Team Work .....</b>	<b>230</b>
<b>Figure 84 Botswana - Qualitative Findings - Team Work Breakdown .....</b>	<b>230</b>
<b>Figure 85 Botswana - Question 23 .....</b>	<b>232</b>
<b>Figure 86 Botswana - Question 22 .....</b>	<b>233</b>
<b>Figure 87 Botswana - Question 32 .....</b>	<b>233</b>
<b>Figure 88 Botswana - Question 33 .....</b>	<b>234</b>
<b>Figure 89 Botswana - Question 34 .....</b>	<b>235</b>
<b>Figure 90 Botswana - Qualitative Findings - Environment .....</b>	<b>236</b>
<b>Figure 91 Botswana - Qualitative Findings - Environment Breakdown .....</b>	<b>236</b>
<b>Figure 92 Botswana - Question 43 .....</b>	<b>238</b>
<b>Figure 93 Botswana - Question 24 .....</b>	<b>238</b>
<b>Figure 94 Botswana - Question 28 .....</b>	<b>239</b>
<b>Figure 95 Botswana - Question 25 .....</b>	<b>240</b>
<b>Figure 96 Botswana - Average Years Active Vs Supply Chain Policies .....</b>	<b>240</b>
<b>Figure 97 Botswana - Question 41 .....</b>	<b>241</b>
<b>Figure 98 Number of Employees Vs. Years Active .....</b>	<b>241</b>
<b>Figure 99 Botswana - Question 44 .....</b>	<b>243</b>
<b>Figure 100 Botswana - Question 51 .....</b>	<b>244</b>

<b>Figure 101 Botswana - Question 26.....</b>	<b>245</b>
<b>Figure 102 Botswana - Question 42.....</b>	<b>245</b>
<b>Figure 103 Botswana - Question 27.....</b>	<b>246</b>
<b>Figure 104 Botswana - Question 46.....</b>	<b>246</b>
<b>Figure 105 Botswana - Question 15.....</b>	<b>247</b>
<b>Figure 106 Botswana - Question 16.....</b>	<b>248</b>
<b>Figure 107 Botswana - Question 47.....</b>	<b>248</b>
<b>Figure 108 Sampling Frame.....</b>	<b>258</b>
<b>Figure 109 Stage 3 Size of MSME .....</b>	<b>260</b>
<b>Figure 110 Stage 3 MSME Location .....</b>	<b>261</b>
<b>Figure 111 Stage 3 - Performance .....</b>	<b>262</b>
<b>Figure 112 Scatter Graph Quadrants .....</b>	<b>266</b>
<b>Figure 113 Total Data - Importance vs Need .....</b>	<b>267</b>
<b>Figure 114 Total Data Factor Analysis .....</b>	<b>268</b>
<b>Figure 115 Stage 3 - Business Sector .....</b>	<b>273</b>
<b>Figure 116 Technology Sector - Size of Business .....</b>	<b>276</b>
<b>Figure 117 Technology Sector - Performance .....</b>	<b>276</b>
<b>Figure 118 Technology Sector - Capital and Finance.....</b>	<b>277</b>
<b>Figure 119 Technology Sector - Productivity .....</b>	<b>278</b>
<b>Figure 120 Technology Sector - Teamwork.....</b>	<b>279</b>
<b>Figure 121 Technology - Single Person - Teamwork.....</b>	<b>280</b>
<b>Figure 122 Technology Sector - Business Environment.....</b>	<b>280</b>
<b>Figure 123 Technology Sector - Importance Vs Support.....</b>	<b>281</b>
<b>Figure 124 Tourism Sector - Size of Business .....</b>	<b>284</b>
<b>Figure 125 Tourism Sector - Finance and Capital.....</b>	<b>284</b>

<b>Figure 126 Tourism Sector - Productivity .....</b>	<b>285</b>
<b>Figure 127 Tourism Sector - Teamwork.....</b>	<b>286</b>
<b>Figure 128 Tourism Sector - Business Environment .....</b>	<b>287</b>
<b>Figure 129 Tourism Sector - Importance Vs Support .....</b>	<b>288</b>
<b>Figure 130 Healthcare Sector – Size of Business.....</b>	<b>290</b>
<b>Figure 131 Healthcare – Finance and Capital.....</b>	<b>290</b>
<b>Figure 132 Healthcare – Productivity .....</b>	<b>291</b>
<b>Figure 133 Healthcare Sector - Teamwork .....</b>	<b>292</b>
<b>Figure 134 Healthcare Sector - Teamwork .....</b>	<b>293</b>
<b>Figure 135 Healthcare Sector – Business Environment .....</b>	<b>294</b>
<b>Figure 136 Healthcare Sector - Importance Vs Need .....</b>	<b>295</b>
<b>Figure 137 Finance Sector - Finance and Capital.....</b>	<b>297</b>
<b>Figure 138 Finance Sector - Productivity .....</b>	<b>299</b>
<b>Figure 139 Finance Sector - Business Environment .....</b>	<b>300</b>
<b>Figure 140 Finance Sector – Importance Vs Support .....</b>	<b>301</b>
<b>Figure 141 Education Sector - Size of Business.....</b>	<b>302</b>
<b>Figure 142 Education Sector – Finance and Capital .....</b>	<b>302</b>
<b>Figure 143 Education Sector – Teamwork .....</b>	<b>303</b>
<b>Figure 144 Education Sector - Productivity .....</b>	<b>304</b>
<b>Figure 145 Education Sector – Business Environment .....</b>	<b>305</b>
<b>Figure 146 Education Sector – Importance Vs Support .....</b>	<b>306</b>
<b>Figure 147 Construction Sector - Size of Business.....</b>	<b>308</b>
<b>Figure 148 Construction Sector - Importance Vs Support .....</b>	<b>308</b>
<b>Figure 149 Construction Sector -Finance and Capital.....</b>	<b>309</b>
<b>Figure 150 Construction Sector - Teamwork.....</b>	<b>310</b>

<b>Figure 151 Construction Sector - Productivity .....</b>	<b>310</b>
<b>Figure 152 Construction Sector - Business Environment .....</b>	<b>311</b>
<b>Figure 153 Commercial/Retail - Size of Business.....</b>	<b>313</b>
<b>Figure 154 Commercial/Retail – Performance.....</b>	<b>314</b>
<b>Figure 155 Commercial/Retail – Finance and Capital .....</b>	<b>314</b>
<b>Figure 156 Commercial/Retail - Teamwork.....</b>	<b>315</b>
<b>Figure 157 Commercial/Retail - Teamwork without Single .....</b>	<b>316</b>
<b>Figure 158 Commercial/Retail - Productivity .....</b>	<b>317</b>
<b>Figure 159 Commercial/Retail - Business Environment .....</b>	<b>318</b>
<b>Figure 160 Anything and Everything Sector – Size of Business.....</b>	<b>320</b>
<b>Figure 161 Anything and Everything Sector – Performance.....</b>	<b>321</b>
<b>Figure 162 Anything and Everything Sector - Importance Vs Support.....</b>	<b>321</b>
<b>Figure 163 Anything and Everything Sector – Factor Analysis .....</b>	<b>323</b>
<b>Figure 164. Single Enterprise - Importance Vs Support.....</b>	<b>324</b>
<b>Figure 165 Single Enterprise - Factor Analysis .....</b>	<b>325</b>
<b>Figure 166 All Sectors - Importance Vs Need .....</b>	<b>336</b>
<b>Figure 167 Conceptual STEPFC model.....</b>	<b>342</b>
<b>Figure 168 STEPFC Application.....</b>	<b>378</b>
<b>Figure 169 STEPFC Model Research .....</b>	<b>379</b>
<b>Figure 170 Country Research Framework.....</b>	<b>383</b>
<b>Figure 171 Further Research STEPFC and Society .....</b>	<b>385</b>
<b>Figure 172 Further Research by MSME Type and Sector .....</b>	<b>387</b>

## CHAPTER 1: INTRODUCTION

### 1.1 Introduction

The aim of this research is to develop and verify an integrated model for improving MSME support in multiple sectors in Botswana. Significantly for a country such as Botswana, this research provides an opportunity to develop local solutions rather than rely on the “international transfer” (Todaro & Smith, 2015, p556) of existing models, which in the past have served to inhibit or negatively affect the development of poorer countries. The model produced from this study will provide an opportunity to ascribe to “how things are done” within Botswana and thus avoid “policy borrowing” cited as a reason for the failure of “good” strategies (Aggarwal, 2013, p47).

Between 2020 and 2022, 169 small businesses in Botswana and the US have been interviewed and consulted on their views of what factors are necessary to ensure MSME survival and success. The result is a complex model that integrates factors relating to finance and capital, the business environment, teamwork and productivity which reflect the cultural “networks and norms” of society, which, according to Putzel (1997, p948) require “analysing”. The model attempts to remove the problems associated with “international transfer” by embracing the analysis of the “social system”, the “interdependent relationships between so called economic and non-economic factors” including “attitudes towards life, work and authority”, “patterns of kinship and religion”, “cultural traditions, systems of land tenure” and “degree of popular participation in development decisions” (Todaro, 1989, p13).

To establish the model, the research questions required a mixed methodology involving not only desk research but also qualitative and quantitative research in a three (3) stage process. The research questions included the need to establish which economic factors relate to MSME

success, what strategy can be used to support MSMEs and specifically what factors affect MSMEs in Botswana. Further, the model needed to be defined and verified.

The findings of the thesis show that the model can be defined, and that it has the ability to identify the needs and requirements of each individual business.

The contribution this research makes is not only in its consideration of factors related to Botswana but how the model itself was derived as a concept through extensive research of development theories, particularly those associated with countries that have successfully developed over the past 70 years. The STEPFC model considers how other countries established their development patterns. The research includes the two main concepts derived from the Chinese “bottom up” and Irish “investment in indigenous industry” approaches to functional growth. One is driven by improvements in the human capital, particularly in terms of skill acquisition. The second is an understanding of how to nurture micro, small and medium enterprises (MSMEs) not only in the initial setup phase but also through the growth and maturity phases. It is proposed that an understanding of how a model of business support could be developed and implemented could have the potential to close the necessary gaps to enable the transition to higher levels of economic development. In other words, Botswana has many of the functional requirements for growth in place, which are derived from the top, but could the missing link be solved by analysing what is happening on the ground? As stated by Chinyoka (2015, p2) “the problem for most of these African countries is to identify economic policies and strategies that can spur and sustain growth which can be translated into development at a pace similar to that in the Asian economies”. What must be considered, therefore, is what those actual strategies are and how they can be accurately defined.

## **1.2 Botswana Overview**

Botswana is “one of Africa’s star performers” (Hope & Edge, 1996, p53) and regarded as a “stable” economy (CIA FactBook, 2020). With a population of approximately 2.5 million people, Botswana is a landlocked country. Its bordering nations include South Africa, Namibia, Zimbabwe and Zambia. It achieved independence in 1966, having previously been a protectorate of the British. Botswana’s economy relies on exporting diamonds and the tourism industry. Not only does Botswana have the largest population of elephants in Africa, it is the location of the Okavango Delta the largest inland delta in the world.

Regarded as the oldest democracy in the world, Botswana’s “Kgotla system” represents a “traditional value system” of “democratic and peaceful values” (Moumakwa, 2011, p4).

Although Botswana has transformed from “one of the poorest countries in the world to a middle-income country” (Ajilore&Yinusa, 2011, p28) it appears to be “trapped in some vicious sort of underdevelopment defined by chronic unemployment” Chinyoka (2015, p2). It is this situation that provides the impetus for a possible contribution to the alleviation of this problem through the development of the STEPFC model.

## **1.3 Statement of the Problem**

The World Economic Forum (2017, p24) concluded its 2017 African Competitiveness Report aptly titled “Addressing Africa’s Demographic Dividend” by suggesting “over the past decades, employment in Africa has not kept up with output expansions”. It continues to state “that the continent’s growth prospects have shrunk” results in “African economies (are) struggling to provide sufficient job opportunities to meet the needs of the burgeoning

workforce”. This is profound considering that for more than 70 years international organisations have spent substantial sums of money and considerable time and effort of key economic development experts to reach this conclusion. Is Africa just a testing ground for economic development theories and therefore the guinea pig for the developed world? It appears that economic development has failed many of the countries that desperately needed interventions that actually worked. The realisation that 70 years of applying economic development models may have resulted in a theoretical mishap could not come at a better time.

Africa’s population has increased from “478 million in 1980 to the current estimate of close to 1.2 billion and is projected to increase to 1.5 billion by 2025 and 2.4 billion by 2050”, (UN, 2016, piv). Of concern is its “young age structure, with about two fifths of its population in the 0-14 age bracket and nearly one fifth (19 percent) in the 15-24 age bracket” (piv). There has been much discussion about Africa’s youth bulge, with some seeing it as an opportunity and others as a potential problem (Chatterjee & Mahama, 2019), (Sommers, 2011), (Gavin, 2007). Some organisations advocate that, investments in education, particularly technical and skills-based education are key for benefiting from this “demographic dividend” (UNICEF, 2017, p2). This is logical, as the links between economic growth and education are well established in existing research. Primarily derived from experiences of western developed countries (Todaro & Smith, 2015, p113), it was suggested in the 1950s and 1960s that it was not the growth of physical capital but rather human capital that was the principal source of economic progress in the developed countries (Denison, 1962), (Solow, 1957). Harbison (1973) wrote “Human Resources... constitute the ultimate basis of wealth of nations. Agents accumulate capital, exploit natural resources, build social, economic, and political organisations, and carry forward national development. Clearly, a country which is unable to develop the skills and knowledge of its people and to utilise them effectively in the national economy will be unable to develop

anything else”. This was certainly the case for High Performing Asian Economies (HPAE) as stated by Page (1994, p225), “the fundamentalist view of the success of the HPAEs is that their investment levels in physical and human capital substantially exceed those for other countries at similar levels of development, resulting in more rapid growth of per capita income”. However, it is more than just human capital. The World Bank (1993, p15) not only suggests a “head start” in terms of human capital but regards it as part of a functional approach to growth that includes “macroeconomic stability, stable and secure financial systems, limited price distortions, openness to foreign technology, directed credit, selective industrial promotion, and trade policies that push non-traditional exports” (p11) when analysing High Performing Asian Economies. Similarly, Breathnach (1998, p307) points to “a very marked improvement in Ireland’s stock of human capital” for the Celtic Tiger phenomenon. Breathnach also points to “inward investment” (p308), “macroeconomic stabilisation” and importantly “expansion of indigenous industry” (p311). This last point is particularly important as Li (2015, p135) suggests that China’s rapid growth and success is linked to “the superiority of an evolutionary, experimental, and bottom-up approach” rather than a top-down approach. The World Economic Forum (2017, p xiv) recognises that most “new jobs in Africa today are in microenterprises” suggesting the need to make “improving the business environment in these sectors a high priority” by “implementing policies suited to their specific circumstances”. This therefore suggests that micro, small and medium enterprises (MSMEs) should provide a focus for addressing the economic situation in developing countries.

On the one hand the United Nations Educational Scientific Cultural Organisation (UNESCO) suggests that there is a “strong economic rational” (Marope et al, 2015, p13) for countries to invest in skills-based training (Technical and Vocational Education and Training, TVET) advocating that skilled artisans provide a source of “skills, knowledge and technology”

for improving productivity. This focus on productivity is also reflected by the World Bank, which suggests African economies should build their “productive capacities to transform their manufacturing and services sectors” and thus “move up the value chain” (World Bank, 2013, pXV). Skills education is therefore seen as a link between “innovation and knowledge with the strategic goals of workforce development, economic development and social development” (Alagaraja et al, 2014, p270). Policy makers suggest that to gain or maintain high income status countries need to have a skilled workforce that adequately prepares young people to enter the labour market (ILO, 2011, p1). Although this is the aspiration, it should be noted, for example, that there is a lack of “research in the field of TVET economics” which is regarded as a constraint by Wolf and Erdle (2009, p6), which is clearly not reflected in the strategies proffered by the United Nations and the International Labour Organisation. Wolf and Erdle (2009, p6) continue to suggest that as resources are scarce in developing countries, there is a need to know “which investments in education pay off the most” suggesting that “the economics of TVET has so far been neglected by both scientists and practitioners”.

This is directly linked to a second problem, that of a durable and sustainable business environment, which may be met through the support provided to skilled entrepreneurial graduates who set up MSMEs. The need for business support is based on the rationale that the majority of start-up businesses do not have all of the necessary resources and/or critical factors needed for business success, referring to the “liability of newness” (Shepherd and Shanley, 1998, p394). Nevertheless, research has concluded that there is no general consensus regarding for example incubator success (Albert & Gaynor, 2000). As McAdam et al (2006, p460) point out “very little research has dealt with the process in which incubators create value for their tenant firms”. Pittaway et al (2004, p27) recognises that current studies of the role of institutional mechanisms which promote incubation “are insufficient to draw any useful

conclusions”. As stated by Hackett and Dilts (2004, p74) “focusing on the process of incubation rather than on the incubator facility and its configuration will draw attention to the underlying causes of new venture development in an incubator-incubation environment” based on their observation that “little progress has been made toward understanding how incubatees develop within the incubator” (p64). However, considering his many international organisations are promoting investment in MSMEs to contribute to economic development. Naudé, (2013, p3) suggest that MSME development is “at the forefront” of economic development strategies but, as shown, little is known about how they develop or become successful. In light of these concerns it is imperative to develop a model which can assist MSMEs in being successful.

According to the World Economic Forum, Botswana is in a transition stage between factor-driven economy based on unskilled labour and natural resources and an efficiency-driven economy based on “more efficient production processes and increased product quality” (World Bank, 2017, p8). With the same report showing Botswana as the best performing country in terms of macroeconomic stability (p11), comparing favourably with its middle-income counterparts in terms of higher education and training (p15), reducing its infrastructure gap in comparison to advanced economies (p17) and leading improvements in institutional quality (p22) it has many of the conditions necessary for a functional approach to growth. Manufacturing accounts for 9.1% of employment (Statistics Botswana, 2019, p9). Growth in the short term is also expected to be positive, 3.8% in 2019 and 4.1% in 2020 (African Economic Outlook, 2019, p135). However, Botswana’s economy remains volatile due to its reliance on a single export, diamonds. Export value decreased by 10.1% from February 2018 to February 2019 “mainly due to the decrease in diamond exports” (Statistics Botswana, 2019, p6). It is circumstances like this that echo the need “to accelerate structural reforms to promote

economic diversification and higher productivity and thus reduce vulnerability to external shock” (African Economic Outlook, 2019, p135).

Considering the bottom-up approaches of China and the indigenous industry support of the Celtic tiger it is widely accepted that “small and medium enterprises (SMEs) are considered the backbone of an economy” (Robu, 2013, p86). Kushnir et al, (2010, p2) point out that the majority of MSMEs “operate in emerging markets”. However, few studies exist of the SME sector in Botswana (Magembe&Shunda, 2007, p33) which has resulted in “little information regarding the entrepreneurship situation in Botswana” (OCED, 2017, p13). In 2004, Temtime and Pansiri (2004, p18) estimated the small to medium sized enterprise failure rate to be over 80%. By 2007 Sentsho et al (2007, p22) suggested that the survival rates for businesses in operation for 5 years was 71%. In 2017 the OCED (2017, p14) put the figure at “a third of entrepreneurs had been in business for at least 10 years” in Botswana.

The statistics clearly show that Botswana at every level, from the macroeconomic environment to the business environment has many positives. It is an environment with conditions ripe for growth. However, according to the Africa Competitiveness Report Botswana has been in transition since at least 2009 (World Bank, 2009, p130). And there are negatives. Matandare (2018, p4) quotes an unemployment rate “18.2% between 2000 and 2016” suggesting “the root cause of this level of unemployment is a failure to create enough jobs in the economy” with youth unemployment at 33.3% in 2016 (p9). These reflect the observation of Chinyoka (2015, p2) who described the situation in terms of “chronic unemployment”. So how does Botswana transition into an efficiency driven economy? It has good environmental factor, including education, but something is missing. Is it possible to use the models of economic growth such as those developed in Asia and Ireland to define a

potential model for entrepreneurs in the MSME sector to analyse and expand their businesses to have a larger impact on the economy of Botswana and thus close this gap? This represents the crux of the problem; Botswana has come so far, but how can it open the next door and move forward? What is required is a new paradigm that looks beyond traditional economic development strategies, which rely on a small number of key factors, and instead looks deeply into the mechanisms that control the processes and structures of generating employment and income in a way that integrates all of the influences on the economy from a bottom-up, ground-level perspective.

This research proposes that the perceived gaps may be addressed by developing a model based on support strategies that are directly linked to the economic expectations of investment in MSMEs. In other words, a “bottom up” approach that supports “indigenous industry”. Failure to investigate the possibilities of these gaps and their potential link may lead to economies such as Botswana being continually “trapped” by “underdevelopment defined by chronic unemployment” as previously stated by Chinyoka, (2015, p2).

In summary, the lack of economic data relating to MSMEs contribution to the economy and the consensus on the dearth of information regarding the process of business support represent research gaps, “a topic or area for which missing or inadequate information.....’limits the ability of reviewers to reach a conclusion on a given question” (Robinson et al, 2011, F-1). These research gaps will “function as a starting point for research” (Müller-Bloch & Kranz, 2015, p3) and therefore represent further contributions to the field through the development and verification of the model.

Although primarily the model is meant for the use of MSMEs to seek opportunities for improvement, by contributing to the research gaps, the research should be of interest to policymakers who can ensure that society benefits from the findings of the validation of the model. Policy in terms of financial management, growth policies for small businesses, education curricula and skills-based learning can be developed through an analysis of the output generated through the STEPFC model. Indeed, the research itself is useful for international donor agencies that, through the use of the model, can target specific projects within a local context to address unemployment or develop a better MSME sector. As developing countries lack resources, the model provides an opportunity to target limited funds to specific areas of support such as improving financial literacy skills, developing clusters of organisations or improving supply chain efficiency and productivity. The contribution of the research extends from the individual MSME to those who have influence over policy and to those who wish to contribute to improved MSME performance.

#### **1.4 Research Aims and Objectives**

The aim of the research is to gather sufficient information through a comprehensive literature review and quantitative and qualitative mixed research approaches.

To develop and verify an integrated model for improving MSME support in multiple sectors in Botswana.

The model represents the “desired future state: the aspiration” (Johnson et al, 2005, p13) of the research. The aspiration of the research is to produce a model based on factors that can be used to assist a small business to strategise how best to improve its performance. There may be other models available, such as SWOT and PESTEL but these are not directly related to the concept of economic development. Therefore, the model must consider economic

development models and how best to utilise them so that when compared to the operations of the business, they provide an avenue or a clear indication of what must be done not only to improve the operations of the business, but also on a wider scope provide an input into the design of business policy and provide an accurate baseline to consider investment.

As pointed out by Wickham (2001, p167) “planning only works if the future can be predicted with some certainty”. In this case, the objectives that follow are designed “to meet certain specifications” to meet “expectation” (Smit & Cronje, 2004, p142) in relation to the overall goal of producing an effective economic model. Although it is argued that objectives are generally presented as “ideals” (Mullins, 2005, p145) good objectives must have “characteristics” that allow them to be “effective” (McNamee, 1988, p120). These characteristics “add breadth and specificity in identifying what must be accomplished” (Pearce & Robinson, 1991; p298). Therefore, the objectives presented are feasible, acceptable to a wider audience and capable of measurement (McNamee, 1988, p120-p122) in addition to being “specific, flexible, measurable and attainable” (Smit & Cronje, 2004, p143).

The objectives of the research are therefore carefully crafted to ensure that an integrated model for improving MSME support can be developed. In total, five (5) objectives must be met in order to develop the model. These are:

1. To determine which economic factors/indicators relate to MSME success
2. To determine strategies for supporting MSMEs
3. To define factors which affect MSMEs in Botswana
4. To define an integrated model for improving MSME support in Botswana
5. To verify the integrated model for use by MSMEs in Botswana

## 1.5 Nature and Significance of the Study

The proposed research, which requires an in-depth analysis of business support strategies and economic factors, is related to the analysis of “complex interactions” as stated by Sadan, (2014, p254) and therefore sets the stage for a complex but potentially fruitful study.

To facilitate the study, the methodology will use a mixed method approach “to explore a phenomenon, identify themes, design an instrument and subsequently test it” (Creswell, 2012, p543). The research will implement a three (3) stage methodology. An empirical stage 1 will deliver a “deeper understanding through more powerful descriptions and explanations” (Creswell, 2012, p45) and reveal sufficient information to recognise the “how and why” (Saunders et al, 1997, p74). Serving as “a lens” for theory generation (Creswell, 2014, p36), stage 1 will convert the descriptive theory into a normative theory involving qualitative and constructivism approaches. Stage 2 will use qualitative and quantitative techniques to enable the strategy to “be tested” (Saunders et al, 2009, p113). The use of qualitative followed by quantitative, will ensure “a stronger understanding of the problem or question than either by itself” (Creswell, 2014 p264) and subsequently “cross validation” (Jick, 1979, p602). A final stage 3 will examine the model’s implementation using a sampling frame of actual MSMEs to gather quantitative data and therefore verify if the model can actually be a tool that can improve business operations in Botswana.

The objective of stage 1 is to adapt the descriptive theory established through the literature review into a normative theory involving qualitative and constructivist approaches. Stage 2 will define the model through qualitative and quantitative research within two (2) economies. Stage 3 will finalise the outcome of the mixed methodology in stage 2 to enable the model to be “confirmed” (Saunders et al, 2009, p113).

The research has the potential to draw together three (3) research gaps: Firstly, the United Nations asserts that there is a “strong economic rational” (UNESCO, 2015, p13) for countries to invest in skills-based training which is hampered by a lack of research into the economics of such training (Wolf & Erdle, 2009, p6). Secondly there is a lack of understanding of the process of business support and how this has the potential to create value (McAdam et al, 2006, p460). Thirdly, the lack of research into the MSME environment in Botswana ((Magembe & Shunda, 2007, p33), OCED (2017, p14)).

These represent an absence of precision in Robinson et al’s (2011, F-1) reasons for the research gaps framework (PICO), i.e., “if the information available in identified studies is insufficient to allow a conclusion”. This is in line with the concept of knowledge voids where “desired research findings do not exist” (Müller-Bloch & Kranz, 2015, p3), but significantly, when brought together, they provide an opportunity to address a theoretical void whereby the “theory should be applied to certain research issues to generate new insights” (p3). These new insights developed from the analysis of the relationships between each of these gaps can provide a number of tangible benefits for emerging and developing countries, including:

1. The realisation that institutions need to evolve and progress their capacity building activities over time to remain relevant and in line with the developing economic requirements of a country
2. The need to establish efficient forms of training and business support that provide opportunities for governments to make the most effective use of resources against the potential economic benefits of their investments

3. The need to overcome the lack of research related to MSME economics that could better advise governments and international donors (Maconick (2002), Morgan (2002))

Policy borrowing from developed countries can only be used to highlight incompatibilities with the situation on the ground. Further shifting from one model to another creates a “policy pendulum” (Steiner-Khamisi&Stolpe, 2004, p36) that produces an unstable foundation for the development of new and innovative business support initiatives. Therefore, the resultant model generated from this research has the potential to provide a stable platform for policy development in the fields of MSME business support, but within a local context. This is important considering the status of less developed countries after 70 years of economic development theory.

Nevertheless, there is a need to be realistic. Saunders et al (2009, p538) states “virtually all research has its limitations” which mirrors the views of Chasan-Taber (2014, p246) who noted: “remember that there is no perfect study”. The broad nature of this research means that none, some, or allofthe significance of the research may be realised or that new significant factors may emerge. An additional significant factor of the research that must be considered may be its unintended ability to generate new research ideas: “these limitations are useful to other potential researchers who may choose to conduct a similar or replication study” (Creswell, 2012, p199).

## 1.6 Research Hypothesis and Questions

The theory behind the aims of the research corresponds to the concept of what a theory is. Creswell's (2012, p121) definition of a theory "as a bridge explaining the relationship between the independent and dependent variables" broadly corresponds to Kerlinger's (1979, p64) definition of theory "as a set of interrelated constructs (variables), definitions, and propositions that presents a systematic view of phenomena by specifying relations among variables, with the purpose of explaining natural phenomena". In this case, dependent variables that relate to MSME success are influenced by the independent variable represented by the factors that make up the integrated model. The strength represented by this relationship will confirm the theory behind the integrated model. This represents a "substantive theory" that has the potential to "enhance our understanding of the world" (Saunders et al, 2009, p41). However, as it stands, the theory is not a complete theory and will require further analysis to transform from a "preliminary stage" descriptive theory to a normative theory that provides "unambiguous guidance" to avoid "confusion and contradiction" (Carlile & Christensen, 2004, p5). This is a key element of the model; it must be a trusted and viable one that can enhance the operations of MSMEs and contribute to their success. Considering this, the overall hypothesis can be stated as follows:

Hypothesis:

H1 An integrated model for improving MSME business support can be developed for use in Botswana.

H2 an integrated model for improving MSME business support cannot be developed for use in Botswana.

Careful consideration must be given when developing the research methodology so that it can be determined that economic factors can be related to business factors. Considering the nature and scope of the subject matter, it is clear that a variety of research techniques will be required. The methodology must include detailed information collected from actual MSMEs to determine which factors affect their business. In addition, it will be necessary to seek the views of businesses that support MSMEs, such as those involved in finance, mentoring and providing regulatory advice. Through the combination of data collected from these two sources, it should be possible to define a draft model for improving MSME support. However, this does not represent the end of the research, a further stage will be necessary to verify if the factors listed in the model are actually relevant to the MSME and therefore useful. As an addition, it should be possible to seek the views of a second country to determine if the high-level viewpoints of the factors derived from the literature review are compatible.

A three-stage approach is required, with stage 1 providing background information, stage 2 creating the model, and stage 3 verifying the model.

Stage 1 of the qualitative approach is associated with research questions that emphasis “clear conclusions” (Saunders et al, 2009, p32). Therefore, the data analysed at this stage of the research should be able to answer the following questions:

1. What economic factors/indicators relate to MSME success?
2. What strategy can be used for supporting MSMEs?

The stage 1 approach will use the collected qualitative data “to build an explanation or to generate a theory around a core or central theme” (Saunders et al 2009, p509). It must be noted that the “research questions may change” during this stage (Creswell, 2012, p128). This

may be required as Saunders et al (2009, p127) point out the possibility “that no useful data patterns and theory will emerge”.

The output from stage 1 will be a theory that attempts to explain the “interaction” (Creswell 2012, p423) between factors/indicators and how they relate to MSMEs. Two important elements can be determined through the methodology to define the proposed integrated model; one related to factors which affect MSMEs having analysed development theories and emerging economies and the second related to how best to support MSMEs.

Therefore, a number of hypotheses must be considered in relation to the questions:

- 1a. Economic factors/indicators that relate to MSME success can be defined.
- 1b. Economic factors/indicators that relate to MSME success cannot be defined.
- 2a. A strategy for supporting MSMEs can be defined.
- 2b. A strategy for supporting MSMEs cannot be defined.

Further research is required to answer a third question:

- 3. What factors affect MSMEs in Botswana?

This question will be answered through a mixed methodology stage 2 whereby two (2) types of questionnaires will be provided to Botswana’s MSMEs, including an audit questionnaire to determine their ability and a self reflection questionnaire to determine the gaps and areas for improvement within their business.

This question is specifically related to a third hypothesis:

- 3a. Factors that specifically affect MSMEs in Botswana can be identified.

3b. Factors that specifically affect MSMEs in Botswana cannot be identified.

This question is key to determining a local model that can be used within Botswana. It may be necessary to look outside Botswana to determine how relevant the factors are in other countries. A suitable analysis may indicate a gap that could prove useful in the Botswana context. This will provide a comparative measure, which will assist with strengthening the validity and reliability of the findings, a form of triangulation. Through this process, it will be possible to answer the following additional research question as part of stage 2:

4. How can an integrated model for improving MSME support in Botswana be defined?

This leads to the additional hypothesis:

4a. An integrated model for improving MSME support in Botswana can be defined.

4b. An integrated model for improving MSME support in Botswana cannot be defined.

Further research is required so the hypothesis can be “tested and confirmed” (Saunders et al, 2009, p113). This will be the purpose of stage 3. The aim of stage 3 will therefore be to answer the following research questions:

5. How can the integrated model for use by MSMEs in Botswana be verified?

And thus, the final hypotheses are as stated:

H1 An integrated model for improving MSME business support can be developed for use in Botswana.

H2 an integrated model for improving MSME business support cannot be developed for use in Botswana.

Stage 3 will therefore provide an opportunity to assess the factors and thus verify the integrated model for improving MSME support in Botswana. Stage 3 will involve asking a sample of MSMEs to complete questionnaires that identify their support requirements. Data will be collected with the aim of verifying the model.

In summary, each stage of the research, the research questions, and the hypothesis can be linked as shown below:

**Table 1*****Research Questions and Hypothesis***

Stage	Research Questions	Hypothesis
<b>1</b>	1. What economic factors/indicators relate to MSME success?	1a. Economic factors/indicators which relate to MSME success can be defined. 1b. Economic factors/indicators which relate to MSME success cannot be defined.
	2. What strategy can be used for supporting MSMEs?	2a. A strategy for supporting MSMEs can be defined. 2b. A strategy for supporting MSMEs cannot be defined.
	3. What factors which affect MSMEs in Botswana?	3a. Factors which specifically affect MSMEs in Botswana can be identified. 3b. Factors which specifically affect MSMEs in Botswana cannot be identified.
<b>2.</b>	4. How can an integrated model for improving MSME support in Botswana be defined?	4a. An integrated model for improving MSME support in Botswana can be defined. 4b. An integrated model for improving MSME support in Botswana cannot be defined.
<b>3.</b>	5. How can the integrated model for use by MSMEs in Botswana be verified?	H1 An integrated model for improving MSME business support can be developed for use in Botswana. H2 An integrated model for improving MSME business support cannot be developed for use in Botswana.

In conclusion, this mixed method approach represents an opportunity to “explore” and “test” (Creswell, 2012, p543) and different assumptions and theories that will contribute to the formulation of the model based on factors affecting MSMEs and thus improve MSME. In the case of this research study, “rich theories” can be generated by leveraging “inference” from the mix methodology (Jack & Raturi, 2006, p353) which is precisely what is required to ensure a robust and reliable model. This will subsequently have an influence on the adoption and wider acceptance of the proposed model if it is successful.

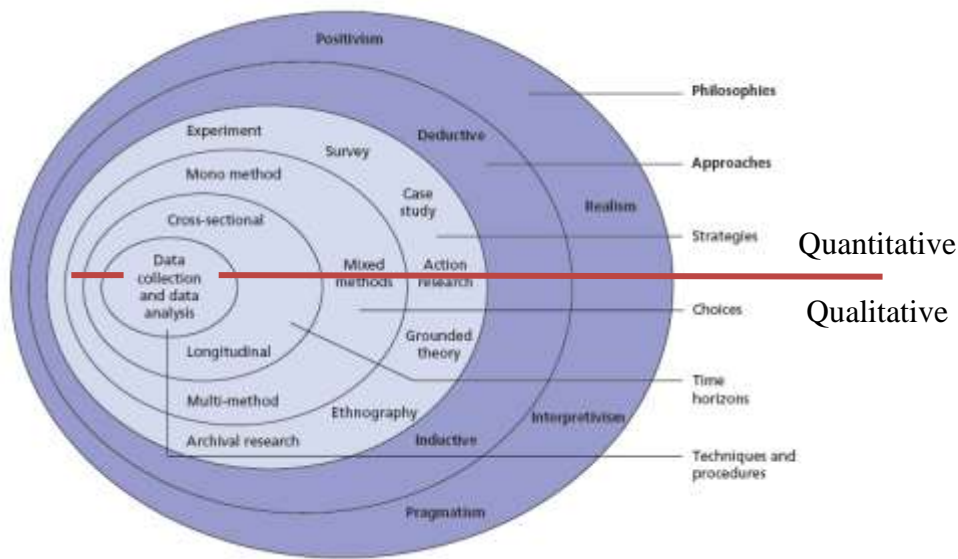
With such a wide-ranging methodology covering more than one country, ethical considerations will play a large role in the research. Saunders (2009, p183) emphasises the “you” when defining ethics as “the appropriateness of your behaviour in relation to the rights of those who become the subject of your work or are affected by it”. Therefore, this research will need to rely heavily on actions taken to ensure ethics are applied when it comes to, for example, seeking consent, avoiding deception, and initiating debriefing. It should be noted that this emphasis on self-regulation by the researcher has the potential for abuse, which can lead to misconduct. Okonta and Rossouw (2014, p1) highlight the fact that “research misconduct in a developing country” “tarnishes the reputation of research institutions and has the potential to diminish the credibility and integrity of research in general”. Historically, ethics have been “governed through a combination of discipline-specific codes of conduct and the professional standing of research scientists”, (Haggerty, 2004, p392). Therefore, considering these points carefully, this research will promote “proactive research ethics” as stated by Benatar and Singer (2000, p826).

## **1.7 Scope of the Study**

The hypothesis and research questions indicate that the scope of the study is wide and broad, covering multiple development theories, multiple countries and multiple sectors within an economy. A study with such a wide scope will therefore have to employ a number of different research techniques to determine if the hypothesis is true. A wide variety of techniques are available, as shown in Saunders et al’s (2009, p108) “Research Onion”.

**Figure 1**

***The Research Onion***



The diagram shows two approaches: qualitative based on words and meaning, and quantitative based on numbers and analysis. Peeling back each layer of the research onion demonstrates that quantitative is associated with positivism, deduction, experiments, surveys and case studies, taking a theory from literature and researching it “to confirm or refute a position” (Proctor, 2005, p6). Qualitative is associated with pragmatism, interpretivism, induction, grounded theory, ethnography and archival research, attempting to understand what is happening and why it is happening.

However, there is a need to consider the differences not only in terms of the underlying theories but, more importantly, in their application and, thus, outputs as related to the hypothesis. To provide more detail, further contrast can be made through the research tools that are applied for each method. Although both use similar data collection tools, the way they are used differs. Different data collection tools that could potentially be used in this research in a quantitative or qualitative manner must be considered in terms of how they contribute towards proving the hypothesis.

Structured observation, tabulating the frequency of actions (Saunders et al, 2009, p288).and participant observation, which “derives from the work of social anthropology” emphasising the discovery of “meanings which people attach to their actions” (Saunders et al, 2009, p288) could be considered along with other qualitative methods. Structured or standardised interviews (face to face or telephone questionnaires) “can be used as a means to identify general patterns” (Saunders et al, 1997, p212) and can be linked to semi structured, in-depth, and non-standard interviews “to reveal and understand not only the ‘what’ and the ‘how’, but also to place more emphasis on exploring the ‘why’” (Saunders et al, 1997, p212).

In addition, questionnaires (closed questions) generating qualitative data used for “descriptive or explanatory purposes” (Saunders et al, 2009, p367) and qualitative data collected from open questions when a “detailed answer” is required (Saunders et al, 2009, p375) could be combined to create the methodology required to develop the integrated model.

The distinction in the application of data collection tools leads to distinct differences of what is actually produced in terms of output. Qualitative output can be a statement of fact regarding “behaviours and interaction” (Creswell, 2012, p462) which is important considering the need to look at the relationships between economic factors, business strategies, and society’s perception and application of them. Quantitative data, on the other hand is associated with surveys, which enable large amounts of data to be collected in an economical, standardised and easily comparable way (Saunders et al, 2009, p144) presented in tables, graphs and charts. This is an important consideration as it will be necessary for the research to be conducted over a wide geographical area and to seek data from a wide range of MSMEs. It must be noted that the process of quantitative research is not complete once the data is collected and collated, to be useful, the outputs must be “analysed and interpreted” (Saunders et al, 2009, p414). In terms

of the results of this research, Creswell (2012, p474) points out that qualitative approaches require the researcher to provide some form of reflective interpretation, which could be “often tentative or inconclusive, leading to new questions to answer”. There are some drawbacks to this. Silverman (2011, p57) describes analysing qualitative data, as “something of a mystery” with Saunders et al (2009, p511) describing it as “time consuming, intensive and reflective”. Although there is more control over the data collected using quantitative techniques, it “may not be as wide ranging as those collected by qualitative research methods” and this lack of scope could negatively affect the outcome of this research (Saunders et al, 2009, p144).

Although differences in terms of application and outputs indicate distinct approaches, Saunders et al (2009, p109) suggest that a research question “rarely falls neatly into only one philosophical domain as suggested in the ‘onion’”. This is certainly true regarding this hypothesis, as determining the factors to be included in the model that relate specifically to MSMEs and, thus, ways of improving business support require different approaches in order to enable them to be defined within the context of the proposed integrated model. Saunders et al (2009, p108) suggest that quantitative and qualitative approaches “are better at different things”. The synergy of combining the research approaches has advantages over their use in isolation. Considering this viewpoint, it can be stated that the use of quantitative and/or qualitative depends on where the research emphasis lies. Bryman (2006, p97) suggests that “combining quantitative and qualitative research has become unexceptional and unremarkable in recent years”. It is with these views in mind that it will be necessary to determine a methodology that will collect data both qualitatively and quantitatively.

In terms of use, Sadan (2014, p254) suggests using a mixed method “when studying new questions” and this is certainly the case with this research considering the gaps identified that

the model intends to embrace. Creswell (2012, p535) provides two scenarios where a mixed method approach could be utilised. The first scenario uses qualitative data to identify variables to test in a quantitative study. The second scenario involves following up a quantitative study to obtain more specific information through qualitative methods. Both these scenarios are relevant to the potential methodology used for research into the integrated model.

Saunders et al (2009, p153 and 154) suggests that quantitative data can be converted “into narrative that can be analysed qualitatively” and qualitative data can be converted into numerical codes so it can be “analysed statistically”. Various models exist that classify how mixed method approaches can be implemented and will need to be carefully considered for this study. Creswell (2012, p551) summarises 4 potential designs. The first is known as convergent whereby quantitative and qualitative data collected simultaneously. The second is referred to as explanatory which involves quantitative followed by qualitative. The third is called exploratory involving qualitative followed by quantitative. Finally the fourth is embedded whereby quantitative or qualitative are embedded within quantitative or qualitative.

Johnson and Onwuegbuzie (2004, p22) use a convenient diagram to illustrate mixed method research designs:

**Table 2*****Mixed Method Research Designs***

	Concurrent	Sequential	
Equal Status	QUAL + QUAN	QUAL → QUAN QUAN → QUAL	Note: Capitals denote priority or weighting  → equals sequential + equals concurrent Qual is qualitative Quan is quantitative
	QUAL + quan	QUAL → quan qual → QUAN	
Dominant Status	QUAN + qual	QUAN → qual quan → QUAL	

Note: Adapted from *Johnson and Onwuegbuzie, 2004, p22*

It should be emphasised that although there are many reasons for using mixed methods, the most important is the combined contribution to the validity and reliability of research conclusions including the ability to triangulate data, to fill gaps in the data, to determine importance, help explain relationships or to provide a backup if the initial approach produces data that cannot be used (Bryman, 2006, p105).

Almalki (2016, p293) submits that mixed method approaches are “easy to implement”. In fact, a mixed method approach is regarded as a “routine approach to research” (Bryman, 2006, p97). Although researchers are making a strong case for using a mix methodology, it is important to note Cameron’s (2011, p106) statement that “mixed methods researchers need to be versatile and innovative with a repertoire of research skills that exceeds those needed for single mode research”. Saunders et al (2009, 141) suggests “allocating strategies to one approach or the other is unduly simplistic”, that the use of qualitative or quantitative methods depends on whether they can answer the research question(s) and meet the objective(s). As suggested by Creswell (2014, p273) using mixed method approaches provides “quantitative validity (e.g., construct) and qualitative validity (e.g., triangulation)”. The reason for the mixed method approach can be summed up by Heyvaert et al (2011, p13) who suggests that “a mixed methods study has the potential to produce a more robust understanding of a complex phenomenon”. As factors with improving the performance of MSME businesses are a “complex

phenomenon” that will require a strong element of validity and reliability, a mixed methodology must be the strategy for this research into factors on the one hand and improving business support on the other. It will be the form that this research takes within the sphere of mixed methodological approaches that will be carefully considered in the methodology.

Considering Jack and Raturi (2006, p350) suggestion that the “first task is for researchers to develop an appropriate strategy that can leverage the many facets of triangulation”, it is necessary for the research to determine how to mix the qualitative and quantitative approaches, which will enable a link to be established between factors affecting MSMEs and improving support strategies. Jack and Raturi (2006, p346) suggest “methodological triangulation involve using more than one quantitative or qualitative data sources or methods in a single of research”. It is the advantages of using triangulation in a mixed methodology which allows this research to consider this approach. Jick (1979, p608 and p609) highlights the opportunities for researchers of triangulation including allowing “researchers to be more confident of their results”, stimulating “the creation of inventive methods, new ways of capturing a problem to balance with conventional data-collection methods”, helping “to uncover the deviant or off-quadrant dimension of a phenomenon”, and providing an opportunity to “lead to a synthesis or integration of theories”. Overall it means “the researcher is likely to sustain a profitable closeness to the situation which allows greater sensitivity to the multiple sources of data.”

Risjord et al (2001, p46) provide 3 further reasons for triangulation. Firstly, completeness, whereby “quantitative methods can further develop findings derived from qualitative research (and vice versa)”. Therefore “the methods complement each other, providing richness or detail that would be unavailable from one method alone”. Secondly, additive inspiration, whereby “qualitative investigation can also help organize quantitative data that has already been

gathered or suggest ways new of approaching the phenomenon”. Thirdly, confirmation that “qualitative methods can clarify the results of quantitative research”. In summary Risjord et al (2001, p46) suggest “triangulation would thus yield a stronger result than either method could yield alone”.

Put simply, Noble and Heale (2019, p67) states “triangulation can enrich research as it offers a variety of datasets to explain differing aspects of a phenomenon of interest” in this case the integration of factors to support MSMEs.

Considering the case for a mixed methodology in the research, this hypothesis will be completed through a mixed, three stage approach using different qualitative and quantitative research tools to ensure the validity of the resulting integrated model.

**Table 3**

***Mixed Three Stage Approach***

<b>-Stage 1-</b>	<b>-Stage 2-</b>	<b>-Stage 3-</b>
Using qualitative data identify factors relating to MSME support strategies and economic indicators to further develop the proposed Integrated Model for improving MSME support	Obtain more specific information and confirm the factors within the integrated model through a quantitative study of a wide variety of MSMEs backed up with qualitative study of MSME support services	Verify the draft model through an analysis of support requirements using a sampling frame of actual MSMES.

Stage 1 will be an exploratory stage associated with a phenomenological approach, concerned with the study of the complex interactions between economic development, factors that affect MSMEs and MSME business support strategies within different countries.

The basic approach proposed to test the hypothesis can be described as exploratory, through qualitative analysis, obtain themes, categories and statements relating to factors, their relationship with MSMEs which can be used to develop questionnaires for quantitative research (Creswell, 2011, p551). It can also be described as “QUAL → quan” whereby the qualitative core of the project, structured interviews is followed by a quantitative component implemented using questionnaires in stage 2 (Morse et al, 2006, p285). Stage 3 can be described as a “concurrent”, “equal status” “QUAL + QUAN” (Johnson & Onwuegbuzie, 2004, p22) analyse of the implementation of the integrated model in an actual MSME.

It should be noted that there is the potential for all stages to provide a mixed analysis, i.e. quantitative data collected as part of qualitative research (and visa-versa) and analysed in combination (Heyvaert et al, 2011, p8), (Caracelli & Greene, 1993, p197), (Greene et al, 1989, p270). In addition, these methods of triangulation can also assist with overcoming bias in research, which has the potential to adversely affect the reliability and validity of the final model. It will be necessary to ensure that the strategy is formulated to avoid bias,

including “measurement bias”: “deliberate or intentional distortion of data or changes in the way data are collected” (Saunders et al, 2009, p277) and also “observer bias”: “when observers give inaccurate responses in order to distort the results of the research.” (Saunders et al, 2009, p596). Further “interviewer bias” should be considered “where the appearance or behaviour of the interviewer has the effect of introducing bias in the interviewee’s responses” (Saunders et al, 2009, p593) along with “interviewee bias” an “attempt by an interviewee to construct an account that hides some data” (Saunders et al, 2009, p593).

It should be noted that Winship and Mare (1992, p347) conclude that “infallible models for sample selection bias do not exist” suggesting “different methods may yield different results”. This problem is recognised by Berk and Ray (1982, p394) in their conclusions, who state that “the selection problem and all of its solutions rest fundamentally on one’s ability to properly model both the substantive process and the selection process in the original population”. Hernan et al (2004, p620) continue on this theme, suggesting “selection bias can sometimes be avoided by an adequate design, such as by sampling controls in a manner to ensure that they will represent the exposure distribution in the population”. Considering all these factors, this tentative research design can be considered.

## **1.8 Summary**

The broad nature of the study, the complexity of the interactions that must be analysed and the need to address the reasons for the failure of international transfer have resulted in what could potentially be a difficult and wide-ranging investigation. With substantial gaps in the knowledge related to Botswana MSMEs, economic factors affecting businesses, how MSMEs operate, and pressing need to address approaches to economic development that provide local, bottom-up solutions, the study represents a substantial area of study. With a proposed 3 stage

approach to determine the hypothesis through five objectives that build on each other to reach a conclusion, the final output from the research will be a unique look at supporting businesses through a model that integrates society's approaches to different economic factors. Although a difficult task to complete, the magnitude of the problem and the potential such a model can provide to economies cannot be underestimated.

## CHAPTER 2: LITERATURE REVIEW

### 2.1 Introduction

The rationale behind this research is to provide a model that can be used to determine business support initiatives for micro small and medium Enterprises (MSME) in a developing society. In essence, the research is necessary:

“To develop and verify an integrated model for improving MSME support in multiple sectors  
in Botswana”

which, in turn, can corroborate or not the hypothesis:

H1 - An integrated model for improving MSME business support can be developed for use in Botswana.

This loosely defined, broad scope theoretical concept represents the “aspiration” (Johnson et al, 2005, p13) or where we want to take the study. The basic foundations of the study can be described as the research of the complex interactions between factors that affect the operations of MSMEs.

As a theoretical framework this is a “substantive theory” (Saunders et al, 2009, p41). It corresponds to Creswell’s (2002) view which suggests that most researchers “are concerned with substantive theories that are restricted to a particular time, research setting, group or population, or problem” (cited by Saunders et al, 2009, p40).

The study represents an analysis of the different possibilities that will provide a starting point for the understanding of actual factors related to MSMEs. In order to be successful, this

analysis has to be built to a standard or “blueprint” (Grant & Osanloo, 2014, p12), which “serves as the foundation upon which a research is constructed” (Adom et al, 2018, p438). This blueprint has been linked to Whetten’s (1989) simple evaluative norm for theory construction, which suggests “the what and how describe” and “the why explains” (p491) and therefore provides a basis for designing the conceptual framework. How the theoretical concepts can progress to a conceptual framework, a map that lays out the steps needed to complete the investigation, is described below.

## **2.2 From the Theoretical Framework to the Conceptual Framework**

The theoretical framework is derived from existing theories, which are explored further in the conceptual framework. Additionally, the identification of variables to be studied represents an important function of a conceptual framework. Whetten’s (1989, p491) “What” defines “factors such as variables, constructs and concepts which are part of the explanation of the phenomenon of interest”. In addition, “How these factors are related” must be considered. For the purposes of this research, a detailed analysis of development theories, economies that have transitioned to and beyond efficiency driven economies, business support strategies and the target economy is required to assist with the identification of variables that directly relate to the proposed model. This will require the analysis of which factors are linked to the success of the MSME, i.e. which success variables are dependent on which factors. Secondly, the factors will need to be analysed in terms of their need within Botswana MSMEs and their importance. The conceptual model derived from the concepts identified as part of the theoretical framework to provide a definitive structure to study of the integrated model can be illustrated as follows six distinct parts:

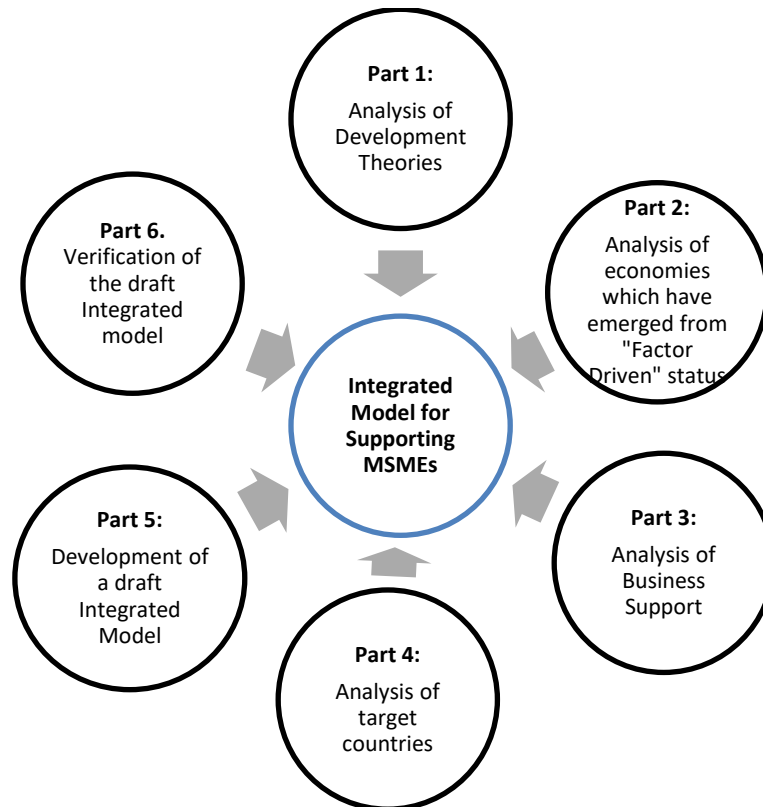
Parts 1, 2 and 3; objectives 1 and 2; Stage 1

Parts 4 and 5; objectives 3 and 4; Stage 2

Part 6; objective 5; Stage 3

**Figure 2**

***Conceptual Framework***



The framework provides the blueprint “to justify the importance and significance of the work” (Lederman & Lederman, 2015, p596).

### **2.2.1Part 1: Analysis of Development Theories**

The findings of previous research provide a basis for the discussion of this hypothesis as part of the conceptual framework. Boundless theories already exist and improving the lives of those in the developing world has been a productive research field since the 1950s, if not always successful. The historical progression of this rich research leads directly to the hypothesis of this research and its aim to develop a model based on economic factors derived from an analysis economic development theory.

The initial research will consider the Lewis Model (1954) which as its basis assumes an unproductive rural sector and a capital driven urban sector known as the “dual economy” model. The dual economy model promotes the movement “out of a subsistence sector, where living standards are necessarily low, into a modern capitalist sector” (Lewis, 1954, p141, cited in Gollin, 2014, p72). This model represents a starting point for analysing the development of growth theories in many countries including those with Tiger Economies.

As the research into economic development progressed, links between economic growth and education resulting from developed world experiences became more and more prominent ((Todaro, 1989), (Denison, 1962), (Solow, 1957) and (Harbison, 1973)). Development theories have transformed into modern theories of economic growth which recognise “the dominant role of technology as a determinant of economic performance” (Singh, 2006, p2). Theories such as those proposed by Gries and Naudé (2010, p25) which promote “changes to production methods”, lay the groundwork for economic transformation and reflect modern thinking, which is the theme of this research.

### **2.2.2Part 2: Analysis of economies that have emerged from "Factor Driven" status**

Since the Second World War, economies in North America, Europe and Asia have dominated international growth patterns. Asian and Celtic Tigers have emerged more recently providing a valuable insight into the input factors and variables which lead to economic growth. High-Performing Asian Economies (HPAE) including “investment levels in physical and human capital” (Page, 1994, p225) and Ireland’s “improvement in Ireland’s stock of human capital” (Breathnach, 1998, p307) point to infrastructure and education-based variables which directly link to the development theories researched in part 1. However, these represent only

some of the variables that can be studied. Considering the scope of the research these high-level variables must be translated into potential “critical success or failure factors” which are relevant to MSME’s including “organizational design”, “managerial background”, “working capital”, “competitive strategy”, “investment analysis” and “managerial activities” (Temtim&Pansiri, 2004, p20).

Determining potential input variables represents only one part of the conceptual framework. Tied directly to the inputs is an analysis of the potential output variables and how they are linked. Both “gross domestic product” defined as “the value of output produced within the country over a twelve month period” (Sloman, 1997, p455) and the Human Development Index (HDI) computed by the United Nations Development Programme (UNDP) including quality of life aspects such as standard of living, must be considered. In conjunction with other measurements such as those from the World Bank (2017, p22) factors including macroeconomic stability and institutional quality, it is proposed that a model can be developed that links input and output variables through business support strategies for MSMEs. Further refinement is necessary to make the model applicable to the target country. Therefore, the analysis of emerging economies will provide a rich source of information and guidance to form the proposed model and thus prove the hypothesis.

### **2.2.3 Part 3: Analysis of Business Support**

The proposed model provides the link between two aspects already discussed: the World bank (2017, p xiv) suggestion that “new jobs in Africa today are in microenterprises” and the view that “insufficient” strategies to support businesses (Pittaway et al, 2004, p27) exist. MSMEs are regarded as important factors linking “innovation and knowledge with the strategic goals of workforce development, economic development and social development”

(Alagaraja et al, 2014, p270). Naudé (2013, p3) suggests that theories relating to entrepreneurship and economic development are “currently at the forefront of thought in development” (Naudé, 2013, p3) with the need to close a gap in the research required to “formalise or reconcile the role of entrepreneurship” (p3).

In terms of this research, it is how the strategy is formulated and its subsequent output that must be considered. The model must be capable of defining gaps within the MSME, which can then be analysed so that initiatives can be formulated to close the gap. Importantly, the business support strategy must be able to provide a benchmark that represents an evaluation of an “organisation’s current practices” (Maravelakis et al, 2006, p286) so that comparisons can be made between organisations, sectors and countries. Defining a strategy to analyse a business is a key element of the research, as it is this strategy that will form the basis of how the subsequent model is to be applied.

#### **2.2.4Part 4: Analysis of Target Countries**

It is necessary to avoid the “false paradigm” promoted by Todaro and Smith, (2015, p133) which accepts that what is successful in one country may not be successful in another. In fact, Wallis and Dollery’s (2001, p253) discuss the “bottom-up social capital paradigm” to solving problems. Varma (2002, p348) identifies how society represents “the priorities of a group”. Therefore, analysing two different countries can establish how society can affect the definition of the factors to be included in the integrated model. Botswana, as the focus of the study, represents the first country for analysis. The analysis needs to look at how society behaves in terms of business operations and how it reacts to the factors developed through the conceptual framework. This will enable the framework to include specific elements relating to how society determines the best form of business operation, which in turn will need to be

integrated into the model. Further, the analysis of a second country will enable the perception that society and how society norms and values affect business can be different in different countries, therefore creating the potential to produce an integrated model specifically for Botswana. To reinforce the findings, it will be necessary to research factors that affect MSMEs in another country, preferably one with a strong entrepreneurial background. A key strategy of the research will be to seek potential comparisons and divergences, which will provide a basis for recommending factors to be included in the model. In this case the second target country is the USA.

The USA provides a juxtaposition to Botswana, being an innovative and highly developed country with strong business roots, particularly with MSMEs, which are regarded as the “backbone of the American economy” (Office of the United States Trade Representative, 2021).

Through this analysis it will be possible to identify differences that have the potential to influence the integrated model.

#### **2.2.5Part 5: Development of a Draft Integrated Model**

The outputs from the previous elements of the conceptual framework will provide an input into this section as the factors that emerge are discussed and analysed within the context of specific MSMEs. It is expected that this element of the research will provide an opportunity to adapt and add to the integrated model based on the experiences of a wide range of MSMEs.

Botswana represents the focus of the study and the application of the developed model. The 2017 report by the World Economic Forum categorises Botswana in an economic transition stage between a “factor driven economy” associated with “unskilled labour and

natural resources” and an “efficiency driven economy” correlated with variables such as “more efficient production processes and increased product quality” (World Bank, 2017, p8). As stated by the World Bank: “for African economies to build their productive capacities: putting in place the necessary factors to move up the value chain will lay the basis for a transformative manufacturing and services sector that will provide the goods and services that will be traded” (World Bank, 2013, pXV). Botswana represents a suitable candidate for this research with high unemployment “18.2%” and lacking the ability to “create enough jobs”(Matandare, 2018, p4). This is analogous to (World Bank, 2017) statistics that highlight Botswana as a country with high “macroeconomic stability” (p11), “higher education and training” comparable with middle income countries (p15), “infrastructure gap” which parallels advanced economies (p17) and a country that is a leader in improving “institutional quality” (p22). Within the conceptual model, the analysis of the target economy must be interlinked with development models, emerging economies and MSME business strategies to create a proposed model outline.

#### **2.2.6Part 6: Verification of the Integrated Model**

The final part of the conceptual framework involves the study of the factors included in the draft integrated model to determine if their application would have an impact, if any, on the performance of the MSME. This will allow a study of the factors representing the independent variables and their impact on dependent variables, success factors, which will determine the viability of the model.

The conceptual framework described above provides the paradigm for the research to reach a stage whereby the model can be implemented and analysed. Although the conceptual framework presented ties the theories and variables together, providing the first step in the commencement of the study, what must be kept in mind is how the theory is classified and its

inherent boundaries. The theoretical framework does not lend itself to Creswell's (1994) definition of an unbounded, all-encompassing grand theory described as a "general and comprehensive theory with abstract concepts that cover all aspects of human experience related to a specific topic" (Leggette et al, 2015, p2). The study represents a substantive theory and must be specific to its target population (Saunders et al (2009, p41). Limitations are imbedded in Whetten's (1989, p491) "Who, Where and When", which "place limitations on the propositions generated from a theoretical model". Therefore, decreasing "restrictions in terms of general applicability" (Saunders et al, 2009, p40) will prevent, for example, "policy borrowing" (Aggarwal & Gasskov, 2013, p47) generally regarded as a prime reason for the failure of development initiatives.

In the final assessment, the results of applying a conceptual framework can be assessed through Whetten's (1989, p294) benchmarks for publishing a theoretical paper including its "contribution to current thinking", ability to "alter research practice", "built on a foundation of convincing argument" "contemporary", "well done" and "done well" and whether it can generate interest in the academic world. After this stage, testing the model within the target economies will complete the remaining objectives and confirm (or not) the hypothesis.

### **2.3 Part 1: Analysis of Development Theories**

The concept of development, although really a theoretical and practical concern since the second world war, has its roots in economic thinking for centuries. As Adam Smith stated in 1776 "No society can surely be flourishing and happy, of which by far the greater part of the numbers are poor and miserable". Karl Marx in the 19<sup>th</sup> century stated, "Capitalism: Teach a man to fish. But the fish he catches aren't his. They belong to the person paying him to fish, and if he is lucky, he might get paid enough to buy a few fish for himself".

Development is the process of growth, evolution, expansion, and enlargement. According to Todaro (1989, p7) development economics “is nothing more, or less, than the economics of contemporary poor, underdeveloped Third World nations”, “with very complex yet similar economic problems that usually demand new ideas or novel approaches”. Sloman (1997, p775) suggests development is a “normative concept” that “will depend on the goals that the economist assumes societies want to achieve”. The theory of development has progressed from “providing remedies for the shortcomings of progress” in the 19<sup>th</sup> century to “colonial resource management” in the early 20<sup>th</sup> century, through to the accumulation of human resources in the 1960s, 70s and 80s (Nederveen, 2010, p7).

Although Ray (1998, p8) stated that “there is no evidence that very poor countries are doomed to eternal poverty” world poverty and underdevelopment are still a concern. According to the World Health Organisation (2015, p1) gross domestic product (GDP) per capita in Least Developed Countries (LDCs) was “less than 10% of the global average”. Life expectancy stood at 62.1 years, a marginal increase since 1950 and a “decade less than the global average of 71.4 years” (p2). The 2019 Human Development Report highlights inequalities where a child born in a high human development country in the year 2000 “has a more than a 50:50 chance of being enrolled in higher education” whereas the same child born in a low human development country is “much less likely to be alive” (Conceição, 2019, p1). Differences in education remain striking, with “less than half of students in developing countries” meeting the Programme for International Student Assessment (PISA) standard, “compared with 86 percent in advanced economies” (World Bank, 2019, p58). Putting the failure of economic development into context, between 1980 and 2000, “fully 88% of the poorest countries in 1980 remained where they were, and none of them went above the world average by 2000” (Ray,

1998, p8). The analysis of economic development and its subsequent policy driven growth strategies are often criticized for their inability to “address pressing policy and analytical problems” (Kanbur, 2002, p1). Therefore, the purpose of this element of the research is to use the theories of economic development to give them an opportunity to contribute towards an economic model for business support that can be used for analytical purposes and thus help define policy towards the development of MSMEs.

Although the statistics on economic development appear to be all doom and gloom, this is not always the case. By 2016, sub-Saharan infant mortality rates fell from 181 per 1000 to 78 per 1000 (UNICEF, 2017, p147) and youth literacy rates for the least developed countries now stand at 80% for males and 73% for females (p147). An analysis of the growth of development economics provides a valuable insight into how simple economic constructs have progressed into complex intertwined philosophies encompassing many different facets of development theory that will have a bearing on the development of an economic model for linking MSMEs to business support strategies.

### **2.3.1 Dual Economy Models**

In simple terms, many people view the world around them as having opposites, black and white, left and right, east and west, northern and southern, rich and poor, urban and rural, “us” and “them” etc. It is this simple concept, the analysis of opposites, which permeates early development theory, whereby the rural unemployed and unproductive poor can achieve a good standard of living by moving to rich and productive urban areas.

In the classical approach to development, labour supply and income levels were linked. “Smith to Marx, all assumed, or argued, that an unlimited supply of labour was available at

subsistence wages” (Gollin 2014, p71). A virtuous cycle would occur when this labour became productive, increasing income and using any surplus to purchase the goods they were producing. Under Engels Law, as wages increase, the proportion of the increase spent on food decreases, surplus income is available for other goods. The production of these goods was therefore seen as a roadmap to growth and development. Within the Lewis model, this “surplus labour” existed in “a traditional, overpopulated rural subsistence sector characterised by zero marginal labour productivity” (Todaro, 1989, p69). It is from this surplus that labour would be “transferred” to “a high productivity modern urban industrial sector” (ibid) with higher levels of income.

When Lewis (1954) described his dual economy model, his primary factor of development was not necessarily income but capital and productivity, suggesting “average productivity, in the capitalist sector, is quite high because of the presence of capital” (Gollin, 2014, p81). Lewis put forward the concept that abundant unproductive surplus labour in rural areas could be absorbed into a modern capitalist sector thus transforming developing economies. Productivity created through investment in physical and human capital led to development. Ranis (2004, p1) refers to this as “intersectoral growth” which “permits the entire economy to operate on neo-classical principles”. According to Kirkpartrick and Barrientos (2004, p679) Lewis’s concept “is widely regarded as the single most influential contribution to the establishment of development economics as an academic discipline”.

Lewis’s (1954) dual economy model, although attracting a lot of constructive feedback and being very influential at the time, opened the domain of development economics to create a field of research that to this day is still widely discussed. Todaro (1989, p72) points to several criticisms of the model such as investment in “labour saving capital equipment” which means that capital growth may not equal the rate of new job creation, and the assumption that labour

surplus exists in rural areas, whereas infact “the reverse is more likely to be true in many Third World countries” (p73). Hosseini, (2012, p139) emphasises “that the Lewis model is no longer applicable to the realities of at least most of today’s LDCs (Least Developed Countries)” suggesting that in addition to physical and human capital, “social capital” is required to make “coordinated activity possible” (p138). In reality, asSloman (1997, p775) demonstrates, migrating to industrialised cities has many negative effects, including increasing unemployment, where “people are forced to do anything to earn a living”. Even so, the theories of a productive urban environment persist. According to the World Economic Forum (2017, p54) “the World Bank notes that a competitive city is a city that successfully facilitates its firms and industries to create jobs, raise productivity, and increase the incomes of citizens over time,while the World Economic Forum adds the dimension of sustainability”.

The Fei-Ranis model (1964) builds on the criticisms of the Lewis model suggesting that agriculture should also be a focus for improving productivity, highlighting that improved production and higher wages in this sector can actually create demand for the goods produced through the industrialised sector. At the same time, growth in the agricultural sector must not be negligible, and its output should be sufficient to support the whole economy with food and raw materials. This is reflected by Gollin (2014, p86) who affirms that “the evidence suggests that the people occupying these sectors (rural) are productively engaged and have positive marginal product”. Further, the Harris–Todaro model (1970) contends that migration between the rural and urban sectors is dependent on income expectations rather than increased wages: “a response to urban-rural differences in expected earnings” (Harris & Todaro, 1970, p126).

The discussion on whether these models, based on the concept of migration between two sectors, one deficient in capital investment with labour surplus and the other the opposite,

form the basis for modern thinking in terms of economic development. Even if dated and based on macro-economic views, Lewis's dual economy model "continues to offer a theoretically valid, empirically relevant, and practically useful framework for dealing with some fundamental real-world issues of development" (Ranis, 2004, p15). For example, when applying China's economic growth to the Lewis model, Zhang (2010, p21) suggests it is "institutional innovations" stimulated through a "rapid rise in wages" that "help release more labour from rural areas". Indeed, Nguyen's (2013, p11) analysis shows that in Vietnam "the transition of unskilled workers from the lower-productivity agricultural sector to the higher-productivity manufacturing sector accords with the predictions of the Lewis-Fei-Ranis growth model".

Gollin (2014, p86) implies that Lewis's model is "inadequate" putting forward the proposal that "understanding the growth process will require a richer understanding of the forces keeping hundreds of millions of the world's poorest people in rural areas and tying them to low-productivity work in agriculture". Criticisms of the model can be summarised by Khan (1991, p153) who suggests that measuring the growth of an economy has moved from "GNP and its components" such as income level to "the interaction between economic and social progress" (p159). In reality, these models look at the macroeconomic viewpoint, which "examines the economy as a whole" in terms of "aggregate demand and aggregate supply" whereby "a growing economy means that there will be more goods and services for people to consume" (Sloman, 1997, p399). The characteristic of these models is an increase in wages, labour or capital to drive economic growth. The primary factor in each model is productivity; therefore, the focus of development economics moved towards answering the question, how to make labour more productive?

### 2.3.2 Education and Health

In essence, there are factors affecting development that contribute to wages, capital and productivity. To improve productivity, education along with the health of a nation has been a key development focus in the latter half of the last century. Together, health and education development are referred to as human capital, as characterised by Becker's (1984) "Human Capital Investment model". The concept of human capital growth suggests that it is not investment in physical capital that acts as a source of a developed country's economic progress. Instead, the Human Capital Investment model contends that "education and health are basic objectives of development" and therefore "vital components of growth and development" (Todaro & Smith, 2015, p382). According to Harbison (1973), "Human Resources... constitute the ultimate basis of the wealth of nations. Agents accumulate capital, exploit natural resources, build social, economic and political organisations, and carry forward national development". Todaro and Smith (2015, p386) put forward the view that health and education are intertwined: "better health and nutrition lead to earlier and longer school enrolment, better school attendance, and more effective learning" which has positive effects for an economy "with greater health and education, higher productivity and incomes are possible" (p385). Returning to Engels Law some suggest surplus income is spent on education. In South Korea, a High Performing Asian Economy (HPAE), this is seen as a "good investment" (Byun, 2010, p83). However, note that "the view that economic growth could lead to a stimulation of private demand for education has to be met with caution" as pointed out by Wigger & Weizsäcker, (2001, p558).

Although the focus on education and health has led to many achievements, for example, smallpox has been eradicated and literacy rates around the world have improved with many children having access to basic education, the gap between developed and developing

countries remains large. Gregorio and Lee (2002, p397) having reviewed many studies, suggest that increasing education spending “has an ambiguous effect on income distribution”. Although great strides have been made, Todaro and Smith (2015, p424) argue that “education and health will not always automatically improve with higher incomes” suggesting better government policies are needed to address the failure of investments.

The next step is therefore to ask the question: considering the amount of investment in health and education and the resultant failures, why have these failures occurred? For many, it was assumed that investment in health and education was a logical route to take to develop an economy; however, this did not turn out as well as expected, with many societies languishing in the Least Developed Countries categories of many world institutions. There are a number of reasons for failure, including policy borrowing from other successful first world countries by economies looking for a quick fix for their problems. Policy borrowing created “a policy pendulum” (Steiner-Khamisi & Stolpe, 2004, p36), switching between policies as one after the other failed, creating uncertainty as governments sought to address their development needs. Aggarwal and Gasskov (2013, p46) point to “policy failure” of good policies due to poor implementation. Poor implementation points directly at the people carrying out the initiatives and the beneficiaries. These points clearly show that what worked in one environment or society does not necessarily work the same way in another. Green (2015, p7) asserts that “similar interventions in different places and at different times will have different results. Local knowledge and networks created by local actors matter more than imported best practice”. It is through observations such as this that the field of development economics has progressed to include the study of the people and the mechanisms that make up a society, which ultimately are affected by economic development policy decisions.

Armstrong (2009, p68) extends the concept of human capital to include “intellectual, social and organizational capital”. Intellectual capital is “the flow of knowledge” which “contributes to the value generating process” whereas organisation capital refers to “knowledge that the organization actually owns” (p68). The concept of social capital has been defined by Putnam (1996) as “the features of social life – networks, norms and trust – that enable participants to act together more effectively to pursue shared objectives”. Previously Todaro (1989, p13) referred to a similar concept, “the social system”, which highlights the “interdependent relationships between so called economic and non-economic factors” including “attitudes towards life, work and authority”, “patterns of kinship and religion”, “cultural traditions, systems of land tenure” and “degree of popular participation in development decisions”. Social capital can be summarised as the network of local “partners” (Dess et al, 2015, p130) that influence and support people as they develop. According to Siisiainen’s (2003, p184) analysis of Putnam’s (1996) social capital definition “if a region has a well-functioning economic system and a high level of political integration, these are the result of the region’s successful accumulation of social capital”. Seligman (1997, p14) suggests “modern societies” are “based on “interconnected networks” which reflects Putnam’s (1993, p. 175) observation that “networks of civic engagement that cut across social cleavages nourish wider cooperation.” It is therefore believed that a better understanding therefore of social capital will improve development and prevent failure. As Putzel (1997, p948) suggests good governance can be achieved by “analysing the political substance, content and determinants of the networks and norms established through social interaction” which is mirrored by Siisiainen’s (2003, p200) observation regarding failure that “conflicts fall outside the process of consensus and integration”. As stated by Wallis and Dollery, (2001, p247) “both government failure and social capital theories provide analytical frameworks that can be used to comprehend the symptoms of state incapacity reported in the much broader literature on policy

implementation". They contend that top-down initiatives with limited "administrative capacity" and "contractual" government processes may actually hamper development and that "solutions to the problem are perhaps best sought within the bottom-up social capital paradigm" (p253). Therefore, preventing failure requires a firm understanding of local contexts in terms of their social capital. The understanding of the social capital concept consequently leads to modern approaches to development that localise the development concept firmly within the societies for which it is intended. As stated by Ostrom (2010, p641) "a core goal of public policy should be to facilitate the development of institutions that bring out the best in humans". Although society and understanding its interconnections is seen as key to successful development, how society is integrated into the world economy is also a factor in economic development. Society cannot be isolated; it must have the ability to contribute internationally in order to develop.

### 2.3.3 Globalisation and Localisation

Perhaps the concept of globalisation and localisation can be interpreted through the following integrated circuit label:

“Made in one or more of the following countries: Korea, Hong Kong, Malaysia, Singapore, Taiwan, Mauritius, Thailand, Indonesia, Mexico and the Philippines. The exact country of origin is unknown.” (Attributed to McDonnell Douglas chairman John F. McDonnell, 1999).

The fact that one circuit is assembled from parts from different countries, many of them high performing Asian economies (HPAE) highlights both the global nature of trade and the local nature of specific technology driven entrepreneurship.

Nederveen (2010, p7) suggests we no longer need to think of development in its modern sense in terms of “the nation”, that modern development is concerned with “globalisation”. This mirrors the views of development agencies, which confirm that “accelerating economic, political and social globalization” (FASID, p2) represents new approaches to development. Fine (2002, p2058) puts forward the view that the term globalisation has a counter meaning “in recognizing the global only to counterpoise it with the local”. Ozaslan and Dincer (2006, p1) agree, highlighting the fact that globalisation has “increased the importance of local dynamics as the thrust of economic growth”. The fundamental nature of modern development theories has moved from “the emphasis was on the large-scale patterning of social realities by structural changes in the economy, the state and the social system”, “toward institutional and agency-oriented views” (Nederveen, 2010, p12).

Transforming this into policy, the World Bank, as stated, promotes increasing “productive capacities” to “move up the value chain” (World Bank, 2013, pXV). Theories such as those proposed by Gries and Naudé (2010, p25) which promote “significant changes to production methods”, “permitting greater specialization in manufacturing” and “entrepreneurial ability, financial access, and rural development” lay the groundwork for economic transformation and reflect modern thinking in terms of local development. This thinking relates to the very basis of the Lewis Model, where productivity promotes growth. The Human Development Report states that “technological change will likely continue to be the fundamental driver of prosperity, pushing increases in productivity and hopefully enabling a transition to more sustainable patterns of production and consumption” (UNDP, 2019, p18).

Considering the concept of localisation, within the least developed countries, the informal sector represents the largest target for economic development policy. Chen, Jhabvala and Lund (2002, p2) argue, that the informal sector: “failed to capture the attention of mainstream development economists in any significant way” They suggest that “80% of new jobs in Africa” and “half of the new jobs in Latin America” (p3) are in the informal sector. Jerven (2013, p2) refers to this as “growth by proxy” as statistics from this sector are usually not formally recorded. This is in line with the views of the World Bank (2017, p xiv) which recognises the need for “implementing policies suited to their specific circumstances”. However, it is the adoption of technology to drive productivity that remains a concern for development within this sector. The World Bank’s 2019 report entitled “The Changing Nature of Work” contends that “individuals with more advanced skills are taking better advantage of new technologies to adapt to the changing nature of work” therefore “persistent informality continues to pose the greatest challenge for emerging economies”. In other words, “technology

may prevent Africa and South Asia from industrializing in a manner that moves workers to the formal sector” (World Bank, 2019, p19).

On the one hand development policies promote technology to improve productivity within the informal sector, but on the other, it is precisely this informality that contributes to the failure of growth. The divergence in viewpoints reflects the concept that development is part of a “cumulative and interconnected” (Nederveen, 2010, p17) effect directed at a wide range of stakeholders and institutions to suit explicit environments. Avoiding failure therefore requires localised development policies and a firm understanding of society to ensure initiative success.

As stated by Devarajan et al (1990, p36) the assumption is that policymakers “require models that incorporate the more distinctive structural and institutional features of their economies”. However, it is not that simple. Green (2015, p7) points to social, political and economic “complex systems”, “in which the sheer number of relationships and feedback loops means that the system cannot be reduced to simple chains of cause and effect”. Fine (2002, p2058) sums up the importance of the social capital dynamic as the “real factors in economic and social outcomes” and that “cross disciplinary” approaches are necessary to understand economic development.

#### **2.3.4 Implications for the Research**

The implications of developing an integrated model for improving MSME support in Botswana are clear from this discussion. Local, technology driven MSMEs, whether formal or informal, provide the basis for the development of policies that affect economic growth as they provide an avenue to compete within a globalised marketplace. For the purpose of this research,

the improvements in productivity, as originally proposed by Lewis (1954), represent one output of the study. The dual economy approaches of Lewis (1964), Fei-Ranis (1964) and Harris–Todaro (1970) models provide a suitable foundation, but it is human capital and social capital factors that will have to emerge within the research to ensure a practical and successful model. Education will be a key factor when considering the available and potential human capital, however, critical to the success of the model will be its understanding of how development can take place within a local context, in other words, the social capital of the area. Although the research will need to consider aspects of human capital such as education and how education influences technology adaption, it is the interaction between social networks, the norms and trust relationships that exist within the culture that will be key to developing an effective model. A determination of existing conflict within a social capital context that prevents harmony within the market and thwarts development must be identified and recognised.

The analysis of development concepts clearly shows distinct approaches, whether it is productivity and capital, education and health, localisation, globalisation and technology or an analysis of society. It is the distinct nature of these development strategies that drives current development thinking. According to the World Economic Forum (2017, p8) “measuring competitiveness is a complex task because many different factors matter”. In order to measure competitiveness, they divide their economies using “12 distinct pillars” shown below:

**Figure 3*****World Bank Economies***

Factor Driven	Efficiency Driven	Innovation Driven
Pillar 1. Institutions	Pillar 5. Higher Education and Training	Pillar 11. Business Sophistication
Pillar 2. Infrastructure	Pillar 6. Goods Market Efficiency	Pillar 12. Innovation
Pillar 3 Macroeconomic Environment	Pillar 7. Labour Market efficiency	
Pillar 4. Health and Primary Education	Pillar 8. Financial Market Development	
	Pillar 9. Technology Readiness	
	Pillar 10. Market size	

Each of the 12 pillars represents 115 indicators. As a model, countries transition from one economy to another, along the distinct path set by the World Bank. This represents the problem that needs to be addressed by the integrated model. The World Bank does not reflect Green's (2015, p7) "complex systems", or "feedback loops" or Fines "cross disciplinary" "real factors". In fact, it reflects Green's (2015, p7) "simple chains of cause and effect". What is required is a model that reflects Putzel (1997, p948) suggestion of the need for "analysing the" "networks and norms" and thus the reason for an integrated model. This interconnected complexity of factors must be considered as part of the integrated model for business support strategies with reference to productivity, capital, education, health, globalisation, localisation and technology. It is not the distinct nature of each of these development concepts that will make an effective model; instead, it is the interconnections between factors that affect each of these concepts that will be a key element of the proposed model.

The factors which emerge from the analysis can be listed against each of the development theories.

**Table 4*****Factors Emerging from Development Theories***

<b>Development Theory</b>	<b>Models</b>	<b>Emerging Factors</b>
Dual Economy Models	Lewis Model (1954), Fei-Ranis model (1964)	Capital, Productivity
Education and Health	Human Capital Investment model, Becker (1984) Social Capital, Putnam (1996) Social System, Todaro, 1989	Local Contexts Bottom Up Interconnected networks Network of partners Shared Objectives
Globalisation and Localisation	Complex Systems, Green (2015) Modern Development. Nederveen, (2010) Local Dynamics, Ozaslan and Dincer (2006)	Specialisation New Technologies Adaptability Relationships and Feedback Cross Disciplinary Local Dynamics

Understanding how these factors manifest themselves within high-performing economies and how they compare with Botswana will be a key focus of the remaining literature review.

## **2.4Part 2: Analysis of economies that have emerged from “factor driven” status**

Measuring and comparing economies is a complex and difficult task. How much has the economy grown? Are people better off than before? How does an economy compare with other economies? These are typical questions offered by Sloman (1997, p455) when using “gross domestic product”, “as a means if measuring the value of the nation’s output” and “to assess how fast the economy has grown”. Gross domestic product (GDP) is essentially the value of all the goods and services produced in an economy and therefore are a measure of total production. Using historical data from the World Bank Group (2020) the top 5 countries

measured by GDP in 1960 were the United States, United Kingdom, France, China and Japan. By 2018, the United States remained in position 1 of 195 countries, followed by China, Japan, Germany and the United Kingdom. However, GDP is relative. A poor country can double its output, which as a percentage is higher than that of top-performing countries but remain poor. A rich country can see its GDP output fall but remain substantially wealthier than other countries. The World Bank, through the World Economic Forum, measures a country's competitiveness using 155 indicators, covering basic requirements such as infrastructure, primary education and health, macroeconomic efficiency, efficiency enhancers including higher education and training, labour market efficiency and technology readiness and finally innovation and sophistication factors such as business sophistication and research and development (World Bank, 2017, p29). These indicators reflect the progress of economic development, from an emphasis on income and productivity through health and education to social capital and the use of technologies. In the World Bank analysis, economies progress through a factor-driven stage characterised by the measurement of infrastructure, health and education to an efficiency-driven stage measured through efficiencies in labour and technological readiness to an innovation-driven economy measured by business sophistication (World Bank, 2017, p9). Considering the “complex systems” (Green, 2015, p7) that represent the interactions between social, political and economic factors an analysis of economies that have progressed to high performing status is necessary to determine a common thread that can contribute to the development of an integrated model for improving MSME support in Botswana.

#### **2.4.1 The Celtic Tiger or Kitten?**

“For the decade and a half between 1993 and 2007, the Irish economic model — the so-called ‘Celtic Tiger’ — roared” (Kitchin et al, 2014, p1069). GDP surged into double-digit

figures and unemployment became the lowest in Europe. This growth period is directly linked to the expansion of the US economy, in particular the development of the IT industry.

In the late 1980s, Ireland was one of the poorest nations in Europe. Situated in the extreme west of Europe, its only land border is with the United Kingdom, which has been contested through a bloody war for centuries. After independence of the southern counties in 1922, Ireland embarked on an “Economic War” with its neighbour, “although Britain’s share of the Irish import market had declined from eight-one percent of 1931 to fifty percent in 1937, Irish efforts to find new international markets were a dismal failure, only 5% of the country’s exports were redirected” (Dwyer, 1991, p200). The effects of the economic war persisted for decades. A largely rural economy and unsophisticated industrial and service sectors meant Ireland’s youth migrated in large numbers to destinations such as Australia and the United States. It was the epitome of a factor-driven economy. The unemployment rate was 18% with GDP growth averaging 0.2% over a 5-year period. Murphy (2000, p5) compared “Ireland to a heavily indebted banana republic”. Only 10 years later, Ireland was in the thrust of economic growth. The key to Ireland’s success were American based transnational corporations (TNCs), mostly in IT and pharmaceuticals, who needed to expand markets and saw the European Union as a prime market. Ireland offered many advantages: a skilled surplus of trained, English speaking IT experts, “macroeconomic stability” and “social partnership agreements assured pay restraint and flexible labour” (O’Hearn, 2018, p36). However, these were not necessarily the prime factors. For investors and entrepreneurs alike, Ireland offered a low-tax, low-bureaucracy business environment and, importantly, access to the European Single Market, which was established in 1993. Ireland offered tax rates of “ten percent compared with thirty to forty percent elsewhere in Europe” (O’Hearn, 2018, p37). Ireland was able to offer these low tax rates because it did not have a strong industrial base and had actually bypassed this

stage of development and moved directly into a service-based economy. Ireland traditionally a factor-driven economy based on “unskilled labor and natural resources” skipped the efficiency driven stage of development linked to “more efficient production processes and increase product quality” moving directly into the innovation-driven stage whereby the Irish economy was competing “with new and unique products and services” although indirectly through TNCs as described by World Bank (2017, p9). As stated by Murphy (2000, p13) “Ireland’s lack of industrialisation, the problem that has restrained the economy in previous decades, suddenly became a plus factor”. Ireland undercut the tax rates of more developed countries such as France and Germany, whose highly industrialised economies would be unable to cover their extensive social programmes and expenditure, if they were to cut their tax rates. In addition, unlike the highly structured economies of Europe, Ireland encouraged flexible employment practices such as part-time, temporary, fixed-term and self-employed contracting. This contributed to the needs of TNCs who considered “cheap labour and government subsidies (as) less important than labour flexibility and the ability to move commodities and profits freely” (O’Hearn, 2018, p37).

As stated by Murphy (2000, p14) it is these factors that allowed Ireland, “to act as the pontoon linking the US high-tech companies to the European Union”, arguing therefore that “the Celtic Tiger is a misnomer. It is more accurate to look at it as a predominantly US high tech multinational tiger nurtured in a special Irish tax reserve, which is part of the United States of Europe”. This is borne out by the statistics provided by O’Hearn, (2018, p40) which show that “in 1983, foreign profit repatriations made up just three percent of GDP” but “in 1999, they had risen to an astounding forty percent”. Technically the reliance on foreign investment should have had positive benefits for Ireland’s home-grown and local businesses. Breathnach (1998, p307) points to “inward investment” and more importantly “expansion of indigenous industry” (p311) as contributing factors to Ireland’s tiger economy. Although it is argued that

Ireland's indigenous sector was able to globalise their operations through beneficial links to the American IT Sector, O'Hearn (2018, p43) states that the concept of Ireland's "indigenous revival are overstated..... the Irish state limited its pressure on TNCs to link locally because stronger intervention would have undermined the basic attractiveness of Ireland as a deregulated, hands-off state". This is borne out by Clancey et al's 2001 suggestion that "Irish industrial policy (should) include a somewhat more explicit element of building on strong indigenous sectors or strong groups of connected companies or industries" (Clancey et al, 2001, p25). Ireland's growth was therefore wholly dependent on the US economy. The decline of the Celtic Tiger was matched by the decline in the US economy in 2001. The lack of technology absorption within its indigenous industries, which would have made Ireland a world leader in technologies, is highlighted by the OECD 2019 recommendations, which even years after the Celtic Tiger phenomenon states "the authorities should enhance up-skilling and re-skilling programmes to help the inactive population return to work", underscoring "training in digital skills as important" (2019, p152).

Without doubt, economic and social conditions to attract foreign direct investment worked in the short term for Ireland. In the longer term, the lack of growth strategies for locally based firms made the downturn more complex and difficult for the Irish government to resolve. This is an important consideration, as globalisation in local terms requires these links to be established for the cross fertilisation of ideas and skills and the subsequent promotion of local enterprises. It was an overreliance on foreign investment and the inability to fully reap the benefits in terms of human capital that means the Irish government must now relook at industrialisation policies and education and training programmes that should have been part of its tiger years. In other words, short term gains offered by foreign direct investment (FDI) did not translate into long term stability and growth.

Two other factors played into the Celtic Tiger phenomenon, which may be understated. Firstly, O'Hearn, (2018, p41) mentions "optimism", within the young population that was not influenced by years of underdevelopment and emigration. Secondly, Murphy (2000, p24) mentions the "quality of life" of living in Ireland as an attractive prospect for foreign investors. These represent the social capital factors that Ireland offered multinationals and should not be underestimated. Just as flexible labour was more important than cheap labour, conditions within the society may be as important as low taxes and a lack of bureaucracy. Ireland consistently ranks in the top 10 countries to live in the world (World Atlas, 2020).

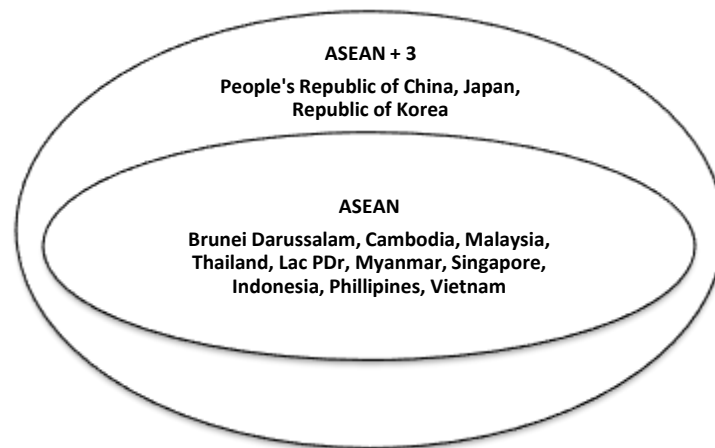
Describing Ireland's growth as a tiger economy is misleading simply because it was not sustainable and collapsed at the first major shock to the market. The importance of foreign direct investment coupled with cross-fertilisation particularly with SMEs linked to favourable investment conditions such as low tax and a skilled but flexible workforce, must be considered important factors for economic growth. Opportunity, through access to the large European Market and, in a way, the social conditions within Ireland, attracted TNCs. To become a true tiger economy is more complicated, as described below.

#### **2.4.2 The Asian Tigers**

The Asian economies are illustrated below as part of the Association of South East Asian Nations (ASEAN), based on ASEAN Centrality, Capannelli (2014, p22)).

**Figure 4**

## *ASEAN Economies*



The Asian “miracle economies” (Lee, 2002, p3) of Japan, Hong Kong, South Korea, Taiwan, Indonesia, Malaysia and Thailand actually came before the Celtic Tiger. According to Seguino (2000, p1). “the average annual growth rate of per capita GNP for the region was more than triple that for Latin America and the Middle East during the period 1965-91”. Lee (2015, p23) provides a number of key statistics for 2013: “ASEAN is the fourth largest exporter in the world after China, the U.S. and Germany”, “In 2013, ASEAN accounted for 7 percent of global exports”, “26 percent of the region’s total trade is amongst member states”, “ASEAN overtook China for the first time in terms of foreign direct investment (FDI) in 2013”, and “following the development of the original four Asian dragons—Korea, Hong Kong, Taiwan and Singapore—investment was anticipated to shift to the four tigers—Indonesia, Philippines, Malaysia and Thailand”.

Harvie and Lee (2003, p7) analysing East Asian countries, emphasising Japan, China and South Korea, which started off as “backward economies” with “sound work ethic and low labour costs” mirrored Ireland’s development start point: however, the Celtic Tiger was temporary in comparison. Taxation policies in ASEAN economies “facilitated the improvement of social benefits, infrastructural development, education, training, etc.” (Mirza and Giroud, 2004, p91) whereas in Ireland “the state abjectly failed to mobilise the fiscal

resources that were created by rapid growth in order to reduce inequality and improve social welfare” (O’Hearn, 2018, p35). It is this lack of long-term vision that separates the Celtic Tiger from the Asian Tiger.

Many have researched the concept of the “functional approach” to growth when applied to ASEAN economies. Lee (2000, p1) refers to “bedrock policies” that all governments applied, including “market friendly policies, low inflation, competitive exchange rates, broadly based human capital development, effective and secure financial systems, limited price distortion, the absorption of foreign technology and a limited bias against agriculture”. Harvie and Lee (2003, p2) summarise growth factors as simply “a high spirit of education and good primary education system” and “export led growth and development strategy” that led to “rapid industrialisation, reduced poverty and improving social indicators” (p7).

One of the key factors for the development of the Asian Tiger economies as stated by Lee (2015, p22) was “ASEAN’s acceptance of economic openness” which represented “a key requisite for growth”. Similar to Ireland and its access to the European Union market, ASEAN countries benefited from the General Agreement on Trade and Tariffs (GATT) established in 1947 for access to the US market. Access to the US market “assisted the export-oriented industrialisation strategy of these countries” (Harvie & Lee, 2003, p11). Lee (2005, p23) adds that ASEAN countries actively sought foreign direct investment by making their countries attractive to investors: “ASEAN countries have courted FDI by improving the ease of conducting business in their markets, increasing infrastructure investments and providing various investment incentives”. Capannelli (2014, p2) provides a clear statistical analysis of the benefits of the policy by pointing to Vietnam, which saw an “increase in its degree of trade openness (total exports plus imports over GDP), from 24% in 1985 to 160% in 2012”.

However, the benefit goes beyond measuring GDP. Seguino (2000, p4) advocates that the policy of “economic openness exposes domestic firms to foreign competition, forcing them to become more efficient” with Carney and Gedajlovic (2000, p254) suggesting “imports are an effective vehicle for assimilating new technology”. This suggests that countries should “pursue an outward-looking development strategy as the relationship between openness and growth appears to be fairly robust” (Carney & Gedajlovic, 2000, p254). This view is mirrored by Capannelli (2014, p8) whose statistical analysis shows that “during the period 1995-2012, the cumulated FDI inflows to ASEAN amounted to a total of USD 879 billion—about 75% of which were received during the 2003-2012 period alone, as production networks expanded considerably”.

Just like in the case of Ireland, foreign direct investment requires certain conditions to be in place to attract investors. In terms of human capital, Capannelli (2014, p2) points to “relatively large and still young population, with a growing middle class of well over 100 million people, (which) represents one of ASEAN’s major strengths”. Lee (2015, p24) states that “ASEAN’s median age was about 27 years old”. Similar to Ireland’s experiences “education policies that focused on primary and secondary schools generated rapid increases in labour force’s skills and enhanced the productivity and employability of the workforce” (Harvie and Lee, 2003, p13). The importance of the development of human capital within Asian countries is highlighted by Leewen (2008, p16) in his study of “human capital and economic growth in Asia 1890–2000” who concludes that “it is the accumulation of human capital that affects economic growth” and therefore should be “modelled as a factor of production”. Similar to the contribution of Ireland’s flexible workforce and pay restraint practices, some argue “that women’s cheap labor has helped to make Asian economies successful by lowering unit labor costs of export goods” (Seguino, 2000, p6) concluding that “inequality has been functional to

growth under some conditions”. Economic openness, human capital development and possibly inequalities are therefore key factors to consider for the development of an economic model for linking MSMEs to business support strategies. However, a further key analysis is necessary to determine the importance of the MSME sector in ASEAN economies, a factor which was largely ignored in the Celtic Tiger economy.

#### **2.4.3 SMEs in ASEAN Economies**

Unlike Ireland’s lack of focus on its indigenous MSME’s and their absorption of imported technology, the SME focus in Asia was “considered as (an) engine of economic growth and development” (Iqbal & Rahman, 2015, p262). This is also stated by Harvie and Lee (2003, p22) who suggest that for emerging economies “the development of the SME sector has the potential to expand growth, employment, exports, reduce poverty, enhance regional development, empower groups such as women, and contribute to a more crisis resilient economy”. Further, Iqbal and Rahman, (2015, p268) point to future economic policies that must “address the impact on the contribution of SMEs towards economic growth of the region”. These views tie in with the development concept of Globalisation and Localisation whereby local companies can take advantage of technological advances to compete in the global market. Lee (2015, p24) provides the example of the “low-cost attractiveness” of Vietnam “where we have seen significant investments in the electronics sector”. Demonstrating this further Iqbal and Rahman, (2015, p267) add that the SME sector contributes to “economic growth through the process of innovation” and “internationalising their activities”. The MSME sector therefore has the potential to contribute to an economy’s transition to an “innovation-driven economy”, competing “with new a unique products and services” (World Bank, 2017, p9). As the global economy “is currently experiencing a major transition from an industrial society to a new economic paradigm, where information and knowledge are the principal drivers of

competitiveness” Harvie and Lee (2003, p22) suggest the need to target growth in new “technology and skill intensive industries” (p20). Proof of the policies effectiveness is provided by Capannelli (2014, p4) who states that “Vietnam has recently entered the lower middle-income status, with a per-capita income above \$1,500”.

In addition, SMEs offer resilience to economic downturn as reliance on foreign direct investment leaves countries vulnerable to external markets, as was shown by the Celtic Tiger. As stated by Capannelli (2014, p18) “the relatively limited impact on ASEAN economies of the 2008/09 global financial crisis can also be attributed to the increase in Asian countries’ share in the group’s overall economic transactions”. Harvie and Lee (2003, p22) provide an example of the resilience offered by SMEs suggesting Taiwan “dominated by SMEs, came through the crisis relatively unscathed” whereas Korea, which “traditionally emphasised the role and importance of large enterprises, the chaebol, and suffered severely during the period of the crisis”. Capannelli (2014, p23) from analysis of ASEAN economies advocates that SMEs provide the “backbone of production systems in all ASEAN member countries” and therefore governments need to develop policies to “increase competitiveness and productivity” through “the promotion of business incubators for SMEs”. They suggest these policies should include financial support for research and development, training programmes to promote innovation and thus move enterprises up the value chain, both with the aim of attracting venture capital. Capannelli (2014, p7) takes this further by suggesting SMEs should consider “intra-ASEAN trade” significant as US and EU markets decline or stagnate.

#### **2.4.4 Social Capital in ASEAN Economies.**

Other interesting factors arise when considering the social capital aspects of development. Ireland's quality of life may have been a factor in attracting business and investment, but in Japan, it was their social networks and the fusion of family (keibatsu), school (gakubatsu) and functional relationships developed through government and industry interaction which helped to create collaborative networks. According to Lee (2002, p11) "this social exchange is what has made Japanese businesses to comply with the government's administrative guidance even when there are statutes compelling them to do so". In fact, as stated by Seguino (2000) in her abstract, within Asian societies "attitudes towards obedience" drive economic growth by reducing conflict and failure. Seguino (2000) states, however unpalatable, that gender discrimination played a role in ASEAN development, pointing to "gender norms and stereotypes that convince women to accept their low status curbs labor and political unrest, stimulating investment". This narrow view does not take into account cultural norms and beliefs within the ASEAN community. Asian society reflects "more on the priorities of a group or an organization than concern for themselves" (Varma, 2002, p348) whereby "the dominant ideology of Asian societies emphasizes hierarchy, which is ascribed and fixed" (p349). Just as investors in Ireland preferred a flexible workforce, investors in Asia benefit from a committed workforce.

In this way as stated by Lee (2002, p15) ASEAN countries developed systems to accelerate economic development that reflect their own cultures and ways of doing business: "a system based on Japan's own unique culture and tradition. The same may be said for other East Asian countries". In the end, what is important to consider when determining factors for economic growth may not be immediately visible or recordable. As stated by Jones (2016, p20)

“for accurate analysis, we must open up the ‘black box’ of the state” to accurately determine national positions on economic growth strategies.

#### **2.4.5 Correlation of Factors Influencing the Research**

The analysis of the tiger economies highlights a number of key factors that must be considered for the development of an integrated model for improving MSMEs support. These factors must be measured to determine the potential success of MSME enterprises in Botswana.

On the macro level, the economy must be open and working towards attracting foreign direct investment. Linked to this is access to potential and ultimately valuable markets such as the EU, US or emerging regional markets. To support FDI and TNCs, tax income must be reinvested to create an educated workforce that is flexible, are unlikely to make unrealistic demands, and show their commitment to the firm and its objectives. Further, this tax revenue must be used to further invest in infrastructure, education and health. Key to FDI and TNC measurement must be the ability for governments to offer low bureaucracy levels and the capacity for TNCs to move profits out of the economy.

On the micro level, the promotion of SMEs is important as it provides resilience during economic downturns. However, it is the absorption of ideas and skills by MSMEs from TNCs that can be converted into innovations, which represents a factor that must be measured. Linked to this concept of resilience are the potential markets the SME can operate in, therefore, adaption to local or regional market conditions must also be considered.

Interestingly, social factors must also be measured. In Ireland, clearly, quality-of-life factors were important but in ASEAN economies it is the interconnection of business networks

and subsequent levels of collaboration that must be measured. Further, both the Celtic and ASEAN economies have a form of social partnership agreement within their workforces that attracts TNCs. This social partnership must be carefully considered due to its importance to policymakers and potential investors.

Clearly, as stated in the analysis any future tiger economy must base its examination of innovation capability on how it has absorbed technology as a result of an open economy policy. This is key to the globalisation/localisation development scenario.

In summary, the analysis linked to the development of the proposed model must consider the factors at a local, bottom-up level in the context of MSMEs. These include Market Research (international, regional, and local), the absorption of new technologies, the rate of skills and technology transfer, the flexibility of the workforce, the commitment of the workforce to objectives, the level of resilience in the economy offered by SMEs including the adaptability of the MSME, the assessment of social capital, networks, norms and practices in relation to economic growth and finally quality of life and the optimism of the population.

Considering the hypothesis and the research question:

1. What economic factors/indicators relate to MSME success?

It is possible to suggest that the hypotheses are true.

- 1a. Economic factors/indicators that relate to MSME success can be defined.

A complete list of factors derived from the analysis of development theories and the emerging economies that can be considered for use in the integrated model can be listed as follows:

- The effective use of capital
- Productivity, which is effective and measurable.
- The development of interconnected networks of businesses and partners.
- The use of feedback to maintain relationships.
- The sharing of and commitment to objectives.
- The expertise is developed through specialisation while maintaining a cross disciplinary approach and adaptability.
- The absorption of new technologies, technology transfer.
- The adaptability/flexibility of the workforce.
- The ability to develop within a local context, to be dynamic to the needs of the local market (market research).
- The inclusion of social norms and practices within a local context.

To further develop an integrated model, characteristics of how business is supported related to the identified concluding factors must be determined, analysed and measured within context.

## 2.5 Part 3: Analysis of Business Support

According to the European Commission, small and medium enterprises (SMEs) employ less than 250 people (European Commission, 2003, p9) but account for 98% and 67% of employment (Brien and Hamburg, 2014, p61). In the UK “there were 5.4 million micro-businesses (0 – 9 employees) in 2018, accounting for 96% of all businesses”, “accounting for 33% of employment and 21% of turnover” (House of Commons Library, 2018, p5). Ezell and Atkinson (2011, p14) provide a plethora of statistics suggesting “99.8% of Korean manufacturers, 98.6% of English and Japanese manufacturers, 97.8% of German manufacturers are SMEs” that “Canada’s SMEs account for 80% of new jobs and 82% of new technologies” and within “the United States, SMEs have generated about 60% to 80% of the new jobs created annually”. Robu (2013, p86) states that “SMEs are the dominant form of business organization, representing roughly 95 – 99% of all companies” with “on average, around 31 micro-enterprises, SMEs to each 1000 persons globally” (p87). Indeed, Kushnir et al, (2010, p2) point to the fact that the “majority” of micro small and medium enterprises (MSME) “operate in emerging markets”. The World Economic Forum (2017, p xiv) recognises that most “new jobs in Africa today are in microenterprises”. Robu’s (2013, p88) statistical analysis shows that “in the countries with a lower income per capita, SMEs have a higher impact on the employment level, about 78%, compared to countries with a larger income, where the percentage goes down to 59%”.

Their importance lies in the view that governments see micro, small and medium enterprises as “a tool for promoting economic development, innovativeness and the emergence of new technology-based growth” (Bergek&Norrman, 2008, p2). In fact, “small and medium enterprises (SMEs) are considered the backbone of an economy” (Robu, 2013, p86).

The most commonly used indicators for measuring the form a business takes and its success are represented as “employees, turnover and capital” (Robu, 2013, p86). However, this view of measurement is controversial as MSMEs are characterised by other factors. Apart from traditional indicators defining the size of SMEs, arguments exist about the true characteristics of an SME. Castel-Branco (2003, p2) suggest differences in how SMEs are defined from Africa to Asia mean “there is little hope for a common set of policies and analytical tools to be successfully developed to address the SME issue” suggesting instead that definitions should consider “decisive development goals (such as the type and nature of linkages and the engines of such linkages, the nature of industrialization, the type of technology and markets to be addressed, skills to be developed)”. Tidd et al (1997, p365) observe that SMEs have “a close relationship with a small number of customers”, “are more likely to involve product innovation”, “are focused on products for niche markets”, “will involve some form of external linkage” and interestingly, “tend to be associated with growth in output and employment but not necessarily profit” (p364). Brien and Hamburg, (2014, p62) characterise SMEs as “concerned with short-term survival” making them “more flexible than large organisations” but lacking “time and resources to invest in long-term strategies”. This is an interesting point of view as profit and long-term strategies are two criteria investors use when assessing whether to invest in a business venture or not. Yusoff and Yaacob (2010, p62) add characteristics such as “lack of skills” and “insufficient capital and other basic resources”. Ezell and Atkinson (2011, p15) put forward characteristics that indicate “SME manufacturers often lack the information networks, technical skills, and resources available to larger firms” and because of this “a substantial productivity gap exists between large and small manufacturers”. In fact, even with modernist opinions involving the localisation of technology and innovation, it is suggested that SMEs “underinvest in R&D and innovation”, “are less likely than larger ones to implement

new technology” and they “lag in adopting new technologies that would make them more productive” (Ezell & Atkinson, 2011, p14).

These characteristics of MSMEs highlight the need to support SMEs to improve productivity, efficiency and skills to achieve economic development. However, Castel-Branco (2003, p2) are cautious putting forward the view that the link between SMEs and economic development is tenuous, suggesting “Small and Medium Enterprises (SMEs) have had a privileged treatment in the development literature” with “hardly any arguments are put forward against SMEs, even if development policies do not necessarily favour them”. Chinyoka (2015, p5) sums up the argument by stating “the injection of this risk capital, as is happening in most developing countries, including the SADC countries, results in the capital flowing to low-quality entrepreneurship”. This is further borne out by Tidd et al’s (1997, p16) who, suggest only 10-20% of initiatives “fully meet their success criteria” adding “studies of innovation consistently point to a high level of failure to progress” (p17). Considering the risk associated with investing in low skilled entrepreneurs who establish small and medium enterprises often linked to innovation and technology, the question which needs to be asked is why do governments “continuously put an effort to support their activities” (Yusoff& Yaacob 2010, p62)?

One reason for continued investment in SMEs apart from employment is stated by Ezell and Atkinson (2011, p14) who assert that an efficient and productive SME has a positive “impact on the competitiveness of other firms in those supply chains and on the broader economy as a whole” implying that if “SMEs are not competitive, the entire supply chain, local regions, and the broader national economy suffer” (p17). Dekker (2003, p2) asserts value chain analysis is not “intra-firm” analysis, but “inter-firm relationships” providing an evaluation of

“crossing organizational boundaries”. As pointed out by Rothwell (1994, p27) “a significant factor in Japanese competitive success is the quality of informal information exchange during product development, including interchanges at the supplier interface, leading to fast, efficient and flexible development (and manufacturing) processes”. It is therefore the collective contribution of collaborating MSMEs and businesses that provides justification for supporting small and medium sized enterprises. The argument for supporting MSMEs is provided by Robu (2013, p87) who puts forward the fact that “regardless of the degree of development and standard of living of the population of a state, SMEs are the biggest contributors to the gross domestic product” providing statistics that show 60% of GDP comes from SMEs in countries like Japan and China and 65% in the USA.

Governments therefore have a vested interest in supporting MSMEs. What must be considered is how to provide this support to increase the opportunities for long-term survival, profitability, and growth.

The objective is to create an integrated model for improving MSME support in Botswana. The model should be able to allow MSMEs to strategize and improve their performance. A strategy “can be defined as a comprehensive general approach that guides the major actions designed to accomplish the long-term objectives of a business” (Pearce, 1982, p23). Ideally strategies are used to maximise a company’s strengths and to enable the redirection of internal resources (Pearce & Robinson, 1991; p258). There are many strategic models available for businesses. These include generic strategies referred to as a focused strategy involving differentiation or a focused strategy involving low-cost, low-cost leadership (Dess et al, 2014, p288). In addition, there is the Strategic Clock which involves focused differentiation with a price premium and differentiation without a price premium, (Johnson et al, 2005, p243).

Thirdly there is a Grand Strategy which concentrates on market development, product development, concentrated growth (Pearce, 1982).

In essence, a strategy “serves to describe the organisation’s sense of purpose and plans and actions for its implementation” (Mullins, 2005, p157). However, it must be noted, that a strategy can only be developed if data is available that defines the direction to be taken. Indeed, Wickham (2001, p169) suggests strategies are more realistic in relation to “the difference between what is and what might be”. In essence “strategy is a reactive adaptation to environmental circumstances” (White, 2004, p19). Determining what those environmental circumstances are is a key element of defining strategy. Therefore, the integrated model must be able to measure factors in this environment, which, when analysed will enable MSMEs to define strategies.

Strategy can be defined by both the external factors affecting a business and the internal factors that affect the operation of a business. The external environment is defined by Robbins et al (2013, p30) as “factors, forces, situations, and events outside the organization that affect its performance”. Making sense of the environment outside of an organisation is not straightforward. Johnson et al (2005, p64) refer to the “many different influences” creating “diversity”, the “complexity” of interconnecting separate issues and the “speed of change” due to technology advances. Referred to as the macro environment, it is characterised by “variables that have a direct as well as an indirect influence on the organisation”, representing “uncontrollable environmental forces” (Smit and Cronje, 2004, p71). As Mullins (2005, p121) states “organisational performance and effectiveness will be dependent upon the successful management of opportunities, challenges and risks”. Robbins et al (2013, p123) content that “managers should develop plans that are specific, but flexible” and “be ready to change if

environmental conditions warrant”. The key is being able to predict with certainty what changes in the environmental conditions are going to take place.

The process of internal strategising involves making “decisions regarding the flow of financial and other resources to and from a company’s product lines and business units” (Wheelen & Hunger, 2012, p206). To be truly beneficial “a strategy must be institutionalised – must permeate the firm’s day to day life” (Pearce & Robinson, 1991, p295), allowing them to “knit the organisation together (McNamee, 1988, p122). Other advantages illuminate strategies as a “common language”, “guide to decision making”, “provides organisational focus”, “guides the structuring of the organisation” and as an enabler for “auditing” (Wickham, 2001, p174-5). Further, Pearce and Robinson, (1991, p304) suggest objectives provide “operating personnel a better understanding of their role in the firm’s mission”, that they become valid if “the managers responsible for the accomplishment of the annual objectives have participated in their development” and thus provide “motivational payoffs” of managerial performance. Described as Management by Objectives (MBO) Robbins et al, (2013, p118) also identifies motivational benefits of using mutually agreed objectives to measure performance.

However, caution is required. Ireland and Hitt (1999, p74) highlight that although the focus on outcomes remains important, strategic leadership must also take into account the strategy implementation processes. Although the process of setting goals and objectives for a business is documented, what is required to ensure a comprehensive link to economic factors is an understanding of the reasons why a strategy and its associated goals and objectives need to be created in the first place.

Businesses are not always successful. The reasons why businesses are unsuccessful are numerous, from financial mismanagement to low customer traffic and problems in the supply chain. Richardson, (2008, p25) states that “dogmatism is rarely an effective strategy”, that companies should “expect to be wrong (or at least not completely right)” and therefore should value and promote the importance of feedback. “Complex systems are replete with feedback loops” (Tsoukas& Hatch, 2001 p989) which are non-linear and provide “emergence, self-organization, adaptation, learning” opportunities (Richardson, 2008, p14). As stated by McNamee (2000, p5) “all markets continually send signals or messages to firms and the most successful will be those whose managers are adept at interpreting and then acting upon these signals”. Klink (2017, p61) discusses how companies should be continually “learning and adapting the position of the company” in a cycle of value which sets goals, experiments, measures results, and aligns direction (p62). It is by “circling back” and “regularly tracking performance against expectations” that an internal analysis can be meaningful (Feizizadeh, 2012, p2778). This is an important consideration, as any business strategy must be influenced by the feedback it receives.

Dalziell and McManus (2004, p1) suggest that it is possible to minimise the impact of failures “by increasing the adaptive capacity”. Quirk (2003, p99) emphasises that “adaptive responses are characterised by being more attuned to changes in environmental context”. Indeed, Mullins (2005, p126) contends that businesses “are influenced by and interact with their environment” and are therefore stated to be “in continual interaction with the external environment”. Cundill et al (2012, p63) suggests managers must know “how to deal with developments, events and trends in the organisation’s environment” however, they point out that the environment is “interacting in unpredictable ways to produce high levels of uncertainty” (p17). Reisman and Oral (2005, p165) suggest managers of businesses need to use

“Systems thinking” which “is basically thinking systematically and paying attention to the dynamic, often nonlinear or stochastic processes of interaction among resources and the environment within which the system operates”. Smit and Cronje, (2004, p61) regard the system “as a set if interrelated elements functioning as a whole”.

Stacey, (2002, p74) contends that businesses require a methodology “to follow when facing soft, ill-structured problems that include social practices, politics and culture”. Smith and Graetz (2006, p865) contend that “the danger facing managers is that applications of complexity thinking, like new forms of organizing, become reduced to an oversimplified recipe for performance in an uncertain environment”. Therefore, the mechanism or methodology to help MSMEs define their business support strategy must reflect this feedback process. The feedback process involves “screening large amounts of information to detect emerging trends” (Robbins et al, 2013, p124) and, therefore using this information effectively when “identifying latent possibilities” (White, 2004, p490). This is important, as pointed out by Richardson (2008, p25), “just because it looks like a nail, it does not mean you need a hammer”.

Models exist to assist businesses with strategizing. PESTEL categorises external forces into variables covering political, sociocultural, environmental, economic, technological and legal aspects. According to Johnson et al (2005, p68) two key questions can be answered through a PESTEL analysis. Firstly, “What environmental factors are affecting the organisation?” and secondly, “Which of these is the most important at the present time?”.

Porter’s (1980) 5 forces model analyses barriers to entry into a market (economies of scales, capital requirements), substitutes (alternatives and their perceived benefit and value), buyers (potential volume), suppliers (concentrated or fragmented) and competitive rivalry (growth

rates, capacity) (Johnson et al, 2005, p118). The framework ensures that businesses are not just “focusing their attention on direct competitive rivals” (Johnson et al, 2005, p112) but rather looking at “many other factors in the environment that influence this competitiveness” (p112).

Complementing models for analysing the external environment are models for analysing the internal environment. According to Mullins, (2005, p206) the internal environment of an organisation refers to “how things are around here”. Wheelen and Hunger (2012, p138) suggest that it is the analysis of this environment that will enable a firm to identify “critical strengths and weaknesses” and thus “take advantage of opportunities while avoiding threats”. Indeed, there are models which analyse both the internal and external environments of a business.

Value chain analysis provides information to a company in relation to the value chain within which it operates. The value chain describes the chain of activities that creates customer value when transforming inputs into outputs. Its analysis determines “how value is created or lost” (Johnson et al, 2005, p136). Porter (1990, p40) contends that “all the activities in the value chain contribute to buyer value” but asserts that this is achieved in one of three ways that can lead to competitive advantage. Firstly, by providing “comparable buyer value but perform activities more efficiently than its competitors (lower cost)”. Secondly by performing “activities in a unique way that creates greater buyer value and commands premium price (differentiation)”. Thirdly, a combination of the two.

Dekker (2003, p2) asserts that the value in value chain analysis is not an “intra-firm” analysis but has a use for analysing “inter-firm relationships”, “crossing organizational boundaries” and applying the concept of “integrating cost data across the supply chain” (p21).

This is supported by Whellen and Hunger (2012, p143) who suggest that value chain analysis should focus on the small role the firm plays in the overall chain of value creating activities.

Peteraf (1993, p179) suggests that a resource-based view of a firm offers a unique “model of how firms compete” and therefore builds on the findings of the value chain. The model focuses on the analysis of competitive advantage offered by resources that are responsible for the “generation of above-normal rates of return (i.e. rents)” (Mahoney and Pandian, 1992, p2). In essence, it is the “heterogeneity” or the ability to offer diverse resources within the same market that leads to advantage. Further in terms of these resources “supply inelasticity implies that firms that possess these kinds of resources and capabilities may be able to generate above normal profits” (Barney, 2001, p645). In the classical or evolutionary approach to strategy this is consistent with “positioning”, “focusing on the preferred value adding activities” with a market segment (White, 2004, p17). It is through this concept that strategies can then be developed based on the view that a resource’s ability can generate rent. Wang and Ahmed (2007, p7) contend that the resource basedview does not take into account the “evolutionary nature of resources” or “market dynamism and firm evolution over time” nor does it “define mechanisms that explain how resources are transformed into competitive advantage”.

A SWOT analysis looks at both internal and external factors. Mullins (2005, p159) citing the work of Asnoff (1969) suggests an analysis of strengths and weaknesses (internal) should take place “following the formulation of objectives” and opportunities and threats (external) “in the process of strategic change”. Smit and Cronje (2004, p116) recommend that evaluating internal capabilities against external change should be used to “ensure the mission statement is realistic”. Ideally, advocates of SWOT analysis are seeking a form of internal and external compatibility, “to identify the extent to which the current strengths and weaknesses are relevant

to, and capable of, dealing with the threats or capitalising on the opportunities in the business environment” (Johnson et al (2005, p102). However, it must be noted that some disparage SWOT analysis as “oversimplified and potentially misleading” (Mullins, 2005, p160).

Although tools exist to assist strategizing by looking at both the internal and external factors that affect businesses, they do not explicitly relate to the economic factors identified through the research into development. Although Barney (2001, p648) decries “will there ever be a grand, unified resource-based theory of competitive advantages?”, it must be possible to consider how a tool can be developed to analyse economic factors, and thus, assist MSMEs with devising business support strategies. Just as businesses use SWOT, PRESTEL and other models as part of their business support strategies, the devised models will represent tools in an MSMEs strategizing toolbox.

### **2.5.1 Looking into the Black Box**

Vanderstraeten and Matthyssen (2012, p658) highlight the “strategic importance of internal resources, capabilities, and competences, systematic competitive advantages”. They suggest that support is essentially “a black box, without any comprehensive, systematic connection between internal aspects and strategy”. As stated by Hackett and Dilts (2004, p64) “little progress has been made toward understanding” how businesses develop. Tidd et al (1997, p376) promote the concept of auditing but qualify this approach by stating that audits “often provide an indication of how a system and its components are performing but fail to take into account why they are successful?”. Quoting “the quality guru, W. Edwards Deming” who “pointed out, if you don’t measure it you can’t improve it” they suggest processes can be measured by, for example “the number of new products introduced”, “new ideas generated”, “failure rates”, “customer satisfaction”, “average lead time to introduction”, “number of problem solving teams” (p377).

Hackett and Dilts (2008, p458) provide an “important advance in our understanding of the inner workings of the black box of business incubation” by analysing factor components within a business, including “administrative assistance”, “resource quality”, “resource utilisation” and “incubatee learning” based on scales “that represent an important advance in scientific understanding of the key factors for the facilitation of the entrepreneurial process” (p459). A further consideration is the use of technology and innovation. As seen previously in the literature review a key measure of success for an MSME is “the rate of skills and technology transfer from FDI and TNCs to MSMEs”. It is therefore important to understand the internal environment characterised by innovative and technology driven MSMEs. For example, Rothwell’s (1994, p12) “fifth generation innovation process”, is characterised by “systems integration”, “extensive networking”, “flexible and customised response” and “continuous

innovation”. Maravelakis et al (2006, p288) add to these, suggesting innovations offered by a product must be measured including aspects such as “best use of technology”, “value for money” and “novel solution”.

The purpose of such audit frameworks, as suggested by Tidd et al (1997, p380) is to “see what you did right and wrong” or “as a way of understanding why things happened the way they did”. Maravelakis et al (2006, p286) add that “benchmarking leads to better understanding of the organisation’s current practices and makes use of systematic comparison of practices and performance with those of others, in order to develop improvement actions”. Wheelen and Hunger (2012, p138) advise that it is the analysis of this internal environment which will enable a firm to “take advantage of opportunities while avoiding threats”. Although, some advocate a post initiative audit suggesting the need for a “systematic evaluation of the success of a strategy, notably the appropriateness to environments and the effectiveness of implementation” (White, 2004, p809), others such as Wickham (2001, p174) suggests an audit is necessary before embarking on an initiative, “developing a strategy demands that the organisation’s capabilities and competencies are audited”. For the purposes of this research, an audit can be used to evaluate the internal mechanisms of an MSME at different stages of its development and thus provide a “systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes” (CIIA, 2015, p6).

Once complete, an audit can pinpoint the type of support required. The purpose of business support is described by Ezell and Atkinson (2011, p46) as an intervention “to help SMEs move from exploiting known certainties to exploring unknown possibilities”. Vanderstraeten and Matthyssens (2012, p670) list “business incubators, logistic infrastructure providers, non-profit advice organizations, for-profit advice organizations, and finance

providers” as examples of sources of strategic support for SMEs. Bergek and Norrman (2008, p13) highlight their use for “business development and entrepreneurial training, including coaching and education related to business planning, leadership marketing and sales”. Azriel and Laric (2008, p815) submit that “more and more entrepreneurs, especially those in a high technology industry, are finding it advantageous to hatch their company in one of the thousands of business incubators located in countries around the globe”. The type of support typically follows business functions such as creating “a formal business plan” or “a strategy focusing on new products and new markets” (Mole et al, 2009, p13). Ezell and Atkinson (2011, p7) also highlight the traditional forms of support covering “financial, human resources, marketing, legal, or environmental issues” also adding “supporting SME manufacturers R&D activities—that is, supporting their efforts to innovate new or improve upon existing products” (p13). This is based on the assumption of “knowledge deficit” described by as a “lack some useful entrepreneurial knowledge” (Mole et al, 2009, p8). Tan (2009, p2) asserts “these interventions are often justified on the grounds that SMEs face diseconomies of scale, imperfect information about markets, production methods and new technology, and limited access to finance as compared to their larger counterparts”.

Therefore, when considering the business support strategy, it is imperative that the research use an audit approach. From this audit strategy initiatives can be considered for improving MSMEs operations. The audit strategy will therefore have to be able to measure and provide a comparative figure which will facilitate the process of formulating how an MSME can be improved.

### 2.5.2 Supporting SMEs

Brien and Hamburg, (2014, p62) list many forms of support, including “problem-based learning”, “web-based training”, “social learning”, “mobile learning”, “mentoring”, and setting up “communities”. Ezell and Atkinson (2011, p5) highlight the Japanese practice of “KohsetsushiCenter projects”, “providing opportunities for company research personnel to gain research experience, develop new technical skills, and transfer technology back to their firms”, “to help them research and develop new technologies and products”. They suggest many countries promote technology adaption in SMEs by providing advisors “to improve manufacturing and process techniques”, “support technology transfer and commercialisation”, “promote tech/knowledge diffusion from universities” including “access to research labs/prototyping facilities”, “partnerships with SMEs” and “direct R& D funding grants” (p6). Although Pittaway et al (2004, p27) recognize that analysis of support methods and approaches “are insufficient to draw any useful conclusions”, research by Tan (2009, p26) demonstrates “improvements in a range of intermediate outcomes (training, adoption of new technology and organizational practices), as well as positive gains in sales, labor productivity, wages, and, to a lesser extent, employment” from such interventions, noting that “one or two years” are required to see the impact of such interventions.

As an audit approach is to be followed to understand the “black box”, it will be necessary to determine what internal factors are necessary to support MSMEs against the economic development factors identified previously.

Answering the research question “What strategy can be used for supporting MSMEs?” it is clear that a self-reflecting, audit-based approach based on the identified factors is

recommended. Therefore, the hypothesis “2a. A strategy for supporting MSMEs can be defined?” can be deemed as true, it is possible to define a strategy.

However, an audit based on the factors developed so far will not resolve the problem of the false paradigm. It is necessary to look at what additional factors must be included to ensure that the integrated model is applicable to Botswana.

## **2.6 Part 4: Analysis of the Target Countries – Botswana and the USA**

### **2.6.1 Botswana**

Botswana is considered “one of Africa’s star performers” (Hope & Edge, 1996, p53) and “one of the most stable economies in Africa” (CIA FactBook, 2020). Clover (2003, p2) points to “sound macroeconomic policies, strong financial management, and the implementation of incentives to attract private enterprise against a background of political stability” which “in alignment with sound management of Botswana’s diamond export earnings have been responsible for the country’s impressive macroeconomic record since independence in 1966”. Botswana has transformed from “one of the poorest countries in the world to a middle-income country” (Ajilore&Yinusa, 2011, p28). This is demonstrated by the fact that, “contrary to many resource-rich countries, Botswana implemented good economic management systems, and in years of economic boom when export revenues increased, surplus export revenues were converted into foreign exchange reserves” (Jordaan& Eita, 2009, p5). Its current “middle income status” can be attributed to “the development and growth of the mining sector and the accompanying good governance” (Hope & Edge, 1996, p58). Botswana

conforms to Porter's, 1990, concept of the Competitive Advantage of Nations by adhering to classical theory whereby "nations gain factor-based comparative advantage in industries that make use of the factors they possess in abundance" (Porter, 1990, p74).

Botswana's success can also be attributed to its society. Acemoglu et al (2002, p32) states that Botswana developed "institutions that encouraged broad based participation". Regarded by some as the oldest democracy in the world, "Botswana's democratic and peaceful values have been enshrined within the traditional value system" (Moumakwa, 2011, p4) known as Kgotla, which "pioneers serious and candid consultation for the community or society at large as well enriches a solid pattern of interaction" (p3). Therefore, extensive consultation is expected when making decisions or resolving conflicts. This is in line with Siisiainen's (2003, p200) "process of consensus" concept in society. Although consultation is regarded as an "important feature by the public administration in Botswana" (Moumakwa, 2011, p7) and "is one of the founding principles that ensures Botswana's political stability" (Grobbelaar & Tsotetsi, 2005, p3) it "often translates into vacillation and a lack of decisive and quick action" (ibid).

As stated previously, the World Economic Forum suggests Botswana is in a transition stage between an economy characterised by unskilled labour and reliance on natural resources, "factor driven" and one characterised by efficiencies in productivity, efficiency driven (World Bank, 2017, p8). Botswana's main economic activities revolve around mining (primarily diamonds followed by copper, nickel, salt, soda ash, potash, coal, iron ore, and silver), agriculture (livestock, sorghum, maize, millet, beans, sunflowers, and groundnuts) and tourism. According to Statistics Botswana (2018, p5) "Trade, Hotels and Restaurants remained the major contributor to GDP by 19.8 percent followed by Mining at 16.6 percent while Finance

and Business Services came third at 14.3 percent”. Botswana’s GDP growth rates have averaged 3.92% in the past ten years, averaging 8.2% since independence (World Bank, 2020). Botswana was placed 137 out of 229 countries in terms of real GDP growth rate and 9<sup>th</sup> in terms of gross national savings in 2017 (CIA Factbook, 2020). In addition, according to Ajilore and Jordaan (2010, p28), “per capita incomes have posted some of the highest rates of growth in the world” resulting in “recognition and classification as an upper middle-income economy, moving from a GDP per capita of U.S.\$50 in 1967 to U.S.\$2583 in 1991” (Hope and Edge, 1996, p58). As of 2017 GDP per Capital stood at approximately \$17,000 (CIA Factbook, 2020). According to Clover (2003, p2) “the country has been widely commended for its sound economic administration and fiscal discipline, and its commitment to free market principles” however, a negative consequence of this is that “a substantial proportion of society relies on the largesse of the Botswana government” (Grobbelaar & Tsotetsi, 2005, p5).

The concept of “factor-based comparative advantage” is a misnomer in a modern economy “overshadowed in advanced industries and economies by the globalisation of competition and the power of technology” (Porter, 1990, p74). Statistically, diamond mining “accounts for a third of the country’s GDP and 80 percent of its export earnings” but “employs less than 5 percent of the work force”. This problem has been recognised by the government of Botswana which “has found it extremely difficult to wean its economy from its reliance on diamonds” (Grobbelaar & Tsotetsi, 2005, p5). Supporting businesses, generating employment, and diversifying the economy have been key aspects of the government of Botswana’s development policy. Since the 1970s, as stated by Jefferis (2014, p3), the “government was ... concerned that there would be a shortage of productive employment opportunities, given limited employment creation in mining and low productivity in traditional agriculture”. The World Bank (2003, px) point to the fact that “diversification is a major policy

objective of the Government of Botswana and has been a key determinant of macro and microeconomic policy” however, they also admit that “despite this policy focus, diamonds remain the dominant export and source of foreign exchange”. Linked to this, unemployment has also been the focus of policy development. In his Inauguration Address, his Excellency Lt. Gen. Seretse Khama Ian Khama, President of the Republic of Botswana, in April 2008 emphasised the need for graduates to obtain appropriate skills to meet business requirements, “Our young people need jobs ready training and education to obtain the skills business requires. They need to be equipped with the abilities and mind-sets to excel in their jobs” (pt21). In terms of Human Capital, Botswana “spends roughly 30% of its budget on education, and has a literacy rate of 80%”, (Grobbelaar and Tsotetsi, 2005, p75).

Botswana has made many efforts to improve employment opportunities and drive diversification. As stated by Hillbom (2012, p3) “the development of a strong private sector is a goal, and the state is prepared to intervene in order to meet its overall targets and commitments”. In fact, Grobbelaar and Tsotetsi (2005, p66) state that “the relatively small size of Botswana's business sector means that business networks are fairly easy to establish”. Established in 1963, by 2017 the National Development Bank had a loan portfolio of almost P1 billion covering many sectors such as mining and manufacturing, retail, property and human capital development (National Development Bank, 2017, p11). The Citizen Entrepreneurial Development Agency (CEDA) established in 2001, has made investments worth P1.3billion to “small and medium enterprises, with the whole intention to enhance sustainability” (CEDA, 2012, p12). The Local Enterprise Authority (LEA), established by the Small Business Act of 2004, promotes diversification and innovation through incubation and entrepreneurial training for micro and small to medium sized enterprises. In 2017, the Bank of Botswana (2017, p104) reported foreign direct investment of over P80 billion, with over P5 billion invested in

manufacturing. Botswana is ranked 64<sup>th</sup> out of 138 countries in the 2016/2017 Global Competitiveness Index (World Economic Forum, 2017, p92). Grobbelaar and Tsotetsi (2005, p65) describe the “investment climate in Botswana as very business-friendly” and that “corruption is not a major issue” (p66).

In spite of this, in 2018, Botswana’s Human Development Index was measured at 0.728 “below the average of 0.750 for countries in the high human development group and above the average of 0.541 for countries in sub-Saharan Africa” (Conceição, 2019, p4). Indeed, the wealth generated by Botswana has not benefited all of its people. The World Bank (2020) states that “with a Gini coefficient of 60.5 percent, Botswana remains one of the world’s most unequal countries. The level of inequality in Botswana is the world’s third highest, after South Africa and the Seychelles”. According to Ajilore and Jordaan (2010, p28) “high unemployment and poverty incidences remain persistent and an intractable challenge”. With a population of 2.1million and an average age of 25.7 years (CIA Factbook 2020) the lack of employment remains a continuing problem, with unemployment rates of 18.19% in 2019 and constantly above 17% since 2010 (Statista, 2020). Ajilore and Jordaan (2010, p40) point out that “growth performance has been more labour productivity-driven than labour-employment driven”, suggesting overreliance on the mining sector has been detrimental due to “the capital-intensive and labour-replacing process in the mining sector”. Clover (2003, p7) adds to the unemployment discussion by including “underemployment” and “insufficient formal sector jobs, low wages, and a lack of alternative income-generating options to supplement wage income”. As previously stated, Chinyoka (2015, p2) views that Botswana is “trapped in” “underdevelopment” “defined by chronic unemployment” is shared by a number of researchers.

Jefferies (2014, p14) points out that “while some diversification has been achieved, there has been no transformation to a sustainable future growth pattern” suggesting the need to focus on an economy that is “driven by exports of goods and services to the regional and global economies, which requires competitiveness, productivity and efficiency” (ibid). Therefore, it is not just the mining sector’s capital-intensive policies that contribute to unemployment. There must be other factors that must be considered.

Jefferies (1998, p1) provides “a rough estimate” suggesting “SMMEs account for 50% of private sector employment, and 15-20% of GDP” but points out that “the SMME sector is not well documented, so there is uncertainty over the number of SMMEs in existence and the sector's economic importance” in Botswana. This is still the case with current research. Magembe and Shunda, (2007, p33) state that “studies on SMEs’ finance, development, and trade in Botswana” are “rare”. This situation has resulted in “little information regarding the entrepreneurship situation in Botswana” (OECD, 2017, p13).

In Botswana, the World Bank (2011, pi) defines “microenterprise is a business that engages fewer than five workers full time” and is largely “informal” with “nearly 70 percent”, “owned and run by women”. Further, “small enterprise is defined as employing at least five but no more than thirty workers, and a medium enterprise is defined as employing more than thirty but less than 100 workers” (ibid). Similarly, the Botswana Institute for Development Policy Analysis (BIDPA) defines types of enterprises as follows:

**Table 5*****Characteristics of SMEs in Botswana***

Type	Characteristics	No. of Employees	Quantity	Turnover
Micro-Enterprises	Informal, part-time, unstructured, residential premises, unregistered, female ownership	6 but typically 1 or 2	50,000	P60,000 (\$6,000)
Small Enterprises	Formal, may be part of the supply chain to medium or large businesses	Less than 25	6,000	P60,000 – P150,000 (\$6,000 - \$15,000)
Medium	May be involved in exporting, links to larger firms, growth opportunities	25-100 employees	400-500	P1.5 million, P5 million (\$150,000 – \$500,000)

**Notes:** Adapted from *Jefferis (1998, p3)*

In 1998 Jefferies (1998, p1) “estimated that approximately 80% of small enterprises in Botswana cease trading within five years of start-up”. In 2004, Temtime and Pansiri (2004, p18) estimated the small to medium size enterprise failure rate to be over 80%. By 2007, Sentsho et al (2007, p22) suggested survival rates for businesses in operation for 5 years was 71%. In 2017 the OCED (2017, p14) showed that “a third of entrepreneurs had been in business for at least 10 years”. Jefferies (1998, p1) adds interestingly that “most micro-enterprises do not fail, as they are “survivalist” enterprises, but very few grow beyond the typical very marginal existence”. With so many opportunities and support offered to small businesses in Botswana through CEDA, the National Development Bank, and the Local Enterprise Authority what prevents them from surviving or moving up the existence scale?

Sentshoet et al (2007, p11) suggest “the performance of SMEs in the Botswana economy, especially when it comes to manufacturing for export, has been very limited” but does suggest they are “generally competitive” because of factors such as being “open to both domestic and foreign competition”, “owners/managers with a university education”, and “institutional support” (p22). The high education levels of SMEs can be attributed to the fact

that the “education system is one of the best in Africa” but because of the inability to find formal jobs “much of the employment growth recorded in Botswana has been in the informal sector” (Grobbelaar & Tsotetsi, 2005, p37). What limits performance is prioritised by Magembe and Shunda (2007, p41) who list in order the problems faced by MSMEs including “lack of funds”, “too much competition”, “high costs of utilities”, “high costs of rent”, “lack of market”, “non payment of accounts”, “lack of training” and “unreliable employees”. “Lack of finance” is also highlighted by Sentsho et al (2007, p16) who also includes “lack of entrepreneurial skills”, an “education system against self-employment”, “lack of business start-up training”, “excessive government laws and regulations”, “lack of marketing skills” and “inherent biases against SMMEs”. The lack of finance is an interesting point considering the funds available from the National Development Bank and CEDA, whose existence is to finance “entrepreneurs in small and medium enterprises, with the whole intention to enhance sustainability, profitability, and collective contribution of the SMME sector to the overall economic performance” (CEDA, 2012, p5).

The argument put forward by Chinyoka (2015, p5) who was concerned with “capital flowing to low-quality entrepreneurship” can be summed up by analysing loan impairment rates from these institutions. When it is probable that not all of the related principal or even interest payments for a loan can be repaid, it is considered impaired. According to CEDA in 2012 loans over 5 months in arrears and loans that are foreclosed represented 46.6% of total loans (CEDA, 2012, p114). The National Development Bank 2017 report acknowledged a 208.5% increase in impairment reflecting its function to invest in “risky ventures and sectors, such as start-ups and agriculture, which are core to the Bank’s developmental mandate” (NDB, 2017, p10), which represented just over 20% of the loan portfolio in 2017. This does not compare favourably with other countries. Klein (2013) points to the fact that “higher real GDP

growth usually translates into more income, which improves the debt servicing capacity of borrowers” pointing to a high impairment rate of 11% in some European countries (p3) as an example. As Botswana has robust GDP growth, factors other than the economic downturn are at play. Sentsho et al (2007, p23) point “to lack of business culture” with Magembe and Shunda (2007, p37) highlighting non-payment of accounts by clients as “a chronic problem affecting many businesses in Botswana”. It is this problem that creates a situation where SMEs see lack of funding as a perennial issue relating to their businesses as “firms for which the repayment of the loan is more uncertain are riskier for the bank, and hence are more likely to be credit rationed” (Okurut et al, 2011, p68). This view is confirmed by Grobbelaar and Tsotetsi (2005, p74) who point to the fact that “delays in the payment of debts, even by government and government officials, occur fairly frequently” which in turn “has prompted local banks to become very selective in issuing credit and loans”. Part of the reason is attributed to “low financial literacy” (Solomon et al, 2018, p1) which when compounded leads to Zimunya and Raboloko’s (2015, p15) observation that failure “to repay will have a magnified effect on commercial banks, other institutions in the financial sector, and the rest of the economy”. Therefore, MSMEs are negatively affected by non-paying customers, who in turn prevent them from gaining finance from financial institutions due to their poor cash flow situations. This represents a key factor to be addressed in the proposed economic model.

Further, the World Economic Forum (2017, p92) sites “poor work ethic, inadequately educated workforce, access to finance, inefficient government bureaucracy, and restrictive labour regulations” as amongst the highest “most problematic factors for doing business” in Botswana. As this research has shown tiger economies are characterised by “labour flexibility” (O’Hearn, 2018, p37), “the accumulation of human capital” (Van Leeuwen and Foldvari, 2008, p16), emphasising of “priorities of a group or an organization” (Varma, 2002, p348), and

“economic openness” (Lee, 2015, p22) and Seguino (2000, p4) which are contrary to the perceptions of economic activity in Botswana.

There are many suggestions to improve MSME performance in Botswana. Nkwe (2012, p35) lists numerous initiatives, including “business advice, training and finance”, “build stalls”, “business start-up training”, “eliminate red tape” and “reduce rentals and utilities”. Magembe and Shunda(2007, p49) list “subsidized loans”, “educating SMEs about the importance of international trade”, “forming (sic) cooperative societies and joint ventures” and providing “export promotion initiatives”. Grobbelaar and Tsotetsi, (2005, p97) add “more emphasis (is) placed on skills creation”, “more cost sharing measures with the private sector” and “closer political and economic dialogue” with neighbouring countries. All of these suggestions may be possible, but they do not address the process of business development, the “black box” as promoted by Hackett and Dilts (2004, p64), and described by Vanderstraeten and Matthyssen (2012, p658) as the “internal resources, capabilities, and competences”. Nor do they address economic development in terms of social capital defined by Putnam (1996) as “the features of social life – networks, norms and trust – that enable participants to act together more effectively to pursue shared objectives”. What needs to be addressed to complete the integrated model is described by Todaro (1989, p13) as “the social system”, including “economic and non-economic factors”. Therefore, any solution must address internal, socially related factors such as the perceived poor work ethic, lack of financial management of the MSME, and the inability to make timely decisions as opposed to resolving external factors such as more finance, land, buildings, etc.

In terms of the draft economic model for improving MSMEs support strategies, the key elements to address “social capital”, the identified “external factors” of “Social Partnership

rating/flexibility of the workforce” and “Assessment of Social Capital, networks, norms and practices in relation to economic growth” provided through the analysis of tiger economies, can be derived from the research to answer research question 3. What factors affect MSMEs in Botswana?

#### **2.6.1.1 Work Ethic**

To alleviate the poor work ethic MSMEs must emphasise targets and goals to be achieved and implement traditional scientific management approaches whereby “the highest wages” are attained by “working in the most efficient and productive way” (Mullins, 2005, p69). A directive leadership approach should be implemented that “lets subordinates know what’s expected of them, schedules work to be done, and gives specific guidance on how to accomplish tasks” (Robbins, 2013, p309). Although these can be stated, as Nkwe (2012, p35) points out “a proper monitoring system to help in the running of small businesses” is required.

#### **2.6.1.2 Financial Competencies**

Improving financial literacy or capital management can be achieved through training, but implementing a successful debt management system is key to MSME survival. What is required is the “creation of a whole system of commercial relationship management so as to prevent maximally the risk of late or default payments” (Kubickova&Soucek, 2013, p98). This is a key component that if managed correctly, can lead to the availability of funds (internally and externally) for expansion not only within the domestic market but also in the international market.

### **2.6.1.3 Decision Making**

Lastly addressing social capital issues for economic development requires the development of a culture which supports a quick and effective decision-making process. As stated by Atkinson (1990, p34) “the relative health of your business culture will either support you in achieving results in difficult times or act as a barrier, a hindrance, and an obstacle that denies innovation or change”. Considering the Kgotla culture in Botswana, the MSME must exhibit participatory techniques, “consulting subordinates before making decisions” (Mullins, 2005, 299) and the use democratic styles encouraging “people to participate and involve themselves in decision taking” (Armstrong, 2009, p337). Lester et al, (2003, p342) describe this as “decentralised decision making” and “collaboration and teamwork” to gain “commitment of others to decisions” (Dulewicz& Higgs, 2004, p112). As stated by Arvey et al, (2006, p16) “individuals who are not so predisposed may still move into leadership roles if exposed to environmental factors that develop leadership”. For effective implementation of decision-making processes, business data must be collected and analysed to influence the decision makers. Robbins (2013, p336) points to the significant improvement, through the use of technology in “a manager’s ability to”, “monitor individual and team performance”, allow “employees to have more complete information to make faster decisions” and make available “more opportunities to collaborate and share information”. Therefore, the MSME must be able to utilise technology to process data to assist with decision making.

In conclusion, considering these three factors, the gaps must be carefully considered so they can be filled in the draft integrated model.

**Table 6**  
***Social Capital in the Draft Economic Model***

Economic Development	Factors
Social Capital	<ul style="list-style-type: none"> <li>• Social Partnership rating/flexibility of the workforce</li> <li>• Assessment of Social Capital, networks, norms and practices in relation to economic growth</li> </ul>

This means that the hypothesis is true 3a. Factors that specifically affect MSMEs in Botswana can be identified.

Considering the false paradigm argument, what must be considered is how to make the factors identified and the integrated model applicable to the target environment, in this case Botswana. The objective of the research is to “Define factors which affect MSMEs in Botswana”. Therefore, further refinement of the factors is necessary. This must be achieved through the analysis of social capital, the “the social system” (Todaro, 1989, p13). Linked to this is a true definition of what an MSME is and how it can be measured. Therefore, the society in which MSMEs operate and what actually represents an MSME are key focuses for how the integrated model will be defined.

## 2.6.2 The United States

A study of the United States provides an opportunity to determine if the proposed model can be analysed in a different context and still produce a result that matches expectations. The purpose is not to compare the United States and Botswana directly, although some comparisons may be interesting. The purpose is to determine if the model is applicable in different economic settings.

The US is ranked first in terms of nominal GDP above China, Japan and Germany and accounts for 24.4% of the global economy, above China (16.34%), Japan (5.79%), Germany (4.4%) and India (3.27%). Botswana is included among “the 168 countries outside the top 25 (that) make up less than a fifth of the total global economy” (Silver, 2021). Although this comparison of a highly developed country compared to a country in transition from factor driven to efficiency driven has the potential to provide comparison data that analyses the MSME function in a developing environment and a developed environment, the purpose is to determine if the model will produce expected results in different environments.

The USA economy is characterised as the “American dream” described by Chetty et al (2017, p1) as “absolute income mobility – the fraction of children earning or consuming more than their parents” and therefore linked to the “degree of economic opportunity”. This concept is related to factors that characterise economic development and the theories of development growth, including human capital development: “30% of U.S. growth between 1950 and 1993 is attributable to the rise in educational attainment, 50 percent is attributable to the rise in

worldwide research intensity” (Jones, 2002, p1). The US is regarded as a “global leader” in innovation, particularly in relation to “patents, venture capital, and RandD” (Roper et al, 2010, p35).

The US has a history of MSME development and innovation. Sam Walton opened his first Walmart in 1962 based on the concept of “offering lower prices and great service” which some believed “would never work” (Walmart, 2021). Apple Computers was founded on the April, 1<sup>st</sup>1976 with the ideal of making computers “user friendly” (Library of Congress, 2021). Amazon started as a book seller (Time, 2021). Agyapong (2010, p196) states that “MSMEs and entrepreneurs have boosted many economies, like the USA”. MSMEs are regarded as the “backbone of the American economy” with “30 million SMEs accounting for nearly two-thirds of net new private sector jobs in recent decades” and “98 percent of all identified U.S. exporters” (Office of the United States Trade Representative, 2021). Indeed, the US regards SMEs are important drivers of innovation within the economy: “SMEs are an important source of innovation processes, products, and services and can be more efficient at producing innovation than large firms” (United States International Trade Commission, 2010, pxi).

As an economy, the US corresponds to the characteristics of “innovation driven” as set by the World Bank whereby countries “are able to sustain higher wages and the associated level of productivity only if their businesses are able to compete with new and unique products and services” (World Bank, 2017, p9). Factors that characterise innovation driven economies include “business sophistication” and “Research and Development innovation” (p31). According to Jorgenson et al, (2000, p125) “technology is profoundly altering, the nature of business, leading to permanently higher productivity growth throughout the economy”. Jones (2002, p31) having analysed sources of economic growth in the US suggests that “growth in

any particular country is driven in the long run by the implementation of ideas” however, he also suggests that “pushing the technological frontier” is “unsustainable. In the long run, these changes must come to an end, and when this happens, U.S. growth rates can, *ceteris paribus*, be expected to fall considerably”.

Gordon (2012, p2) suggests that within the US economy “the benefits of ongoing innovation on the standard of living will not stop and will continue, albeit at a slower pace than in the past”. The reasons for the slower pace are termed “headwinds” including “demographic dividend; rising inequality; factor price equalization stemming from the interplay between globalization and the Internet; the twin educational problems of cost inflation in higher education and poor secondary student performance; the consequences of environmental regulations and taxes that will make growth harder to achieve than a century ago; and the overhang of consumer and government debt”.

This corresponds to the observation by the OCED (2018, p9) that the US economy’s “current expansion” is “one of the longest on record” but it is also “one of the weakest over the past half century”.

Interestingly, in the US, despite the “abundance of digital innovation” labour productivity growth only averaged “1.2%, well below those observed in the previous expansion (2.6%)” (OCED, 2018, p14). Indeed, Corrado et al (2009, p661) had suggested that although information technology is “apparent in the marketplace, its manifestation in the macroeconomic statistics on growth has been slow to materialize”.

The OCED (2018, p14) suggest “contributing factors include “weak rates of business entry and exit, tighter regulations, and the lack of knowledge spillover among firms”. Krueger (2017, p37) also points to a “social concern” suggesting “the decline in labour force participation”, “largely the result of an aging population”.

In terms of the proposed integrated model, it is interesting to note that in Corrado et al’s (2009, p683) study of US growth, they highlight the importance of “intangibles” which they submit should have a more prominent role in measuring economies, suggesting “that intangibles, and more generally, knowledge capital, should be such an important driver of modern economic growth”.

In summary, what we have are two different but not perfect countries to analyse. The US can be characterised by its reliance on innovation through ideas, knowledge acquisition and high levels of technology use but with declining productivity, a key aspect of development theory. Botswana has a growing economy characterised by mineral wealth and a desire for diversification and industrialisation. The two provide an interesting juxtaposition for analysing the results of the proposed model.

### **2.6.3 The United States and Botswana reviewed.**

A perceived difference exists between both economies because of the differences between a factor driven economy and an innovation driven economy and the number of stages to move from one stage to the other. This is compounded by an analysis of the economic statistics from the two countries, which shows a high level of contrast:

**Table 7*****Economic Indicators Comparison***

Economic Indicators	Botswana	USA
Human Development Index 2019	0.735	0.926
Human Capital Ranking 2017	91	6
Competitiveness Ranking 2019	91	2
Innovation Ranking 2018	91	6
Doing Business 2019	86	8
Expenditure % of GDP 2020	36.38%	35.68%
Education Expenditure (%Bud) 2009	20.48%	13.40%
Gov. Health Expenditure 2017 (%Bud) 2017	14.32%	22.55%

Adapted from *Alldata now*, 2021

The table clearly shows large differences in the economic data, particularly when comparing competitiveness, innovation, and doing business. Expenditure as a percentage of GDP is similar, with Botswana spending a larger percentage on education than the USA. This data shows significant differences between each economy, particularly for competitiveness, innovation and doing business, key aspects of MSME operations.

The literature review clearly noted that the US economy is growing at a slower pace than previous periods of growth and that labour productivity is below that observed in previous economic expansions. A decline in labour force participation and an aging population are linked with social issues such as “the mushrooming opioid crisis” (Krueger, 2017, p4), “lack of improvement in the poverty rate (which) reflects a weakened relationship between poverty and the macroeconomy” due to “increasing inequality” particularly among minority communities (Hoynes, 2006, p66) and the assertion that “innovation does not have the same potential to create growth” (Gordon, 2012, p18). In Botswana, political stability, democracy, and diversification drive development but progress is slowed as shown by the concerns highlighted in the analysis such as capital mismanagement, failure to make timely decisions, and issues with work ethic. Considering these points, it is possible to suggest that the integrated model must be able to address societal issues highlighted in the literature review to allow MSMEs to prosper.

Indeed, the business society in the US is defined as ““corporate liberalism,” which hypothesizes “a tendency toward greater liberalism on the part of the more dominant or central corporations in American society” (Burris, 1987, p732). Andersen (2020, p118) lists key changes that contributed to modern American society and business through the 1980s:

- “The deregulation of business by (the) government accelerates”.
- “Federal enforcement of antitrust laws that rein in corporate power suddenly shrinks to a fraction of what it has been”.
- “The top income tax rate on the richest is reduced from 70 percent to 28 percent”.
- “After a century of wages increasing in sync with increases in productivity, that synchronization ends”.
- “Median household income stagnates, and median wages decline”.
- “The large-scale movement out of poverty for black men from 1960 to 1980 stops”.

In fact, Hoynes et al (2006, p66) suggests that “despite robust growth in real GDP per capita in the last three decades, U.S. poverty rates have changed very little”. This view is mirrored by Edelman (2012, p1) who points out that “wages for those who work on jobs in the bottom half have been stuck since 1973, increasing just 7 percent”. Hoynes et al (2006, p66) attribute this to “weakened relationship between poverty and the macroeconomy” (p66), a key premise and reason for the development of the integrated model.

It is interesting to note that both societies have their own characteristics in terms of their effects on business. Botswana’s MSMEs are characterised by financial issues, flexibility and the need to improve its approaches to decision-making, productivity and the supply chain. The US is dominated by a libertarian approach which supports large corporations through deregulation, which negatively affects society in terms of equality. It must be questioned if it

is possible or even reasonable to compare societies. Castel-Branco (2003, p2) suggest “there is little hope for a common set of policies and analytical tools” for MSMEs from different countries. However, there is a further factor to consider. The study of two opposites in terms of economic development, from the point of view of the World Banks classifications (factor driven and innovation driven) does not provide an adequate starting point when considering how society affects business. Therefore, there is a need to consider the US data as a counterpoint when creating an integrated model specifically for Botswana,

The United Nations suggests countries “graduate” (United Nations, 2010) from Least Developed Country status, which Botswana achieved in 1994, or “transition” between development stages (World Bank, 2017). This mirrors the functional approach to development. The outdated and somewhat troubling “first world” and “third world” terms are replaced by “developed” and “developing” countries. This research clearly shows that the distinction between how society functions within each functional classification is not obviously apparent. Considering this, it is clear that a complex systems approach to developing the integrated model has the potential to more accurately contribute to the improvement of MSMEs in developing countries. Indeed, different societies have different issues to deal with. What is a problem in one society may actually be an advantage in another. Each factor in the integrated model must be considered in terms of its relationship with other factors to truly form the complex interactions that reflect society. For example, how financial management relates to relationships within the supply chain must be linked further to how failure to meet objectives and goals affects productivity and thus the motivation to remain within the sector or move to another sector (flexibility). It is these linkages that must be fully determined and then measured against those of other countries before they can be assessed.

## **2.7 Part 5: Development of Draft Integrated Model**

Research question 4 states, “How can an integrated model for improving MSME support in Botswana be defined?” Considering the economic factors of localisation and globalisation an integrated model is needed to determine how well a company is positioned to take advantage of technology and innovation. In line with the concept of measuring internal processes as proposed by Hackett and Dilts (2008) and Tidd et al (1997) the factors must be derived from what Mullins (2005, p206) refers to as “how things are around here”.

The factors identified through the literature review as contributing to the success of tiger economies can be described as external to the SME, such as tax rates of the government, infrastructure development, and level of foreign direct investment. The purpose of business support strategies is to look at the internal workings of MSMEs to determine potential factors which, allow them to harness external factors effectively. It must therefore be possible to link the factors identified as contributing to successful Tiger economies to factors that promote successful SME organisations within the overall framework of economic development.

A detailed analysis of this linkage is provided in Appendix A. Analysis of Business Support Interventions, External Factors and Economic Development Concepts. The table shown in appendix A takes four (4) models and concepts of business development already discussed in this literature review and applies them to economic development theory and the factors identified through the analysis of Tiger economies. These are Tidd et al’s (1997, p378) Innovation Management Questions, Hackett and Dilts’ (2008, p463) Incubator Construct items/references, Maravelakis et al’s (2006, p288) Innovation attributes: Product Dimension and Rothwell’s (1994, p22) 5th Generation Innovation model.

From the analysis of these theories, it is possible to link key operational and structural factors from inside the “black box” which have the potential to influence economic development. These can be summarised as follows in terms of production, the team, the business environment, and society.

### **2.7.1 Capital, Finance and Productivity**

The analysis shows that the acquisition of capital is dependent on the SME being geared towards the development and production of a product that has an advantage over its competitors through a technological edge, a higher quality standard or other non-price factors produced in an efficient time-based manner. A successful SME is therefore characterised by its approach to efficiency. This may be the use of Six Sigma for “performance improvement” (Pyzdek, 2003, p6), traditional scientific management approaches whereby “workers would be motivated by obtaining the highest possible wages through working in the most efficient and productive way” (Mullins, 2005, p69) or the combination of lean thinking, and lean production (Schuh, 2011, p1132). In addition, “flexibility” “to stay alert to environmental changes that may impact implementation and respond as needed” (Robbins et al, 2013, p123) must be considered. Therefore, two key factors emerge from the analysis. Firstly, can the product be differentiated in the market, and secondly, can the MSME produce the product efficiently. Tying this together is how the MSME measures its efficiency in developing and producing the product.

Therefore, factors that can be considered under production following the concept of measurement as proposed by Tidd et al (1997) include the rate the product differentiation in the market, how to determine production efficiency scientifically and the measurement of production flexibility.

Deficiencies in these factors can allow a targeted support response to improve data collection, efficiency and productivity.

### **2.7.2 The Team**

The analysis of the literature review highlights that an MSME must have clear goals and objectives, a corporate strategy “which serves to describe the organisation’s sense of purpose and plans and actions for its implementation” (Mullins, 2005, p157). It “must be institutionalised – must permeate the firm’s day to day life” (Pearce & Robinson, 1991, p295), allowing the management of the SME to “knit the organisation together” (McNamee, 1988, p122) through a “common language”, “guide to decision making”, “organisational focus”, “structuring of the organisation” and as an enabler for “auditing” (Wickham, 2001, p174-5). The reasons are clear when considering Human Capital. Pearce and Robinson, (1991, p304) suggest objectives provide “operating personnel with a better understanding of their role in the firms mission”, providing “motivational payoffs” for managerial performance.

The MSME must also emphasise the characteristics of a learning organisation “concerned with the development of new knowledge or insights” (Armstrong, 2009, p714) involved in “situated learning” (Handley et al, 2006, p643) whereby practitioners “share actual experiences”, “difficulties and insights” and thus “learn from each other and build on each other’s expertise” (Wenger, 2004).

In addition, the successful MSME must have a “flat structure with little hierarchy” (Mullins, 2005, p1046) as an enabler of knowledge management, “concerned with people and how they acquire, exchange and disseminate knowledge” (Armstrong, 2009, p219). As

observed by Mohr and Spekman (1994, p139) “when parties engage in joint problem solving, a mutually satisfactory solution may be reached”.

Therefore, factors that can be measured within the concept of the team include the quality of management and implementation of strategy and objectives include the level of commitment to the strategy and objectives, the level of commitment to working together to resolve problems and the efficiency of the organisational structure for sharing and disseminating information.

Deficiencies in these factors can allow a targeted support response to improve strategic direction, motivation, and teamwork.

### **2.7.3 The Business Environment**

The analysis of the literature review in terms of localisation and globalisation highlights existing literature in relation to the environment companies operate in, whereby “strategy is(sic) a reactive adaptation to environmental circumstances” (White, 2004, p19). Therefore, the MSME must be aware of “factors, forces, situations, and events outside the organization that affect its performance” (Robbins et al, 2013, p30) and that these may represent “uncontrollable environmental forces” (Smit & Cronje, 2004, p71).

In terms of the environment, a successful MSME must be considered as part of a “system” which adheres to the “notion that a firm takes resource inputs and attempts to convert them into outputs of higher value” (Wickham, 2001, p105). It must be an example of what Robbins et al (2013, p25) regards as “open systems” which “are influenced by and interact with their environment” and are therefore stated to be “in continual interaction with the external environment” (Mullins, 2005, p126). “Systems thinking” therefore “is basically thinking

systematically and paying attention to the dynamic, often nonlinear or stochastic processes of interaction among resources and the environment within which the system operates” (Reisman & Oral, 2005, p165).

The analysis in Appendix A links to the literature review, which highlights two key elements of this system, the interaction with other companies, such as suppliers, and the market the MSME operates in. The MSMEs role within the system is defined by its position and the value it adds within a supply chain, the “inter-firm relationship”, “crossing organizational boundaries” advocated by Dekker (2003, p21). The factors that emerge through the analysis define how an MSME works with suppliers to develop products, adopt new technologies, and strategically integrate into the supply chain. This ultimately refers to the MSMEs ability at “networking” “creating and maintaining beneficial relationships with others in order to accomplish your goals” (Robbins et al, 2013, p195). Secondly, the MSME must have a firm understanding of the in which market the company intends to sell its products. This could be in terms of market size, competition within the market, and a systematic approach to identifying opportunities.

Overall, in terms of the market, MSMEs can use several tools to analyse the external market, such as PESTEL or Porter’s (1980) five-forces framework. MSME must not consider “focusing their attention on direct competitive rivals” (Johnson et al, 2005, p112) but rather look at “many other factors in the environment that influence this competitiveness” (p112). It is expected that through this concept, an MSME would analyse barriers to entry into the market (economies of scales, capital requirements), substitutes (alternatives and their perceived benefit and value), buyers (potential volume), suppliers (concentrated or fragmented), and competitive rivalry (growth rates, capacity) (Johnson et al, 2005, p81).

However, it is the MSMEs ability to react to the environment, shown in the analysis, that is ultimately important. As stated by Robbins et al (2013, p123) “managers should develop plans that are specific, but flexible” and “be ready to change if environmental conditions warrant”. Therefore, the concept of a dynamic market must be considered by MSMEs, whereby the “evolutionary nature of resources” and “market dynamism and firm evolution over time” are used to “define mechanisms that explain how resources are transformed to competitive advantage” (Wang & Ahmed, 2007, p7). Attention to feedback is critical to understanding the market. “Complex systems are replete with feedback loops” (Tsoukas & Hatch, 2001 p989) which are non-linear and provide “emergence, self-organization, adaptation, (and) learning” opportunities (Richardson, 2008, p14). The MSME must consider itself as part of a system and therefore “as a set of inter-related elements functioning as a whole” (Smit & Cronje, 2004, p61). It is because of this interdependence that the MSME must know “how to deal with developments, events and trends in the organisation’s environment” (p63).

Therefore, factors that can be considered under the category of environment include the strength of the network developed by the MSME, an evaluation of the position the MSME attains within the supply chain, how well does the MSME understand the market, how well does the MSME react to changes in the environment, how well is the MSME integrated into the system and an evaluation of feedback mechanisms and ability to respond.

Deficiencies in these factors can allow a targeted support response to networking, contribution to the supply chain, flexibility, market analysis, and cooperation within the system.

## 2.8 Summary - A Draft Model

All the above factors need further refinement and in no way represent a complete and finalised list. A draft integrated model for improving MSME support is shown below:

**Figure 5**

***Draft Integrated Model***

Economic Development	External Factors	Factor Analysis	
	<ul style="list-style-type: none"> <li>• Tax rate in comparison to regional economies</li> <li>• Reinvestment of Tax income in Infrastructure, Education and Health</li> <li>• Level of resilience in the economy offered by SME</li> <li>• Current level of industrialisation and its effectiveness</li> </ul>	<p>Capital and Production:</p> <ul style="list-style-type: none"> <li>• Are the staff in the MSME Financially Literate?</li> <li>• Does the MSME have policies and procedures to deal with late or default payments?</li> <li>• Does the MSME record data and analyse information generated to aid decision making?</li> <li>• Rate the product differentiation in the market?</li> <li>• Determine production efficiency scientifically?</li> <li>• Measure production flexibility</li> <li>• Does the MSME set realistic goals and targets for employees?</li> <li>• Does the MSME have a system for monitoring target and goal achievement?</li> </ul>	
Capital and Productivity		<p>The Team</p> <ul style="list-style-type: none"> <li>• Quality of management and implementation of strategy and objectives</li> <li>• Level of commitment to the strategy and objectives</li> <li>• Level of commitment to working together to resolve problems</li> <li>• Efficiency of the Organisational Structure for sharing and disseminating information</li> </ul>	TARGETED MSME SUPPORT
Human Capital	<ul style="list-style-type: none"> <li>• Level of Education, skilled workforce</li> </ul>		
Localisation and Globalisation	<ul style="list-style-type: none"> <li>• Market potential – international, regional, local</li> <li>• Level of Foreign Direct Investment/Transnational Corporations within the economy/region?</li> <li>• The rate of skills and technology transfer from FDI and TNCs to MSMEs</li> </ul>	<p>The Environment</p> <ul style="list-style-type: none"> <li>• Strength of the network developed by the MSME</li> <li>• Evaluation of the position the MSME attains with in the supply chain</li> <li>• How well does the MSME understand the market?</li> <li>• How well does the MSME react to changes in the environment?</li> <li>• How well is the MSME integrated into the system?</li> </ul>	

Interestingly, the emphasis on social capital from the analysis represents factors not explicitly included in other models. This is potentially because tacit knowledge of the environment represents “knowing how to do something”, the “can do” (Beardwell& Holden, 1997, p298) which is not easy to extract and “is shared only with the consent and participation

of the individual” (Dess et al, 2015, p130). However, even with this gap, the model presented provides a roadmap that can be used to develop targeted support to comply with current international thinking, where a new paradigm of “fit to size” solutions rather than “one size fits all” (Bokova, 2014) has emerged. These approaches are characterised by the need to “engage with their local contexts, to build new partnerships for improving the quality and relevance” (UNESCO, 2016, p12) based on “informed and locally grounded approaches” (International Labour Organisation, ILO, 2011, p6). The factors identified are essentially generic measurements that can be applied to any MSME in any market environment. In fact, evaluating, through an audit process as proposed by Hacket and Dilts (2008) and Tidd et al (1997) to unlock the operational and structural aspects of the “black box” represents a standard function that should be carried out by all successful organisations. Analysing the product, management, organisational structures, and the market, evaluating teamwork and networking and applying six-sigma and Porters five forces are nothing new to businesses. The approach generically links business support strategies to economic development factors. However, this view is oversimplified. It is this generalisation that assumes that training and supporting MSMEs is enough to ensure success. As indicated in the introduction, the majority of MSMEs do not have the ability, knowledge, or skills to successfully harness technological advances or adapt to take advantage of environmental changes. Smith and Graetz (2006, p865) contend that “the danger facing managers is that applications of complexity thinking, like new forms of organizing, become reduced to an oversimplified recipe for performance in an uncertain environment”.

The factors highlighted in the proposed integrated model must be confirmed. By seeking support for a highly industrialised nation with a history of supporting small and medium enterprises, it will be possible to confirm if the factors suggested through the analysis of the literature review are applicable.

## CHAPTER 3: RESEARCH METHODS AND DATA COLLECTION

### 3.1 Introduction

Through a comprehensive literature review which delved into the historical concepts and models of economic development, relating these to the best of the tiger economies and linking together the processes of the “black box” of business development with an emphasis on MSMEs including “cultural feasibility” (Melão&Pidd, 2000 p21), the proposed integrated model must now be confirmed, and field tested to provide a valid and reliable tool for use by entrepreneurs.

The research aims to gather sufficient information through a comprehensive literature review and quantitative and qualitative mixed research approaches:

“To define an integrated model for improving MSME support in Botswana”.

The first part of the methodology is to carry out research to complete the first objective:

1. Determine which economic factors/indicators relate to MSME success

Secondly the methodology will progress to addressing the following objectives:

3. Define factors which affect MSMEs in Botswana
4. Define an integrated model for improving MSME support in Botswana

which is based on the outcome of:

2. To determine strategies for supporting MSMEs

And finally, a third stage of the methodology will complete the fifth objective:

5. Verify the integrated model for use by MSMEs in Botswana

Although probable, it cannot be stated that the draft integrated model in its current form is either valid or reliable. In its present state, its application may have negative consequences for businesses. Further research is therefore required to determine if the hypothesis represented by the model can be a useful addition to the entrepreneur's business toolbox.

Having provided a definition of the concept of the integrated model based on a review of the existing literature in the previous chapter, the next stage of the research process requires the development of a "deeper understanding" (Creswell, 2012, p45) of this model. These factors are the key drivers for Chapter 3: Research Methods and Data Collection.

### **3.2 Research Approach and Design - The Mixed Methodology Approach**

Denzin (2009, p26) suggests that using only one method in a research project would result in conclusions that could not be "free of rival interpretations", advocating that "no single method, theory, or observer can ever capture all that is relevant and important". Denzin (2009, px) advises that there exists a need for "triangulation, or the combination of measurement strategies, as one strategy for resolving the inherent biases of one measurement technique". Jick (1979, p602) describes triangulation as "largely a vehicle for cross validation when two or more distinct methods are found to be congruent and yield comparable data". Indeed, Creswell (2012, p259) also defines triangulation as a method of ensuring internal validity through "the process of corroborating evidence from different individuals".

Jack and Raturi (2006, p350) suggest "that the methods should complement each other's strengths and subvert the other's weakness" to ensure a robust theory is delivered when using methodological triangulation. Further, "inference" from triangulation (Jack and Raturi,

2006, p353) can generate new and important theories and overcome bias (as originally identified by Denzin) in research to improve reliability and validity.

Johnson and Onwuegbuzie (2004, p21) highlight the ability to “provide stronger evidence for a conclusion through convergence and corroboration of findings”, and “used together, produce more complete knowledge necessary to inform theory and practice” as strengths of the mix methodology approach. These benefits reflect Greene and McClintock’s (1985, p524) goals of triangulation to “strengthen the validity of the overall findings through congruence and/or complementarity” whereby congruence refers to the “similarity, consistency, or convergence of results” and complementarity refers to “enriching expanding upon clarifying or illustrating the other results”. The mixed methodology will aim for confidence in the results (Jick, 1979, p608) and, therefore, “confirmation” as stated by Risjord et al (2001, p46).

However, it must be noted that triangulation alone will not ensure research validity. Further tools are required that together complement each other “reducing the possibility of getting the answer wrong” (Saunders et al, 2009, p156). Risjord et al (2001, p41) suggests that triangulation may be perceived as “nothing more than two studies packaged as one”. Although this may seem simplistic, the fact is that inappropriate design can “amplify” the limitations of triangulation (Jack & Raturi, 2006, p355). These limitations are highlighted by Noble and Heale (2019, p68) who state that although “Triangulation offers richness and clarity to research studies” it can be “time-consuming”, “may not be achieved in a uniform or consistent manner”, is “complex” and its usefulness “maybe overestimated in some studies”.

Taking these points into consideration, how the mixed methodology is to be designed and implemented must be carefully considered.

### **3.3 Designing and Implementing the Mixed Methodology**

Greene et al (1989, p256) define “mixed method designs as those that include at least one quantitative method, (designed to collect numbers) and one qualitative method, (designed to collect words)”. Bryman’s (2006, p3) definition mirrors Green et al’s 1989 definition, both of which highlight the reality that triangulation “is taken to include the combined use of quantitative research and qualitative research to determine how far they arrive at convergent findings”.

The research into the integrated model will follow a three (3) stage methodology. Through each stage, further insight into the proposed integrated model will be gathered to determine if the factors identified through the literature review are relevant, and applicable.

The research can be depicted as a three-stage approach:

**Table 8.*****Three Stage Research Approach***

- Stage 1 - Literature review of development theories and economies which have emerged from a factor driven classification to determine an outline of the factors to be used in the integrated model Expected Output – List of factors to be used in the Integrated Model	- Stage 2 part 1 - Use online questionnaires to access data from MSMEs in another developed country to confirm or otherwise the elements of the integrated model derived from the literature review Expected Output – confirmation of the factors identified through the literature review	-Stage 2 part 2 - Use online questionnaire and interviews with MSMEs and those who support MSMEs to determine what additional factors can be added to the integrated model to make it applicable to Botswana. Expected Output – how the factors in the integrated model should be adapted to meet the MSME business requirements in Botswana	-Stage 3- Verify the integrated model through questioning MSMEs to determine if the factors are relevant if they require support to implement each factor. Expected Output – verification of the integrated model in Botswana
---	--	--	---

The basic research methodology proposed for the integrated model can be described as “Equal status of qualitative and quantitative approaches QUAL + QUAN” where “Qualitative and Quantitative data is involved separately in some or all research stages” (Heyvaert et al, 2011, p8) meaning simultaneous analysis of the data will be required. It also aligns with data transformation whereby qualitative or quantitative data will be useful for both “statistical analysis” and will allow a “narrative” will be converted, “so that both can be analysed together” (Caracelli& Greene, 1993, p197). These are in line with Greene et al’s (1989, p270) identified strategy - “analysis is (are) done separately but some integration occurred during interpretation”.

The aim of the three-stage approach is to corroborate the validity and reliability of the integrated model, in line with Shiffman et al’s (2004, p419) requirements for a “systematic, replicable, and reusable” model. Ultimately, the results of the research will attempt to confirm the integrated model for MSME use.

### **3.4 Population and Sample of the Research Study**

The concept of sampling takes the views or concepts of a sub-group within a larger population. The views of the population can be “generalise(d)” (Saunders et al, 2009, p210) through the sample. It is important to keep in mind the need to have a sample size which is significant to develop the “necessary confidence” in the data (Saunders et al, 2009, p220). A high response rate is necessary, “large enough to provide you with the necessary confidence in your data” (Saunders et al, 2009, p219). They refer to the “law of large numbers”, suggesting the “mean calculated for the sample is more likely to equal the mean for the population”. This measure represents a critical element of each stage which involves the qualitative capturing of data. Therefore, the sample size should be statistically significant. For the purposes of this research, it is this confidence that can be further enshrined in the data by the use of a hybrid approach that combines both probability and non-probability sampling in a form of triangulation.

The population for this research can be categorised into two distinct groupings. Firstly, the actual MSME which could be involved in any type of business from IT related, to manufacturing, to retail. Secondly, those who support MSMEs either through the provision of capital or through training and consultancy.

The first grouping can be split further into three further distinct groupings. Firstly, MSMEs from a developed nation can confirm if the factors derived from the literature review are relevant. Secondly, MSMEs from Botswana, representing a factor driven economy, can provide an in-depth analysis of the factors to determine if they are applicable to Botswana, and if they are required to improve MSMEs business practices. Finally, a third set of MSMEs also from

Botswana, can be asked to verify the integrated model to determine if indeed it is relevant and appropriate.

Determining a sampling strategy for the MSME population is more difficult. Not only is accessing MSMEs in the USA difficult, within Botswana specific details of MSME activity are “rare” (Magembe&Shunda, 2007, p33) with the OCED (2017, p13) suggesting there is “little information” related to entrepreneurs in Botswana. This is not uncommon. In many cases populations are disadvantaged by a lack of a sampling frame “a complete list of all the cases, in the population” (Saunders et al., 2009, p214). Indeed, soliciting the views of an entire population is time consuming and could be very costly. Further, it is unlikely that access could be provided to all members of a population. As the population size is unknown and the sample frame is not available, it is not possible to statistically calculate a sample.

The philosophy for Stage 2 is to investigate “what is happening” so that “logical generalisations” can be made, (Saunders et al, 2009, p240). Therefore, non-probability sampling must be considered. Although Tansey (2007, p14) points out that researchers consider “non-probability sampling is inherently inferior to probability sampling” and should only be used when probability samples are not possible, Saunders et al (2009, p233) suggests that non-probability sampling provides an opportunity to “gain theoretical insights” and provide “information-rich” material. Different non-probability sampling techniques can be considered to reduce the population of MSMEs to a manageable size to represent the entire population. Careful consideration is required to ensure the analysis of the data gathered from the sample remains valid and reliable. It is likely that in order to achieve this it will be necessary to gather data from what is perceived as the most important examples to understand “what is happening” so that “logical generalisations” can be made (Saunders et al, 2009, p240). This approach is

referred to as critical case sampling and will require the same approach to “homework” as stage 2. Interviewees can be selected through this form of purposive or judgemental sampling that will best answer research questions. Tansey (2007, p1) calls this “elite interviewing”.

The philosophy behind stage 3 is to verify the model and thus “generalise” (Saunders et al, 2009, p210) the views of the population. Although Schreuder et al (1999, p284) contends that the “smallest  $n$  elements of a population” cannot be representative of the population it is possible to identify a sampling frame that links all MSMEs related to a particular entity. Within this sampling frame, a variety of MSMEs, each providing a different and possibly unique contribution to the MSME, can provide valuable insight into how finance is managed, how they collaborate within the business environment, and how they work as a team. Further, the population can be broken down in terms of sector to determine how representative it is of the make up of MSMEs within Botswana. In this way, a wide range of MSMEs can provide data, which provides a number of advantages. These include the chance, or probability, of each case being selected from the population is known and is usually equal in each case. Further, the sample can be stated statistically as representative of the population, and as such, can make generalisations to the population. Finally, the approach is regarded as a rigorous form of sampling in quantitative research (Saunders et al, 2009, p213 and Creswell, 2011, p145, p146)

Getting access to participants will require a form of electronic “door knocking” and “courtship-ritual” (Tracy, 2019, p12) similar to part 1. Stages 2 and 3 will involve sending out emails with links to the online questionnaire, which will provide quantitative data and in the case of the stage 2 self reflection, qualitative data. This form of electronic “door knocking” can be advantageous if sent to people who have already been identified and spoken to in advance. This helps prevent the email being “routed to their junk email boxes” (Tracy, 2019, p165) and

actually may be “the best route for reaching busy professionals who can respond to questions sporadically over the course of several days” (p167). As the questionnaire is online, responses can be tracked. If the targets are not being met further interventions can be made to contact additional MSMEs businesses, such as phoning them to remind them to complete the questionnaire.

As the sampling frame is unknown in stage 2, achieving a suitable total of respondents may prove difficult. Therefore, in conjunction with purposive sampling, snowball sampling, asking participants to “identify others” will also be utilised (Creswell, 2012, p146). Although bias may be introduced as participants suggest respondents with comparable views (Saunders et al, 2009, p240) it will be the responsibility of the research to use their own “judgement to select cases”, (Saunders et al, 2009, p237). It must be noted that the approach of self-selecting sampling cannot be statistically quantified without a large enough population size, a major disadvantage for validity and reliability.

Schreuder et al, (1999, p283) suggests that non-probability sampling is “chosen for ease of interpretation or analysis” and is “ad hoc” in nature. Tansey (2007, p10) also suggests that participants “can misrepresent their own positions in ways that raise questions over the reliability of their statements”. Reliability can be strengthened by considering the sample size. Although the target sample is 80 the method of data collection must be factored in. The population is theoretically country wide and international. The use of online research overcomes the disadvantages of localness to become a “knowledge enabler” (Davenport &Prusak, 1998, p130). The use of online questionnaires has the potential to allow for larger numbers of responses, allowing more reliable data to be collected. Therefore 80 respondents

represent a target, anything over this figure will improve the validity and reliability of the analysis.

Those who support MSMEs represent a population who can take part in formal interviews to illicit their views on the main points raised within the integrated model. This will require access to the managers, particularly the decision makers, as their insights will be key to developing the integrated model as an auditing tool. Although both Creswell (2012, p441) and Saunders et al (2009, p234) suggest conducting interviews until “data saturation” is reached, Creswell reiterates the view that “20-30 interviews” will be necessary as “a rule of thumb”.

How these organisations and managers will be approached is an important consideration. “Homework” (Tracy, 2019, p70) will be required to identify the relevant organisation. The 2020 Botswana Telecommunications Corporation phone book lists 8 banks, 6 training institutions, and 7 companies offering training services within the selected research area. Unlisted in the yellow pages are numerous small to medium size colleges, and universities, including the two government sponsored universities, University of Botswana and the Botswana International University of Science and Technology (BIUST).

Approaching these organisations will require some “door knocking” in order to get access to participants. As pointed out by Al Lily and Al Lily (2020, p2), although “academics collect data by using the method”, “very few have written about this experience in the methodology section, nor have they composed independent manuscripts dedicated to this experience”. Therefore, apart from identifying potential participants through the phone book, additional identification will be required through finding businesses along the street or through recommendations will be required. Although identification is one important part of the

sampling process, the second important element is to get access. Phoning for an appointment or visiting the premises and asking for an appointment, reminders may be necessary to get access to the relevant managers and decision makers within the business. As stated by Tracy (2019, p12) “researchers must thoughtfully consider whether they have the personal sustenance and resilience for the countless phone calls, follow-up emails, and courtship rituals required in order to get access to their chosen scene of study”. Clearly, Cameron’s suggestion of the need to be “versatile and innovative” is true (2011, p106).

As the population size is low and can be determined with reasonable accuracy, it is possible to use probabilistic sampling. This is described as “the most important form of sampling as it allows you to use probability theory to calculate the probability that a particular sample could have occurred by chance” (Oakshott, 2001, p17). It is necessary to consider some form of stratification of the population to create subsets or clusters that are “naturally occurring groups” (Saunders et al, 1997, p230). As Oakshott (2001, p21) suggests, stratified sampling can be used if the responses are “determined by each category”. In this case, categories might be listed as business support services (e.g. banks) and business training organisations (e.g. colleges).

Stratified sampling requires that each stratum be represented proportionally (Saunders et al, 1997, p228). Therefore, it is possible to use quota sampling that “reflect the proportions” of each subset in a population (Oakshott, 2001, p24). In this case, the quotas can be set at 8 business support services and 12 business training organisations. However, caution must prevail. Schreuder et al (1999, p284) suggests that although with quota sampling “accurate estimation of a population attribute may be possible”, it is not possible to provide “an objective measure of precision”. Additionally, Tansey (2017, p13) notes “there is a risk of omitting important respondents through chance”.

### **3.5 The Next Step**

Berk and Ray (1982, p394) conclude that “the selection problem and all of its solutions rest fundamentally on one’s ability to properly model both the substantive process and the selection process in the original population”. This view is reflected in the three-stage mixed methodology approach proposed for this research. However, this is only one element of the methodology that leads to success. The sampling strategy, “courtship rituals”, validity/reliability of the instruments converge to provide what Saunders et al (2009, p146) support the view that the “use of different data collection techniques within one study”, confirms “that the data are telling you what you think they are telling you”. Before carrying out actual research on the selected sample the next steps to consider ethical considerations related to the research strategy.

### **3.6 Study Procedures and Ethical Considerations**

“I is at the centre of ethical” (Jennings, 1998, p22). Onken et al (1999, p11) points out that ethical issues “are often ambiguous, subtle, and complex” and are “not easily resolved”. The Belmont Report (a 1979 response to poor ethical practices in medical research in the USA) lists 3 key principals when defining ethics as “respect for persons, beneficence/non-maleficence and justice”. The report’s recommendations represent a starting position for “all stakeholders in the research process to understand the inherent ethical issues” (Greaney et al, 2012, p38). Elisberg and Helse (2002, p1599) are of the view that the first principle, respect for persons, involves “two fundamental ethical principles: respect for autonomy and protection of vulnerable people” which can be dealt with by obtaining informed consent and voluntary participation.

Having established a sampling strategy for the integrated model, the research process must be further analysed to determine how participants within the sample will be treated ethically. Resnik (2015) defines the use of “ethical values” as “essential to collaborative work, such as trust, accountability, mutual respect, and fairness”. As substantial interaction is necessary, this is important as these participants can influence the integrated model’s development through interviewing.

To start with, each of the proposed interviewees will have to be contacted and access granted. As these are business support organisations, permission may be denied for many reasons. For example, the research may be deemed to be an “intrusion on their right to privacy” (Saunders et al, 2009, p195). Creswell (2011, p170) recognises that “all researchers disrupt the site they are studying” and advocates for “obtaining permission and clearly communicating the purpose of the study”. This must be part of the “homework” and “door knocking” ritual in order to ensure that the data collected is reliable and accurate.

Gaining access to an organisation and thus access to potential participants will likely be through “organisational gatekeepers” (Saunders et al, 2009, p170). For the purposes of this research study, these organisations may be those that support businesses such as financial organisations, legal organisations such as company secretaries, those involved in providing educational services, suppliers, marketing companies, project managers, and of course the business owners themselves. Two documents will therefore be produced: an “information sheet” providing details in relation to the integrated model research and a “consent form” for those involved to sign (Saunders et al, 2009, p190, p191).

Saunders et al (2009, p190) advises that “participant’s consent (is) given freely and based on full information about participation rights and use of data”. Information about the integrated model will be included in the information sheet including “the nature of the research”, “the requirements of taking part”, “the implications of taking part and participant rights”, “the use of data collected and the way in which it will be reported” and “Whom to contact if there are any questions about the research” (Saunders et al, 2009, p190, p191).

“Deception”, either direct, “where there is a deliberate effort to provide misinformation” or indirect, “when the purpose of the research is not fully disclosed” (Boynton et al, 2013, p7) will not be part of this research. Creswell (2012, p231) advises researchers “not engage in deception about the nature of the study” and Takyi (2015, p869) contends that forms of research that involve deception “cannot thrive in the present-day research environment”. Potential participants can decide whether to give their consent to taking part in the research after reading the information sheet. Salmon (2015, p40) defines “informed consent” as the process of “obtaining verbal or written permission from an individual to take part in a research study voluntarily” (p38). The key principles of informed consent are listed by Salmon (2015, p38) and involve ensuring that “All relevant aspects of what is to occur and what might occur should be explained to the potential research participant”, that the “the potential participant should be able to understand this information”, that the “the potential participant must be competent to make a mature judgement” and that “the agreement to participate should be voluntary and free from coercion”.

Emmanuel et al (2006, p7) uses the terms “competence, disclosure, understanding, voluntariness”. Indeed, both Saunders et al (2009, p192) and Creswell (2012, p149) advise that an “informed consent form” should be provided to participants information relating to the “right

to withdraw” anytime, that there is “voluntary participation” in the research, what the “purpose” of the study is, the right to “ask questions” and “obtain results” and the right to “anonymity” including the signing the form which means they are agreeing to take part.

Once consent has been given, Creswell (2012, p231) states that “the researchers’ quest for information should be tempered by proper ethical constraints aimed at protecting the participants”. As the proposed techniques will require face to face interaction (informal interviews), there is a need to develop a trusting relationship with business support participants. However, there is a balance between trust and the need “to probe participants for potential rich data, while at the same time maintaining sufficient distance” (Guillemin &Heggan, 2009, p292). Obtaining rich data is demanding and requires “questioning motives” (Guillemin &Heggan, 2009, p295). Interviewees may not reveal information, incurring an interviewee bias, if proper consideration is not given to the process of gaining access and interviewing. Conversely through “comments, tone, or non-verbal behaviour” (Saunders et al, 2009, p327) the interviewer may introduce their own bias. As acknowledged by Roy et al (1991, p91) data should be judged based on “fact and truth” and “not by submission to custom, convention, authority, brilliance, or emotion”.

Additional issues that must be considered are highlighted by Emmanuel et al (2006, p8) include “minimal risk :– avoiding risky invasive questions or answers that can be traced back to the participant”, “undue inducement :– getting someone to take part when they may not be willing to”, “coercion :– participants may feel there will be negative consequences if they do not take part in the study” and “exploitation :– when people who participate are unable to defend themselves, as researchers may be perceived to have more power, knowledge and control”. Further issues relating to “data integrity:– accurately collect, record, and store data

and not fabricate, falsify or delete data” and “conflict of interest :– researchers must be certain that there is no conflict of interest in how they plan, report, and present the research” should pervade the research.

It is important to consider how to end interviews. It will be necessary to debrief participants at the end of each observation and interview. Reviewing the points recorded to ensure they are captured correctly, summarising all interview findings for further comments or clarifications and providing an opportunity for clarifications, and further questioning, possibly to the “gatekeeper” will provide a further mechanism to prevent potential unethical practices creeping into the research.

A summary of the ethical approach used when carrying out the research is summarised below:

**Table 9**

***Ethical Approach Summary***

Participant	Information Sheet	Consent Form	Debrief	Protection of Participants	Deception Interviews and Observation	Deception Questionnaires	Confidentiality
MSMEs	✓include confidentiality clause	✓online questionnaire consent form	✓at end of questionnaire	✓Promote trust ✓Minimal Risk ✓No Undue inducement ✓No Coercion	✓avoid interview bias ✓avoid interviewer bias using appropriate comments, tone and non-verbal behaviours ✓do not get too close when observing ✓avoid losing perspective ✓avoid “observer effect” ✓use participant as observer approach	✓don’t ask leading questions ✓don’t ask two questions in one ✓don’t ask hypothetical questions	✓store conceptual data separately ✓link data sets with special codes ✓save interviews in separate word documents ✓assign numbers or aliases to keep identifies confidential ✓do not share data outside the study ✓omit off the record information ✓avoid accidental or deliberate disclosures
Business Support Services	✓include confidentiality clause	✓for interviews	✓at end of interview	✓Data Integrity ✓No Conflict of interest			

The use of online questionnaires will dominate the methodology due to the need to gather data from different countries and beyond the local environment. Collecting data electronically “is less time consuming, allows for automatic data capture, and for real time data tracking” (Rayport& Jaworski, 2001, p342) thus negating the shortcomings of traditional research, including the drawbacks of localness. Further ethical considerations are required when considering the online questionnaires to be used by MSME participants. Substantial scrutiny of questionnaires will assist in avoiding potential deception. Although unintentional, deception may result from poor questionnaire design. Oakshott (2001, p17) provides the “don’ts” of questionnaire design, which may negatively affect data analysis. These include “don’t ask leading questions”, “don’t ask two questions in one”, and “don’t ask hypothetical questions”. Each has the potential to tilt the analysis away from its true direction.

Electronic data confidentiality is now a dominant concern, particularly when using online questionnaires. Putten and Vander (2007, p403) define confidentiality as a “principle of respect” submitting that failure to maintain data security and thus the risk to confidentiality “can occur at various stages of a research project, including data collection, processing, storage, and dissemination”. It is therefore imperative to ensure that participants are comfortable and feel free when providing information for the study.

For the purposes of this research project, the following provisions will be implemented to ensure data security and confidentiality:

- “Store contextual data separately from interview transcripts” (Saunders et al, 2009, p335) with data sets linked using a special code number.
- “Each transcribed interview should be saved as a separate word-processed file with a file name which maintains confidentiality” (Saunders et al, 2009, p485).
- “Assign numbers or aliases” to maintain individual confidentiality when “analysing and reporting data” (Creswell, 2012, p231).
- Data will be viewed as confidential and not be shared with “individuals outside the study” (Creswell, 2012, p169).
- “Off the record” information will be “omitted from analysis” (Creswell, 2012, p231).
- Accidental or deliberate disclosures will be avoided (Wiles et al, 2006, p8).

Indeed, further investigation of what Data Protection Acts, legislation and institutional rules as recommended by Mondada (2013, p184) will be initiated.

How ethical considerations are implemented throughout stages 2 and 3 are presented in Appendix D. Proposed Ethical Implementation Framework. This will represent the guidelines to be used and followed throughout the research process.

### **3.7 Further Considerations**

Onken et al (1999, p11) advises that “ethics should be an issue that receives as much attention as the methodology design of a study”. This is supported by Saunders et al (2009, p184) who state that researchers must “ensure that the way you design your research is both methodologically sound and morally defensible to all those who are involved”. The proposed sampling approaches make certain reliability and validity through sampling approaches that firstly target high numbers of experts and secondly quantifiably target participants from a number of diverse MSME businesses. However, the integrity of the final strategy will be determined by those who participate in the study. Throughout, the research process has been embedded with ethical approaches to ensure the findings are morally defensible (Appendix D). However, even though these processes are in place, ultimately it is the “self-consistency and self-governance” (Roy et al, 1991, p91) of the researcher that will have equal importance.

Each ethical principle provides a dilemma for the research. Considering the disparity in views and the overlapping nature of research ethics researchers are faced with very difficult decisions when reconciling “the tensions between the search for rich data”, “with the ethical demand to protect participants from harm” (Guillemin & Heggan, 2009, p295). Unethical research practices can adversely affect the integrity of this study, not to mention introducing sampling bias (through nonresponse and volunteer bias) which “can introduce inconsistency” affecting both internal and external validity (Berk and Ray, 1982, p352). The “double-edged sword” and intersecting arguments relating to ethical behaviour make it difficult for an

individual researcher to truly have confidence in his or her actions. This research will therefore take a “proactive research ethics” (Benatar & Singer, 2000, p826) approach, discussing potential ethical issues within the study, and thus opening an avenue to ensure ethical compliance. The research tools are provided in Appendix E.

### **3.8 Materials Instrumentation of Research Tools**

#### **3.8.1 Overview of Research Instruments**

Several data collection tools have been developed for research into the integrated model.

The first is an online questionnaire for stage 2, part 1. This will be used to confirm the model in a developed economy.

This Online Questionnaire for MSMEs consists of 3 main sections and 29 questions as follows:

1. A non-compulsory pre-questionnaire section, gathering information about the respondent, including position, gender and years with the company.
2. A demographic section requesting information about the company itself. This section will ask key questions relating to the MSME, including company name, date of incorporation, location, sector, number of employees, source of capital, annual turnover, etc.

The questions include 3 questions that are used to measure the success/failure of the MSME. Question 3 will determine how long the MSME has been in operation, on the assumption that long term survival is a key success factor. Question 5, number of employees

over the past 3 years indicates if the company is expanding through more orders or a larger share of the market. Finally, question 9 will determine if the company has been increasing revenue over the past 3 years.

3. A section ranking questions in which respondents rate research-driven statements. This section consists of 19 key questions covering, society, teamwork, environment, and productivity. These questions represent the key analytical focus of the study for both the Botswana and US participants.

The full questionnaire can be found in Appendix E.

If an MSME is asked if they carry out a particular process related to economic factors, the simple answer may be yes or no. However, the research needs to consider more detailed responses, which will allow for the formulation of solutions to improve MSME performance.

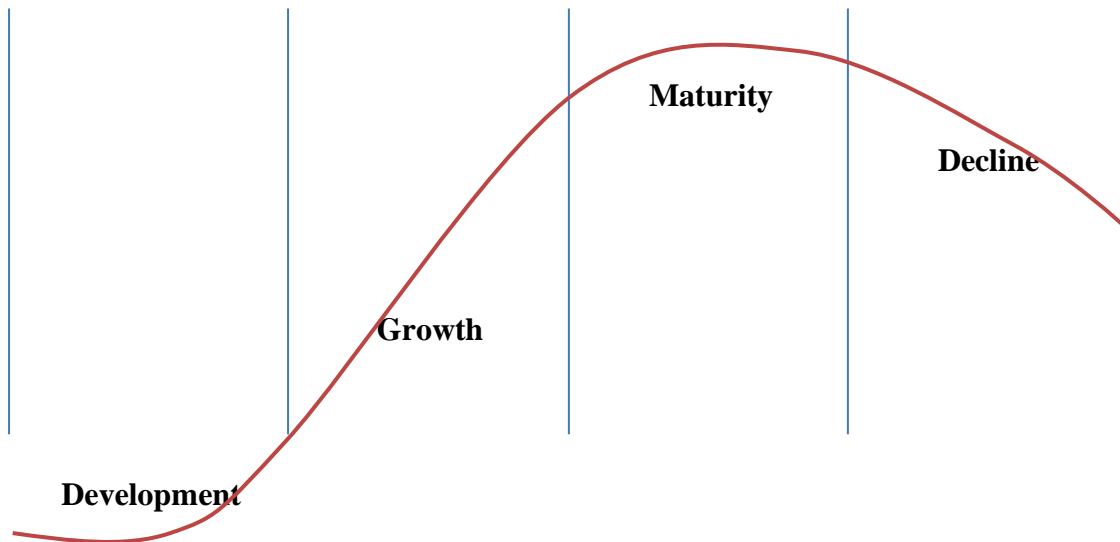
Therefore, the two extremes of the rubric scale must be 1. We do not do this, and 5. We do this very well. In between these extremes, we need to consider the processes involved in applying business processes and procedures in relation to economic factors. MSMEs may, for example:

1. Have not considered the process.
2. Have considered the process but are not implementing it.
3. Have considered the process and are implementing it but mostly as a trial or an attempt.
4. Are actually doing it but they need to improve the process or monitor it more closely.
5. Are doing it very well.

This represents a progressive scale, and related to the life cycle (McNamee, 2000, p121) of the MSME.

**Figure 6**

***MSME Life Cycle***



The stages can be characterised as:

Development :– The MSME is starting up and is working out how best to begin and set up its processes. They would therefore be associated with the lower end of the rubric. At this stage, the MSME is at high risk, as there is no certainty that the business will succeed. Therefore, entrepreneurs may be careful and even hesitant to introduce new business processes. Conversely, they may also not have the knowledge to implement the process as it is related to economic factors. They are characterised by the responses:

- We don't do this at all.
- We have thought about implementing this but have not made much progress implementing it.

Growth :– as the MSME moves into the growth stage with “accelerating increased sales” and “rapid increase in market share” (McNamee, 2000, p122) there becomes more awareness of the need to have business processes in place and are therefore much more willing to try different concepts in order to maintain the business. They may also require assistance to introduce processes with which they are unfamiliar. They are characterised by the responses:

- We are aware of this and do try to implement but it is mostly informal.
- We have formal processes in place to achieve this, but they could be improved and/or monitored more closely.

Maturity :– a mature MSME promotes efficiency, economies of scale, and customer preference. Although “sales may continue to increase, they do so at a slower rate” (McNamee, 2000, p122). At this stage, the MSME has the experience to ensure its operations run smoothly, and therefore, their responses may be characterised by:

- We have very strong processes in place to achieve this, which is constantly monitored.

It must be noted that MSMEs may actually have a very short life cycle or even a very long-life cycle, depending on the nature of the business or the product they are selling. Indeed, an MSME may not even reach the maturity state as it declines, having been unable to improve its processes or not being able to correctly analyse the feedback from its monitoring processes.

Considering this, the responses can be listed on a scale as follows:

1. We don't do this at all.
2. We have thought about implementing this but have not made much progress implementing it.
3. We are aware of this and do try to implement but it is mostly informal.
4. We have formal processes in place to achieve this, but they could be improved and/or monitored more closely.

5. We have very strong processes in place to achieve this which are constantly monitored.

Once the data from this questionnaire is collected and analysed, the same questions can be asked to Botswana MSMEs as part of stage 2, part 2. In addition to these questions, to determine how the factors are implemented in Botswana, an additional self reflection section is added covering 6 key areas:

1. Productivity Evaluation
2. Decision Making Evaluation
3. Goal Setting Evaluation
4. Business Environment Evaluation
5. Information Evaluation
6. Finance Evaluation

This section includes the gathering of both quantitative and qualitative data from MSMEs to gain further insight into their operations and their views on the proposed factors that make up the integrated model. These questions are designed to provide a deeper insight into the operations of the MSMEs and to seek potential solutions that in the view of the MSMEs themselves, are necessary to improve their operations. These questions are found in Appendix E.

How these questions relate to each factor is shown below.

**Table 10**  
***Relationship of Questions***

Factors	Teamwork	Environment	Capital and Productivity
Rating Questions	10, 11, 18, 20, 21, 22, 23	15, 16, 24, 25, 26, 27, 28	12, 13, 14, 17, 18, 19
Reflection Questions	36, 37, 38, 39, 40, 50, 53, 54, 55	41, 42, 43, 44, 45, 46, 47, 48, 49, 51, 52	29, 30, 31, 32, 33, 34, 35

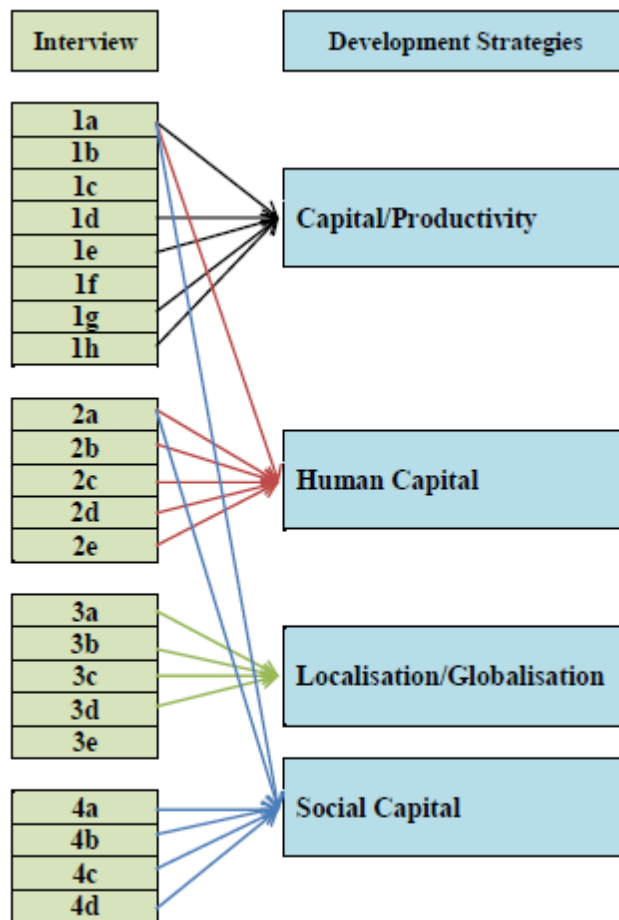
For the second tool, the formal interview will, also, begin with a demographics section. This is followed by a series of questions relating to each of the factors. As an open discussion, many of the questions represent discussion points, allowing the interviewee to express their views widely. It is expected that through this conversational approach, it will be possible to follow threads and ideas as the interview progresses and not necessarily follow the questions in order. The questions therefore represent a guide to the discussion.

The discussion on capital and productivity should cover the following themes: workforce productivity, commitment, objectives and strategy, measuring productivity and financial competencies. Similar human capital should explore themes of teamwork, goal orientation and problem solving. Issues relating to localisation and globalisation will include themes covering networking and supply chains. The discussion on social capital will cover a wide range of themes, including financial capabilities, leadership perceptions, and work ethics.

How the questions relate to the research is illustrated below.

**Figure 7**

***Mapping Interview Themes to Development Characteristics***



In the same vein as the online questionnaire, the formal interview questions illustrate the complex interactions that highlight a key aspect of the integrated model.

The analysis of the data generated from both of these stages will influence the third stage questionnaire. This questionnaire will be used to verify the integrated model. As with the first questionnaire, MSMEs will be asked to complete a series of questions about the factors represented in the model. Two key questions will be asked for each factor. Firstly, each MSME should rate the importance of the factor for the successful operation of their MSME. Secondly,

they should rate the need for support to implement the factor for the successful operation of their MSME. For example:

Q. Rate the importance of goal setting for the successful operation of your MSME?

Q. Rate your need for support with goal setting for the successful operation of your MSME.

For each question, a Likert scale, will be used as follows:

**Table 11**

***Verification Likert Scale***

Rate the importance of XXXXXXXX for the successful operation of your MSME

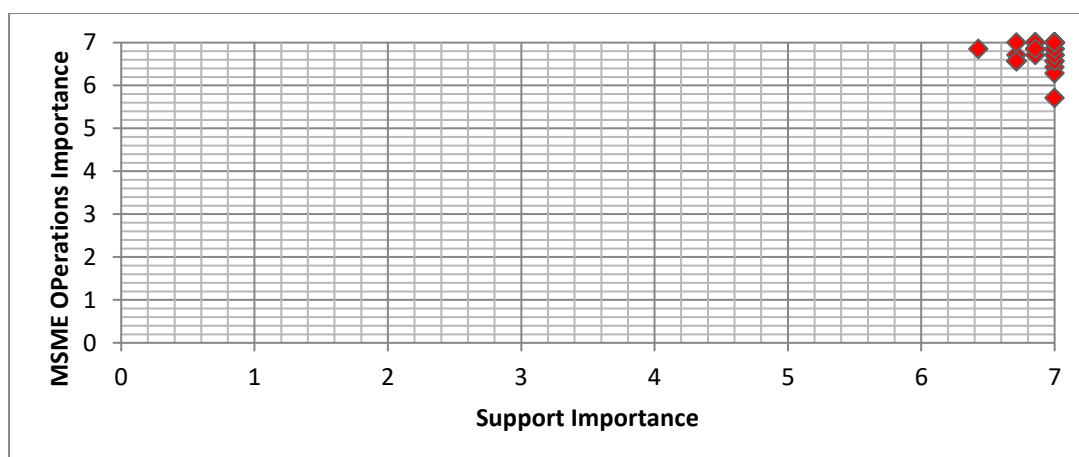
Not related to the operation of my MSME	Not so much important to the operation of my MSME	Important to some degree in the operation of my MSME	Very Important to the operation of my MSME	My business could not operate without doing this
---	---	--	--	--

Rate your need for training/support in XXXX for the successful operation of your MSME?

No Need	Very little training/support is needed	Need to some extent training/support is needed	Very high need for training/support
---------	--	--	-------------------------------------

The results of the questionnaire can then be presented on a scatter graph.

**Figure 8***Verification Graph*



This graph has 4 quadrants.

**Figure 9**

***Verification Quadrants***

Important for MSME Operations but Support not required	Important for MSME operations and support is required
No need for Support and not necessary for MSME Operations	Support is required but not important for MSME operations

If the responses to the factors are in the top right quadrant, then it must be included as a factor in the integrated model.

This final analysis will formalise the integrated model for improving MSME support in Botswana.

### **3.9 Validity and Reliability of the Instruments**

Reliability refers to the results from a research instrument being “nearly the same or stable on repeated administrations” and “free from sources of measurement error and consistent”, (Creswell, 2012, p627). Creswell (2012, p170) accepts that “all researchers” have the potential to “disrupt” the operations of the organisation they are investigating; however, following the homework procedures of asking “permission” and “communicating the purpose of the study” will “lessen reservations” of participants as they continue their day-to-day assignments. It is therefore important not to introduce “bias” or beliefs during the discussions to ensure the reliability and validity of the responses (Saunders et al, 2009, p327).

The data instruments presented reflect internal consistency which “measures the consistency of responses” (Saunders et al, 2009, p373). Within the instruments used in this research, it is possible to implement internal consistency through “alternative forms”, whereby groups of similar questions are correlated. These are referred to as “check questions” using

“alternative forms of the same question or groups of questions” (Saunders et al, 2009, p374) within the same questionnaire as can be seen in the illustrations above.

As many of the proposed questions in the questionnaire instrument require a response based on a scale, it is possible to measure the coefficient on questions that are deliberately designed to be similar, e.g., “strength of association” (Creswell, 2012, p347). Kimberlin and Winterstein, (2008, p2277), note that having “multiple items to measure” improves reliability. Although, Saunders et al (2009, p374) suggest using “check questions sparingly” as “it is often difficult to ensure that these questions are substantially equivalent. Respondents may suffer from fatigue owing to the need to increase the length of the questionnaire, and they may spot a similar question and just refer back to their previous answer”.

For the purposes of this research, the check questions can be correlated as follows:

**Table 12**  
***Check Question Analysis***

Integrated Model	Teamwork	Environment	Productivity
Quantitative analysis@ Online questionnaire	10, 11, 18, 20, 21, 22, 23	15, 16, 24, 25, 26, 27, 28	12, 13, 14, 17, 18, 19
Qualitative Self-reflection Data Analysis “Online questionnaire	32, 33, 34, 36, 37, 38, 39, 53, 54, 55	41, 42, 43, 44, 46, 47	29, 36, 47, 48
Strategy	35	45	30, 31, 40

The online questionnaire and the data collection tool for the interview can be found in Appendix E. Research Tools. Also included are Appendix F. Gatekeeper Letter and Appendix G. Informed Consent Form.

Part 1 and part 2 of stage 2 were launched on the 11<sup>th</sup> of October 2020. The survey ended on November 22<sup>nd</sup>, 2020. The stage 3 instrument was launched in May 2022.

### **3.10 Proposed Data Analysis Techniques**

#### **3.10.1 Data Collection**

Data Collection took place in October and November 2020. The methodology represented a mixed approach involving qualitative data collected through informal interviews and quantitative data collected through two surveys. The first survey collected data from MSME businesses in the USA to confirm if the factors generated through the literature review are relevant. A second survey collected similar data from Botswana but added additional self reflection questions for Botswana MSMEs to have a better understanding of how the factors affected them. A third survey then verified the findings of the first and second surveys.

In addition, for stage 2, qualitative data was collected through the use of formal interviews. 11 interviewees represented business support services as follows:

- Financial Controller
- Business Security Services,
- Industrial plot properties for renting
- BIUST Business Faculty
- Contractor
- Bank of Baroda – Investment
- EdFin – Financial Advisors
- Micro Investor
- Procurement Manager

- Business Educator
- Company Secretary, Legal and Tax Advisor

### **3.10.2 Data Analysis Preparation**

The data has been collected and now requires preparation for analysis. Preparation requires 2 key activities. Firstly, there is the requirement to analyse the reliability of the data. Secondly, the qualitative data must be quantified.

Reliability means the results generated by a research instrument are error free and consistent. The questionnaire uses “check questions” using “alternative forms” (Saunders et al, 2009, p374) within the same questionnaire. As more than one question relates to each category it is possible to check reliability through testing internal consistency which “measures the consistency of responses” (Saunders et al, 2009, p373). The tool used for checking internal consistency will be correlation (or Pearson) which “is used to examine each pair of measurement variables to determine whether the two measurement variables tend to move together” (Microsoft, 2021). This “is based on the assumption that items measuring the same construct should correlate”, it “is a function of the average intercorrelations of items and the number of items in the scale” (Kimberlin & Winterstein, 2008, p2277). This can be used to give an overall correlation of the responses. Calculated using reliability analysis, it is possible to determine the “strength of association” of “reliability and validity test correlations” (Creswell, 2012, p347).

The second preparation activity will analyse the qualitative data collected through the informal interviews and the self-reflection open questions from the questionnaire. Saunders et al (2009, p153 and 154) suggest that quantitative data can be converted “into narrative that can be analysed qualitatively” and qualitative data can be converted into numerical codes so it can

be “analysed statistically”. Qualitative data will be used to provide a “deeper understanding through more powerful descriptions and explanations” (Creswell, 2012, p45). Attride-Stirling (2001, 386) suggests that “if qualitative research is to yield meaningful and useful results, it is imperative that the material under scrutiny is analysed in a methodical manner”.

The collected qualitative data will be analysed using a grounded theory approach where “specific analysis procedures are used to build an explanation or to generate a theory around the core or central theme that emerges from your data” (Saunders et al, 2009, p509). The strategy of grounded theory is to use different levels of coding (open, axial and selective) to reorganise the qualitative data to develop categories. These categories can be organised into a hierarchy, which can reveal patterns and “testable propositions” (Saunders et al, 2009, p495). These themes represent “clusters of similar issues” that “enhance the meaning and significance of a broader theme” (Attride-Stirling, 2001, p389). Once coded, the data is easily converted into tables, graphs, and charts for analysis. Data can also be easily correlated, which “measures the strength of association between the variables” (Oakshott, 2001, p265).

Open coding will be based on the categories of the integrated model.

TM	-	Team Work
EN	-	Environment
PR	-	Production
SC	-	Society
CP	-	Capital Productivity

Axial coding will be used to reorganise the data and further develop the categories (Saunders et al, 2009, p493) to form relationships into a hierarchy which can be numerically valued.

**Table 13**  
***Qualitative Analysis***

<b>Integrated Model</b>	<b>Capital/Productivity</b>	<b>Human Capital</b>	<b>Localisation/Globalisation</b>	<b>Social Capital</b>
Qualitative Analysis	1a), 1d), 1e), 1f), 1g), 1h)	1c), 2a), 2b), 2c), 2d), 2e)	3a), 3b), 3c), 3d), 3e)	1b), 2a), 4a), 4b), 4c), 4d)

### 3.10.3 Analysing Individual Questions

The quantitative data collected provides data from two distinct economies: the factor driven economy of Botswana and the innovation driven economy of the United States. Applying the definition of MSMEs as stated by Jefferis (1998, p3) the data can be broken down as follows:

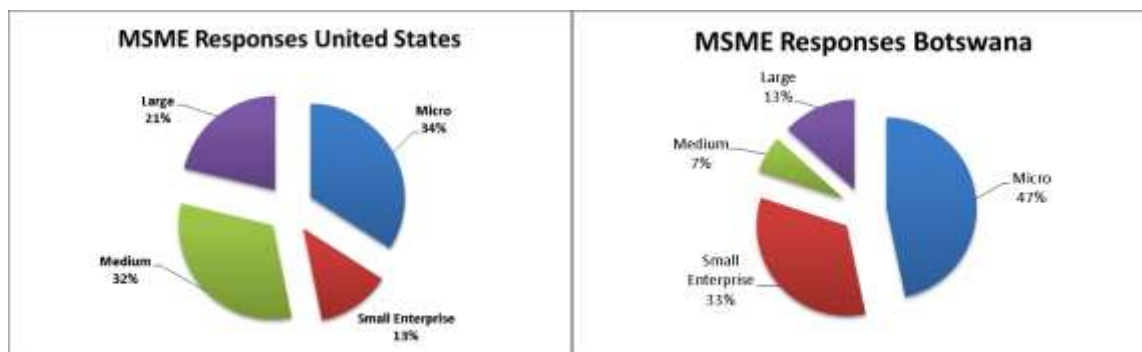
Less than 6 :– Micro

Less than 25 :– Small Enterprise

Between 25 and 100 :– Medium

**Figure 10**

***MSME Responses***



78% of respondents from the US fell into the MSME category, compared to 87% from Botswana.

Data is coded into a spreadsheet for analysis. For the rating questions, each response is coded from 1 to 5.

**Figure 11**

**Data Coding**

- 1 We don't do this at all.
- 2 We have thought about implementing this but have not made much progress implementing it.
- 3 We are aware of this and do try to implement but it is mostly informal.
- 4 We have formal processes in place to achieve this, but they could be improved and/or monitored more closely.
- 5 We have very strong processes in place to achieve this which are constantly monitored.

The screenshot shows a spreadsheet with columns labeled A0 through A21. The rows contain numerical ratings (1-5) for various questions. The data is organized into a grid where each cell represents a rating for a specific question and category.

The number of responses can then be counted and converted into percentages using appropriate formula:

**Table 14**  
**Data Percentages**

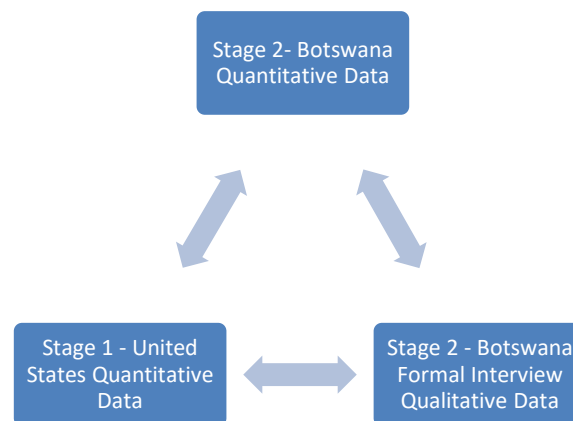
1	12	6	11	6
2	15	13	5	8
3	5	14	17	11
4	10	10	11	16
5	24	23	22	25
Total	66	66	66	66
1	18%	9%	17%	9%
2	23%	20%	8%	12%
3	8%	21%	26%	17%
4	15%	15%	17%	24%
5	36%	35%	33%	38%

Having established that the respondents represent in the majority MSMEs it is possible to analyse each question based on the separate factors of the integrated model.

The analysis will triangulate 3 key pieces of information.

**Figure 12**

***Triangulating Data***



For stage 2, each question's response from the US MSMEs will be analysed to individually to determine the appropriateness of the identified factors. For stage 2 each factor will be analysed individually combining the MSME data from the questionnaire and self reflection with the qualitative data from the interviews. Percentage data will be represented using pie charts. Data comparisons will be represented using bar charts.

Using an audit to measure an MSMEs performance can only be useful if the data generated from the audit can be analysed and recommendations made. Luft (1997, p25) suggests that “analytical rubrics are constructs that consist of criteria that are subdivided into different levels of performance”. As the model aims to measure MSME performance against different economic indicators, it can be used as “a scoring tool used to evaluate a performance in a given outcome area based on a list of criteria describing the characteristics of products or performances at varying levels of accomplishment” (Wolf & Stevens, 2007, p4). Each of the

questions can lead to the formulation of potential interventions to assist the MSME. When an MSME does not consider a process, it could be that support can be provided to help initiate the process. Where MSMEs need to improve monitoring systems, it may be an opportunity to introduce technology to assist with data gathering and analysis.

In order to measure the position of the MSME in the rubric, it is important to analyse each of the rating questions and determine an overall rating for each economic factor. As the questions are rated, they can be consolidated and compared for each economic factor. This can then be used to create a rating for each element in the integrated model and, therefore, an overall score in compliance with the audit approach. It is proposed that to calculate the rating the average of each response be taken. Using this approach, it will be possible to rate the data. This would relate to the responses from the MSMEs themselves. The rating indicates how well a factor is implemented. A high rating means that the MSME is very good at applying this business process within its operations, in other words “they have very strong processes in place”. If this is the case, then low ratings provide opportunities where additional support can be provided.

**Table 15**

***Rating Rubric Implementation Guide***

<b>Rating</b>	<b>Initiative derived from the rating</b>
0 – 1	Low rating indicates a very strong need for additional support
1 – 2	Indicates that MSME is in need of support to implement this practice
2 – 3	Indicates that the MSME may not be able to fully apply the practice and requires support to implement it
3 – 4	Indicates that although the MSME is able to apply the practice some additional support is required
4 – 5	High rating means the MSME is already quite adept at the practice and therefore does not need support

In addition, qualitative research will delve into economic factors and further potential support strategies when gathering information from business support services. There will be a need for numerous comparisons. For example, there is a need to determine how productivity is perceived between both data sets, and if productivity is regarded as low, there is a need to

establish how it can be improved. Similarly, if MSME involvement in supply chains is regarded as weak, it should be possible through research to determine approaches to improving supply chain participation. For an overall comparison, these ratings can be further collated and quantitatively analysed against quantified qualitative data to prove or disprove the model.

### **3.11 Operational Definition of Variables for Analysis**

The purpose of the stage 2 research is to define an integrated model for improving MSME support in Botswana. The link is represented by the integrated models for capital, productivity, teamwork, environment and the economic factors derived from the analysis of capital and productivity, human capital, localisation/globalisation and social capital aligned with the self-reflection data generated for productivity, decision making, goal setting, business environment, information and finance from within the research.

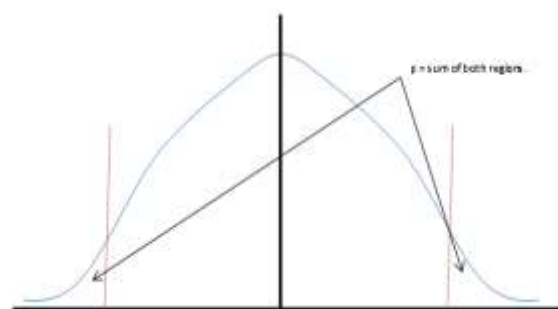
The output of the model defined through the verification of the defined indicators and factors of the integrated model are the dependent variables, which are influenced by other variables derived from the source of the data. The variables which affect the outcome or dependent variable, success factors, in this case are the number of years the company has been active (also known as the survival rate), the increase in the number of employees, and the increase in revenue. The data from the innovation driven country will be comparable with that of the factor driven country. For the purposes of this research, these data sets are representative of responses from the USA and Botswana, respectively. The design of the integrated model will be represented by the analysis of these relationships. In other words, it is how the factors are applied that relates to business success factors.

The reason this analysis is possible is due to the fact that the questions are designed as rating and self-reflections of respondent's experiences from MSMEs in each country combined with the views of business support services. The data sets contain scale or rating type questions using "semantic differential rating scales", (Saunders et al, 2009, p381) which stem from the literature review ((Tidd et al, 1997, p378), (Hackett & Dilts, 2008, p463), (Maravelakis et al, 2006, p288) and (Rothwell, 1994, p22)). It is this difference in position that drives the dependent and independent nature of the analysis.

A t-test will be used to "assess the likelihood of these groups being different" (Saunders, 2009, p456). The t-test "uses the properties of the normal distribution to make decisions about differences between two sample means" (Gardener, 2019). A t-test will be used as the data is two sets of observations from the same population, i.e., importance and need. A two paired test can be used which will give more reliable results as it is "more conservative, or demanding" (Creswell, 2012, p189). A t-test is used to test a null hypothesis, i.e., it is not possible to define an integrated model for MSMEs in Botswana. What will be significant is "the probability (p) that could be produced by chance if the null hypothesis were true" (Creswell, 2012, p189). With this value, it will be possible "to reject or fail to reject the null hypothesis" if "the p-value is statistically significant" (Creswell, 2012, p192).

**Figure 13**

***Two tailed t-test***



This value could provide the foundation for the conclusions of the research.

The data will be analysed using an Excel spreadsheet with the Data Analysis option added.

### **3.12 Summary**

Could it be that the research will be concluded by a single value that provides the basis to reject the hypothesis? If this is so, then the methodology must be stringent in its application.

This is a mixed methodology, combining quantitative online questionnaires and informal qualitative interviews. Although the approach is considered routine, it will require versatility to complete the research exercise. The choice of a mixed methodology highlights the importance of the research for MSME and the commitment to producing a valid and reliable model. The reason for the mixed method approach can be summed up by Heyvaert et al (2011, p13) who as stated previously, suggest “a more robust understanding” of the complexities of MSME support can be derived from the mixed strategy. However, there are other considerations necessary to ensure the final model meets expectations. The success of the sampling strategy, mixed methodology, and triangulation techniques used in the research will become evident in the analysis and will contribute to the validity of the model. This strategy is part of the wider process of internal and external validity that together complements each other.

The single figure will have been derived from 11 qualitative, formal interviews exploring 4 key themes and 66 online questionnaire responses from the USA, 102 from Botswana. The questionnaires contain 56 questions for the factor-driven economy, exploring 6 themes related to the integrated model, followed by a further 88 key indicators linking

importance and need for MSMEs. Further, the questionnaires and interview questions have had additional scrutiny to ensure ethical considerations have been implemented. The approach attempted to reconcile “the tensions between the search for rich data” and “with the ethical demand to protect participants from harm” (Guillemin & Heggan, 2009, p295). Further, the questions were shaped to ensure reliability through the use of alternative forms and check questions. Indeed, the need to consider dependent and independent variables for analysis was crucial to developing the final set of interview questions and questionnaires.

In total, the research collected over 4700 (stage 2) and 4750 (stage 3) individual pieces of data and over 11 hours of interviews. This provides a solid base for the analysis of the integrated model. From this data, it is possible that a single figure proving or disproving the hypothesis will be sufficient to answer the research question. However, there will be a need to fully analyse the data for other permutations that show strong linkages. The integrated model is only a proposal at this stage. It requires an in-depth analysis of the collected data to determine if a viable model can be created. This analysis approach therefore corresponds to one of the main purposes of carrying out research studies, that is to “generate fresh insights” (Saunders et al, 1997, p22). There are many factors that will indicate the need for further discussions on how the findings can be used or what further research is required to overcome any limitations encountered. It is the “flexibility that this research design provides” (Almalki, 2016, p293), that will provide the opportunity to explore many different avenues. The use of diverse qualitative and quantitative research tools and analysis, as described, has the potential for developing a reliable, valid, and ultimately practicable implementation model.

The next stage, involving the analysis of the data and the reporting of the results has the potential to produce or not a definitive model for MSME support strategies through the

integrated model. The methodology described here, and the data collected provide a solid basis to determine if the hypothesis is correct.

## CHAPTER 4: DISCUSSION OF RESEARCH FINDINGS

### 4.1 Introduction

The aim of the research is to gather sufficient information through a comprehensive literature review and quantitative and qualitative mixed research approaches:

To develop and verify an integrated model for improving MSME support in multiple sectors  
in Botswana

The integrated model represents the “desired future state: the aspiration” (Johnson et al, 2005, p13) of the research. The model itself, was derived from an extensive literature review. The model represents the result of the detailed analysis of over 70 years of development strategies from the Lewis Model (1950) promoting dual economies, productivity, and capital to an emphasis on Education and Health, Human and Social Capital. Further the analysis is linked to the study of economies which have emerged from a factor driven classification including the Celtic tiger and Asian tiger economies. The resulting model is derived from the objectives to determine economic factors/indicators globally and within Botswana plus and a review of business support strategies to define what it is that contributes to success and failure of MSMEs. The resultant strategies fall into 4 key elements which together form the integrated model.

The element of society measures a society’s ability to manage the financial operations of the MSME, and the financial literacy of business owners. However, in line with the findings from the literature review it also analyses issues relating to work ethics such as goal and objective setting and decision making. Teamwork considers MSME approaches to quality, the commitment within the team, how problem-solving strategies are applied as a team, how teams

communicate and the ability to make decisions. The environment measures how companies apply the concepts of differentiation and flexibility, how they compare efficiencies and thus measurement within the business environment against competitors and as a business within the supply chain. Further productivity/production considers how business integrate within the supply chain, how they meet market needs and their ability to be flexible to suit differing business environments and opportunities.

Chapter 4 of the research presents the results of the “testing” of the model within two distinct economies. The first economy, Botswana, is in an economic transition stage between a “factor driven economy” associated with “unskilled labour and natural resources” and an “efficiency driven economy” correlated with variables such as “more efficient production processes and increased product quality” (World Bank, 2017, p8). The second economy, the USA, is classified as an “innovation driven economy measured by business sophistication” (World Bank, 2017, p9). The result of this research provides a basis for meeting the objective:

#### 4. Define an integrated model for improving MSME support in Botswana?

Analysis of these objectives will determine if the stated hypothesis can be met:

H1 An integrated model for improving MSME business support can be developed for use in Botswana

The integrated model’s “audit approach” is derived from Tidd et al (1997, p376) who promote the concept of auditing which “often provides an indication of how a system and its components are performing”. Quoting “the quality guru, W. Edwards Deming” who “pointed

out, if you don't measure it, you can't improve it" they suggest processes can be measured (p377) which corresponds to the chosen approach of the integrated model. Therefore, the rating represents the key output from the audit. This rating should be available for each element of integrated model (Teamwork, Environment and Capital & Productivity). An overall rating which provides a simple comparison between economies will provide a conclusion to the audit.

The audit represents one(1) element of the mixed methodological approach. Informal interviews and an extended online questionnaire triangulate the data to determine the content of the integrated model.

In total 66 US companies and 18 companies from Botswana provided audit data for stage 2. All 18 companies in Botswana provided additional information from a second questionnaire to assess outside factors with 11 informal interviews taking place to gather a "deeper understanding" (Creswell, 2012, p45). Each individual company response was given a unique identifier. To maintain anonymity each were numbered, "to keep the identity of individuals confidential" when "analysing and reporting data" (Creswell, 2012, p231). US responses were coded A1 to A66. Botswana responses B1 to B18. Each informal interviewee where assigned the codes I1 to I11.

The data collected was entered into data analysing software using the coding scheme in Appendix H. Data Coding strategy.

## **Table 16**

### ***Sample Data Coding Strategy***

Survey	Variable	Type	Values	Measurement Scale (fixed distance between variables), Ordinal (Rank), Nominal Ordinal	Category
S10.	Does the company set realistic goals and targets for employees?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Society, Teamwork, Productivity
S11.	Does the company have a system for monitoring goal and target achievement?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Society, Teamwork, Productivity

Where necessary the data was coded according to the level of the response, as ordinals, for example 1 to 5. In terms of the important Audit data the responses were coded as follows:

- Code 1. “We don’t do this at all”
- Code 2. “We have thought about implementing this but have not made much progress implementing it”
- Code 3. “We are aware of this and do try to implement but it is mostly informal”
- Code 4. “We have formal processes in place to achieve this but they could be improved and/or monitored more closely”
- Code 5. “We have very strong processes in place to achieve this which is constantly monitored”

The coding of each question was completed using the coding schedule.

## Figure 14

### *Data Coding*

AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE
10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
Please Rank the following Statements																	
Does the	Does the	Does the	Does the	Does the	Does the	Does the	Does the	Does the	Does the	Does the	Does the	Does the	Does the	Does the	Does the	Does the	Does the
4	4	3	3	4	1	2	1	1	3	4	4	4	4	1	1	2	1
4	4	3	3	3	4	3	4	3	3	4	4	2	3	5	3	4	4
4	4	3	4	4	3	4	4	1	5	4	4	1	4	5	4	3	3
4	4	4	5	5	4	4	2	2	3	4	4	1	3	3	1	4	5
4	3	4	2	3	4	5	4	5	3	4	4	3	3	2	2	5	5
5	5	5	5	5	5	1	5	5	5	5	5	5	5	5	5	5	5
4	5	5	4	4	3	2	5	2	4	4	5	2	5	3	4	4	2
4	5	5	3	4	4	4	3	5	2	5	5	3	4	3	3	5	5
2	3	1	1	1	2	1	2	1	4	4	4	1	2	1	1	1	1
3	3	4	2	3	3	4	3	3	3	4	4	3	4	5	5	5	5
4	4	4	3	4	3	3	3	3	3	4	4	3	4	4	4	4	3
5	5	5	3	3	3	2	5	5	1	5	5	4	5	1	1	3	4
2	1	3	2	3	2	3	1	1	1	3	3	3	3	3	3	3	3
4	5	4	1	5	2	3	5	5	1	3	2	1	5	3	3	3	2

In total of 4700 individual items of data were collected from the three data collection methods used for stage 2, parts 1 and 2. Whether this data is trustworthy, reliable and valid is discussed in the following sections.

## 4.2 Trustworthiness of the Data

Schreuder et al (1999, p284) contends that the “smallest n elements of a population” cannot be representative of the population. Saunders et al (2009, p218) refers to the “law of large numbers” suggesting the “mean calculated for the sample is more likely to equal the mean for the population”. Therefore, a high response rate was necessary, “large enough to provide you with the necessary confidence in your data” (Saunders et al, 2009, p219).

Confidence in the data must be assessed for each individual response. The methodology relied on nonprobability sampling which as discussed previously considered “inherently inferior to probability sampling” (Tansey, 2007, p14) but it did provide the expected opportunities to “gain theoretical insights” and provide “information-rich” material (Saunders et al, 2009, p233).

The quota requirements for the informal interviews were partially met. Only 11 interviews were conducted from the planned 20. The quota ratio was for 12 business training organisations and 8 business support services however the final ratio was 3:8 in favour of

business support services. As suggested by Schreuder et al (1999, p284) this may not provide “an objective measure of precision” and as Tansey (2017, p13) notes, because the quota was not filled, “omitting important respondents” presented a risk to the validity and reliability of the data.

Responses from the online questionnaires totalled 102 above the target total of responses which was 80, with 36 of the responses from Botswana. The remainder, 66, were from the USA.

In the case of Botswana critical case sampling, snowballing, “elite interviewing” (Tansey, 2007, p1) and asking participants to “identify others” (Creswell, 2012, p146) was used as the sampling technique to determine which business support companies to interview. This required extensive “homework” (Tracy, 2019, p70) to identify the relevant organizations and was used in conjunction with “door knocking” and a “courtship-ritual” (Tracy, 2019, p12) to ensure the companies took part in the research. This approach provided a certain level of “trustworthiness” in the data collected from Botswana however as stated by (Saunders, 2009, p241) self-selecting sampling is regarded as open to “bias and influences”. Although bias may have been introduced as participants suggest respondents had comparable views (Saunders et al, 2009, p240) it was possible to use “judgement to select cases”, (Saunders et al, 2009, p237) and to ensure they did not “cross contaminate” the data.

In the case of the USA data there was no such research ritual. The questionnaire was opened on the internet for those who wanted to complete it. The only caveat was that the company had to be an MSME according to the definition used in Botswana. Trustworthiness is balanced against confidentiality. The right to anonymity (Saunders et al 2009, p192 and

Creswell, 2012, p149) means that the data generated from the USA online questionnaire may not be as trustworthy as the data from Botswana.

Although the trustworthiness of the data can be questioned it is worth remembering Winship and Mare's (1992, p347) conclusion that "infallible models for sample selection bias do not exist". Therefore, further analysis of the reliability and validity of the data is required.

#### **4.2.1Reliability**

To test reliability three questions must be answered:

1. Are the results "nearly the same or stable on repeated administrations" (Creswell, 2012, p627).
2. Are the results "free from sources of measurement error and consistent", (Creswell, 2012, p627).
3. "Is there transparency in how sense was made from the raw data?" (Easterby-Smith et al, 2008, p109 as cited by Saunders et al (2009, p156)).

Using these three questions as a guide the data can be analysed for reliability.

For the US data the date of incorporation entries where not consistently entered, some used year only whereas others used different date formats. Therefore, the decision was made to use only the year as date of incorporation for all entries. The data was therefore adjusted to reflect this decision as follows:

#### **Table17**

##### ***USA Date of Incorporation***

Respondent	Date of Incorporation	Changed to	Respondent	Date of Incorporation	Changed to
A12	5/5/2020	2020	A37	December 12 2012	2012
A14	15/9/2017	2017	A49	04/2016	2016
A15	2017/3/18	2017	A55	2029	VOID
A16	10/2/2015	2015	A57	7/15/99	1999
A17	12	2012	A58	39/5/6	VOID
A20	13/4/2010	2010	A59	10/22	VOID
A27	20/2/20	2020	A62	12/8/2006	2006
A30	20/11/20	2020	A63	2/26/15	2015
A36	12/9/20	2020	A66	2/1/2017	2017

Similarly, with the Botswana data:

**Table18**

***Botswana Date of Incorporation***

Respondent	Date of Incorporation	Changed to
B3	1980s	1980
B9	01/09/2020	2020
B11	15 March 2017	2017
B13	August 2018	2018
B14	June 2019	2019

A number of date of incorporations could not be ascertained and therefore the data was voided.

Employee growth data was also analysed. In the US data 2 anomalies stood out. A35's employee growth figures were 2000 in 2018, 5884 in 2019 and 55547 in 2020. This was a growth of 2677% in 1 year. The 2020 figure is probably a typographical error on the online questionnaire therefore the data was voided. A36s data was also recorded incorrectly and voided.

Annual turnover also contained data which was not correct. A31's annual turnover for 2020 was 23000000 compared to 20000 for both 2019 and 2018. This was probably a typographical error; the data was voided. Both A36 and A37 turnover figures were recorded as 6.46E+09 and 1E+08 respectively and therefore also voided. Further B9 and B14 did not

complete the demographic portion of the online questionnaire. 25 US companies did not complete the demographic information. In terms of reliability this means that the companies cannot be researched online to ensure they exist. However, all companies completed the audit part of the questionnaire. Only B16, B17 and B18 partially completed this section.

#### 4.2.2 Audit Reliability

To ensure the reliability of the audit, “alternative forms” (Saunders et al, 2009, p374) of the same questions were used. Analysing the results of these check questions give a measure of the “consistency of responses” (Saunders et al, 2009, p373) and therefore reflected the internal consistency of the data which were deliberately designed to be similar. This is in line with Kimberlin and Winterstein’s (2008, p2277) observation that having “multiple items to measure” improves reliability.

**Figure 15**

#### *Check Question Analysis*



Comparing the data collected from the rating questions and the similar reflection questions shows internal consistency in the answers. Although not exactly the same the similarity is enough to suggest reliability.

In conclusion the data collected through the online questionnaires meet Creswell’s two criteria for reliability:

1. “free from sources of measurement error and consistent” – the data has been checked thoroughly for inconsistencies and corrected
2. “nearly the same or stable on repeated administrations” – the correlation analysis of the data clearly shows consistency through 18 administrations of the online questionnaire in Botswana and 66 in the USA (Creswell, 2012, p627)

The third criteria, “is there transparency in how sense was made from the raw data?” will be determined once the data is analysed.

### 4.2.3 Informal Interview Reliability

The reliability of the qualitative data collected from Botswana can also be measured through correlation. The 11 Business Support interviewees included a Financial Controller, University lecturer, a Procurement Manager, and a Bank Manager. The reliability of the information can be determined through the quantifying of the responses through grounded theory. Applying the STEPFC model as themes or “clusters of similar issues” (Attride-Stirling, 2001, p389) the data was organized according to Finance/Society, Teamwork, Environment and Productivity. The number of comments relating to each category are as follows:

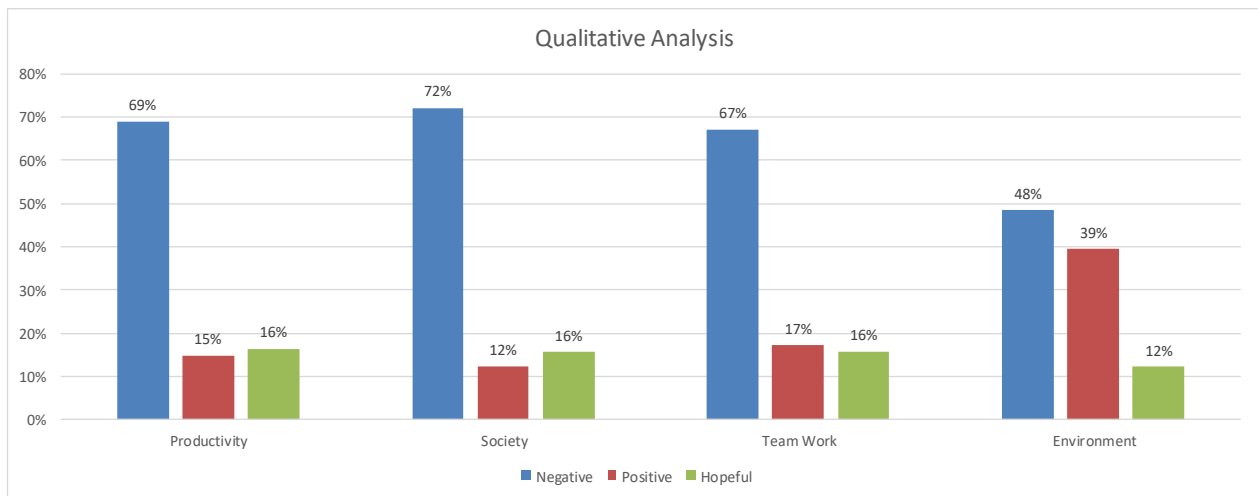
**Table 19**  
**Qualitative Analysis**

<b>Qualitative Analysis</b>	
Productivity	61
Finance/Society	122
Teamwork	70
Environment	33

Refining this further using “Axial coding” (Saunders et al, 2009, p493) it was possible to determine the reliability of the information by checking for consistencies. It is clear from the analysis that the majority of responses were negative:

**Figure 16**

***Qualitative Analysis***



Hopeful responses relate to those which provide a strategy or a way to overcome negativity.

It is clear from the data presented that the tone from those interviewed is generally pessimistic. Unfortunately, this pessimistic viewpoint confirms reliability, all business support services interviewed has essentially the same or similar points of view. The data was broken down further and it is this breakdown that is presented in the findings.

With 11 applications and clear consistency in the responses the data collected through the informal interviews meet both of Creswell's reliability tests.

The use of nonprobability sampling in stage 2 may introduce sampling bias (through nonresponse and volunteer bias) which "can introduce inconsistency" affecting both internal and external validity (Berk & Ray, 1982, p352). Therefore, the next section reviews the validity of the data collected.

#### **4.2.4 Validity**

“Inference” from triangulation (Jack & Raturi, 2006, p353) can overcome bias in research to improve reliability and validity. This inference is generated through the use of a mixed methodology approach.

The research methodology therefore acts as an important part in determining both internal and external validity.

The mix method approach was used to triangulate the data collected, strengthen the validity of the overall findings and provide confidence in the results. However, it must be noted that triangulation alone will not ensure research validity.

There are many types of validity. Drost (2008, p115) refers to content validity, translation validity, face validity, criterion-related validity, concurrent validity and predictive validity to convergent and discriminant validity. Ferguson (2004, p18) refers to population validity, ecological validity and temporal validity. Creswell (2012, p303) refers to statistical conclusion validity and construct validity. Essentially validity refers to “the development of sound evidence to demonstrate that the intended test interpretation matches the proposed purpose of the test.” (Creswell, 2012, p630)

Internal Validity which refers to the “extent to which findings can be attributed to interventions rather than any flaws in your research design” (Saunders et al, 2009, p593) or simply “the confidence with which one can make statements about relationships between variables” (Ferguson, 2004, p17). Although internal validity is associated with the “design and procedures used in an experiment”, (Creswell, 2012, p304) it links to the integrated model as it

relates to the interpretation and drawing of “correct inferences” from the data generated in Botswana and the data generated in the US against the defined economic factors and support strategies.

Nevertheless, there are potential threats to internal validity which can adversely affect the correlation either positively or negatively. How the research responded to these threats are detailed below based on Creswell (2012, p304-306) and Saunders et al (2009, p155).

Have changes from the beginning to the end of the study been considered? (Saunders et al, 2009, p155). The issue of the COVID Pandemic will have to be included when considering internal validity as it has in many cases affected business performance.

How have the changes in views of selected participants been considered? (Creswell, 2012, p304). Particularly with reference to the Interviews, Business Support interviewees were selected as a cross sectional representation of job descriptions that work and interact with businesses. However only 1 example of each was selected i.e. 1 bank manager, 1 procurement manager, 1 company secretary etc...

In terms of validity, the participants did not interact and could only complete the online questionnaire once (Creswell, 2012, p305). The participants did not participate in the development of the questionnaire, the questionnaires were not sent in advance and had to be completed online. (Creswell, 2012, p306)

External Validity or generalizability refers to the validity of the study “to the extent to which study results can be applied to other individuals or settings” (Eldridge et al, 2008, p1)

and how “findings may be equally applicable to other research settings” (Saunders et al, 2009, p158). This is possible because external validity is “based on the assumption of uniformities in nature and the existence of natural laws” (Ferguson, 2004, p17).

Although sometimes linked, Ferguson (2004, p17) suggests external validity is “the function of the researcher and the design of the research” whereas “generalizability is a function of both the researcher and the user” whereby the user must decide if the “findings are generalizable to the user’s setting and population”. Kimberlin and Winterstein, (2008, p2279) put forward content validity which “depends on the judgment of experts in the field”. Testing the external validity of the research can be measured against the following questions based on Saunders et al (2009, p159), Creswell (2012, p306) and Ferguson (2004, p17, p18):

Is the population sample chosen logically (population validity)? The non-probability sampling approach for the online questionnaires in stage 2 may have resulted in only those who were interested responding to the request to complete the questionnaire. However, as the research is to investigate industrial/manufacturing MSMEs it is clear that although the majority of companies can be classified within this business bracket others who responded are included in the findings and analysis. In fact, the population sample is drawn from many different business sectors. Although this does provide an overview of the MSME phenomenon as a whole, it means that the basic premise of the hypothesis related to MSMEs exclusively cannot be resolved.

Will the way data is collected yield valid data? As the data is only collected once and the fact it relates to a wide range of businesses means that the current COVID 19 pandemic may affect the results.

Is it possible to generalise from the research setting to another setting? Yes, considering the responses are from two (2) different countries. In addition, it can be generalised to different sectors within which MSMEs operate.

Is the data collection setting artificial or from different sets of environmental conditions? Yes, from different sets of environmental conditions, factor driven economy and innovation driven economy.

Is the data collected subject to seasonal or cyclical variations? Potentially affected by COVID 19

Is there an effect on the conclusions based on the size of the data collected? Potentially, a concern particularly the response rate from Botswana

Has an appropriate theoretical framework been used to shape the conclusions? Yes, the framework is represented by the integrated model.

Does the conclusion stand up to the closest scrutiny? It is not possible to cover every single aspect or idea, however, it is possible to put forward some concrete, well researched, valid, and reliable conclusions.

Ferguson (2004, p17) suggests that the relationship between internal and external validity is “inverse”, that is internal validity controls can limit external validity or generalizability. This is clear, as to ensure internal validity the researcher must “keep groups separate”, “avoid extreme views” and choose participants who “develop in a similar way”. Yet,

external validity is concerned with generalizability, the ability to reuse the findings in other contexts. Saunders et al (2009, p158) suggest “as long as you do not claim that your results, conclusions or theory can be generalised, there is no problem”. A conclusion to the issue of validity for this research can be summed up by answering two questions. In terms of internal validity can inferences be drawn from the data? The answer is yes, but, how these inferences are made from the data will be crucial to ensuring internal validity. Secondly in terms of external validity is the approach generalisable, can it be applied to other individuals or settings? The answer again is yes, as the audit, which has already been applied to two countries, can be easily applied to other countries. Following the advice from Saunders et al, above, validity cannot be confirmed at this stage. True validity will be determined through the conclusions made by the research.

#### **4.2.5 The Way Forward**

The important use of check questions leads to the conclusion that the data is as reliable as it can be. The mixed methodology which involves stage 2 and stage 3 also leads to the conclusion that the data is also valid. Both internal validity and external validity when cross checked against determining criteria shows that overall, the data can be analysed. There may be some issues relating to “sampling bias” however the data cannot be dismissed. What is available for analysis is a “rich data” set (Guillemin & Heggan, 2009, p295) collected in an ethical manner. Whether the conclusions drawn from the data will be valid must be determined in the next section.

### **4.3The Findings**

The organisation of the findings is based on the following sections:

1. An analysis of the economic factors/indicators which were derived from the Literature review to confirm if they are actually globally relevant. This is in line with the requirements of Objective 3 which defines the specific factors which affect MSMEs in Botswana and contributed to providing the answers to the research question “What factors affect MSMEs in Botswana?”
2. A detailed discussion of the demographics gathered for MSMEs in both the USA and Botswana with comparisons of the data where appropriate.
3. Discussion of the data related to each integrated factor as per the research objective:

Objective 4. Define an integrated model for improving MSME support in Botswana?

This discussion will also provide an input into research question 4. How can an integrated model for improving MSME support in Botswana be defined?

This section will be organised according to the integrated model, starting with societies issues (finance, decision making and work ethic), continuing to Teamwork and Environment, finishing with Productivity. The findings for each factor will be discussed but the verification will take place under the evaluation of stage 3.

Following each of these sections in a logical manner the data from 56 questions from the online questionnaires and qualitative data from the informal interviews will be used to

discuss the findings. Each question is analysed within its assigned element of the integrated model and where necessary linked to other relevant data which has become apparent through the analysis.

The findings begin with an analysis of the integrated factors to determine if they are related. The section then continues with a detailed analysis of the demographic data collected from the MSMEs. The analysis that follows focuses on the comparison of the Botswana MSMEs and the USA MSMEs highlighting similarities and differences.

#### **4.3.1 Analysis of the Factors/Indicators**

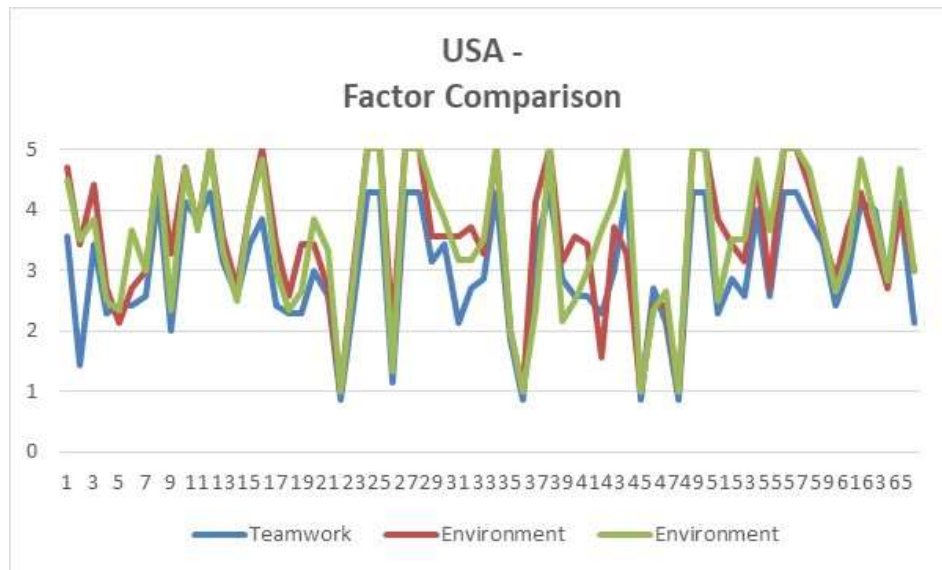
The online questionnaire included specific questions derived from the literature review's analysis of tiger economies. This activity addressed Objective 1 "1. To determine which economic factors/indicators relate to MSME success". Therefore, the factors/indicators used in the integrated model need to be confirmed.

Each question used in the online questionnaire represented a rating which was applied to both the US data and the Botswana MSMEs which took part in the survey. Therefore, it was possible to analyse the responses from these to determine which factors/indicators contribute to success.

Firstly, each element of the model appears to complement the other as can be seen in the figure below. A company in the US will give a comparative score for each of the environment factors as it does for each of the production factors.

#### **Figure 17**

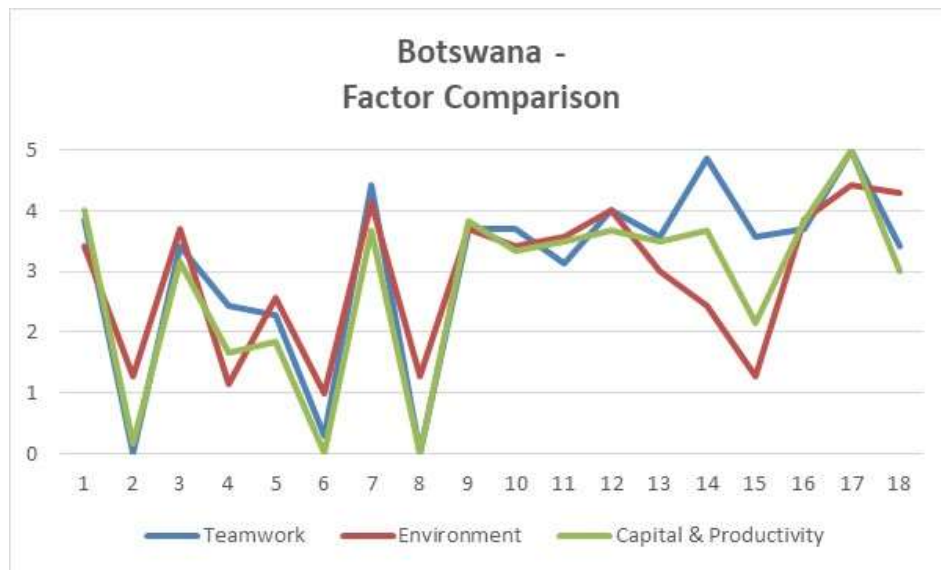
##### ***USA STEPFC Factors Comparison***



For Botswana, the results are similar. Each element of the model appears to complement the other. A MSME in Botswana will give a comparative score for each of the teamwork factors as it does for each of the production factors.

**Figure 18**

***Botswana STEPFC Factor Comparisons***



This is borne out in the findings. Issues relating to society pervade Teamwork, Environment and Productivity. Issues such as financial management affect the environment, attitude to work and goals affect productivity, decision making processes affect teamwork and productivity, but all have their origins in societal norms. Looking at the integrated model in its current state it can be defined as including the following under each heading but linked through inference:

**Table 20**

***Integrated Model Breakdown***

Teamwork	Environment	Productivity
Problem Solving	Business Networks	Production Rates
Goals and Objectives	The Market	Financial Management
Commitment	Flexibility	Cost of Production
Decision Making	Technology	Data Analysis/Monitoring
		Business Objectives

Although it is necessary to take each element within each factor in turn where possible when the elements are represented in more than one factor the analysis will refer to it within the context of that factor.

### 4.3.2 USA

Applying the definition of MSMEs as stated by Jefferis (1998, p3) the data for USA MSMEs can be broken down as follows:

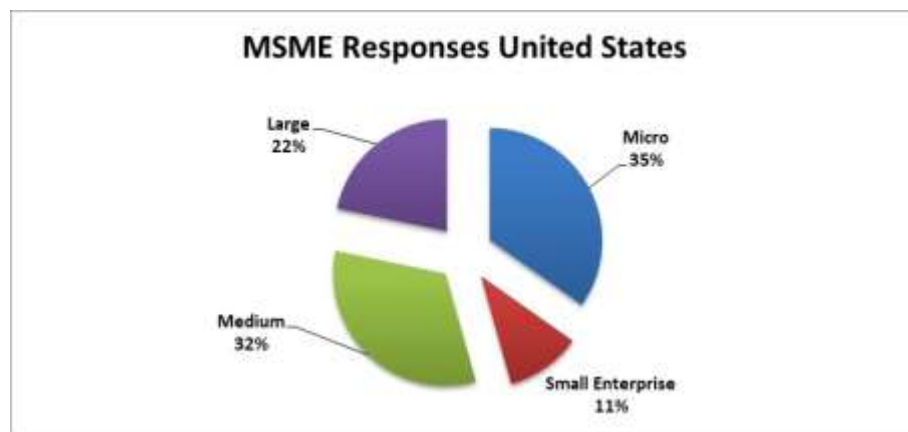
Less than 6 – Micro

Less than 25 – Small Enterprise

Between 25 and 100 – Medium

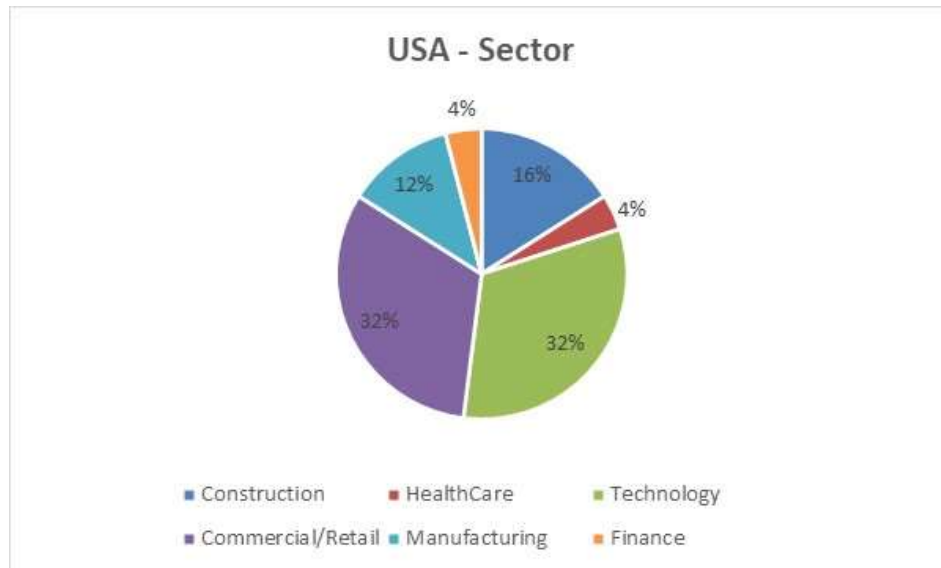
**Figure 19**

*USA MSME Responses*



The analysis shows that in the US MSMEs were established for an average of 8 years. The predominant sector for respondents were Technology and Commercial/Retail.

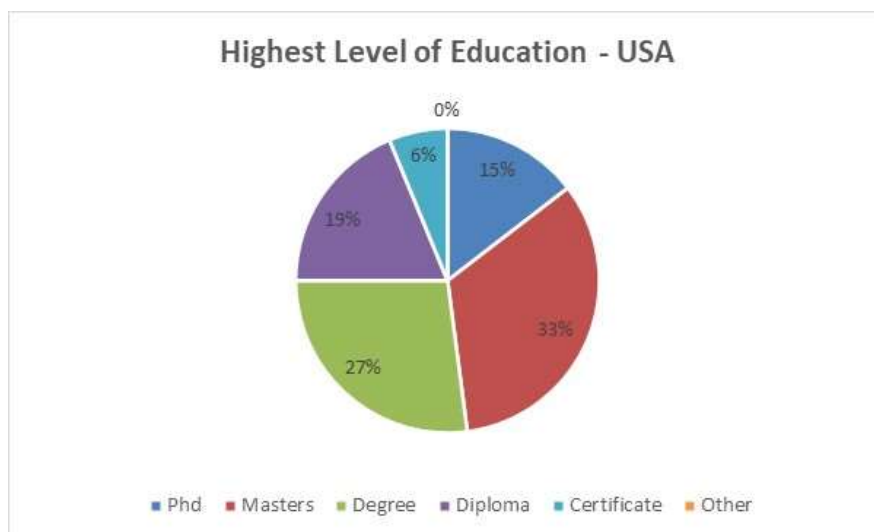
**Figure 20**  
**Sector USA**



Industrial and manufacturing MSMEs classified from Construction, Manufacturing and Technology. They account for 60% of the USA respondents.

In the US where 33% of respondents held a Master's degree and 27% hold degrees.

**Figure 21**  
**Highest Level of Education - USA**

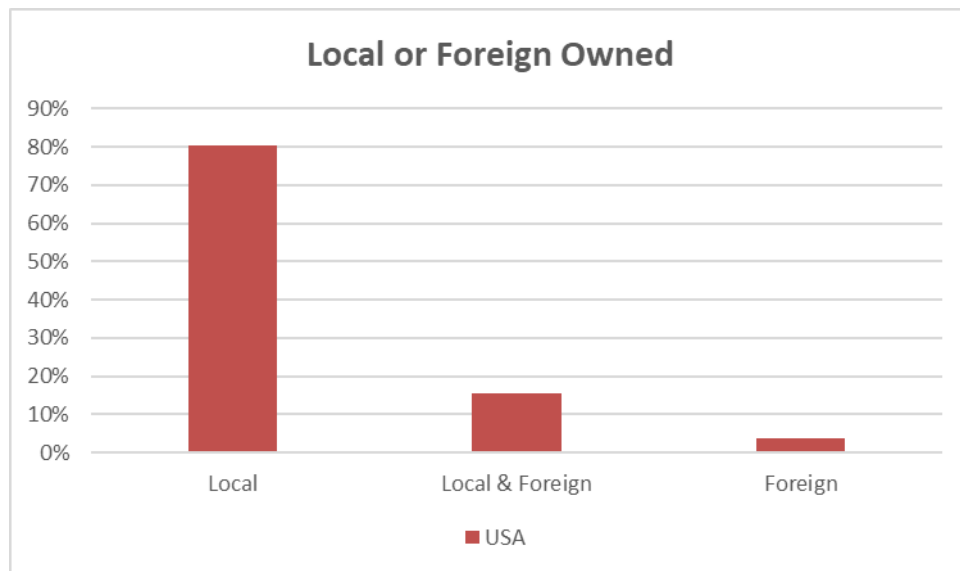


This high level of education mirrors (Jones, 2002, p1) assertion that “30% of U.S. Growth” was attributable to education.

The majority of the MSMEs in the US were locally owned.

**Figure 22**

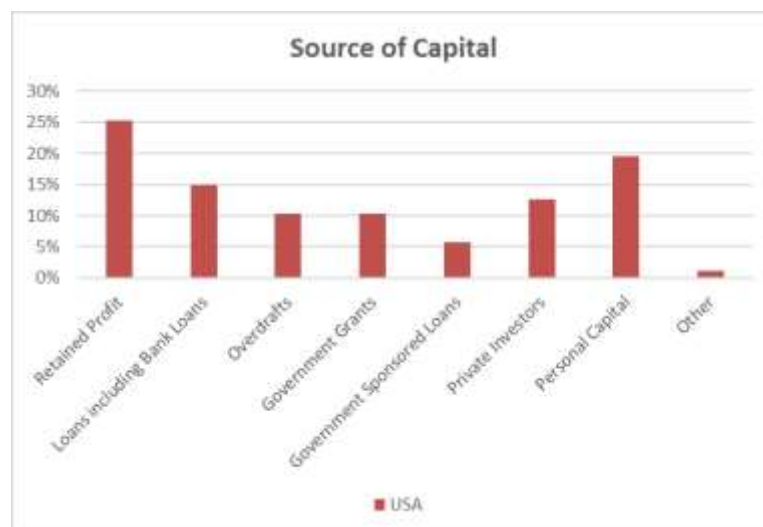
*USA Local or Foreign Owned MSMEs*



Retained profit followed by personal capital were the most common sources of finance for businesses in the US.

**Figure 23**

*USA - Sources of Capital*



#### 4.3.2.1 USA Data Analysis

The analysis of each question will be based on its relevance to capital, productivity, environment and teamwork. The questions numbered 10 to 28 are analysed according to the percentage of responses. The actual number of responses is shown below.

**Table 21**

*USA Raw Data*

ANSWE R	1 0	1 1	1 2	1 3	1 4	1 5	1 6	1 7	1 8	1 9	2 0	2 1	2 2	2 3	2 4	2 5	2 6	2 7	2 8
1	1 2	6	1 1	6	1 0	8	5	7	1 1	7	8	7	6	6	1 0	1 1	6	7	8
2	1 5	1 3	5	8	9	1 0	6	1 1	1 2	1 2	6	9	1 0	8	5	7	8	9	8
3	5	1 4	1 7	1 1	1 2	1 5	1 8	1 1	9	1 3	1 1	1 1	1 1	1 3	1 5	1 4	1 8	1 2	1 3
4	1 0	1 0	1 1	1 6	1 0	1 6	1 7	1 6	1 1	1 4	1 5	1 7	1 8	1 1	1 4	1 3	1 0	1 5	1 4
5	2 4	2 3	2 2	2 5	2 5	1 7	2 0	2 1	2 3	2 0	2 6	2 2	2 1	2 8	2 2	2 1	2 4	2 3	2 3

The analysis will use bar charts showing the percentage of responses to “show the frequency of occurrences of categories or values for one variable so that the highest and lowest (limits) are clear” (Saunders et al, 1997, p300).

A further analysis of the raw data using a rating be used to determine the most important and least important factors.

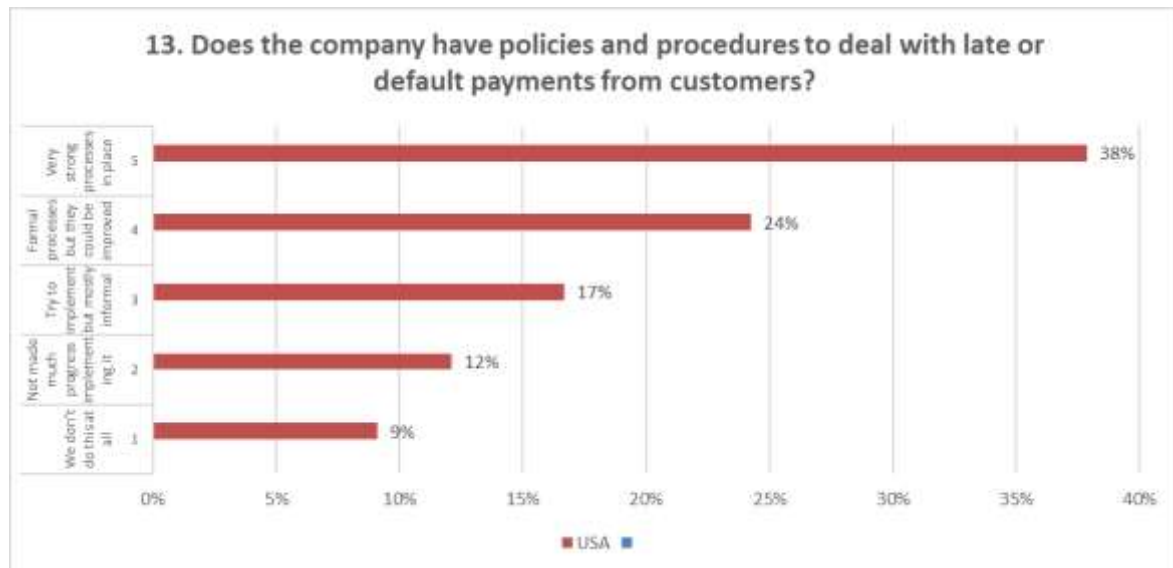
Where necessary the analysis will bring together different factors to determine how they affect success factors: growth, profitability/revenue and longevity.

#### 4.3.2.2 USA Capital and Productivity

The average turnover of US MSMEs in 2020 was P1,629,926.90. Capital is an important factor for development as shown in the literature review. Therefore, how MSMEs manage their finances is critical to generating high profits.

**Figure 24**

**USA - Question 13**



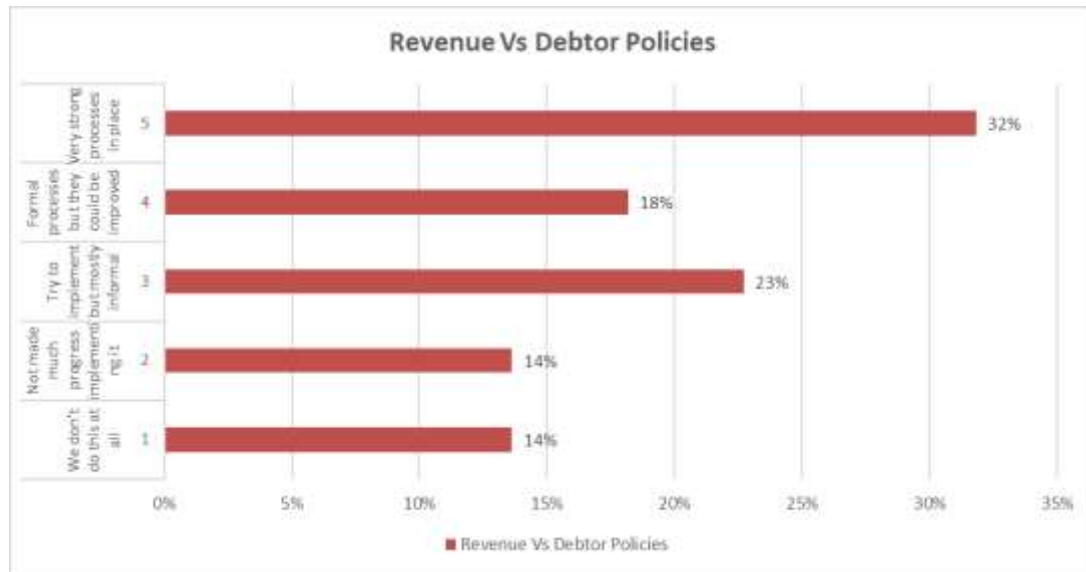
Considering the majority of US companies use retained profit to capitalise and finance their businesses it is not surprising that the majority of respondents, 38% have strong processes in place to handle debtors. A further 41% have try to implement or have formal processes which can be improved.

Companies with strong formal processes relating to debtors show improved revenue. MSMEs with strong formal processes or who, try or could improve their policies represent 73% of companies whose revenue improved. Revenue therefore can be regarded as dependent on debtor policies.



**Figure 25**

**USA - Revenue Vs Debtor Policies**

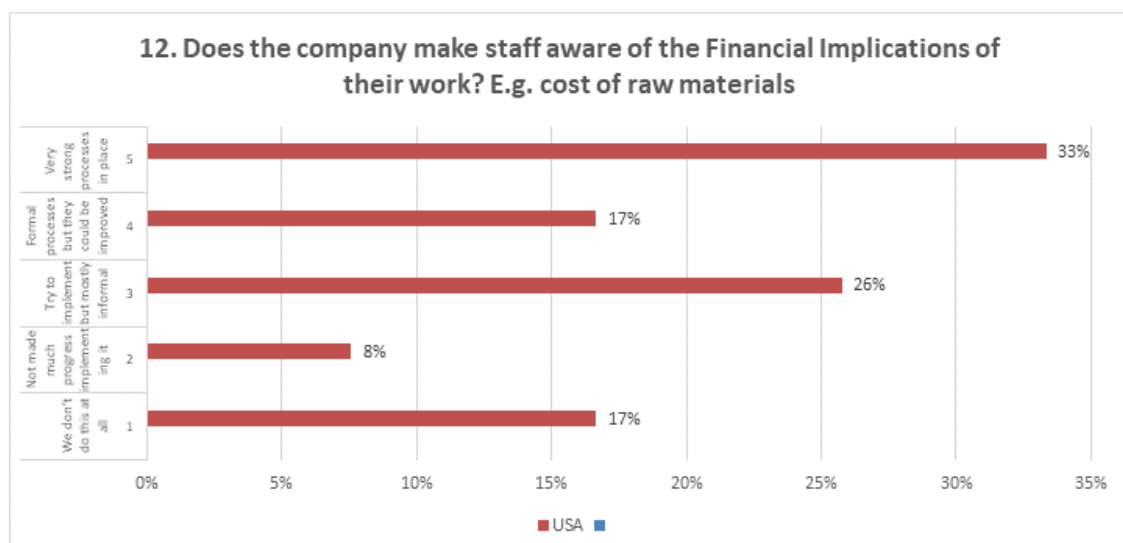


As previously stated, Gordon (2012, p2) has pointed consumer debt as a “headwind” which slows the growth of the US economy. It is understood that by managing cash flow in the business, more can be done to improve revenue.

Further MSMEs in the US have strong processes in place to ensure staff are aware of the financial implications of their work.

**Figure 26**

**USA - Question 12**

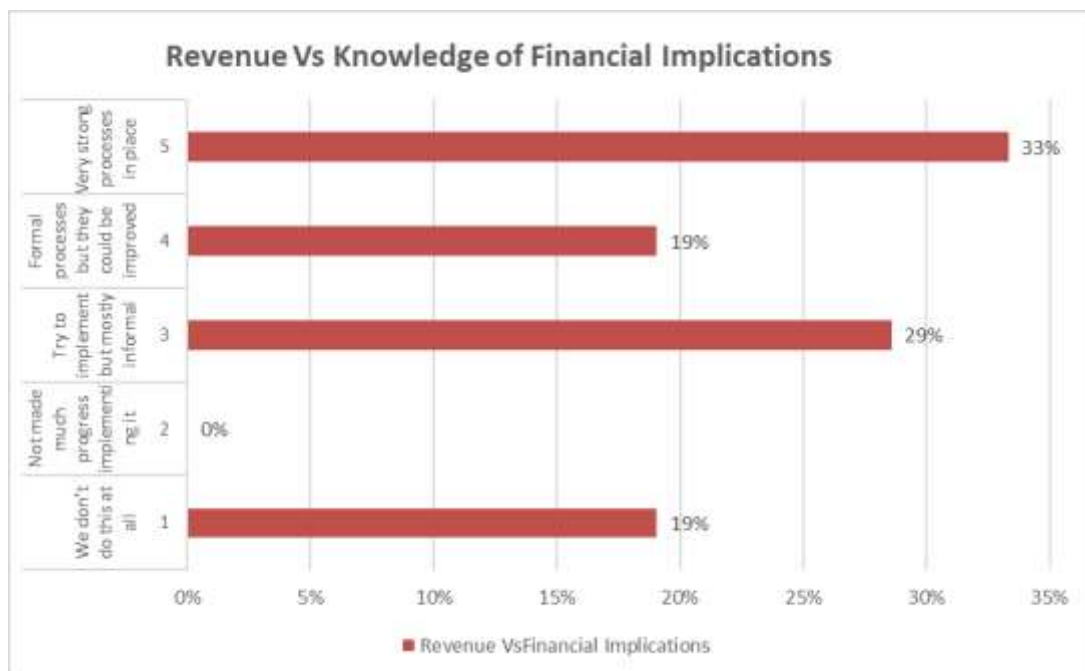


Most employees in a US MSME are aware of the cost implications of their work with 33% having strong processes and 76% having some form of awareness.

This has a knock-on effect on revenue. The data shows that those companies which make employees aware of the financial implications of their work tend to have higher revenue. Therefore, revenue is also dependent on this factor.

**Figure 27**

***USA - Revenue Vs Knowledge of Financial Implications***



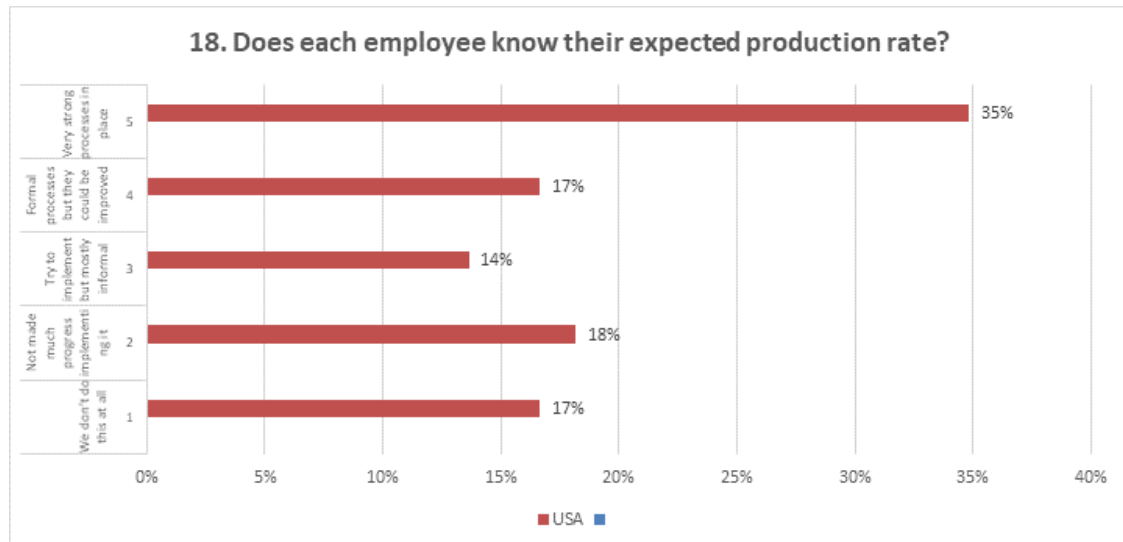
Overall, 33% of companies with strong processes in place to ensure employees are aware of the financial implications of their work show increases in revenue. Indeed 48% of those who try or who could improve their processes show an increase.

This can be linked to the data for productivity where it shows that not only are staff aware of the cost of their work, but also their expected production rates. 35% of respondents had strong processes in place whilst 52% had formal processes in place to ensure production rates were known. This can be linked to the literature review which highlighted production

efficiency and the scientific measurement of productivity as key elements in the success of a business and economy.

**Figure 28**

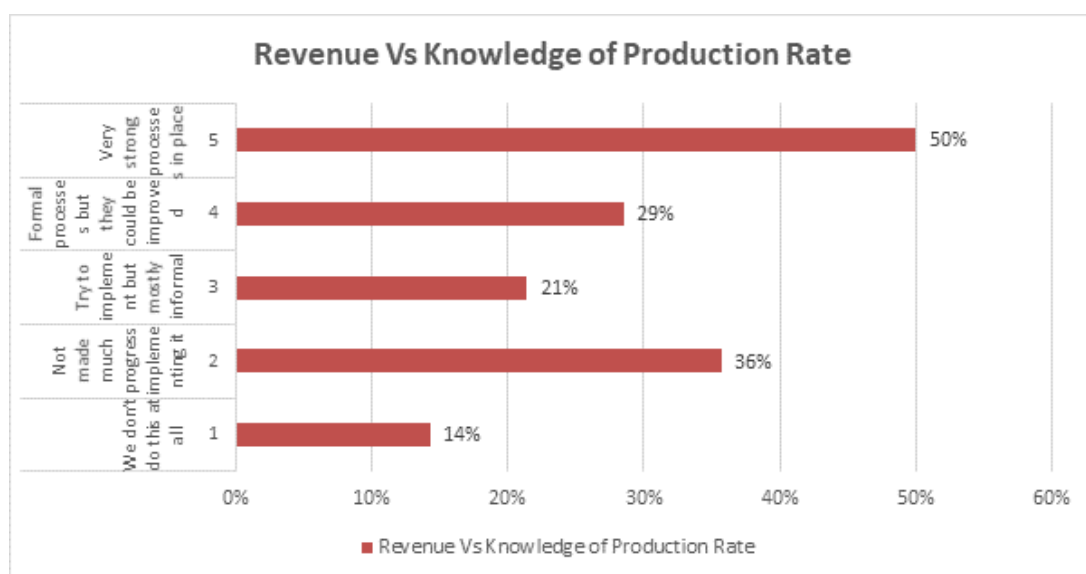
**USA - Question 18**



The clear link between knowledge of production rate and revenue is shown below with 50% of companies with strong formal processes in place to ensure employees have knowledge of production rates showing increases in revenue.

**Figure 29**

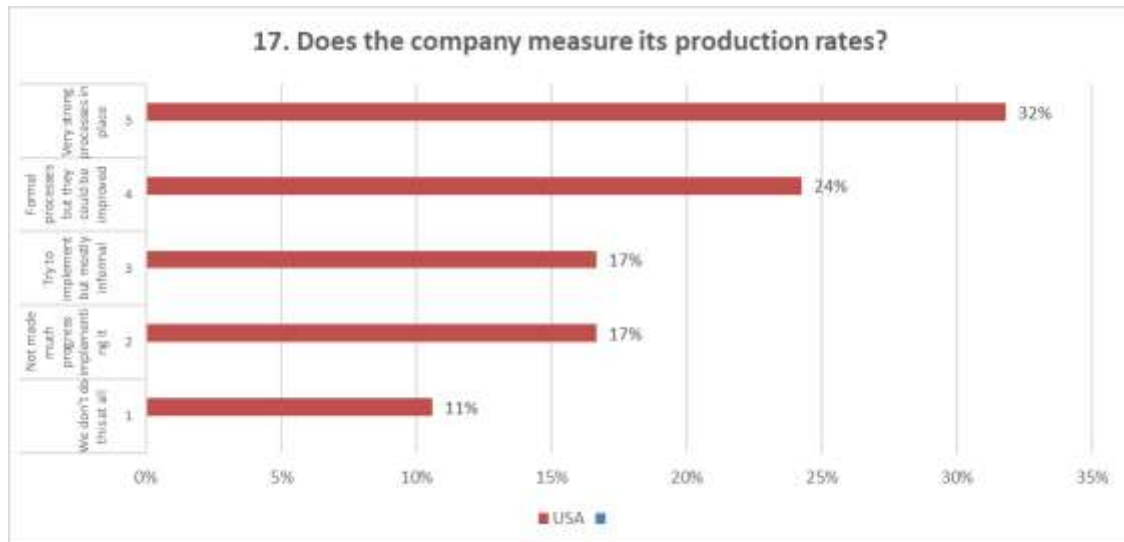
**USA - Revenue Vs Knowledge of Production Rate**



These statistics are reflected in the fact that 56% of MSMEs who responded in the US have formal processes in place to measure their production rates.

**Figure 30**

*USA - Question 17*

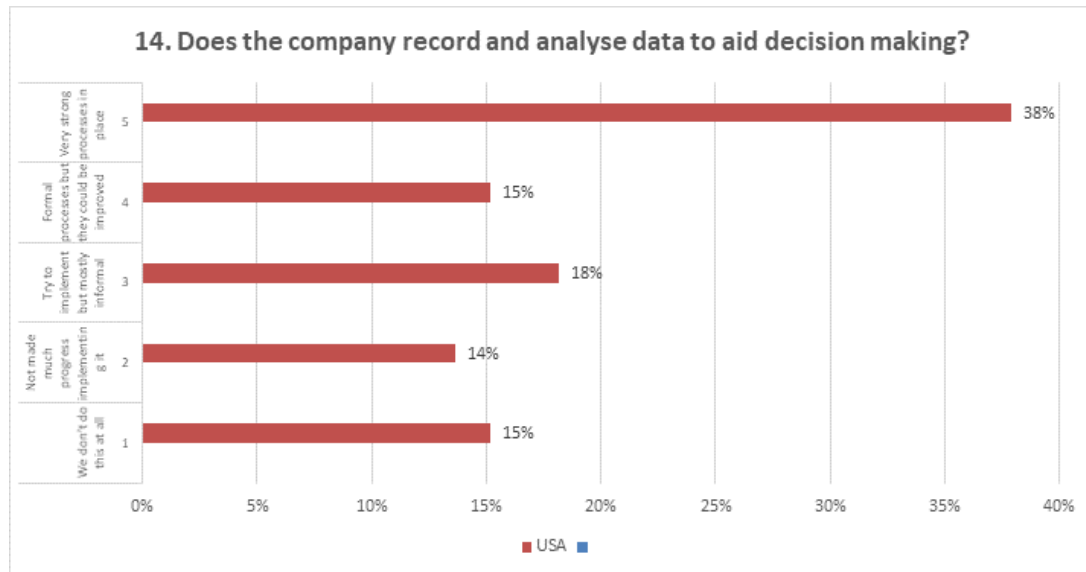


Clearly US MSMEs emphasise the importance of productivity. Many have strong processes in place to manage this factor. This tallies with OCED’s observation of sustained growth being “one of the longest on record” (OCED, 2008, p9).

Jorgenson et al, (2000, p125) had pointed to how the “nature of business” is altered due to the implementation of technology to create “higher productivity growth”. This is embraced by US MSMEs who use technology to improve their decision-making processes. 38% of the US MSMEs record and analyse data to assist with decision making. In fact, those who responded as trying to implement, could be improved, or as having strong processes in place represent 71% of the respondents.

**Figure 31**

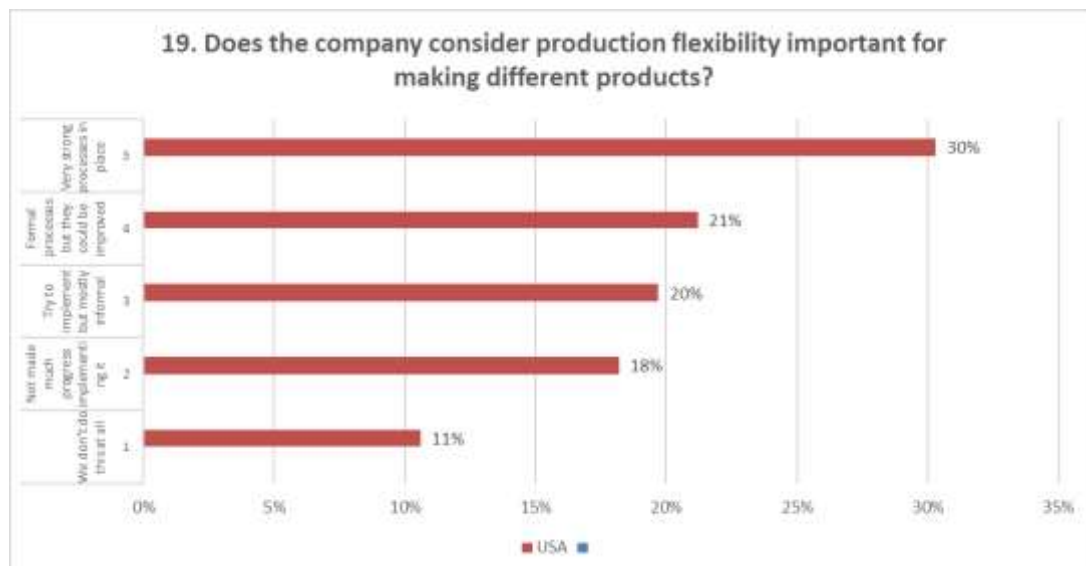
**USA - Question 14**



In addition to the importance of productivity highlighted in the literature review, flexibility was also considered an important factor. This is clear from the US data which shows that 51% of MSMEs consider production flexibility as important.

**Figure 32**

**USA - Question 19**



It is clear that US MSMEs give high importance to capital management, productivity, using technology to aid decision making and flexibility. Although productivity rates have

slowed these may be due to the “intangibles” in society highlighted by Corrado et al (2009, p683) and “social concerns” highlighted by Krueger (2017, p37).

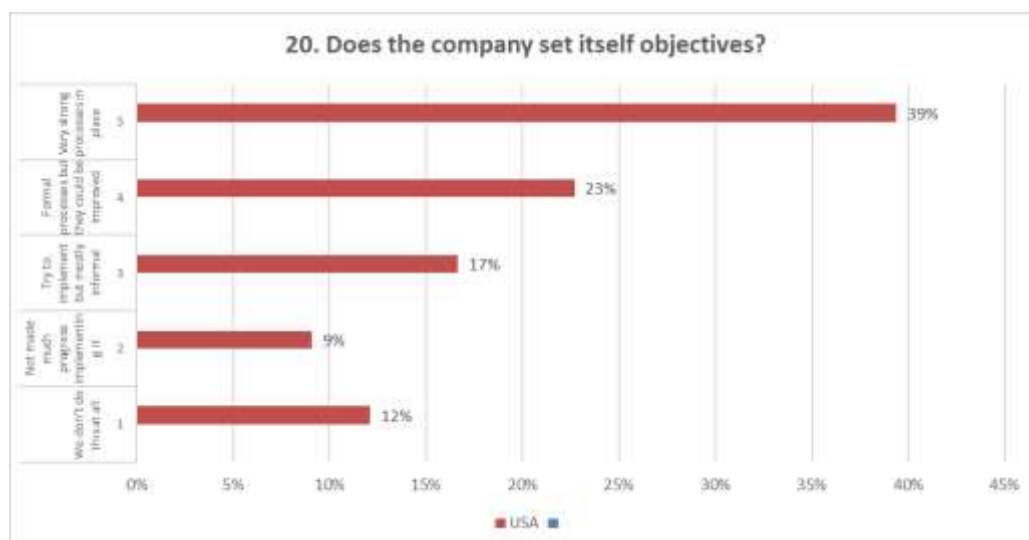
#### 4.3.2.3 The Team

The draft model as derived from the literature review highlights the importance of teamwork, working together to achieve objectives and goals as a key element of success. Innovation and R and D, are key factors in driving the US Economy (United States International Trade Commission, 2010, pxi). Tidd et al (1997, p378) suggest that innovation should take place in a “supportive organisation” with a “supportive climate for new ideas”. Indeed, Rothwell (1994, p22) highlights “commitment and support” as a key management function for innovation. Therefore, it is important to measure how US MSMEs deal with issues such as objective and goal setting, strategic focus, commitment and resolving problems under the teamwork factor.

Setting objectives is seen as a key element for the majority of MSMEs in the US with 39% responding that they have strong processes in place to achieve this.

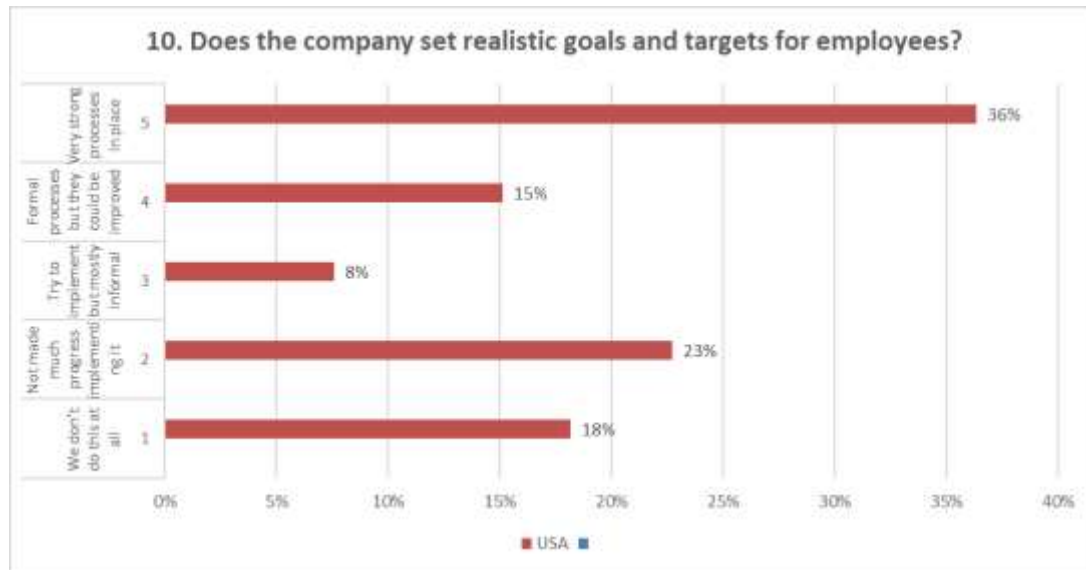
**Figure 33**

**USA - Question 20**



**Figure 34**

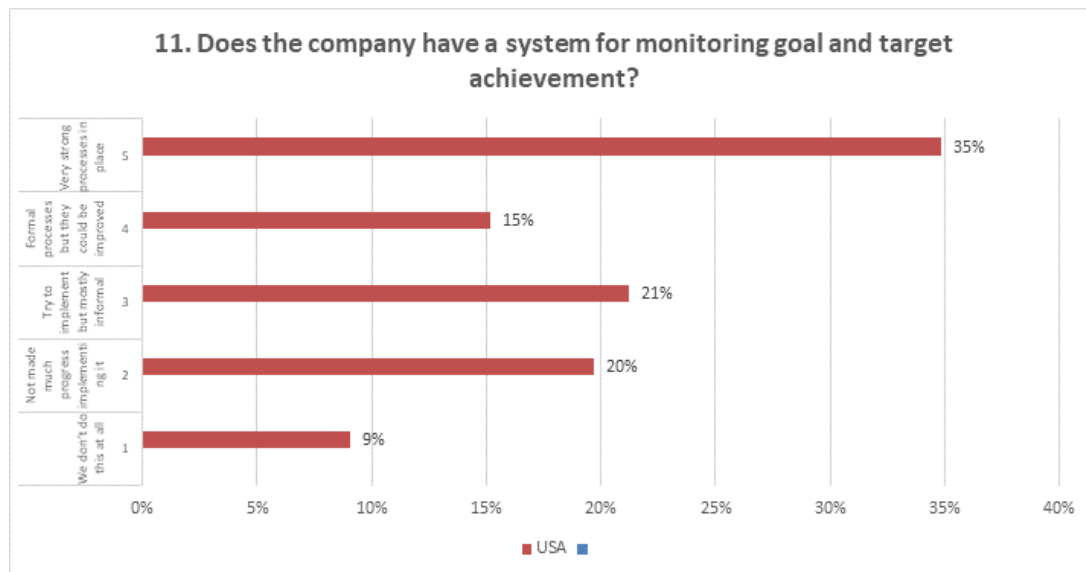
**USA - Question 10**



Indeed, from the responses the majority of US MSMEs, 36% set realistic goals and targets for their employees with 51% having formal processes which could be improved or very strong processes in place. These statistics are reflected when MSMEs were asked if they have a system for monitoring goal and target achievement. Only 9% did not do this but 71% were either trying to, improving, or had strong processes in place. This interestingly also reflects the percentage who use data to aid decision making which highlights the importance of access to information in US MSMEs.

**Figure 35**

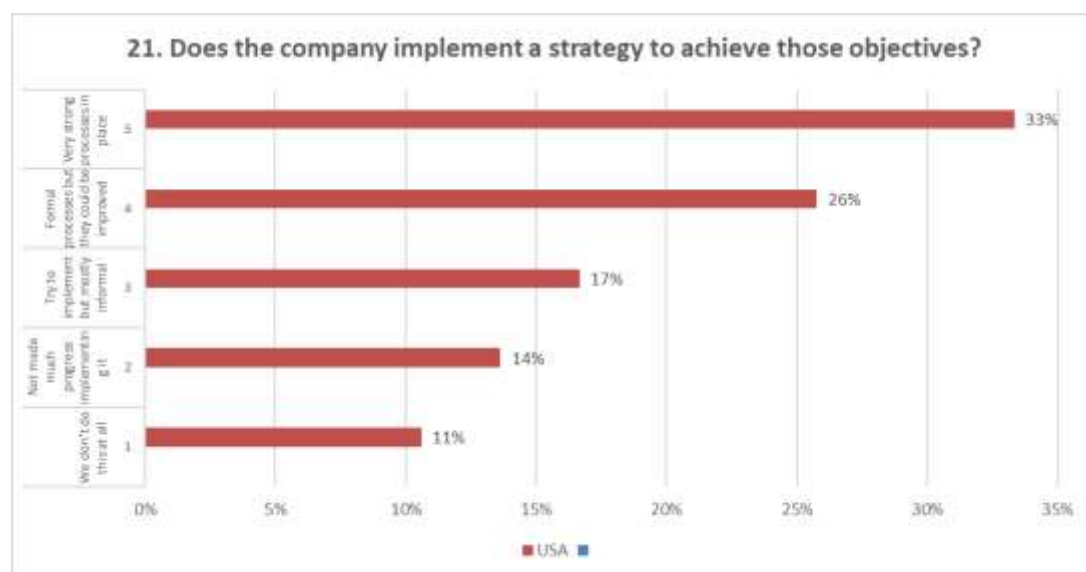
**USA - Question 11**



Similarly, the majority of US MSMEs who responded have strong processes in place to implement strategies to achieve those objectives. 59% have formal processes in place to achieve their objectives and an additional 17% are at least trying to implement a strategy even though it may be informal.

**Figure 36**

**USA - Question 21**

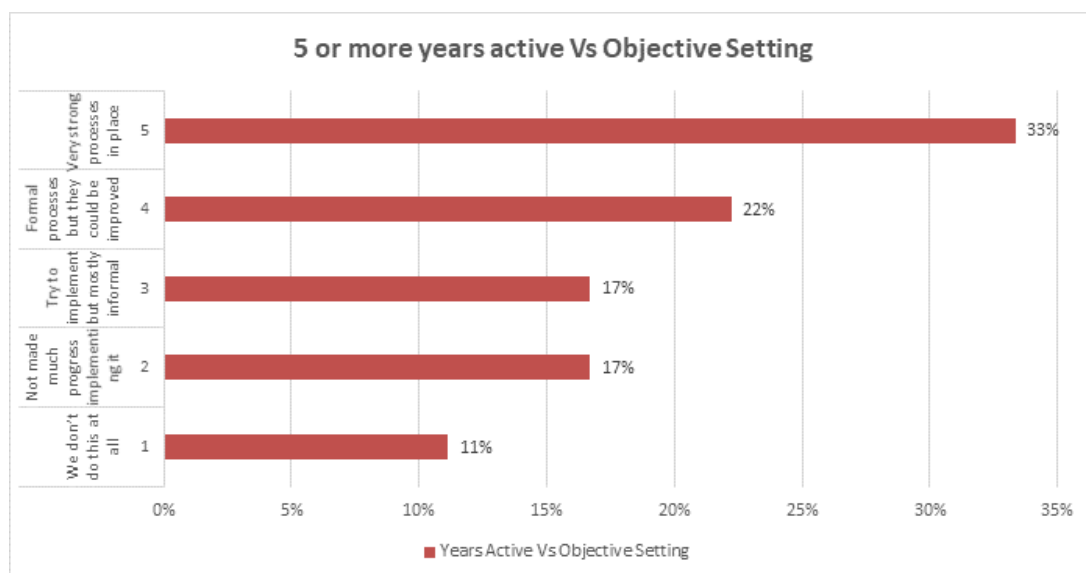


Achieving the strategy therefore could be linked to the high number of respondents which collect data and information on their productivity and their levels of achievement towards goals and objectives.

The data shows that those who have strong procedures and policies in place for objective setting and monitoring tend to stay in business longer. The graph below shows that 33% of the MSMEs surveyed who had been in business for 5 years or more have strong policies in place to set and monitor objectives.

**Figure 37**

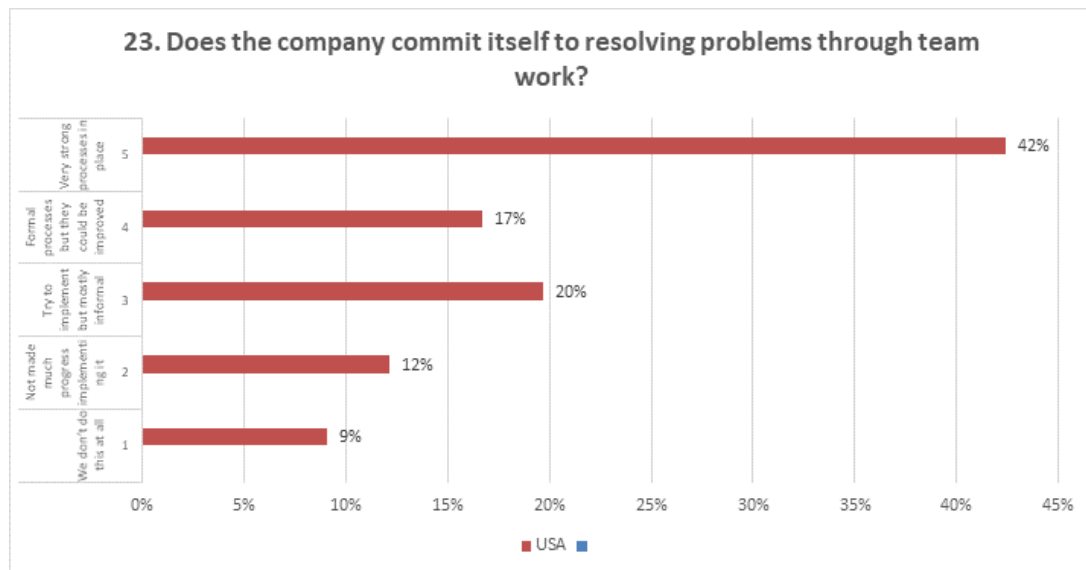
*USA - 5 years or more active Vs Objective Setting*



Key to success is working together and 42% of MSMEs commit themselves to solving problems through teamwork.

**Figure 38**

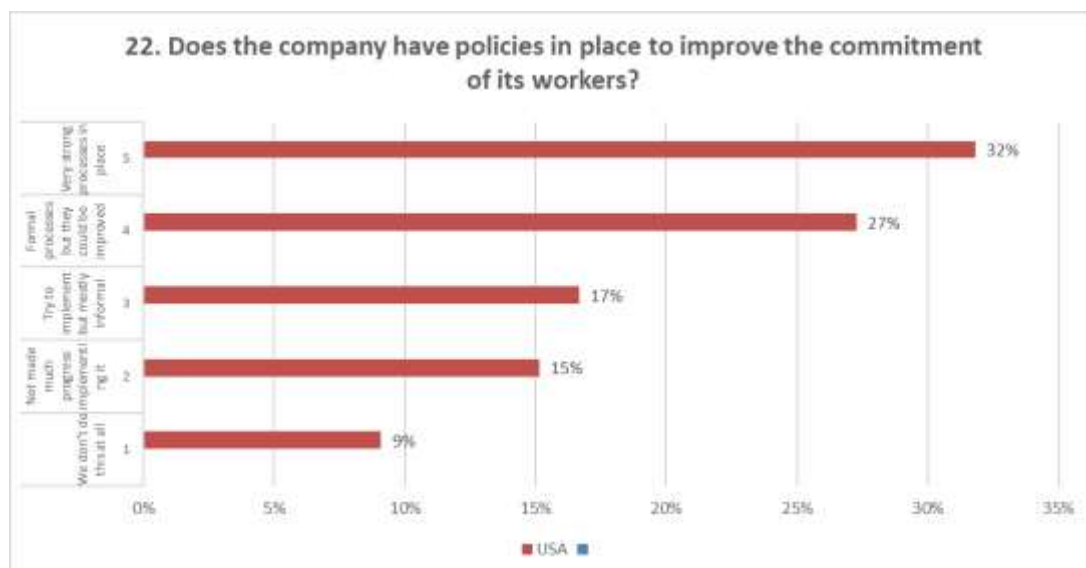
**USA - Question 23**



The “common goal” is clearly a theme explored in tiger economies. The literature review highlighted that commitment of the workforce to the goals and objectives of the organisation was a key element of success particularly in ASEAN economies. 32% of US MSMEs have strong processes in place to achieve this whilst 27% have formal processes which could be improved.

**Figure 39**

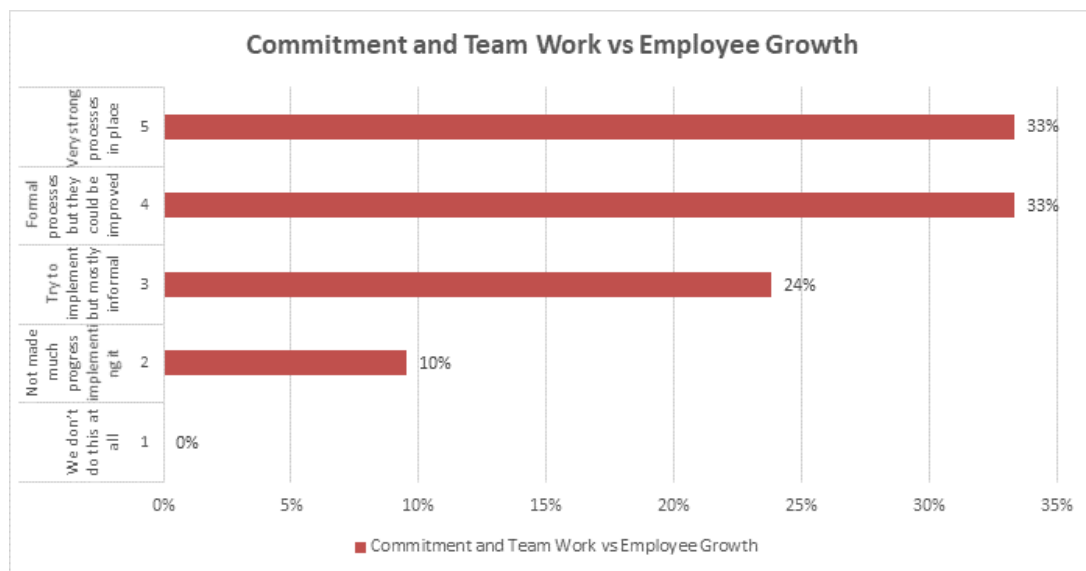
**USA - Question 22**



When combined, the statistics for commitment and resolving problems as a team show that they are related to the growth in the number of employees at an MSME. They show that 66% of MSMEs with strong processes or formal processes which could be improved increased the number of employees they have during the period 2018 to 2020. Those with nothing did not grow in terms of employees.

**Figure 40**

***USA - Commitment and Teamwork vs Employee Growth***



It is clear that teamwork contributes to the success of MSMEs in terms of the life span of the MSME and employee growth. Commitment, resolving problems as a team and realistic goals and objectives together are key components which in the case of the US are contributing factors which drive innovation and R and D.

#### **4.3.2.4 Environment**

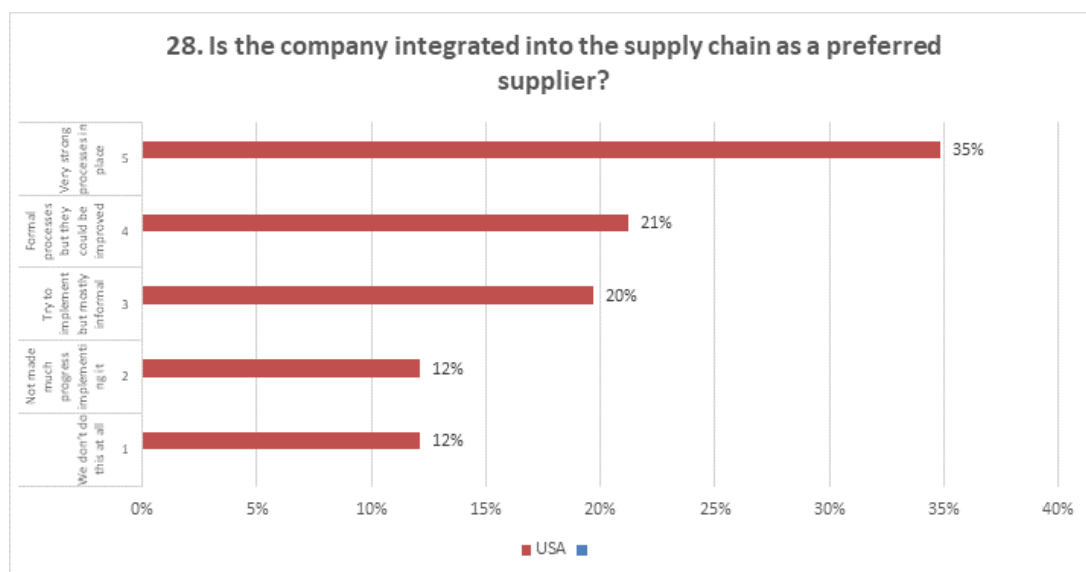
The literature review highlighted a number of key factors related to the business environment and where an MSME positions itself within that environment. The importance of integration into business networks and being seen as a valued link in the chain was deemed as key factors,

as well as being able to change depending on market conditions. Tidd et al (1997, p378) discusses “alliance partners” and “advantages derived from the national environment” and Rothwell (1994, p22) highlights “horizontal technological collaboration” to promote innovation. The US environment as discussed is characterized by “corporate liberalism” (Burris, 1987, p732) and therefore its approach to environment factors must be considered carefully.

The majority of MSME respondents from the US, 35%, regarded themselves as the preferred supplier within their supply chain with a further 21% trying to improve their position within the environment.

**Figure 41**

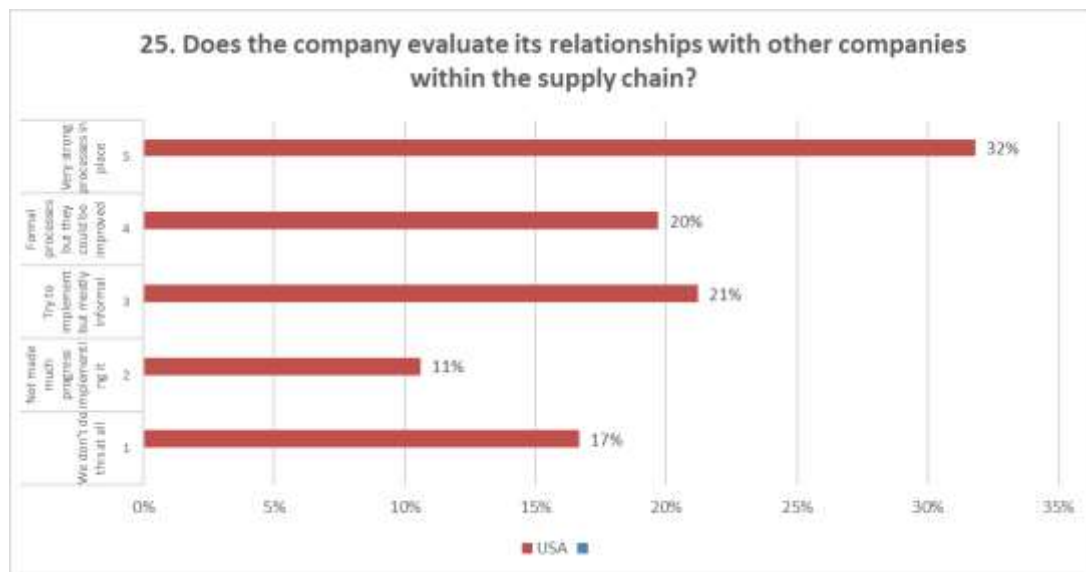
**USA - Question 28**



Integration is one aspect, however, Tidd et al (1997, p378) also point to “learning in our supply chain”. The data analysis shows that the majority of US MSMEs, 32% evaluate their relationships within the supply chain and a further 41% trying to implement or improve their evaluation processes.

**Figure 42**

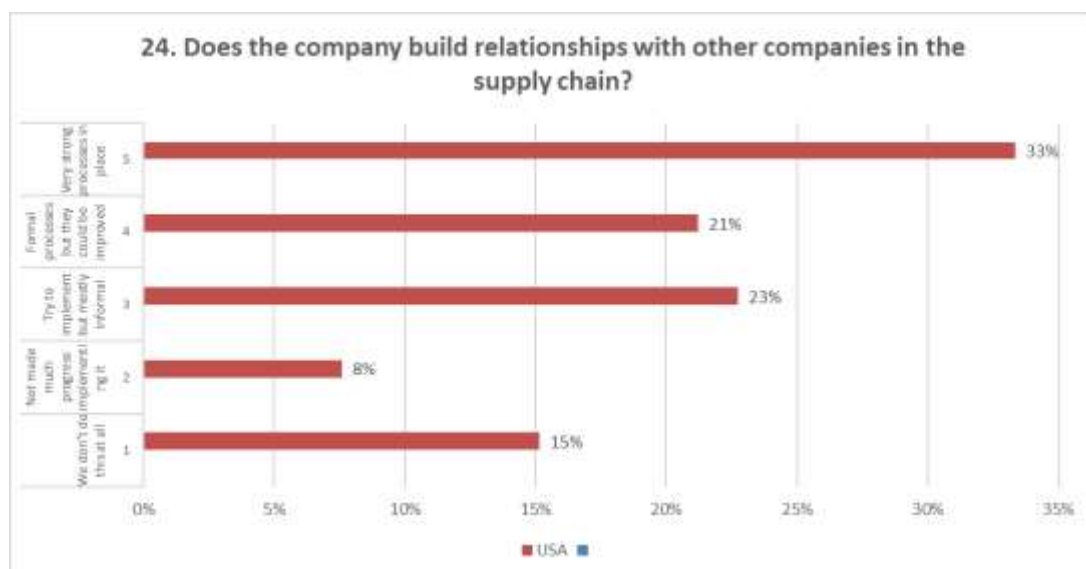
### USA - Question 25



MSMEs in the US are not only interested in their direct relationships within the supply chain but also attempt to build relationships with all companies they interlink with. 33%, the majority have strong processes in place to make this happen, a further 22% have processes in place which could be improved and 23% do this informally.

**Figure 43**

### USA - Question 24

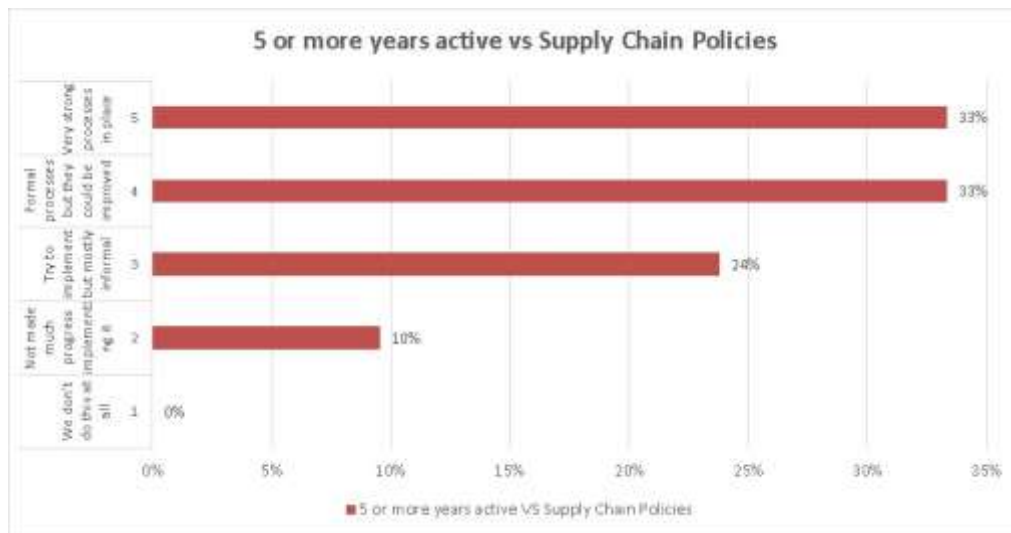


What this data shows is the importance for MSMEs to place themselves within the supply chain and value the relationship they have with all the organisations within that chain.

This is shown in the consolidated statistics which indicates that companies with policies and procedures relating to the supply chain whether strong or in need of improvement generally survive in the environment for 5 years or more.

**Figure 44**

***USA - 5 years or more active vs Supply Chain Policies***

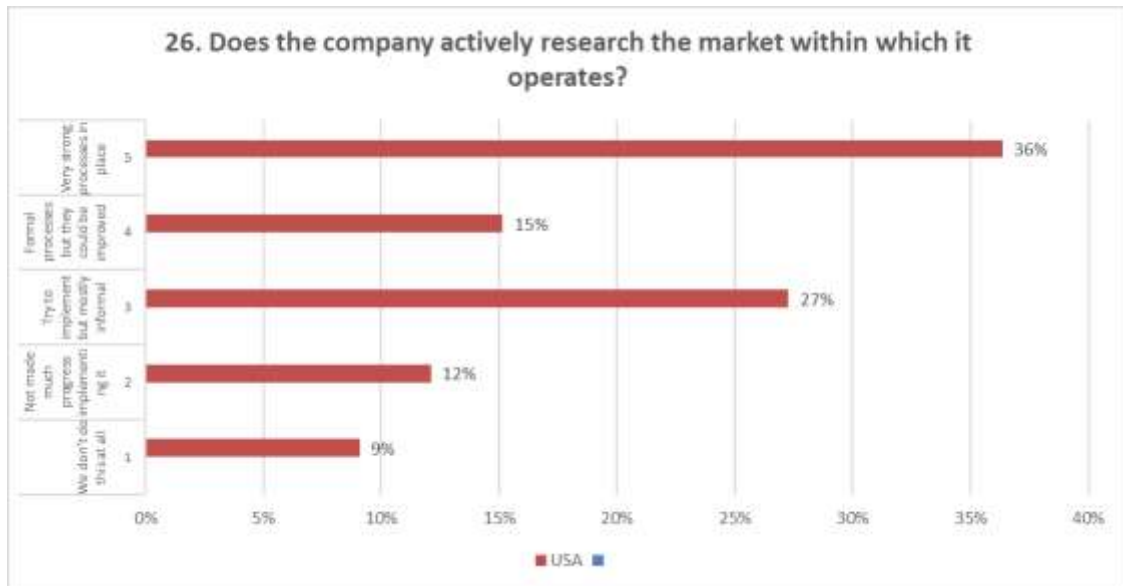


MSMEs with strong supply chain policies in place generally are in business for an average of 10 years.

Within the environment category 36% of US MSMEs actively research the market for opportunities.

**Figure 45**

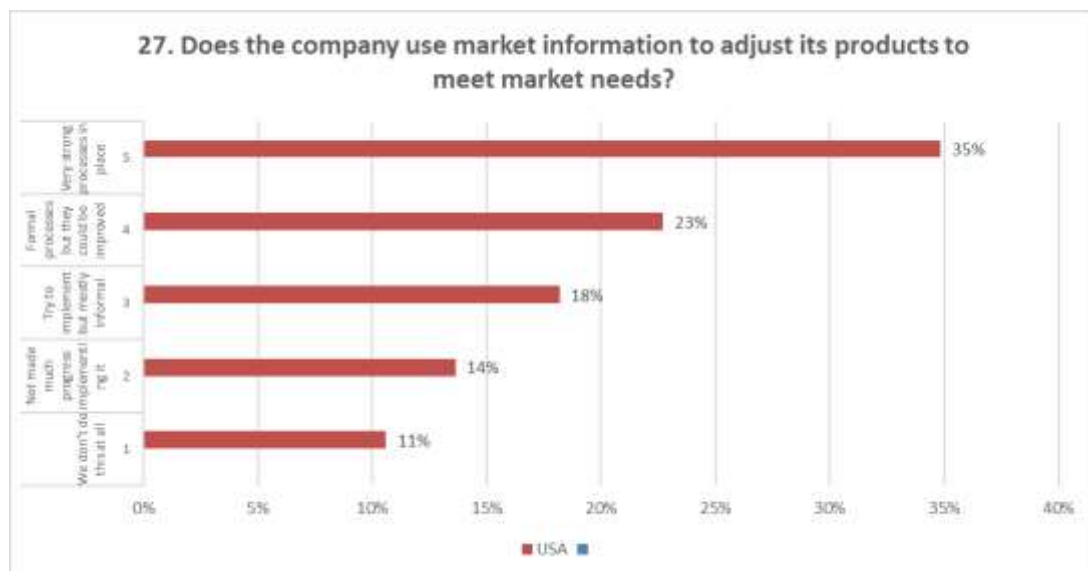
**USA - Question 26**



A similar number 35% adjust their products to meet the needs of the market. With flexibility being a key element of success discussed in the literature review.

**Figure 46**

**USA - Question 27**

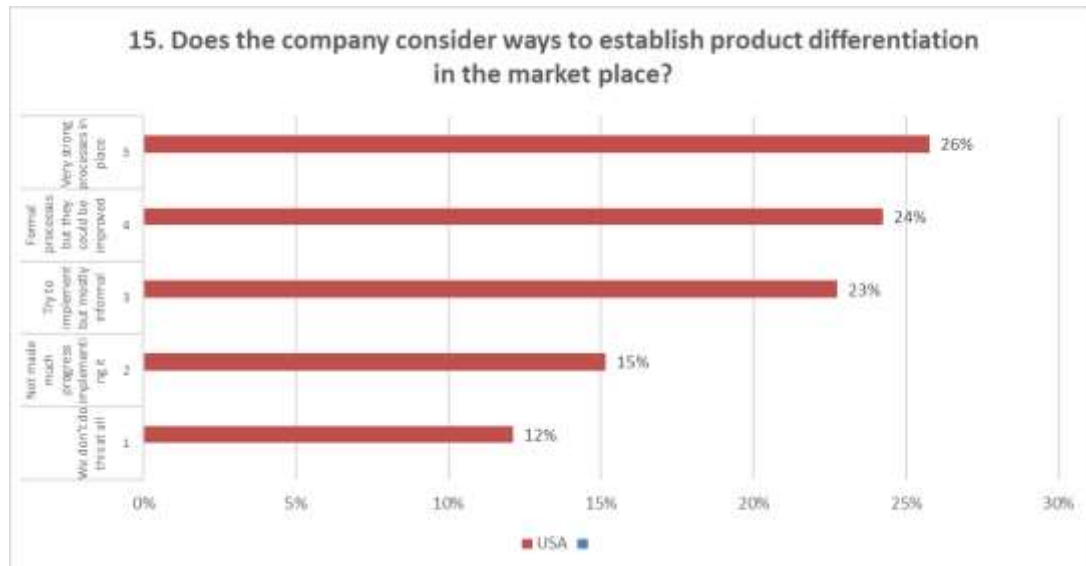


Although this flexibility is important, it seems that actually looking for product differentiation is more of a difficult prospect with only 26% having strong procedures in place to allow this to happen. Indeed, if looked at objectively 24% are trying to improve their

processes of differentiation and a further 23% a doing this informally. This is the closest of all the statistics to the top 3 options available for each question.

**Figure 47**

*USA - Question 15*

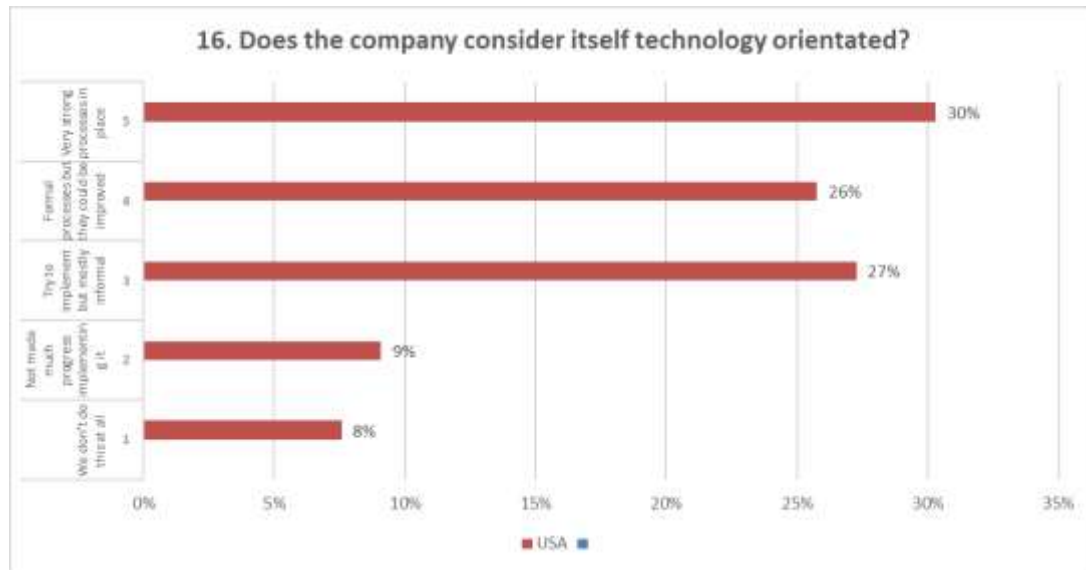


This may indicate the fact MSMEs “are focused on products for niche markets” as pointed out by Tidd et al (1997, p365) and are “more flexible than large organisations” but lacking “time and resources to invest in long term strategies” as discussed by (Hamburg, 2014, p62).

With technology and its use being an important element of success as suggested in the literature review, it is worthwhile noting the US MSMEs seem dissatisfied with their own evaluation of its use. 27% try to implement technology but informally, 26% have formal procedures which need improving, almost a quarter, and 30% for strong formal procedures in place in terms of technology.

**Figure 48**

**USA - Question 16**

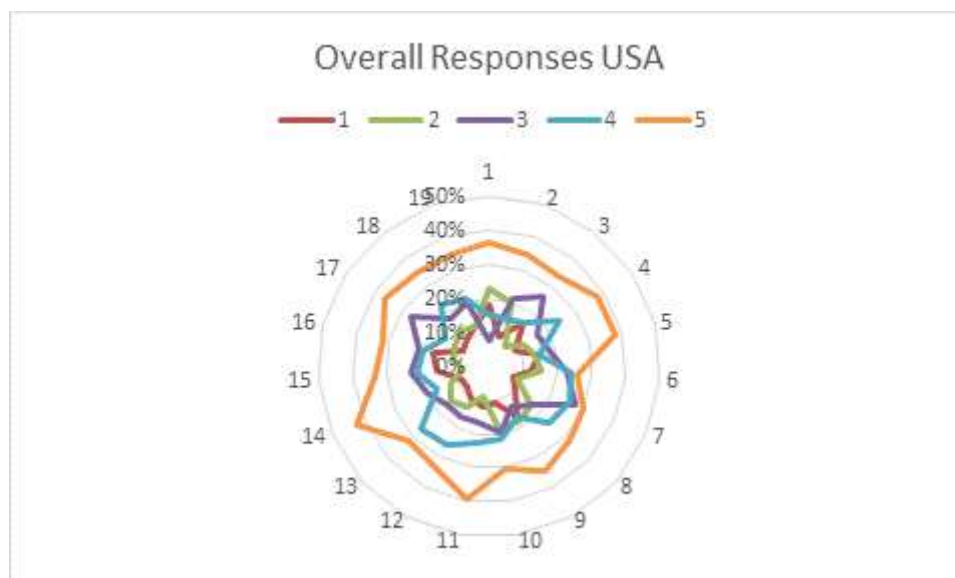


This situation could be linked to Jorgenson et al, (2000, p125) view that “pushing the technological frontier” is “unsustainable”.

In all cases for each factor the MSMEs felt they had very strong procedures in place to deal with them. This can be seen as each response is mapped on the diagram below. The responses for strong processes in place are clear and separate from the others.

**Figure 49**

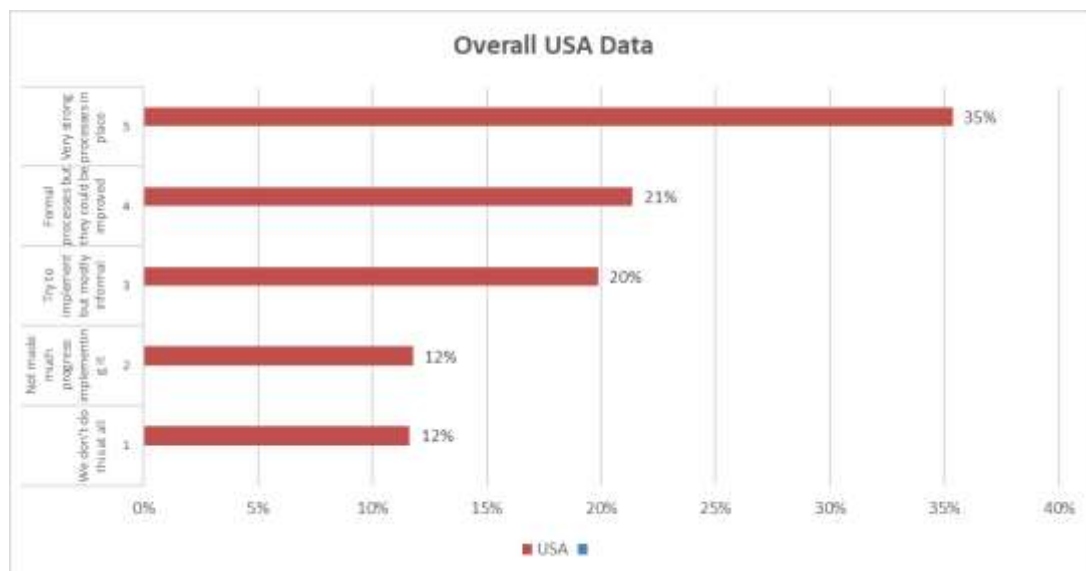
**USA - Overall Response**



Overall, 12% of the responses showed that MSMEs do not use the business concepts as represented by the proposed model. However, 35% of them do, 21% do and agree they need to improve them and 20% do so informally, altogether representing 76% of responses.

**Figure 50**

***Overall Model Data USA***



It must be noted that data also showed the relationships between the factors presented and the success of the MSMEs in terms of revenue, longevity and employee growth. If this is the case then it is possible to determine if these factors and perhaps others are applicable in Botswana.

The analysis showed a strong correlation between the US data and the factors identified through the literature review. Taking each point in turn it is possible to determine if the identified factor is applied or not. Each colour represents level of application with 5 the highest level being blue and 1 the least lowest level being light blue.

**Table 22*****US Rating Application***

Low Application							High Application
Team Work	1	2	3	4	5	Rating	Indicator
10. Does the company set realistic goals and targets for employees?	18%	23%	8%	15%	36%	3.29	Realistic Goals and Targets
11. Does the company have a system for monitoring goal and target achievement?	9%	20%	21%	15%	35%	3.47	Monitoring goals and Targets
20. Does the company set itself objectives?	12%	9%	17%	23%	39%	3.68	Company Objectives
21. Does the company implement a strategy to achieve those objectives?	11%	14%	17%	26%	33%	3.58	Strategy
22. Does the company have policies in place to improve the commitment of its workers?	9%	15%	17%	27%	32%	3.58	Motivation
23. Does the company commit itself to resolving problems through team work?	9%	12%	20%	17%	42%	3.71	Problem Solving

**Environment**

15. Does the company consider ways to establish product differentiation in the market place?	12%	15%	23%	24%	26%	3.36	Differentiation
16. Does the company consider itself technology orientated?	8%	9%	27%	26%	30%	3.62	Technology
24. Does the company build relationships with other companies in the supply chain?	15%	8%	23%	21%	33%	3.5	Supply Chain Management
25. Does the company evaluate its relationships with other companies within the supply chain?	17%	11%	21%	20%	32%	3.39	Supply Chain Evaluation
26. Does the company actively research the market within which it operates?	9%	12%	27%	15%	36%	3.58	Market Research
27. Does the company use market information to adjust its products to meet market needs?	11%	14%	18%	23%	35%	3.58	Differentiation
28. Is the company integrated into the supply chain as a preferred supplier?	12%	12%	20%	21%	35%	3.55	Supply Chain Management

**Capital**

12. Does the company make staff aware of the Financial Implications of their work? E.g. cost of raw materials	17%	8%	26%	17%	33%	3.42	Finance
13. Does the company have policies and procedures to deal with late or default payments from customers?	9%	12%	17%	24%	38%	3.7	Debt Management

**Productivity**

14. Does the company record and analyse data to aid decision making?	15%	14%	18%	15%	38%	3.47	Monitoring, Analysing and Decision Making
17. Does the company measure its production rates?	11%	17%	17%	24%	32%	3.5	Productivity
18. Does each employee know their expected production rate?	17%	18%	14%	17%	35%	3.35	Productivity

19. Does the company consider production flexibility important for making different products?	11%	18%	20%	21%	30%	3.42	Flexibility
---	-----	-----	-----	-----	-----	------	-------------

The analysis of the table shows that the majority of MSMEs in the US have strong processes in place relating to each factor. Each factor is rated between 3 and 4 which according to the rubric:

**Table 23**

***USA Average Rating***

3 – 4	Indicates that although the MSME is able to apply the practice some additional support is required
-------	--

By applying the rating for each factor, it is possible to determine which factors are the most need the most support. The factors which the US are shows they require little support are:

**Table 24**

***US Top Rated Factors***

Question	Rating	Element	Factor
23	3.71	Problem Solving	Team Work
13	3.70	Debt Management	Capital and Productivity
20	3.68	Company Objectives	Team Work
16	3.62	Technology	Environment
21	3.58	Strategy	Team Work
22	3.58	Motivation	Team Work
26	3.58	Market Research	Environment
27	3.58	Differentiation	Environment

Both problem solving and debt management were the two key elements which MSMEs in the US have strong processes to deal with. These are issues which were highlighted in the literature review as areas of concern with Botswana MSMEs.

The bottom three, although still within the rating of 3 -4 are:

**Table 25**

***US Lowest Rated Factors***

15	3.36	Differentiation	Environment
18	3.35	Productivity	Capital and Productivity
10	3.29	Realistic Goals and Targets	Teamwork

As has been shown productivity as discussed has slowed in the US and the use of technology in the long run is unsustainable. This is reflected in the fact that productivity is in the bottom 3. Differentiation is also interesting as US MSMEs are characterised by innovation and differentiation which is driven by innovation in the marketplace. This may relate to the unsustainability of “pushing the technological frontier” (Jorgenson et al, 2000, p125) or the “interplay of globalisation” within the business environment as suggested by Gordon (2012, p2). The fact that setting realistic goals and objectives is the lowest rated factor and problem solving is the highest. This suggests that US MSMEs are not large highly structured bureaucracies, which emphasise “the clarification of goals and objectives” and “work task and outcomes” (Mullins, 2005, p302), but rather flexible organisation which promote “the abandonment of rigid control unlocks the path to freedom and enlightenment” (Smith & Graetz, 2006, p857), the characteristic of innovative and flexible MSMEs.

The analysis reflects many of the aspects of the US MSME environment as discussed in the literature review. Although rates of productivity are low MSMEs who implement productivity practices tend to survive longer. Those who implement capital factors also tend to be successful financially. The promotion within the environment of “inter-firm relationships” (Wheelen & Hunger, 2012, p143) and “crossing organizational boundaries” (Dekker, 2003, p2) also tend to be active for longer. Similarly with objective setting and commitment, which leads to employee growth. Although still important in terms of company objectives setting realistic objectives is placed below problem solving and financial management, thus reflecting the priorities of US MSMEs.

#### **4.3.3 Botswana**

The research into the applicability of the factors in Botswana involved 3 sections. Firstly, MSMEs were asked the same questions as their US counterparts. Questions 10 to 28. This was to provide comparisons and identify potential gaps or issues which could be used to ensure the integrated model conforms to the needs of Botswana. Secondly, they were asked to reflect on issues relating to their business including evaluations of Productivity, Decision Making, Goal Setting Evaluation, the Business Environment, Information and Finance in a further 27 questions creating 56 questions overall per MSME. Again, this was necessary to ensure the model reflected the situation in Botswana. A third and contributing factor was discussions with Business Support organisations who provide support to MSMEs which was intended to not only look at the factors in the integrated model but also to look at the issues highlighted in the literature which may affect the factors and their application in Botswana.

In total 18 MSMEs responded to the online questionnaire with a further 18 responding to the self reflection online questionnaire and 11 business support services were interviewed.

Applying the definition of MSMEs as stated by Jefferis (1998, p3) the data can be broken down as follows:

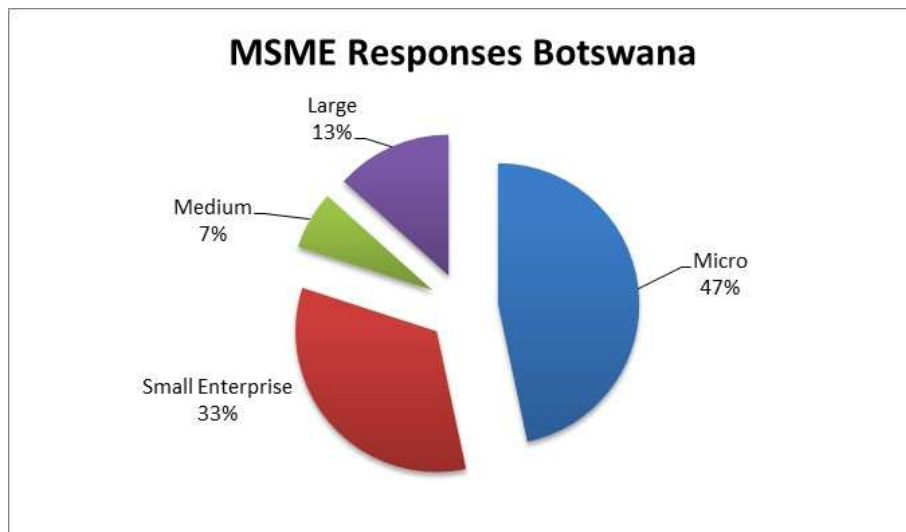
Less than 6 – Micro

Less than 25 – Small Enterprise

Between 25 and 100 – Medium

**Figure 51**

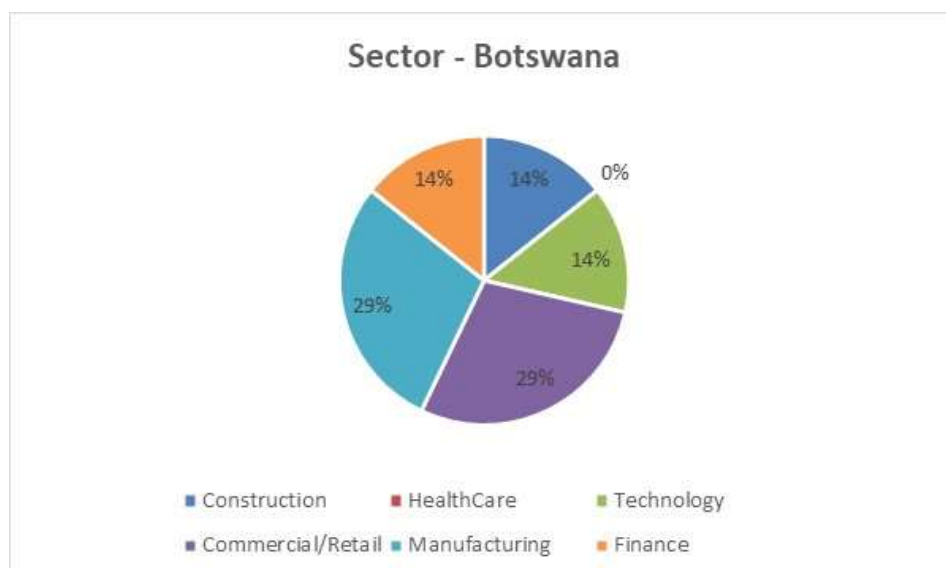
***Botswana - MSME Responses***



Botswana MSMEs have been established for an average of 12.8 years. The predominant sector in Botswana were Commercial/Retail, Manufacturing, with 14% in the field of Technology.

**Figure 52**

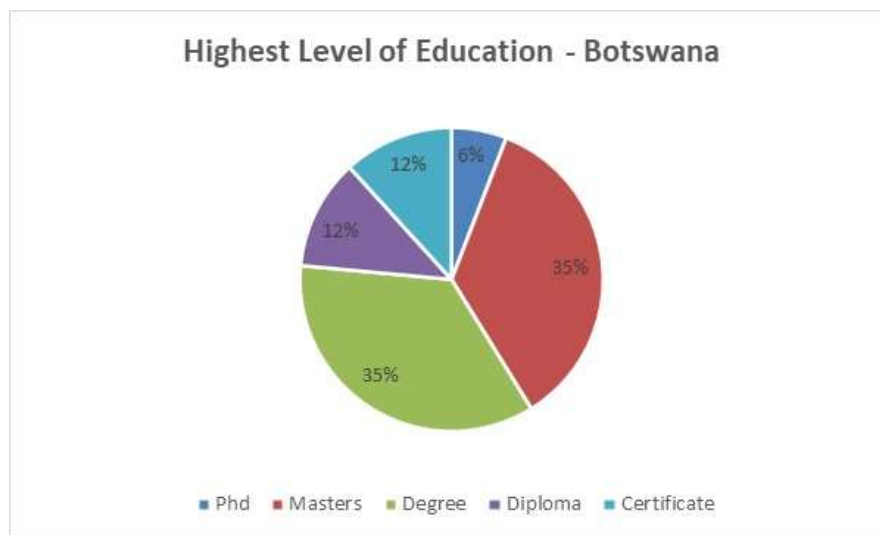
***Botswana - Sector***



53% of respondents from Botswana were directors, and 40% were managers within the company. Of these 35% were female. The respondents were also highly educated with 35% holding a master's degree and another 35% holding a degree.

**Figure 53**

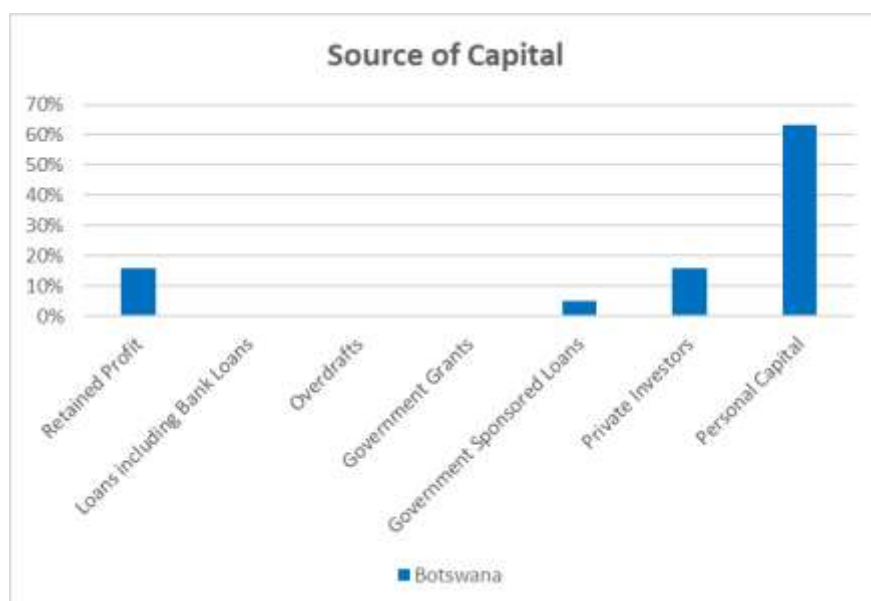
***Botswana - Highest level of Education***



In Botswana personal finance, private investors and retained profits are the most common, with personal finance being by far the highest.

**Figure 54**

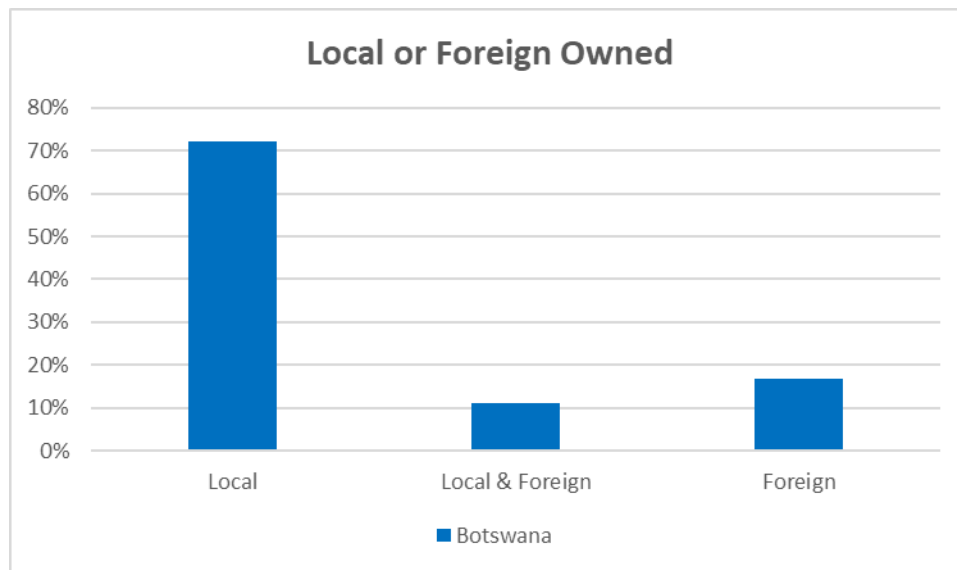
***Botswana - Sources of Capital***



In Botswana 17% of respondents stated they were foreign owned.

**Figure 55**

***Botswana - Foreign or Locally Owned***

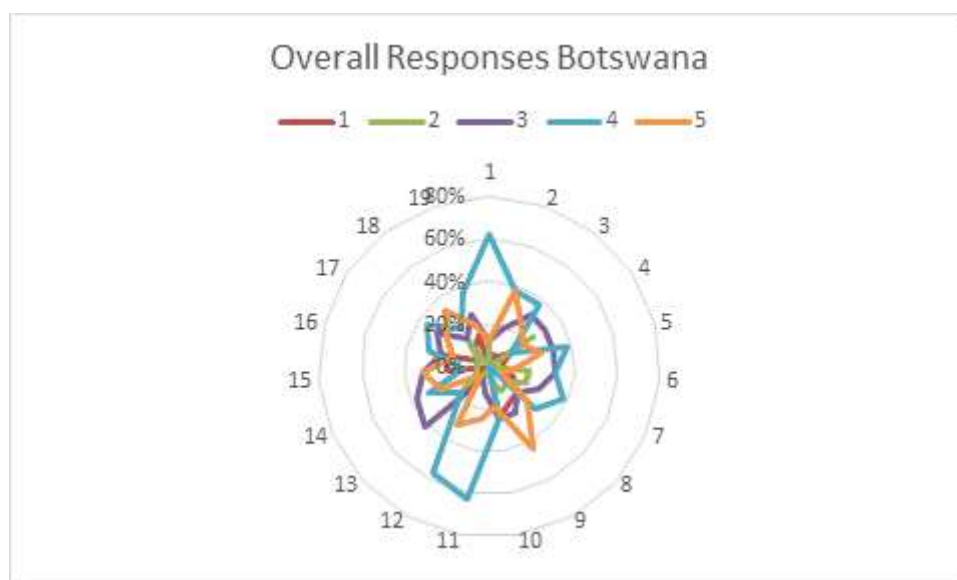


The average reported turnover of Botswana MSMEs was P28,360.00.

Unlike the USA data whereby the radar chart clearly showed the many MSMEs in that country had strong policies in place to deal with the factors identified through the literature review it is less clear in the Botswana situation.

**Figure 56**

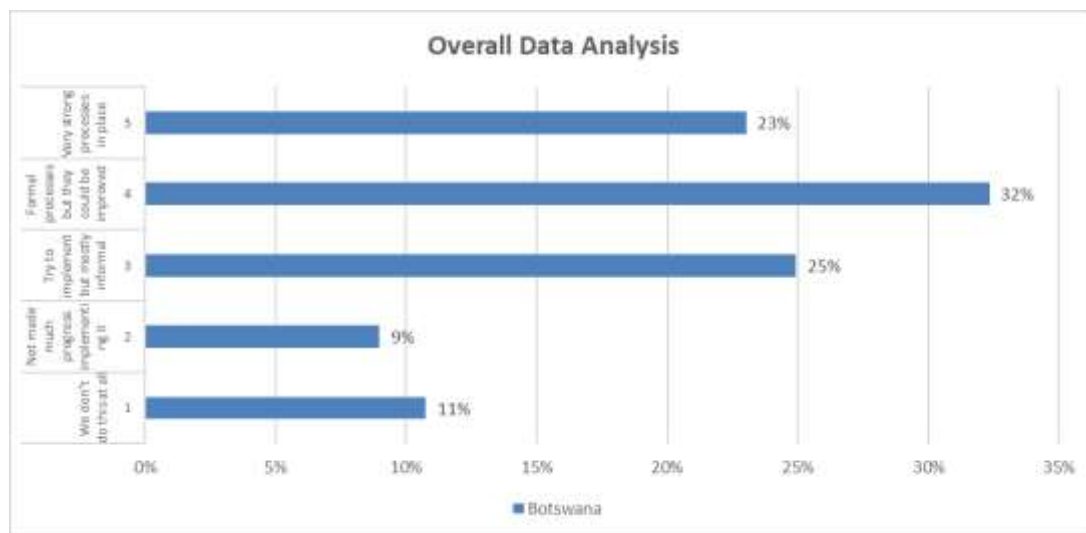
***Botswana - Overall Responses***



Unlike the data gathered from MSMEs in the US where the majority of responses showed they had strong processes in place, in Botswana the radar chart shows no definite or concrete relationship between the identified factors and their application in Botswana.

**Figure 57**

***Botswana - Overall Data Analysis***



The data shows that almost a quarter of MSMEs in Botswana have strong processes in place to meet the requirements of the identified factors. Almost a third of MSMEs in Botswana have formal processes in place which could be improved, a quarter have informal processes and a fifth do not make much effort to implement the factors identified. This provides an interesting insight into MSMEs thinking in Botswana as the majority feel their processes in relation to the identified factors could be improved. It is key therefore that for this model to be applicable to Botswana that the “the features of social life – networks, norms and trust” as described by Putman (1996) feature in how the model is shaped.

**4.3.3.1 Botswana Data Analysis**

As with the USA data the Botswana data will be analysed as percentages. This will allow comparisons between both sets of data where necessary by standardising measures with different sample sizes.

**Table 26*****Botswana Raw Data***

	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
<b>1</b>	0	1	1	2	1	1	2	3	3	4	0	0	3	0	3	4	1	2	3
<b>2</b>	2	0	0	4	0	3	3	2	2	1	0	1	3	1	1	1	1	3	0
<b>3</b>	2	3	5	5	5	5	4	3	4	4	2	1	7	6	5	4	5	3	5
<b>4</b>	10	6	6	2	6	5	6	5	0	4	10	9	3	5	2	5	6	4	7
<b>5</b>	2	6	4	3	4	2	1	4	7	3	4	5	1	4	5	3	4	6	4

As with the USA data a further analysis of the raw data using a rating be used to determine the most important and least important factors.

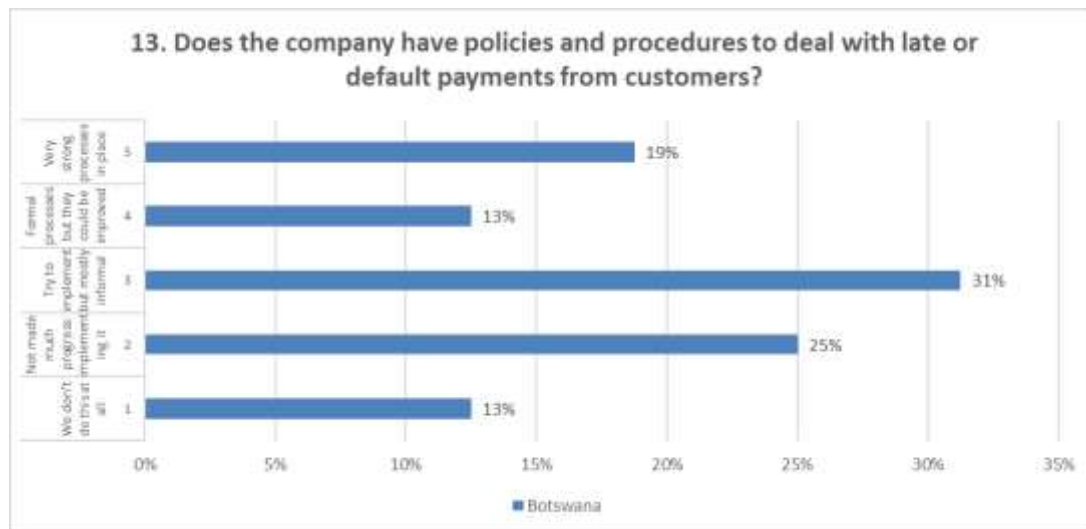
Again, where necessary the analysis will bring together different factors to determine how they affect success factors: growth, profitability/revenue and longevity.

#### **4.3.3.2 Finance and Productivity**

The literature review highlighted that finance and financial management were issues which affected MSMEs in Botswana. “Low financial literacy” (Solomon et al, 2018, p1) and the “chronic problem” (Magembe&Shunda, 2007, p37) of not paying debts on time were just two examples of issues which affect MSMEs. The analysis of the data generated from the MSMEs in Botswana highlights this. The majority of MSMEs in Botswana have only informal methods to deal with late or default payments. Only one fifth have processes in place which they believe will work well.

**Figure 58**

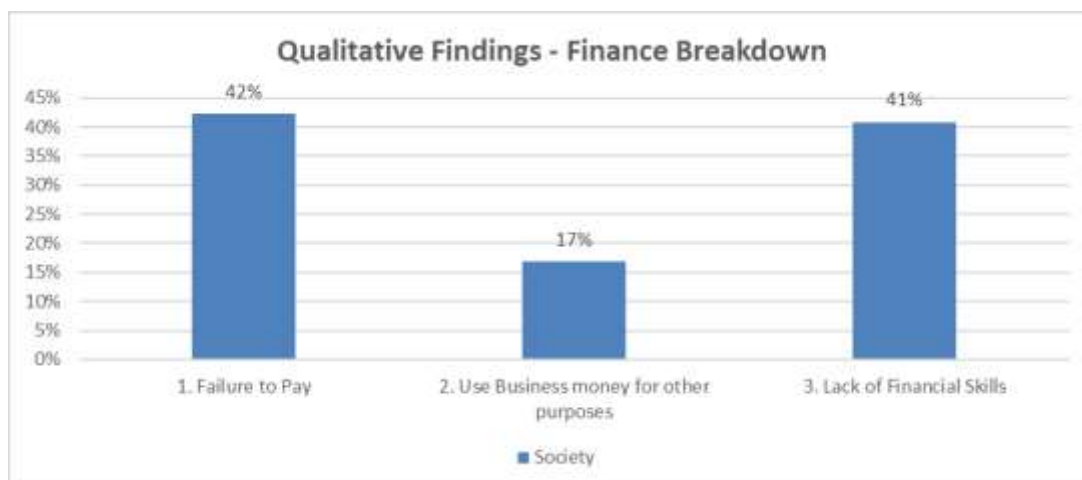
**Botswana - Question 13**



The statistics are in line with the qualitative data collected from the Business Support organisations. They point to issues relating to financial management with 42% of the comments relating to the failure to pay not only by customers but also for inter-MSME activity. 41% of the comments related to the lack of financial skills amongst MSMEs and 17% related to lack of financial accountability using the money generated by the business for other purposes.

**Figure 59**

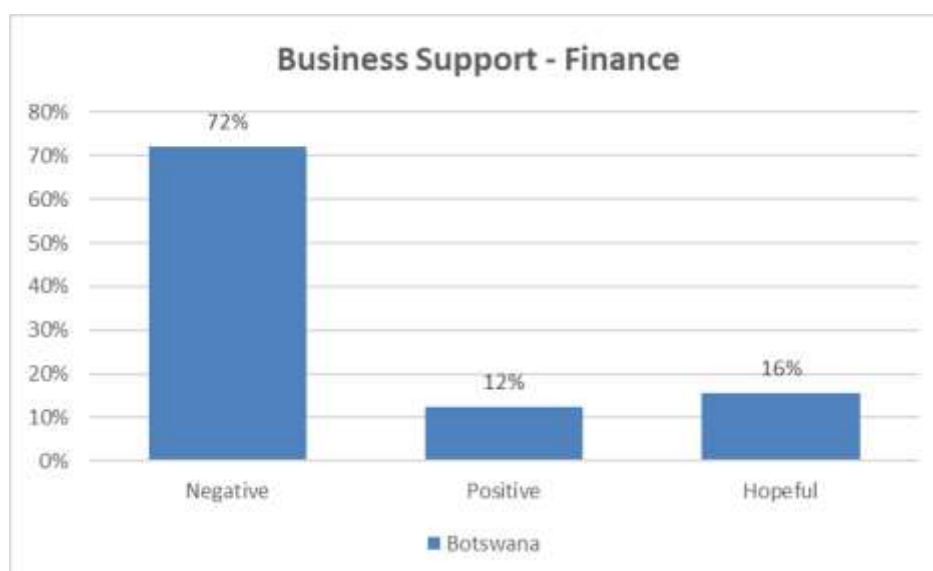
**Botswana - Qualitative Findings – Finance Breakdown**



Overwhelmingly, within the 122 comments made on this point 72% were negative, only 12% were positive and 16% where hopeful that a solution could be implemented to resolve the low opinion of how MSMEs handle their finances.

**Figure 60**

***Botswana - Finance Qualitative Findings***



One interviewee described the problem succinctly; MSMEs “understand business finance and business but abuse money”. The issue of dealing with debtors and creditors related to 42% of the comments, both in terms of the customer not paying for goods and services and the MSME itself not paying its suppliers or loans. In fact, in the local language there is a word for taking goods or services in advance of payment, it is called “sekoloto”. Grobbelaar and Tsotetsi’s (2005, p74) “delays in the payment of debts”, Magembe and Shunda(2007, p37) “chronic problem affecting many businesses in Botswana” and Solomon et al’s (2018, p1) “low financial literacy” are clearly related to this point.

61% of MSMEs in Botswana had to pursue customers for non-payment regularly and 56% state that sometimes their businesses suffer cash flow problems because of non paying customers. When compared to MSMEs in the US it is clear that MSMEs in Botswana do not

have the strong processes necessary to deal with debtors. In fact, the majority rely on informal processes to deal with customers who owe the company money. The comment made by one interviewee that “On tick – procedures do not exist, no contract – verbal gentleman’s agreement, does not work” is borne out by the statistics which show that the majority of businesses in Botswana rely on informal processes.

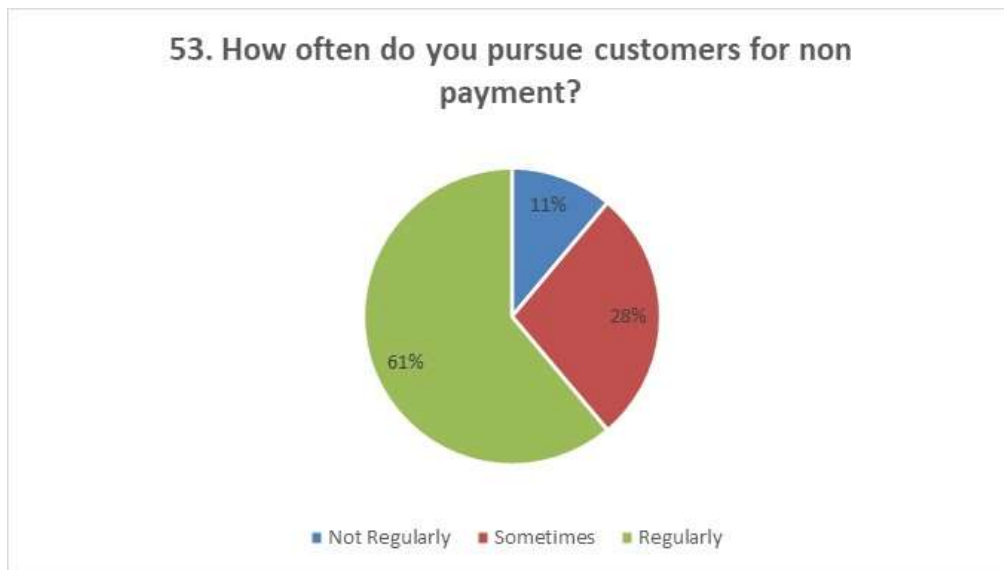
Although MSME’s in Botswana advocate for “strict enforcement of payment T and Cs”, “Stricter payment terms” and “Cash on Delivery”, in a wider sense the non payment for goods and services is a problem affecting both the MSME and the customer.

Business Support interviewees pointed to the fact that in Botswana MSMEs give credit to customers because “they think they are losing a sale”. Also “to say no to someone is insulting” and therefore business owners may be “embarrassed not to give credit”. This can be summed up by one interviewee who stated that in Botswana “society is amenable, very few say no”. Another suggested that business owners are “sympathetic to someone who has a debt rather than enforcing it”. As pointed to, this approach to debt may be “helpful in society but in business terms it is not sustainable”. However, it must not be seen as simply a problem with customers. MSMEs are customers also. The MSME is responsible for not paying its suppliers, creditors, and banks. Indeed, societies problem with managing credit and debt leads to serious problems with one interviewee concluding that if “(s)he doesn’t pay, you don’t pay but, in the end, someone is hit so hard the business collapses”.

The data shows that 61% of MSMEs in Botswana often had to pursue customers for non-payment. Only 11% stated not regularly.

**Figure 61**

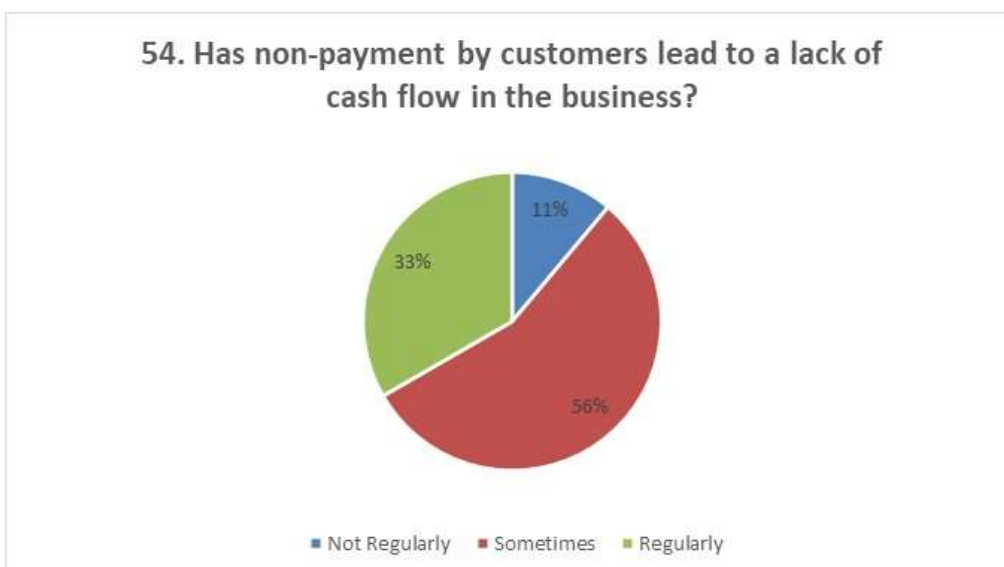
***Botswana - Question 53***



In fact, a third of Botswana MSMEs have stated that non payment has had a negative effect on their cash flow regularly and 56% over half, stated that they were affected sometimes.

**Figure 62**

***Botswana - Question 54***

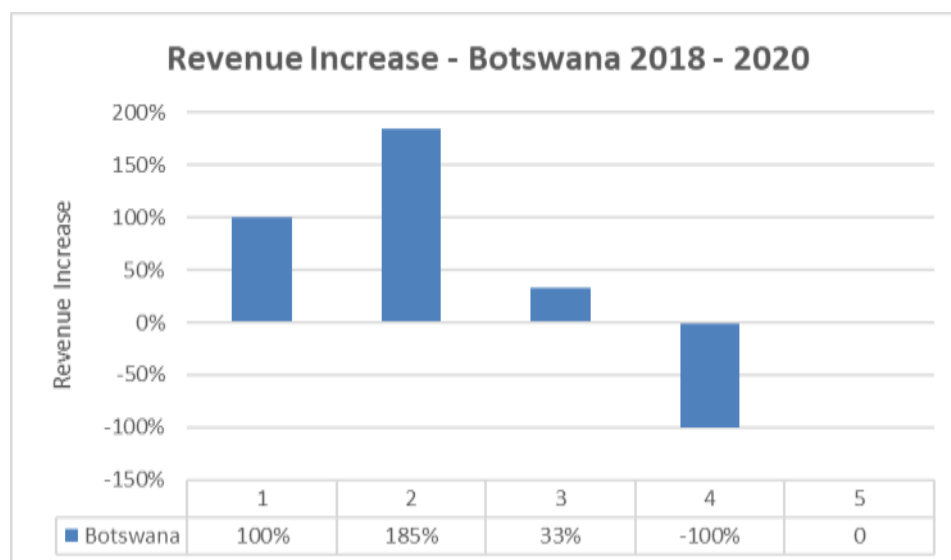


The seriousness of the problem of society and finance is clarified by one interviewee who deals with loans and credit control who gave a figure of “85%” of those who receive credit, “do not pay”.

This reality is shown in the data. Those that do not have processes in place for dealing with debtors tend to be the smaller MSMEs who are more successful than larger MSMEs who tend to have more customers, need to be more productive and therefore more efficient in their processes.

**Figure 63**

***Botswana - Revenue Increase***



In this case the “revenue” is not related to managing debtors. However, the data gathered from the US clearly shows that they are linked, that improved debtor management does indeed affect revenue. Therefore it can be considered as an element of the integrated model for improving MSME support in Botswana.

The reality regarding financial management capabilities runs deeper than simply collecting money from debtors. It is believed that systems to “disburse loans is lax” to such an

extent that “people take advantage”. In fact, 17% of comments relating to finance suggests that businesses use loans for other purposes rather than the business itself. Business Support interviewees suggest that MSMEs “get loans but use it for something else” and that although it is “good to give loans so people can make a living some people use it for their own reasons”. As one interviewee suggests MSMEs “do not stick to core business” pointing to the fact that “it is not easy to recover” funds which have been “diverted” for another use. In fact, another suggested there “must be a law” against diverting funds received through a loan to other purposes.

Financial irresponsibility is only part of the problem. One interviewee points out that it was “bad that inexperienced people receive loans” reflecting similar comments in the literature review by Yusoff and Yaacob (2010, p62) and Chinyoka (2015, p5), with another stating that “99% of the problem comes from lack financial management”. Business Support interviewees complained there was “no debt planning”, that MSMEs “do not understand concept of profit” and that small businesses “don’t write down what they buy or sell” and therefore have “no idea of what cash they have”. These interviewees believe that this is a primary reason why “very few people make it a success, it happens in the short term” and that “60/65% of business complete 2 – 5 orders and then shut”.

27% of MSMEs who completed the online questionnaire suggest that “record keeping” was key to improving financial management in a business along with “disciplined management” and ensuring that policies were implemented as “intended”. Business Support interviewees listed many of the skills which MSMEs must be trained on including understanding “the value of money”, the concept of “reserves”, the “difference between revenue and profits”, “budget planning” and “managing cash flows”.

The significance of a lax and irresponsible attitude to finance and financial monitoring has consequences for the MSME sector as “high impairment” leads to the “high cost of loans and higher interest”. One interviewee suggested that those giving loans to businesses require an “assessment of the person” considering “what they have done so far, experience and proof of references”. Although one points to the current “screening process” as “not thorough” others are “seeing a change” with MSMEs “getting more serious”. Others suggest that as “Africa learns from their own experiences” things “will get better”. However, it is a perpetual circle.

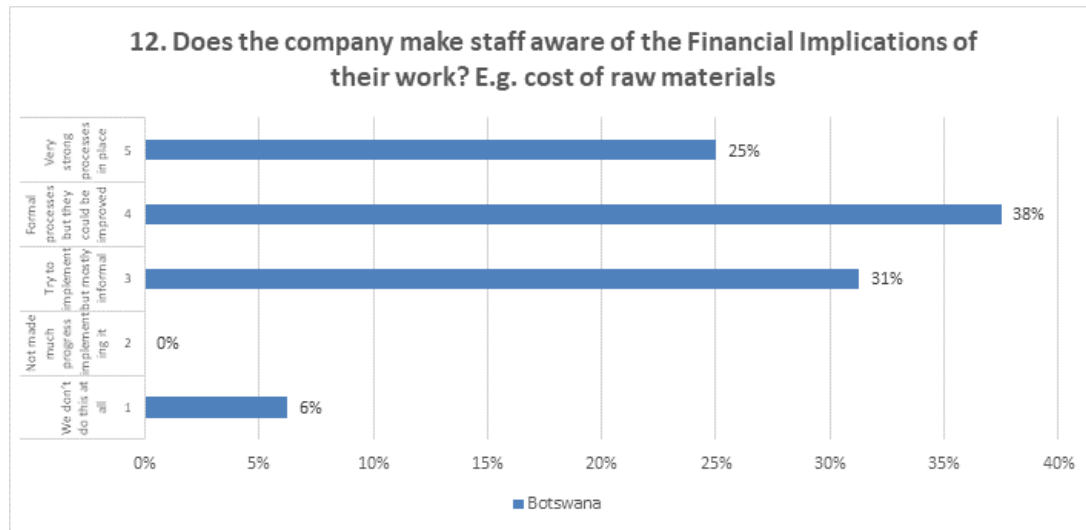
As Grobbelaar and Tsotetsi (2005, p74) point out local banks have become “very selective in issuing credit and loans” leading entrepreneurs to seek finance elsewhere making it easier to default.

This attitude to loans is significant in the integrated model. As stated MSMEs are also responsible for paying creditors, their suppliers within the supply chain. Failure to pay leads to issues not only with the MSME but also the supplier. Therefore, this represents an element of integration whereby financial management is linked directly to the health of the business environment. It also represents a societal norm which must be addressed through the model.

The analysis of the financial issues relating to MSMEs can also be seen in the statistics which looks at how employees are familiar with the costs involved in their activities.

**Figure 64**

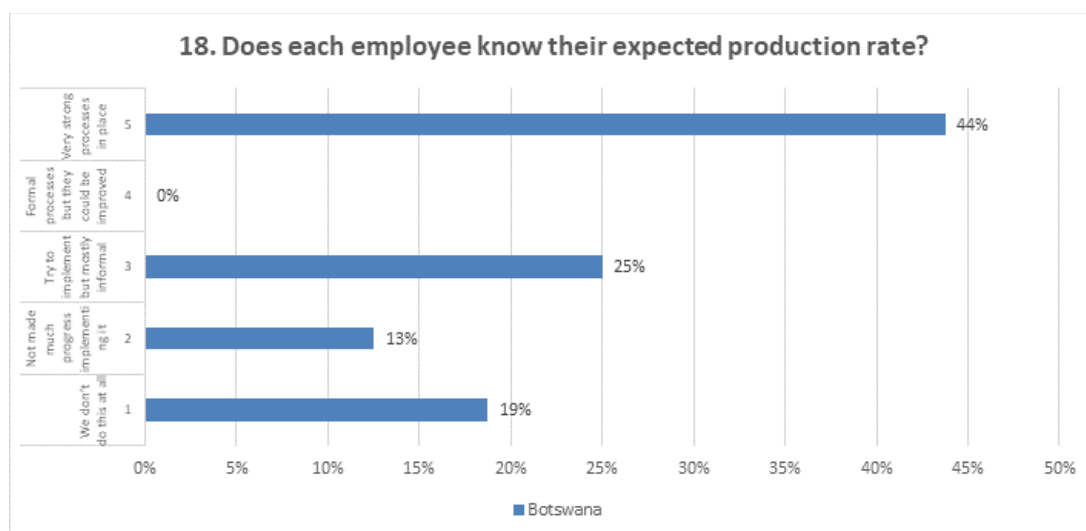
**Botswana - Question 12**



Only a quarter of MSMEs have strong processes in place to ensure staff are aware of the financial implications of their work. 38% feel their processes could be improved and 31% have informal processes. In the US 33% of companies have very strong processes in place to make staff aware of these costs.

Interestingly the majority of MSMEs state that their employees know what is expected of them in terms of productivity.

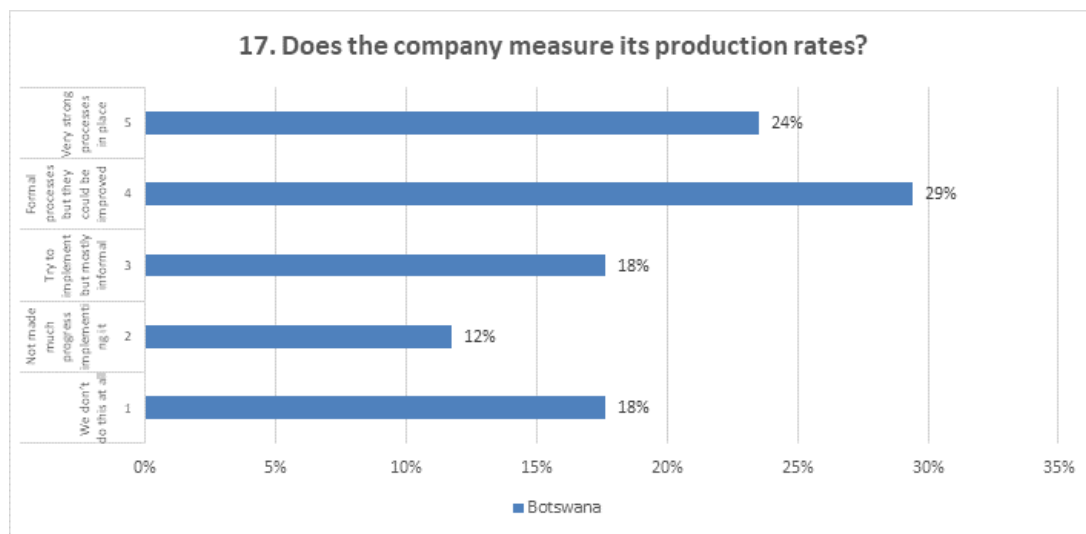
**Figure 65 Botswana - Question 18**



44% of respondents stated they had strong processes in place. However, when asked if the MSME measures its production rates only 24% stated they had strong procedures in place. This compares to 32% in the US. The majority of Botswana MSMEs had procedures, but these needed to be improved.

**Figure 66**

***Botswana - Question 17***

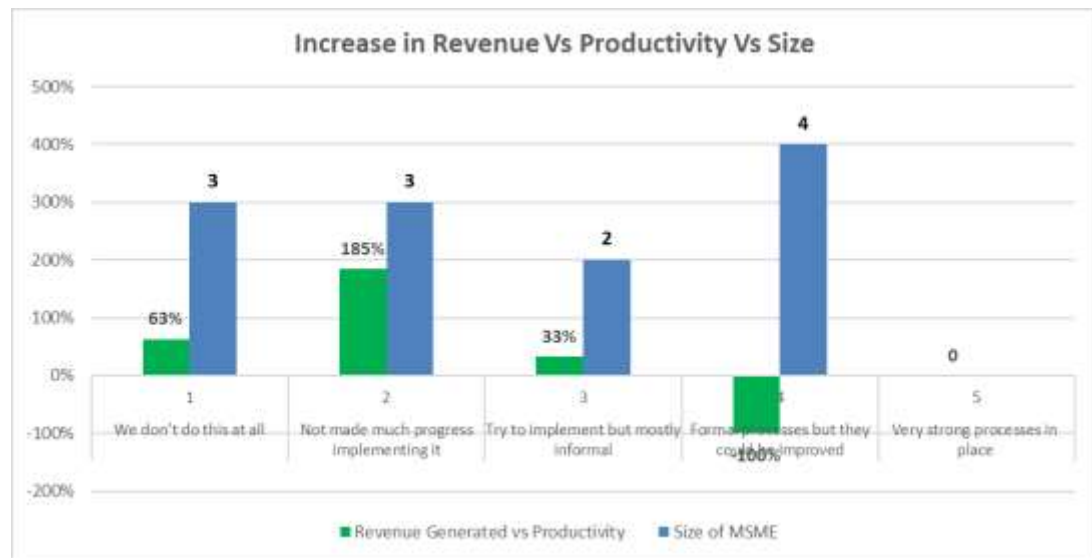


The need for improving productivity measures can be shown through an analysis of MSMEs increase in revenues from 2018 to 2020. The graph shows two clear points:

1. The larger MSME (4) that have systems in place to improve productivity but can be improved, have the biggest reduction in revenue
2. Smaller MSMEs who use informal systems or no systems at all are profitable.

**Figure 67**

***Botswana - Increase in Revenue Vs Productivity Vs Size***

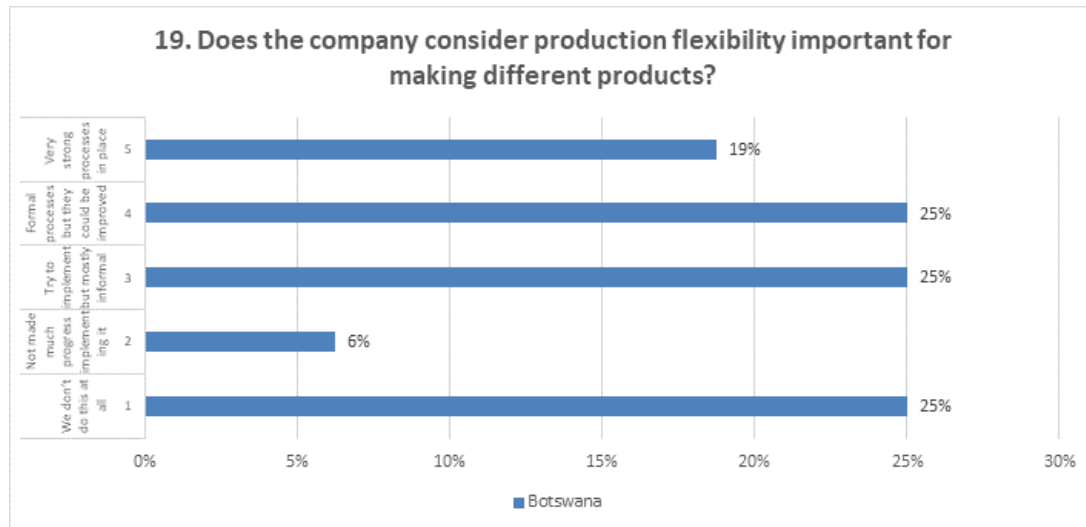


The companies who have systems in place which are either strong or need improvement fair less than those who have informal approaches indicating they are more successful. This could indicate diseconomies of scale whereby MSMEs as they expand are unable to analyse the increase in data that they are now receiving. The US data clearly showed a link between revenue and productivity. Those with strong processes in place showed improvements in revenue. Therefore, a consideration for the integrated model would be to include strategies for improving productivity particularly as the MSMEs expand, as need clearly indicates in Botswana. A further need for the integrated model is to ensure that productivity and production rates are linked to objectives and objective setting. Although this is included under teamwork it is clearly part of the productivity conundrum. Setting productivity goals therefore must be considered across more than 1 factor.

In terms of production flexibility, respondents felt the need to improve this aspect of their operations. 75% either have processes which need to be improved, consider flexibility in an informal manner or do not consider it important.

**Figure 68**

***Botswana - Question 19***



When asked what single measure they would take to improve productivity? 47% of MSMEs in Botswana made suggestions relating to the workforce such as improving the “quality of education”, “mentoring workers”, educating employees about the “quantitative impact of their time cost”, incentivising workers through “shared ownership or performance bonus” or “having a passionate goal-orientated manager”. 29% refer to capital including “bring in advanced technology machinery which will save us time and money”. The remainder referred to improvements in the market. It should be noted that a small market and high competition reduces revenue and therefore opportunities to invest in productivity.

This is mirrored by MSMEs when asked “How do you think productivity and commitment can be improved?” 56% of MSMEs suggested better goal setting, followed by better management.

**Figure 69**

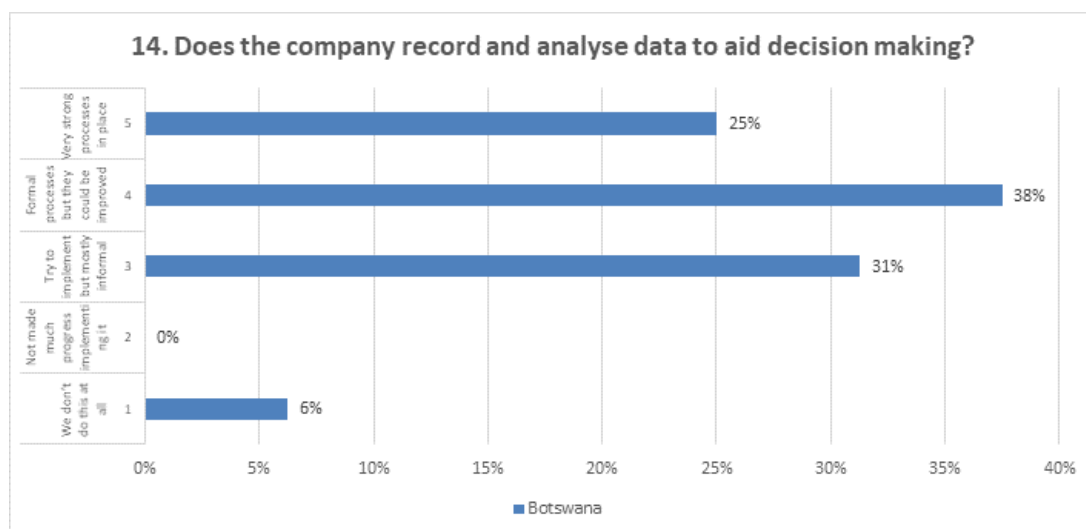
**Botswana - Question 40**



Better management relates to better decision making. Whereas US MSMEs have strong decision-making capacities based on the data they collect from monitoring (43%) again Botswana has systems in place, but they could be improved. 69% of Botswana MSMEs try to implement or have formal systems which need improving. Only 25% of Botswana MSMEs are able to make decisions based on the data they gather from monitoring. The measuring of business performance is clearly lacking through the factors.

**Figure 70**

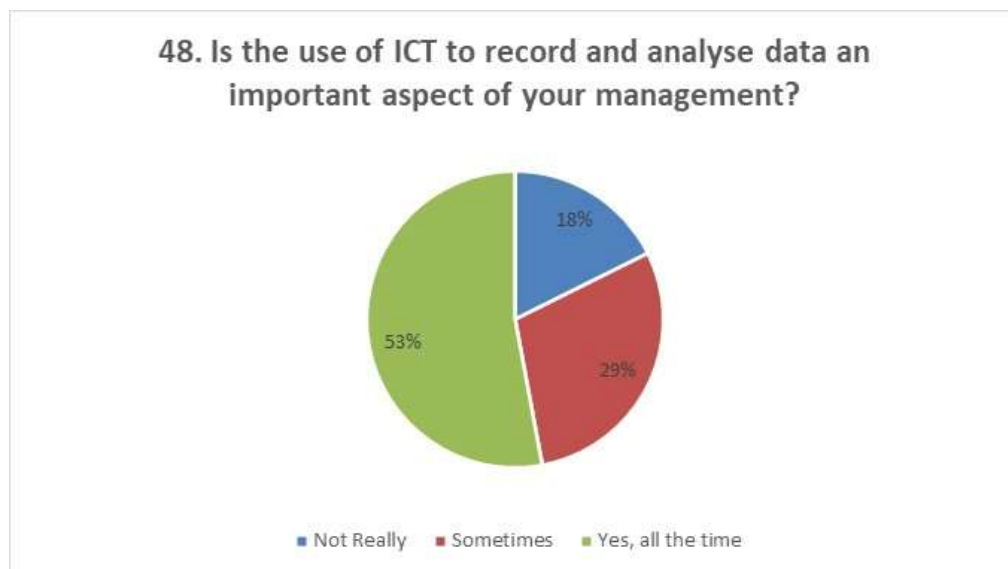
**Botswana - Question 14**



Although only 25% of Botswana MSMEs use the data they record for decision making purposes, it is important to note that 53% of Botswana MSMEs suggest they actually record and analyse data using ICT as part of their management processes.

**Figure 71**

***Botswana - Question 48***

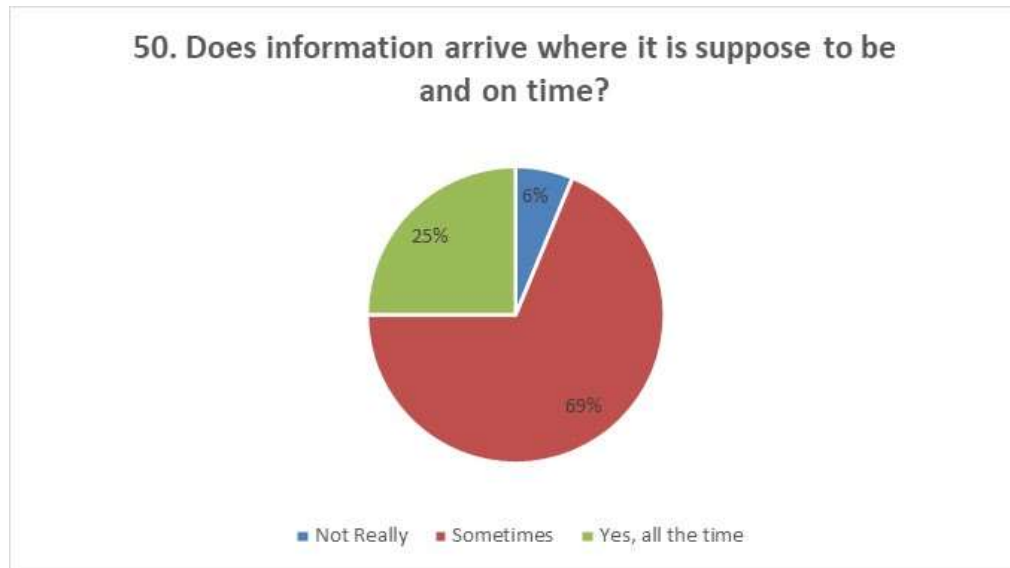


These differences are highlighted by one Business Support Interviewee who suggested that “50% (of MSMEs) do record but not up to the standard”.

Interestingly, when asked if information arrives where it is supposed to, on time, the majority of Botswana MSMEs suggested it did sometimes 69%. 25% or one quarter suggested it did all the time.

**Figure 72**

***Botswana - Question 50***



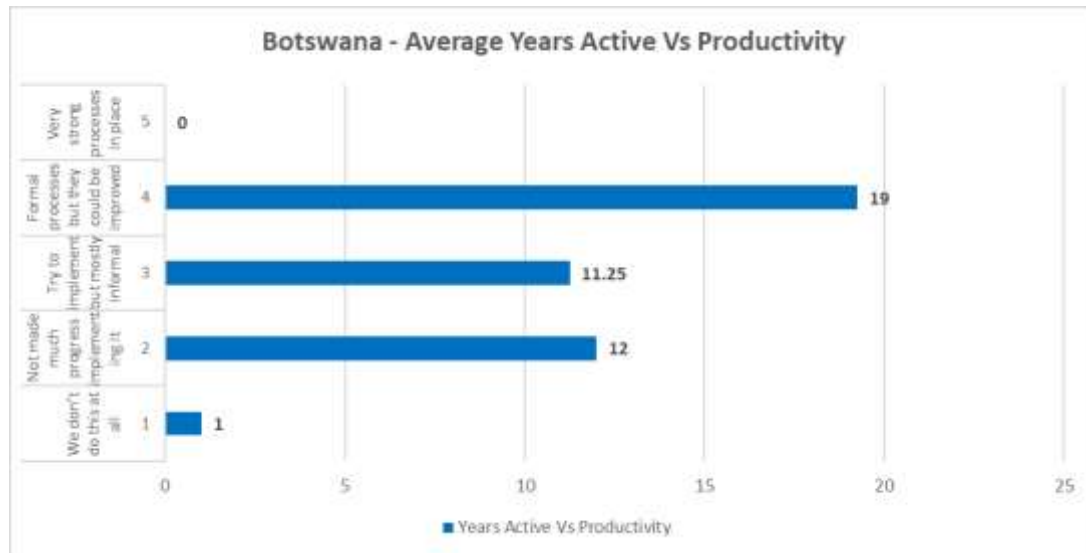
These statistics are borne out by Business Support interviewees who highlight the anomalies which exist in relation to productivity data and its analysis by MSMEs. Those who work closely with businesses suggest that “record keeping systems” are “poor”, to such an extent that MSMEs “cannot see when they are out of money”. Although small businesses are “not required to keep records”, Business Support interviewees suggest that “making decisions requires information”, that there is a “need to become more systematic” and that “decisions must be fast and at the right time”. One interviewee suggested that because “no information” was available, decisions that were made were generally “shallow”. Therefore, the concept of measuring business performance for Botswana MSMEs must be considered. This could be integrated into many aspects of the model including productivity and all monitoring, analysis and evaluation activities. This issue was highlighted by Nkwe (2012, p35) who suggested MSMEs needed “a proper monitoring system”.

The reality is that the way that MSMEs in Botswana implement productivity has no bearing on their profitability however it does have some influence on the how many years the

MSMEs stays active. Indeed, access to information and the use and analysis of information is clearly an issue with MSMEs in Botswana.

**Figure 73**

***Botswana - Average Years Active Vs Productivity***



MSMEs in Botswana, with processes in place which can be improved tend to survive longer than other MSMEs.

This section clearly indicates the need for better debtor management, a better understanding of productivity and an information analysis approach to making decisions when running a business. These elements therefore must make up part of the proposed integrated model. Additionally, of importance is the need to measure business data to determine performance. This aspect has the potential to be integrated into other factors.

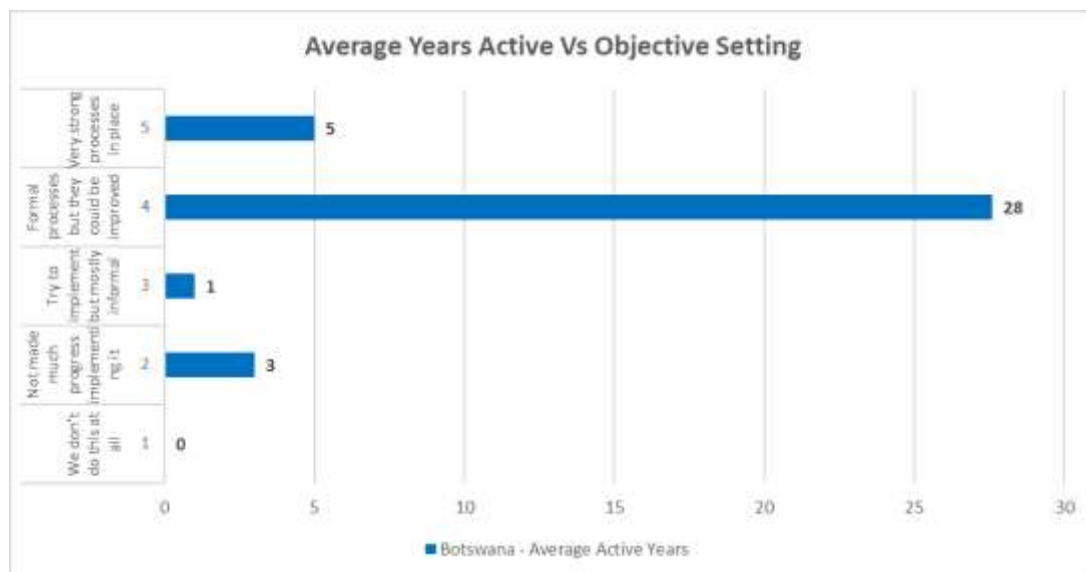
### **4.3.3.3 The Team**

A second set of factors which form the integrated model relate to the MSME as a team. Although Botswana is regarded as one of the “pioneers” (Moumakwa, 2011, p4) in the consultative processes of decision making, “a lack of decisive and quick action” (Grobbelaar

and Tsotetsi, 2005, p3) is often reflected in society. It is interesting to note that in Botswana even experienced MSMEs need support when implementing and monitoring goals and objectives. Collating the data from those that responded shows that MSMEs with an average of 28 years in Business still require assistance with this factor.

**Figure 74**

***Botswana - Average Years Active Vs Objective Setting***

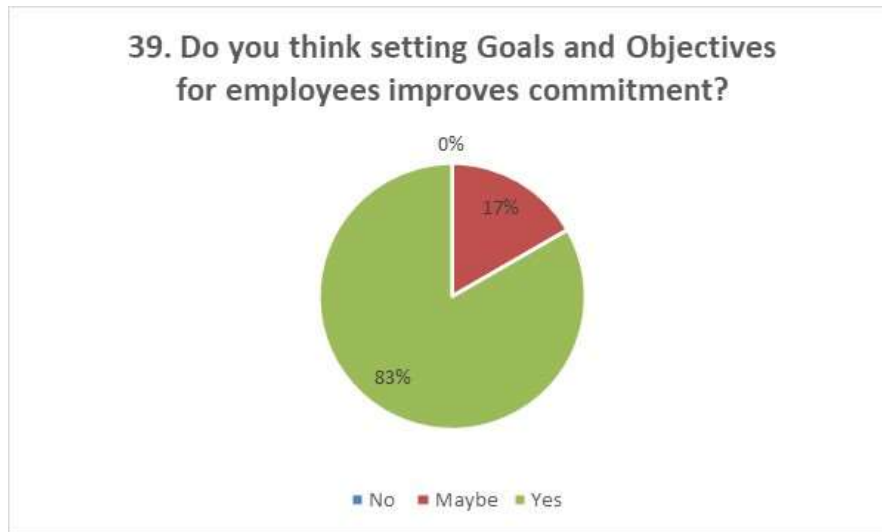


When compared to the data from the US, the majority of companies that have existed for more than 5 years had strong processes in place for objective setting.

The reasons for this are apparent when the data is analysed. The first factor is the employee's commitment to the MSME and its goals and objectives. The importance of goals and objectives for improving commitment is recognised by business owners with 83% of those surveyed in Botswana suggested the setting of goals and objectives improved employee commitment.

**Figure 75**

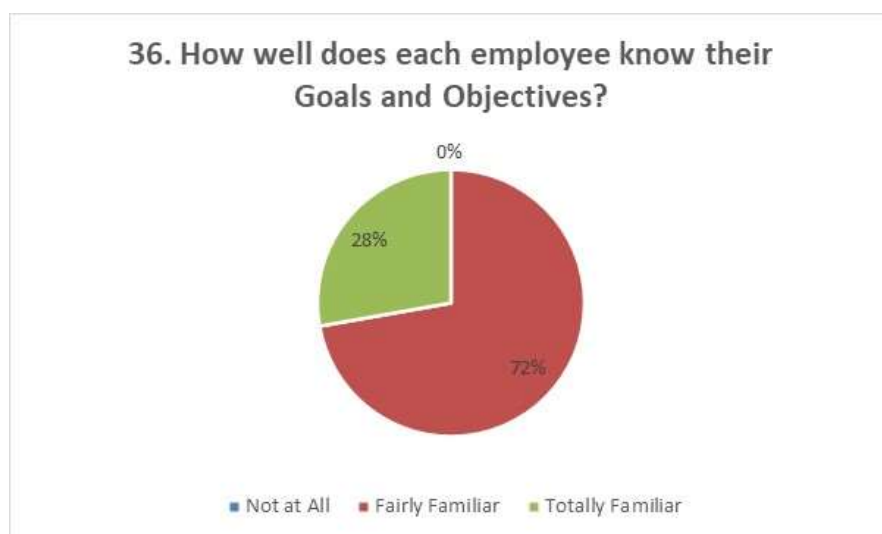
***Botswana - Question 39***



Unfortunately, the reality on the ground does not reflect this importance. Business Support interviewees discussed a “reluctance” and a “mentality” that does not accept or follow goals and objectives which “kills us”. Still other Business Support interviewees suggested that the only goal was to “make money fast”. Part of the issue may be that employees are only “fairly familiar” with the goals and objectives of the business.

**Figure 76**

***Botswana - Question 36***

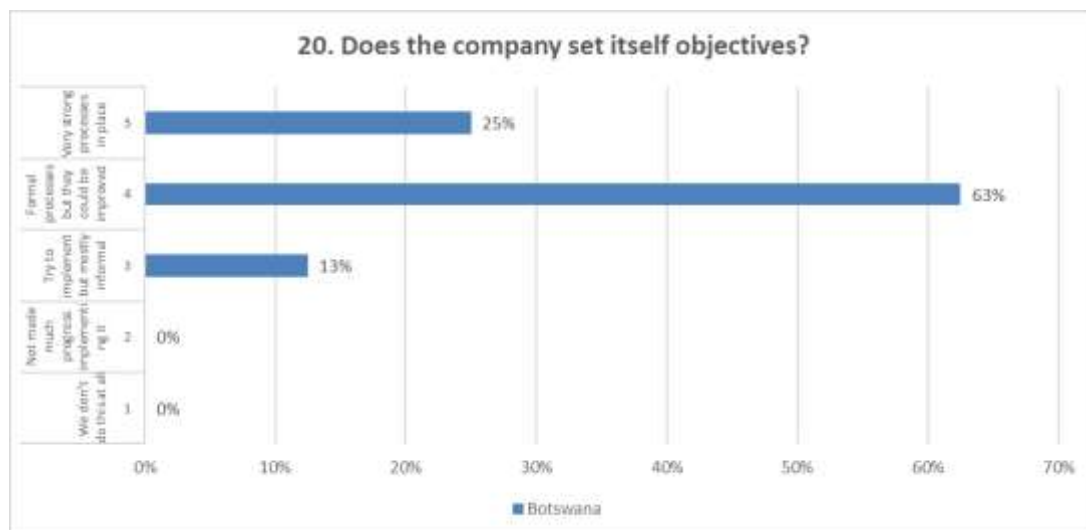


This attitude was reflected by Magembe and Shunda(2007, p41) who discussed “unreliable employees” as a limit of MSME performance.

A review of the findings from MSMEs in Botswana highlights the importance of company objectives although it is clear that they need support to devise and implement them. 25% have strong processes but 63% have processes in place which need improving. All MSMEs surveyed have some form of objective setting as shown below.

**Figure 77**

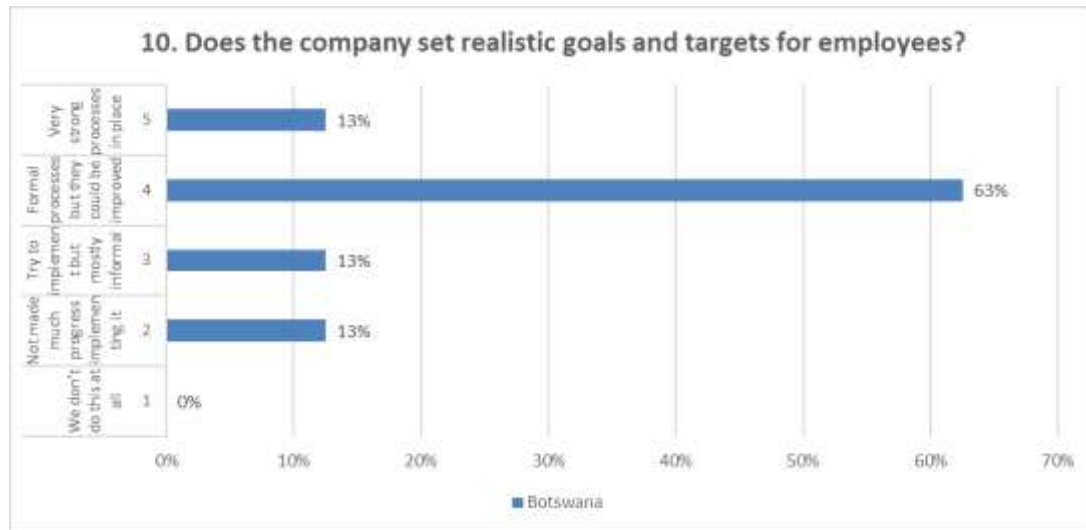
***Botswana - Question 20***



Setting objectives is one thing but setting realistic goals and objectives is another. 34% of USMSMEs suggesting they have very strong procedures in place, although it is least important of the factors. The majority of Botswana MSMEs do have formal procedures but as the statistics clearly show the majority suggest the processes they use could be improved. 89% of Botswana MSMEs consider goals and targets such an important element in running a successful business that they attempt to at least implement something.

**Figure 78**

***Botswana - Question 10***

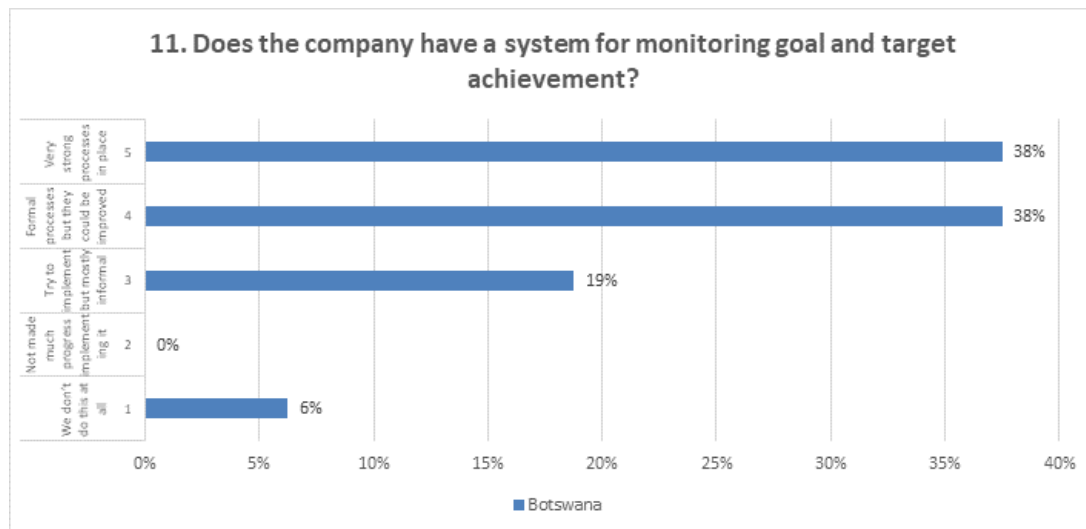


Unfortunately, it seems that many MSMEs need further support to devise realistic goals and targets.

Further the monitoring of goals and targets are regarded as very important with 74% of Botswana MSMEs having systems in place, although 38% suggest they can be improved. Although the US has a higher percentage of companies with strong procedures in place for monitoring goals and targets overall, 51% of just over half are committed to implementing some form of formal monitoring.

**Figure 79**

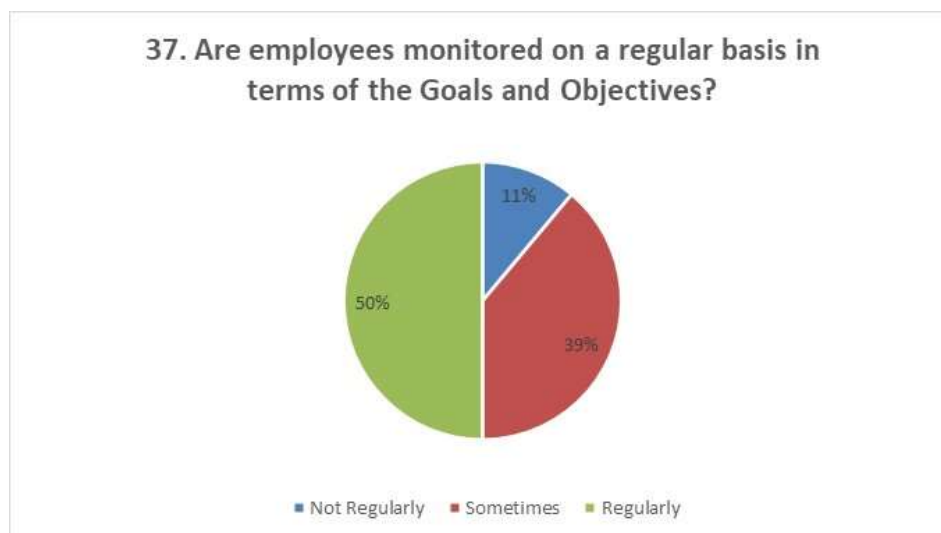
***Botswana - Question 11***



Interestingly 50% of MSMEs in Botswana suggest they regularly monitor employees as they progress to achieving goals and objectives on a regular basis.

**Figure 80**

***Botswana - Question 37***



As stated previously this is a key element of measuring business performance. Measuring productivity links directly to the measurements of goals and objectives. This data must be considered within the productivity and teamwork factors. Business Support interviewees suggest that “strategy and goals come from (the) person who owns the business”

rather than the more acceptable bottom-up approaches used in modern businesses. This could point to the setting of unrealistic goals by business managers. However, others point out that “goals instil discipline”. Improvements can be made by monitoring goals and analysing the success/failure of achievement. Nevertheless, there are issues within society which relates to goals strategy achievement.

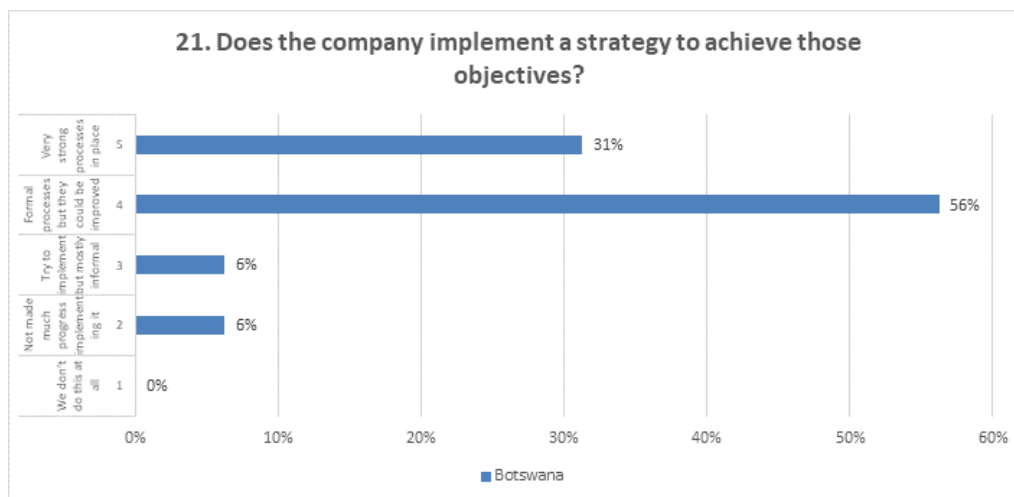
Although Business Support interviewees suggest that MSMEs “will not survive without goals” in societal terms some suggest that employees are “reluctant/shy” to assist companies determine realistic goals. Still others suggest that as a society a schism exists between company goals and personal goals, as employees “want to get something and make money fast”, and that finding employees with the right character and commitment to company goals are “difficult to find” with many “just wanting salary”. It is perhaps not surprising therefore in terms of society that it is the need for control as exemplified by the business owners and the conflicting goals and objectives as exemplified by the employees that have a negative effect on the goal and target setting process. Interestingly, the monitoring of goals and targets are regarded as very important, 74% of Botswana MSMEs having systems in place. Setting up systems to monitor goals and targets is relatively straight forward however it is what is done with the information received from the monitoring process which is important for an MSME.

62% of US companies at least have some form of formal objective setting. In comparison, the majority of Botswana companies 88% have formal processes for setting objectives. Again, it is clear that although Botswana MSMEs regard objective setting as important the majority believe they require some form of improvement to get it right. As stated by one interviewee the strategy and goals set by companies in Botswana “are not so good”.

Interestingly, the data shows that almost a third of companies in the USA and Botswana have strong processes in place to implement strategies. However yet again the majority of Botswana MSMEs have processes but they could be improved. In fact, 87% of companies in Botswana have formal strategies in place to achieve objectives whereas only 59% of USA companies do.

**Figure 81**

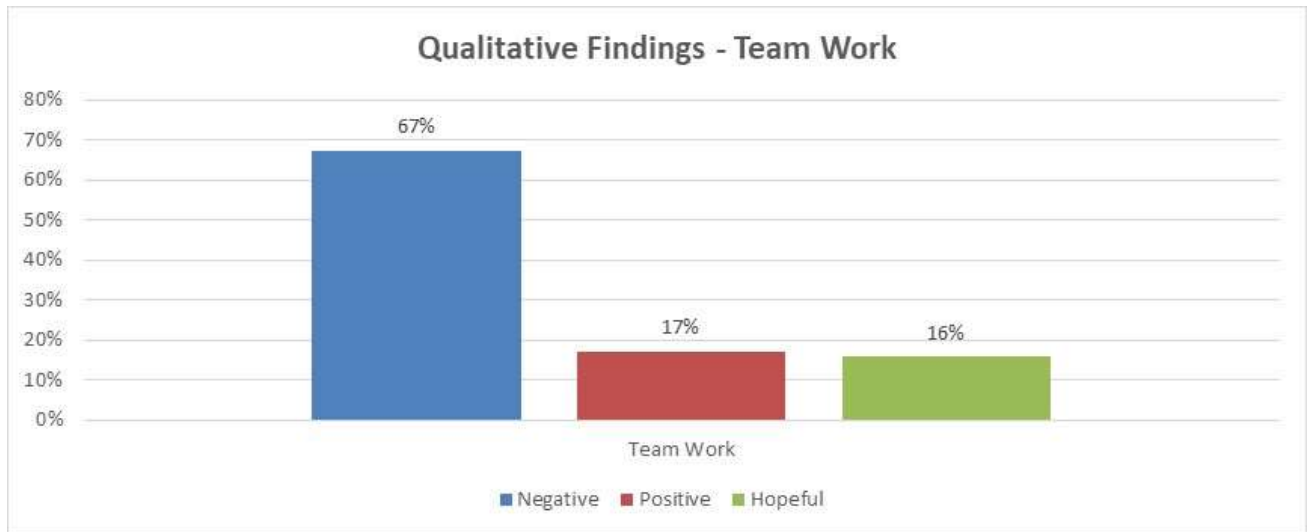
***Botswana - Question 21***



An analysis of the interviewee qualitative data for Botswana shows that 67% of the comments relating to team work were negative. Only 17% was positive and 16% provided any form of solution to the problems of teamwork.

**Figure 82**

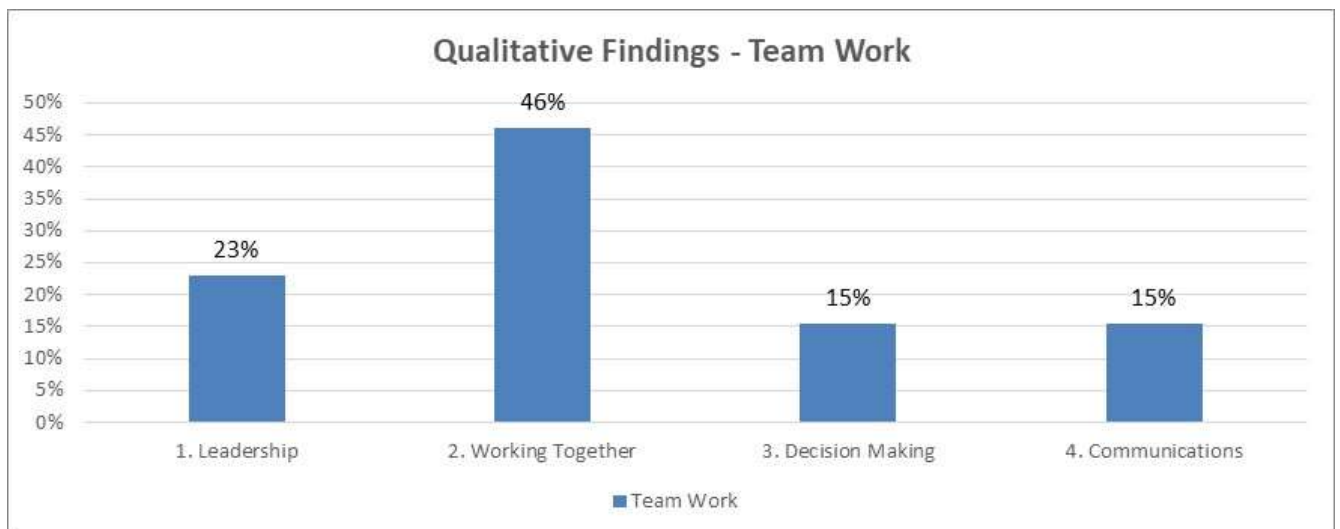
***Botswana - Qualitative Findings - Team Work***



An analysis of the comments showed that 46% of the comments related to how people work together followed by 23% related to leadership and 15% each for communication and decision making.

**Figure 83**

***Botswana - Qualitative Findings - Team Work Breakdown***

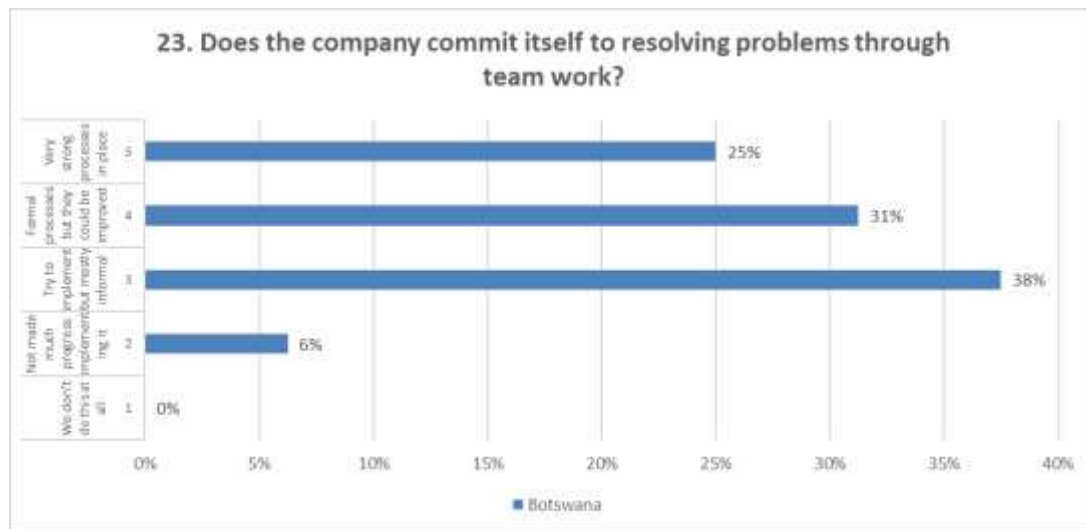


It is clear from the analysis of the qualitative data that the concept of teamwork and leadership are intertwined and have a relationship with society. Although Business Support interviewees suggest “people do not work as a team” the reasons behind this attitude could be related to societies norms. Three prime issues exist. Firstly, the notion that as one interviewee put it, within the “social structure” an “elder cannot take advice from a younger person”, in other words “efficiency and knowledge is based on age”. This means that “real input doesn’t come from the team, not from the bottom up”, instead “new ideas come from older people rather than a young person”. The result is that it is “difficult to get people to motivate themselves”. As one interviewee puts it “problem solving is left to someone else, it is not their problem”. Interestingly one of the MSMEs who responded to the question “50. What would you recommend the organisation do to improve its structure?” answered “exchange of ideas from bottom to top”. Secondly within the team people “compete rather than work together”. One interviewee discussed the concept of “boswa” where a preferred child is taught everything, but others are not allowed to take part. This creates a “me alone” attitude and “no team working spirit”, which as one interviewee suggests is “difficult to change”. Finally making decisions is fraught with danger as managers “do not want flak if it goes wrong”, “do not want to lose face” preferring to “let someone else make the decision”, “get someone else to do it”, “delegate” and “make decisions tomorrow”.

This is borne out in the data. When asked if a company commits itself to resolving problems through teamwork, 42% of US companies had strong processes in place to ensure this but the majority of Botswana MSMEs relied on informal processes, 38%.

**Figure 84**

***Botswana - Question 23***

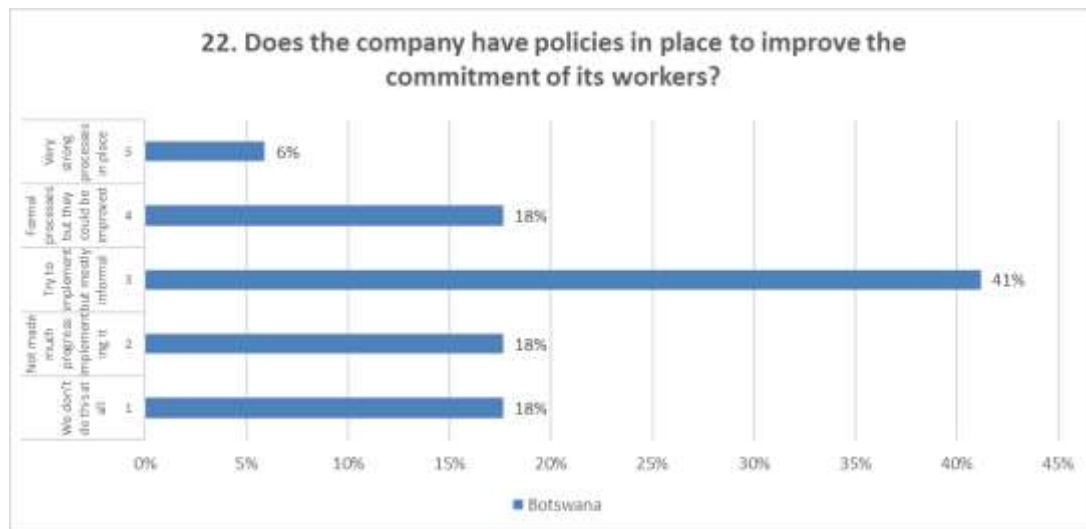


The discussion of teamwork and interaction within the team is the opposite to the perception of Botswana based on the concepts of “broad based participation” (Acemoglu et al, 2002, p32), “serious and candid consultation”, solid pattern of interaction ((Moumakwa, 2011, p4) and a “founding principles that ensures Botswana's political stability” (Grobbelaar & Tsotetsi, 2005, p3).

Interestingly very few Botswana MSMEs have processes in place to improve the commitment of its employees. The majority 41% have informal processes. The majority of US MSMEs, 32% have strong formal processes where 27% have processes which can be improved. 18% or almost 1 in 5 Botswana MSMEs do not have any policies relating to commitment.

**Figure 85**

**Botswana - Question 22**



Although Grobbelaar and Tsotetsi, (2005, p3) criticised the decision making process as lacking “decisive and quick action”, the process of making decisions in Botswana is regarded as largely “fair”, almost one fifth describing it as easy.

**Figure 86**

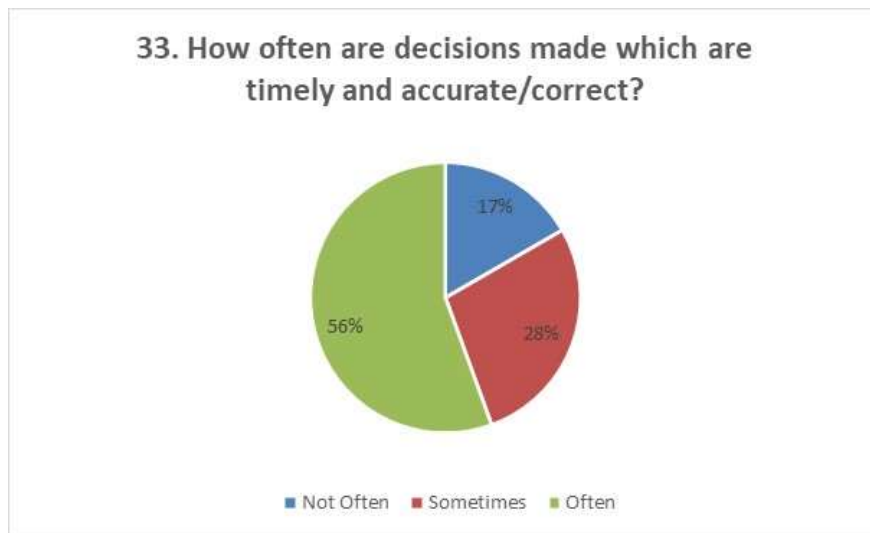
**Botswana - Question 32**



Considering that MSMEs in Botswana describe the process of decision making “fair”, the survey shows that 56% of decisions made are timely and accurate.

**Figure 87**

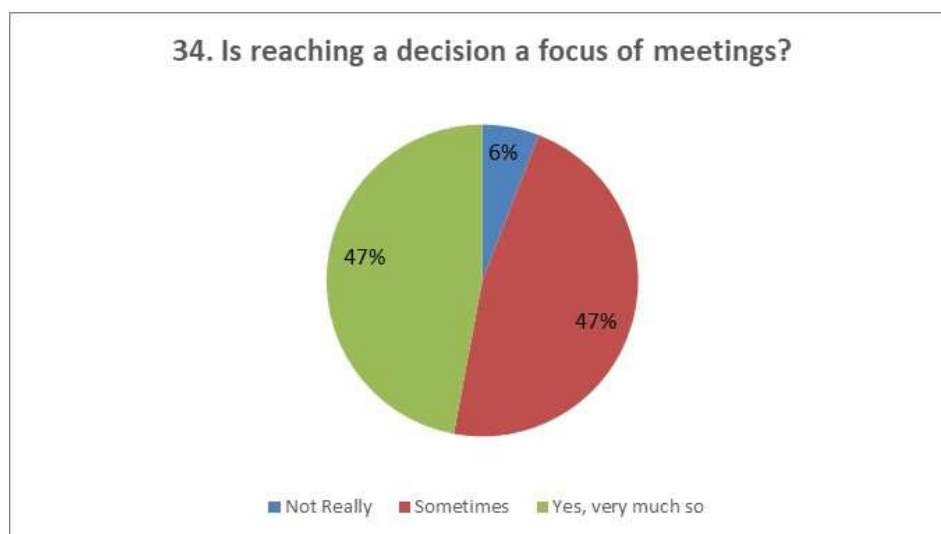
***Botswana - Question 33***



The decision-making capacity of MSMEs reflected in the statistics highlights the “need to improve” with almost half of respondents suggesting that reaching a decision may not be the focus of meetings. Culturally, as discussed in the literature review, this relates to the process of Kgotla, a system in Botswana whereby all participants make contributions to meetings. This process promotes an approach which “enriches a solid pattern of interaction” (Moumakwa, 2011, p3) but viewed from a different perspective it “often translates into vacillation” (Grobbelaar & Tsotetsi, 2005, p3). This is borne out in the statistics with the process of decision making seen as fair but just over half suggesting they are timely and correct.

Interestingly 47% suggest that making decisions is a focus of meetings whereas another 47% suggest this is the case sometimes, reflecting the discussion and input process of the “Kgotla”.

**Figure 88***Botswana - Question 34*



The link between decision making and access to information which is discussed under productivity is summed up by one Business Support interviewee who stated that MSMEs “need (the) right information” as it is “expensive to make a decision”. As stated by Nkwe (2012, p35) “a proper monitoring system to help in the running of small businesses” is required. In turn therefore teamwork and productivity can be integrated as stated previously.

This section highlights further issues which may be included in the integrated model. It is not necessarily the process of setting objectives but that the objectives are realistic and monitored that remain an issue with MSMEs in Botswana. Further, making data available for decision making and improving the concept of teamwork represent key elements to be included in the Integrated Model.

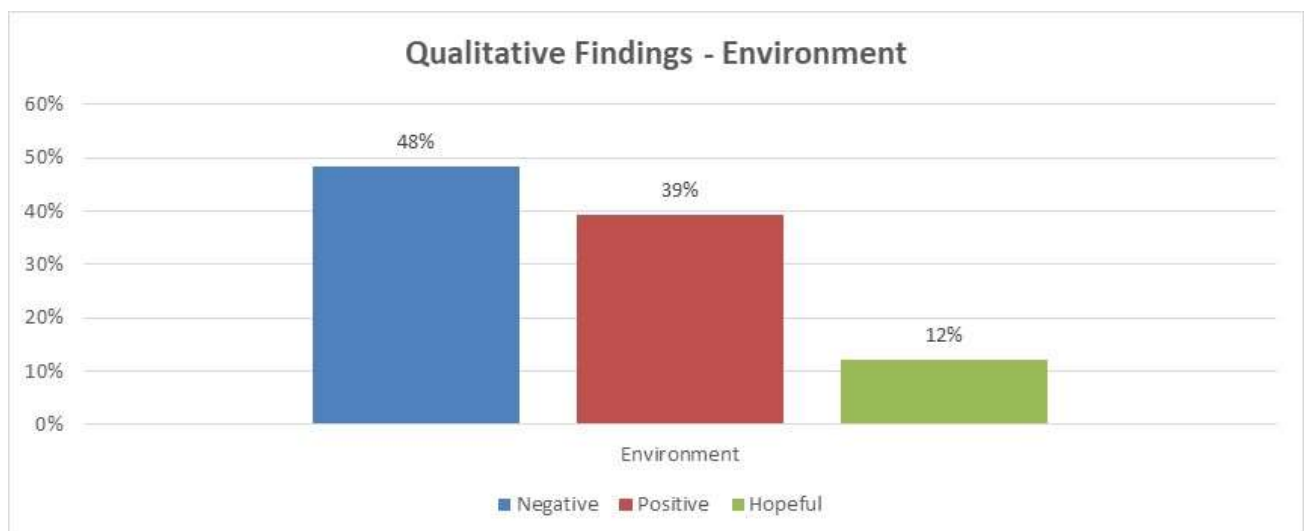
How these affect the business environment must be discussed inline with the third element of the integrated model.

#### 4.3.3.4 Environment

The audit data for Environment covers business relationships, the market, flexibility, and technology. An analysis of the qualitative comments from the Botswana Business Support interviewees in relation to issues raised in regard to the business environment shows that 48% were negative, 39% positive and 12 % provided solutions. This represents the lowest percentage of negative comments for each of the 3 areas of the integrated model.

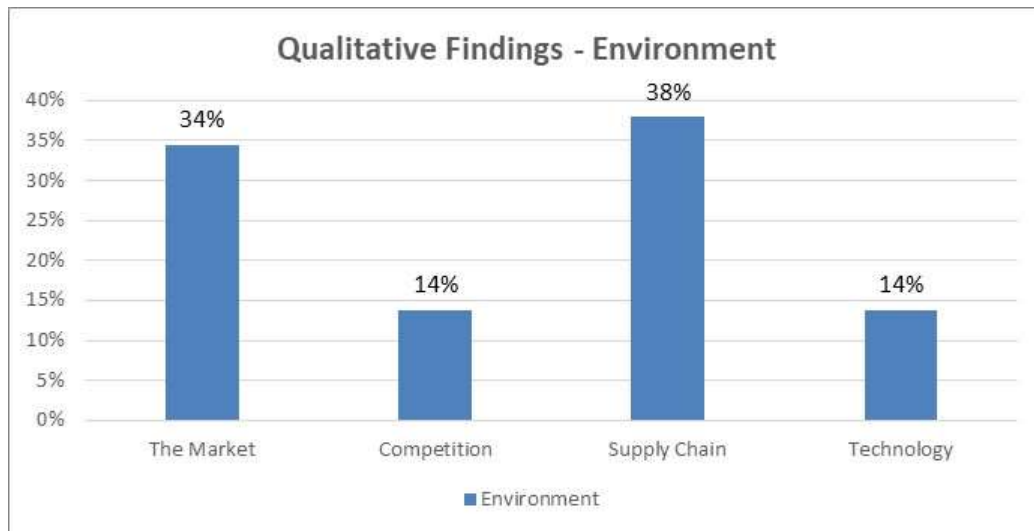
**Figure 89**

#### *Botswana - Qualitative Findings - Environment*



The majority of the qualitative comments from the informal interviews related to the supply chain, followed by the market with competition and technology each representing just over a quarter of the stated problems with the business environment in Botswana. This is interesting as Grobbelaar and Tsotetsi (2005, p66) suggest that due to the small size of Botswana's business sector "business networks are fairly easy to establish".

**Figure 90***Botswana - Qualitative Findings - Environment Breakdown*

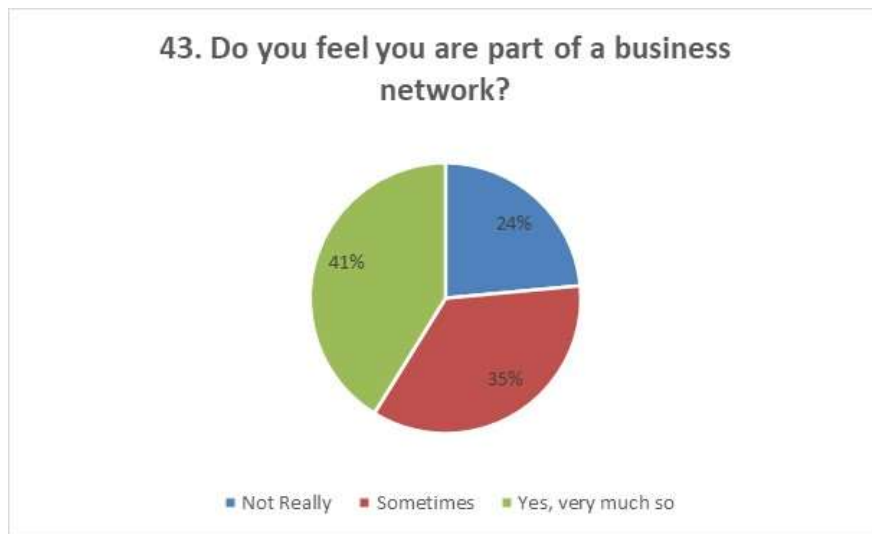


The recognition of the importance of the supply chain and creating business networks is clearly understood by the Business Support interviewees who acknowledge that “in some communities money circulates inside” the network. Indeed, the network is also seen as a source of information and materials and is a key factor to “avoid disappointment to customers”.

However, the statistics are mixed. For Botswana MSMEs the majority 41% do feel part of a network but almost a quarter do not and just over a third only feel part of a network sometimes.

**Figure 91**

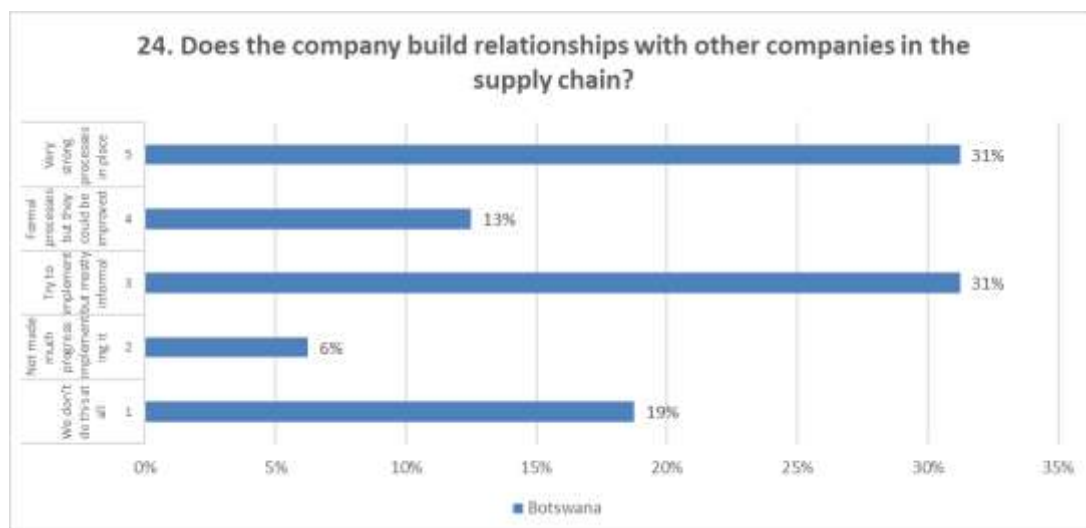
**Botswana - Question 43**



Compared to the US MSME data, Botswana has a similar percentage of MSMEs with formal processes for building relationships. However, as with the figure below a large percentage also work on informal arrangements or do not seek relationships at all.

**Figure 92**

**Botswana - Question 24**



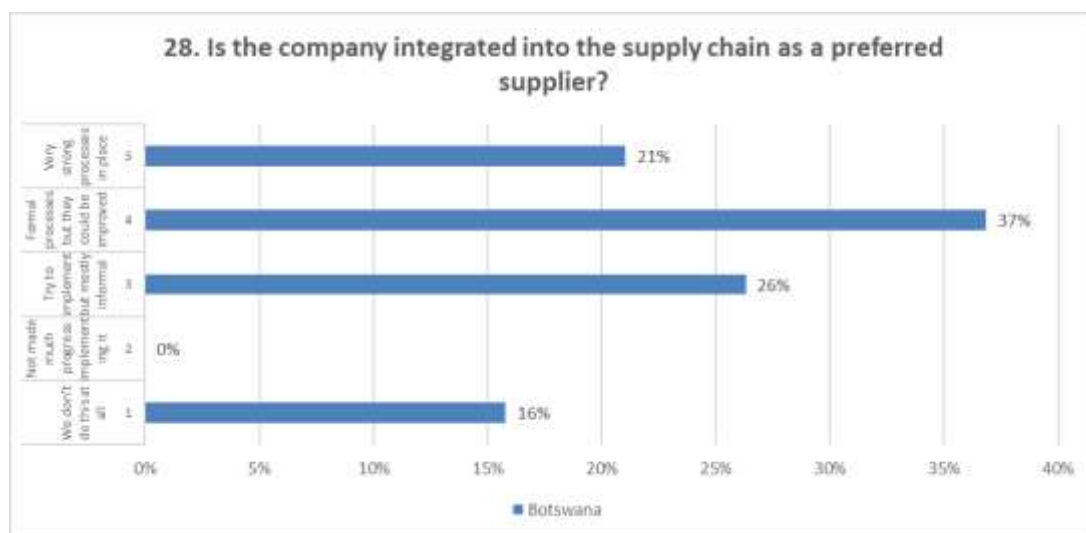
Business Support interviewees mentioned a “reluctance” to enter a network due to “different goals” and the preference to work alone as already mentioned under Teamwork.

Indeed, even issues relating to society are prevalent in the network whereby MSMEs who owe money within the network often “change their mobile number” so other businesses within the network cannot get in touch thus making it “impossible to build a network” according to Business Support interviewees. This is an interesting point as it directly integrates the factors relating to the environment with financial management. This is highly detrimental to the environment as stated by another Business Support interviewee: “if (a) business does not survive no one survives” it is a “chain reaction” which “contributes to unemployment”.

This is borne out when comparing the data between the US and Botswana MSMEs. In the US there is more of a desire to be a preferred supplier within the supply chain network whereas many of the Botswana MSMEs do desire this but how they go about it could be improved.

**Figure 93**

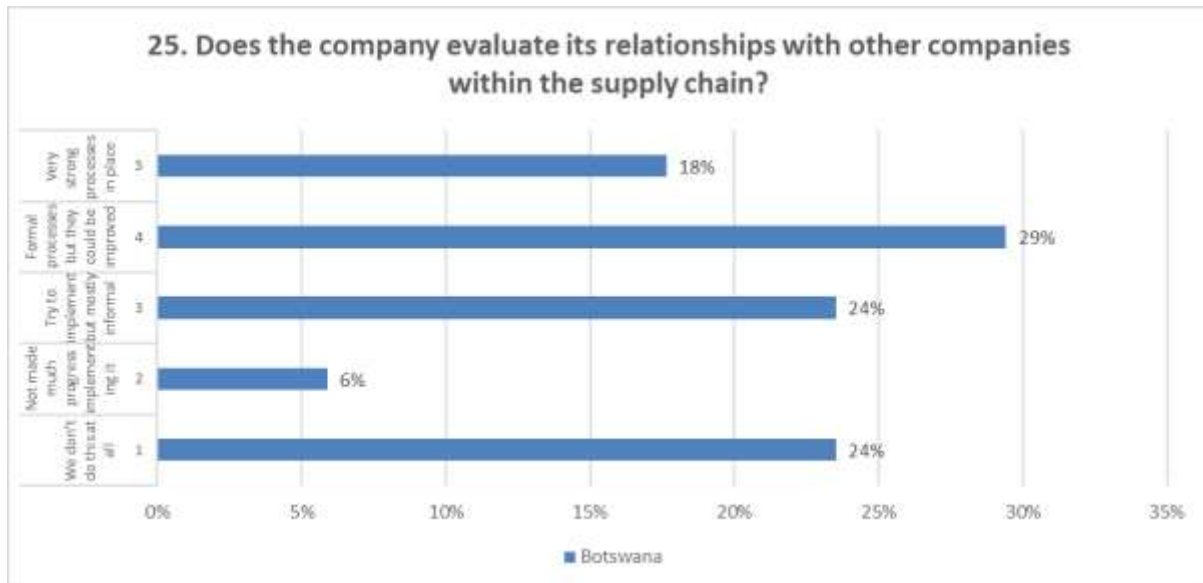
***Botswana - Question 28***



Indeed, even the process of evaluating relationships within the supply chain is part of the culture in the US however in Botswana 54% of MSMEs in Botswana are either not doing it or doing it informally. 29% have processes which can be improved and 18% have strong processes in place to evaluate their relationships within the supply chain.

**Figure 94**

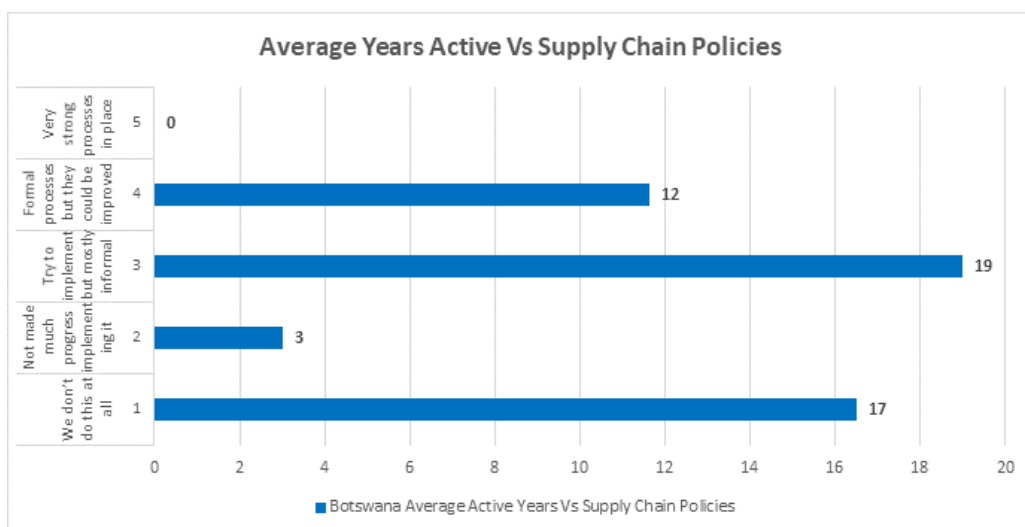
**Botswana - Question 25**



Collating the data shows the need for stronger policies relating to how supply chains are implemented. MSMEs in Botswana with informal processes are active on average for 19 years, and those MSMEs with no supply chain policies for 17 years. Indeed, no company has recorded any survival rate with strong policies in place.

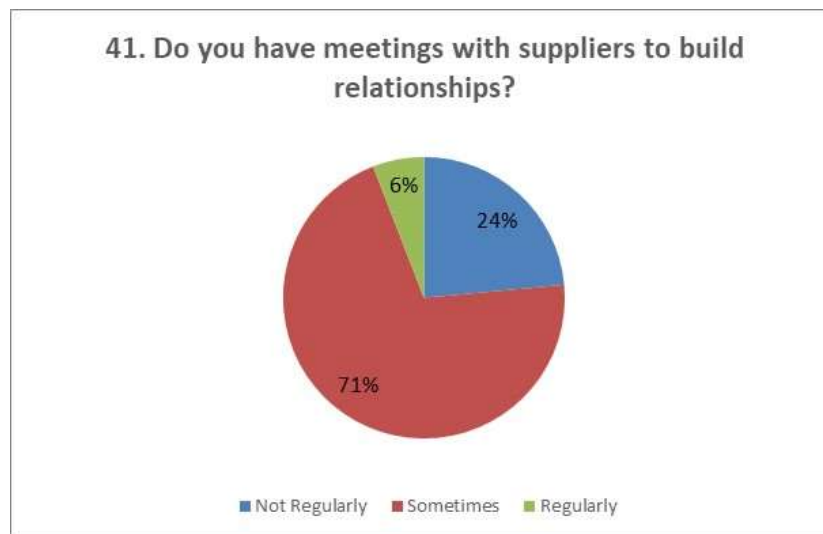
**Figure 95**

**Botswana - Average Years Active Vs Supply Chain Policies**



This is reflected in the fact that 71% of MSMEs in Botswana only build relationships with suppliers sometimes and almost a quarter do not do it at all.

**Figure 96***Botswana - Question 41*



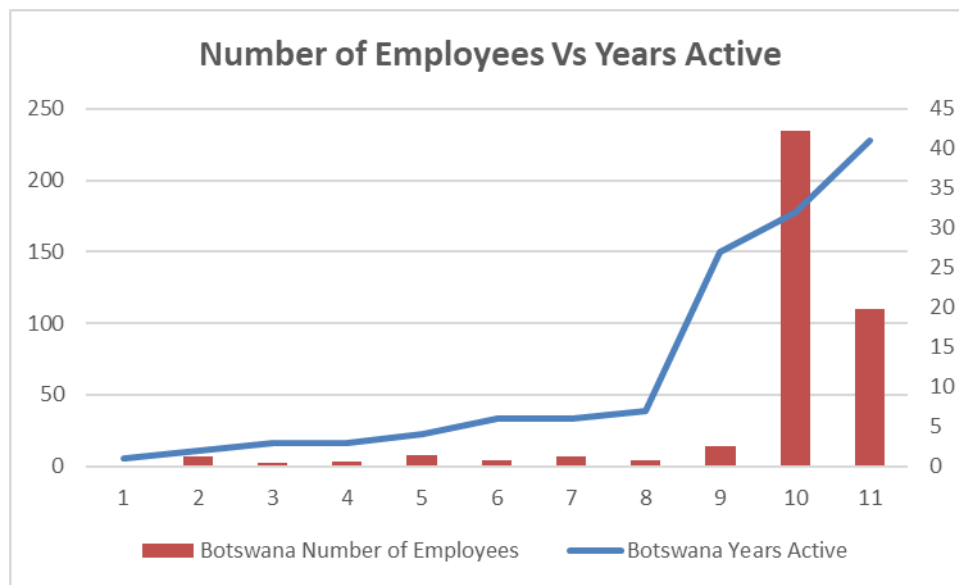
When asked “what do you think is necessary to improve business relationships within your sector?” MSMEs referred to “frequent interaction with all stakeholders”, “regular networking” (x2), “relationship building”, “hands on business development meetings with clients and suppliers” and “trust” within the industry “to allow collaboration”. However, Business Support interviewees point to the fact that MSMEs “prefer to work alone, do not want to share profits” which sums up the statistics accurately and can be illustrated when comparing the number of years, a company has been active and their relationship with the supply chain.

In the US data it clearly shows that MSMEs with strong processes or processes which need to be improved survive longer in the market. The statistics show that MSMEs in Botswana who go it alone have an average number of years active of 16.5, those who informally work in the supply chain have an average number of years active of 19 whereas those who have formal processes to engage the supply chain which could be improved are only active for 11.6 years. The “go it alone” strategy preferred in Botswana dominates.

However, the data also shows that companies in Botswana tend to have more employees the longer they are active.

**Figure 97**

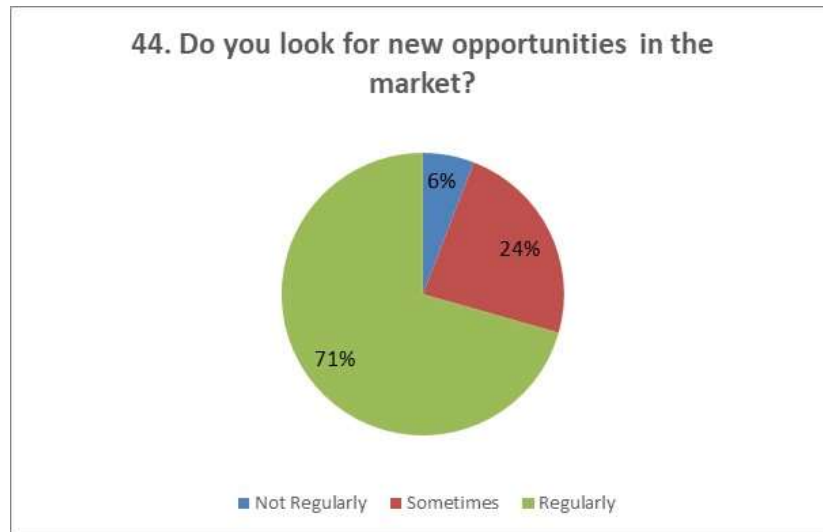
### *Number of Employees Vs. Years Active*



The market also represents an important element of the environment. What is interesting are the views of the Business Support interviewees who suggest that MSMEs in Botswana are highly flexible and capable of “dealing with changing environments”. The example they provide is how MSMEs were able to quickly manufacture and sell masks for COVID 19 protection. Although this flexibility is regarded as a good trait it limits business as they prefer to seek the “quick buck, rather than long term goals”. In line with the discussion relating to companies diverting funds from their core business to seek that quick buck in other markets there is a link to how society affects business within the market. 71% of companies in Botswana actively scan the market for new opportunities. Only 6% said they did not.

**Figure 98**

***Botswana - Question 44***

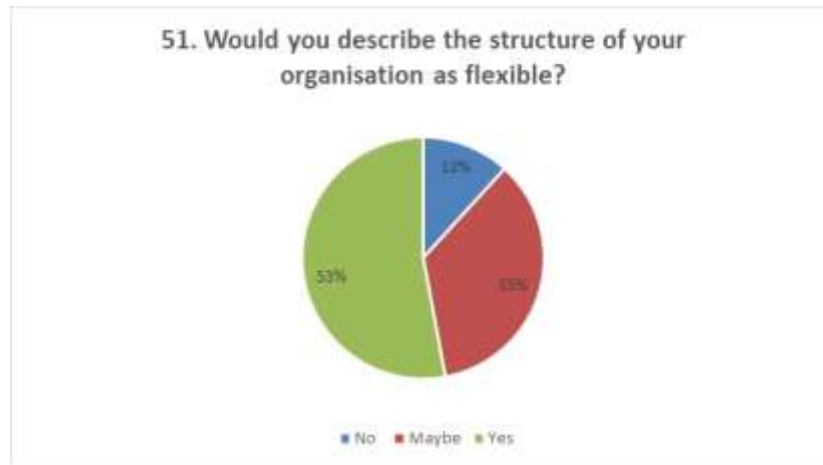


However, the view that MSMEs in Botswana should be flexible, continually seeking opportunities is not condoned by Business Support interviewees who promote for MSMEs to “better to stick to one, not give up quick” in the belief they “may end up getting something”. They suggest that “people get to know” the MSMEs making them more “popular” and therefore “productive” and that if they “push through (it will) come alright”. However, this is not at the forefront of thinking with Botswana MSMEs

Many of the MSMEs in Botswana regard themselves as flexible with 53% suggesting this is true about the structure of their organisation.

**Figure 99**

***Botswana - Question 51***

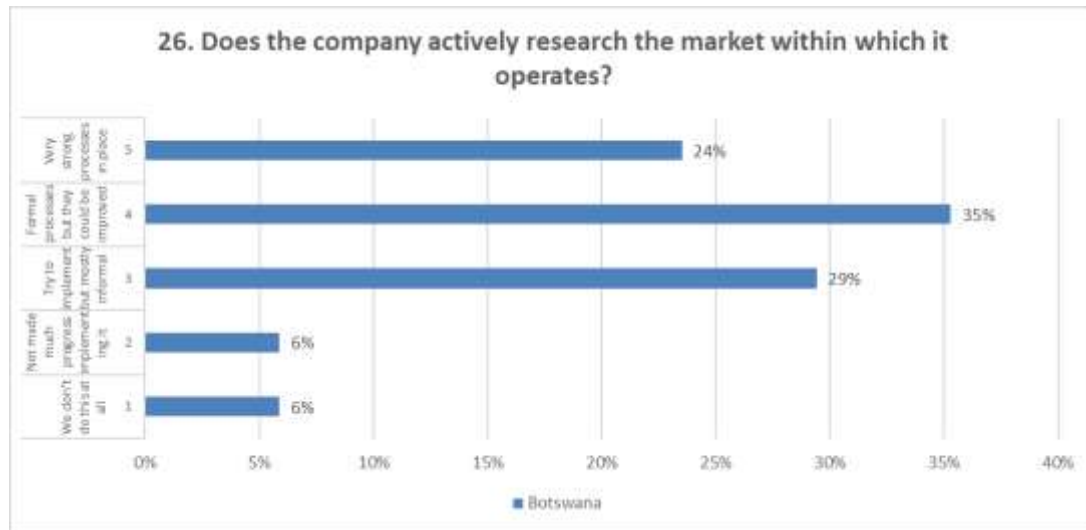


As aptly put by one Business Support interviewee “people are good at dealing with changing environments” using examples such as masks and sanitizer in the current COVID pandemic and then changing to umbrellas when it rains.

When compared to US MSMEs the data is surprising similar. When asked if MSMEs actively research their markets 36% of US companies, the majority, have formal processes in place whereas 35% the majority of Botswana MSMEs do have processes in place however they can be improved. What is interesting is that that 88% of Botswana MSMEs are actively researching even if it is informal or can be improved.

**Figure 100**

**Botswana - Question 26**



Linked to this data, it is clear from the data presented by Botswana MSMEs that they are highly reactive to the needs of customers and very aware of new opportunities and market dynamics.

**Figure 101**

**Botswana - Question 42**



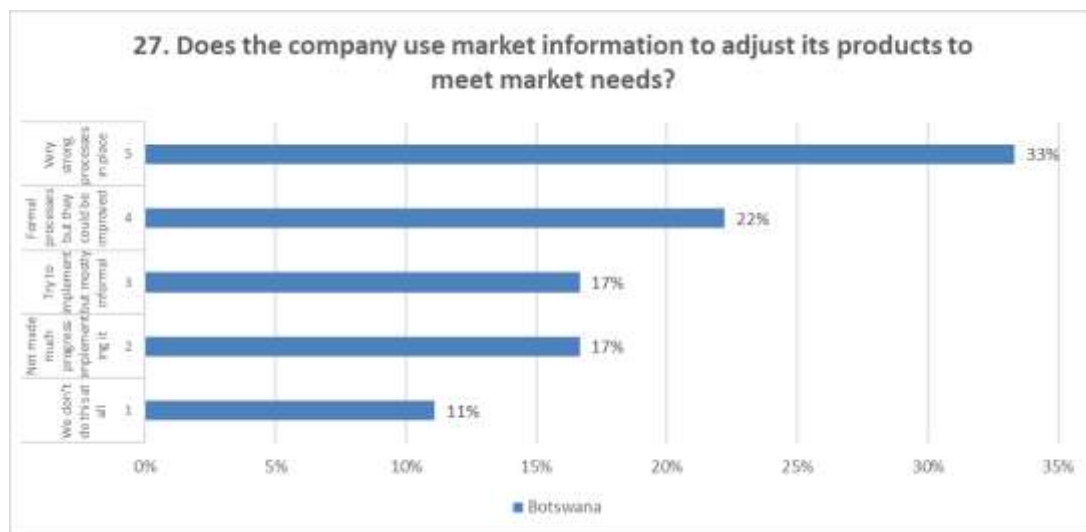
47% of Botswana MSMEs regularly action feedback from customers with another 41% actioning feedback sometimes. They are also unafraid to explore foreign markets with almost

two thirds suggesting foreign markets are either very important or fairly important to their business.

This is reflected in the data which shows that 33% of MSMEs in Botswana who responded use market information to adjust their products.

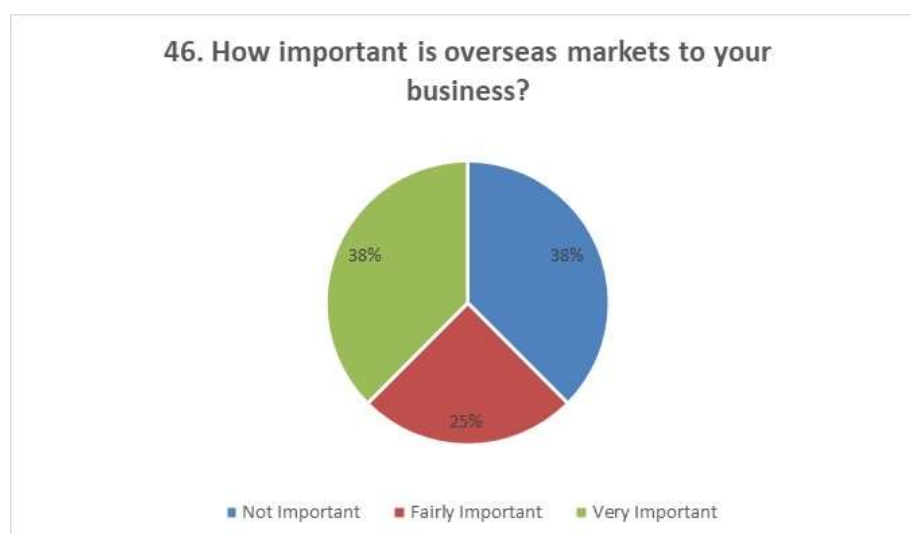
**Figure 102**

**Botswana - Question 27**



**Figure 103**

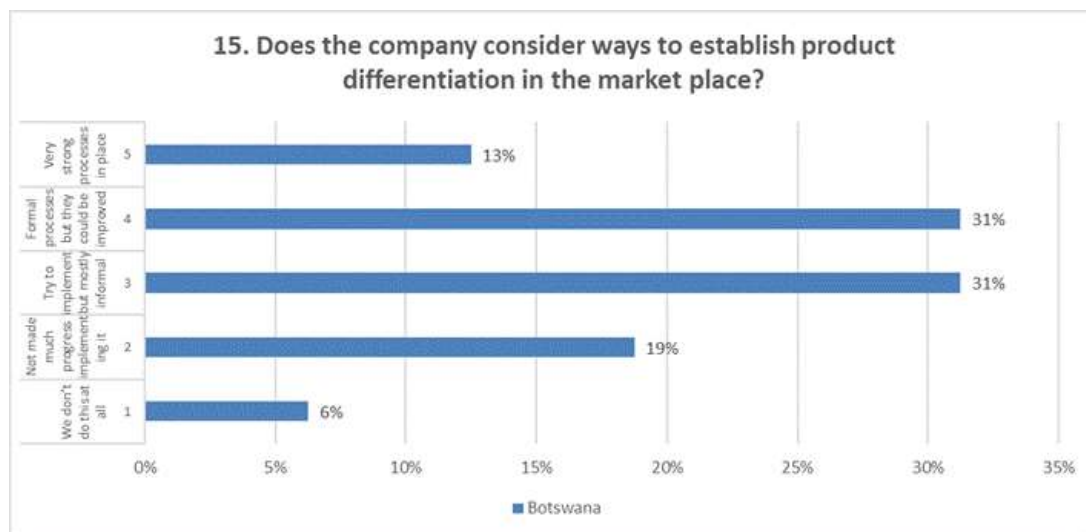
**Botswana - Question 46**



As the data shows flexibility and responsiveness to the market is deemed important. However, only 13% of MSMEs in Botswana have strong processes in place to enable product differentiation. 31% have processes which can be improved and another 31% use informal processes. This represents 75% of responses compared to 73% in the US.

**Figure 104**

***Botswana - Question 15***



Differentiation provides an advantage in the marketplace over competitors. Although Botswana MSMEs do appear to be flexible, they lose any advantage by following “me too” strategies rather than “differentiation” strategies, with one Business Support Service interviewee suggesting that most MSMEs in Botswana are “shallow” and tend to “follow other people”. As one Business Support interviewee put it “some say they supply everything but don’t focus on one thing, short term business”. Indeed, whereas production flexibility in the US is important with 30% of MSMEs having strong processes in place to enable this, less MSMEs in Botswana, 19%, are able to claim their processes are strong. However, many more have formal processes which can be improved or informal processes which reflect the nature of MSMEs.

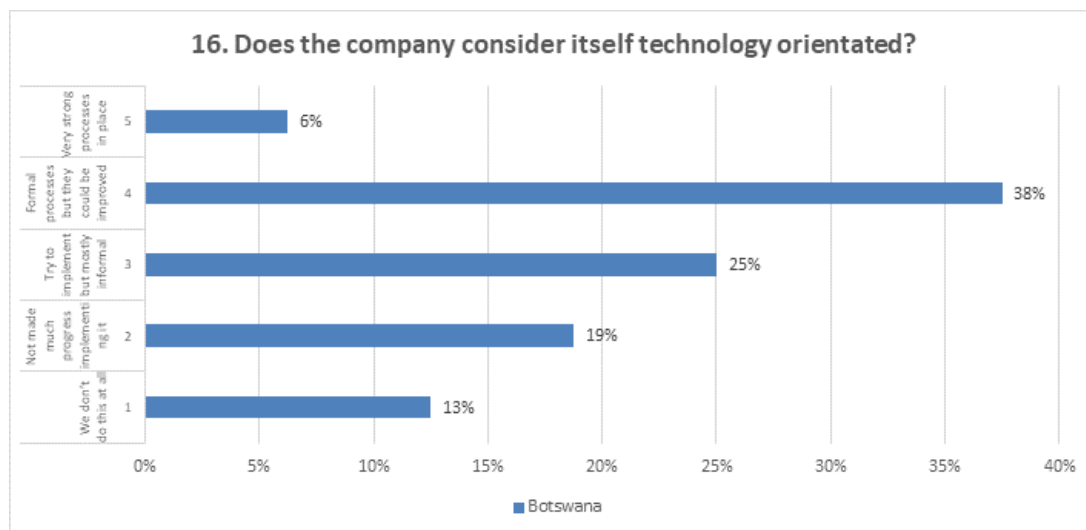
Key to Botswana MSMEs understanding of the market is the use of technology. MSMEs view technology as a tool to stay ahead of the competition. The introduction of “tech

driven services” creates “economical rates” to “make better returns”. Business Support interviewees discussed the value of Whatsapp groups as the “biggest tool” used by MSMEs and “Facebook for Sales” suggesting that many MSMEs were “technology dependent”.

Although many of the US MSMEs who responded are not definitive of their technology status MSMEs in Botswana clearly see room for improvement.

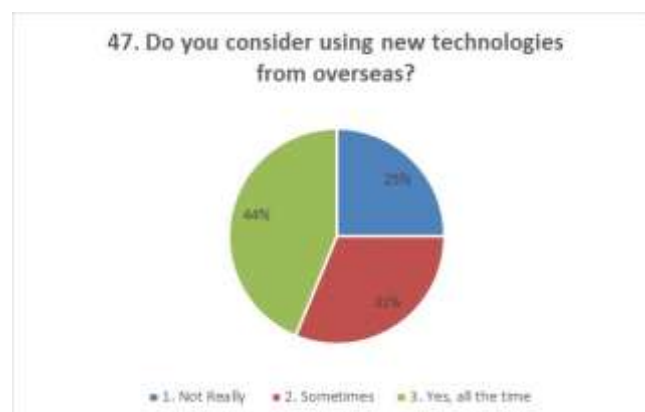
**Figure 105**

**Botswana - Question 16**



Indeed, many Botswana MSMEs would consider seeking new technologies from overseas.

**Figure 106 Botswana - Question 47**



To improve competitiveness in the market, MSMEs answered question 47 by referring to “innovative services”, “tech driven services”, being “updated all the time” and above all “quality products” (x 4) mirroring their desire and willingness to adopt technology.

Business Support interviewees continue to question the flexibility strategy of Botswana MSMEs suggesting that “flexibility is there but continuity is not”. They point to business as being a “perpetual concept” and that deviation from this results in “wasted time and energy”. However, it is clear that flexibility, although not recommended by the Business Support interviewees may actually have benefits within the Environment setting.

This section has shown that managing supply chain expectations is something that can be considered as part of the integrated model. In order to gain sophistication in the market Botswana MSMEs need to work closely with the counterparts in the supply chain. The nature of the MSMEs in Botswana appear to have a short-term outlook which encourages flexibility and meeting the needs of the market in a variety of situations. Sophistication and integrating into a network do not reflect the MSME profile in Botswana. The options for the integrated model are therefore either to encourage flexibility and meeting market demands or on the other hand encouraging network integration through the supply chain or even possibly both.

The analysis clearly shows that in Botswana there is opportunity to apply the integrated model to improve business support. Many of the MSMEs responded to the questions by stating that they needed to improve their processes whether it be linked to productivity, teamwork or the environment. Although this analysis highlights what the majority of companies do what needs to be analysed is whether the data from Botswana actually represents international best practice when operating an MSME. A comparison of the ratings for each question in relation

to the rating in the US will provide information on whether Botswana is emphasising what is important in its operational management of the MSME or not.

### 4.3.3.5 Botswana Ratings

Each question is rated as follows:

**Table 27**

#### *Botswana Ratings*

Team Work	1	2	3	4	5	Rating	Indicator
10. Does the company set realistic goals and targets for employees?	0%	13%	13%	63%	13%	3.73	Realistic Goals and Targets
11. Does the company have a system for monitoring goal and target achievement?	6%	0%	19%	38%	38%	3.93	Monitoring goals and Targets
20. Does the company set itself objectives?	0%	0%	13%	63%	25%	3.68	Company Objectives
21. Does the company implement a strategy to achieve those objectives?	0%	6%	6%	56%	31%	4.07	Strategy
22. Does the company have policies in place to improve the commitment of its workers?	18%	18%	41%	18%	6%	2.75	Motivation
23. Does the company commit itself to resolving problems through team work?	0%	6%	38%	31%	25%	3.80	Problem Solving
Environment							
15. Does the company consider ways to establish product differentiation in the market place?	6%	19%	31%	31%	13%	3.20	Differentiation
16. Does the company consider itself technology orientated?	13%	19%	25%	38%	6%	3.00	Technology
24. Does the company build relationships with other companies in the supply chain?	19%	6%	31%	13%	31%	3.27	Supply Chain Management
25. Does the company evaluate its relationships with other companies within the supply chain?	24%	6%	24%	29%	18%	3.00	Supply Chain Evaluation
26. Does the company actively research the market within which it operates?	6%	6%	29%	35%	24%	3.63	Market Research
27. Does the company use market information to adjust its products to meet market needs?	11%	17%	17%	22%	33%	3.41	Differentiation
28. Is the company integrated into the supply chain as a preferred supplier?	16%	0%	26%	37%	21%	3.44	Supply Chain Management
Capital and Finance							
12. Does the company make staff aware of the Financial Implications of their work? E.g. cost of raw materials	6%	0%	31%	38%	25%	3.73	Finance
13. Does the company have policies and procedures to deal with late or default payments from customers?	13%	25%	31%	31%	13%	3.20	Debt Management
14. Does the company record and analyse data to aid decision making?	6%	0%	31%	38%	25%	3.67	Monitoring, Analysing and Decision Making
17. Does the company measure its production rates?	18%	12%	18%	29%	24%	3.25	Productivity
18. Does each employee know their expected production rate?	19%	13%	25%	0%	44%	3.27	Productivity

19. Does the company consider production flexibility important for making different products?	25%	6%	25%	25%	19%	3.00	Flexibility
---	-----	----	-----	-----	-----	------	-------------

Compared to the US the ratings for Botswana are very different. Botswana MSMEs have strong processes in place for only 4 of the elements. 14 elements are implemented but could be improved. This provides a basis for recommending the use of a tool to improve MSME support, however what that tool should look like requires further analysis.

The elements with the highest ratings and thus the least need for support in Botswana include:

**Table 28**

***Top 5 Botswana Ratings***

Question	Rating	Element	Factor	Response
21	4.07	Strategy	Teamwork	Does not need support
11	3.93	Monitoring goals and Targets	Teamwork	Some additional support required
23	3.80	Problem Solving	Teamwork	Some additional support required
10	3.73	Realistic Goals and Targets	Teamwork	Some additional support required
12	3.73	Production Rates	Productivity	Some additional support required

These represent what MSMEs in Botswana determine they are good at, and it is mostly teamwork. It is interesting that strategy is rated in first place and highly rated at 4.07, when business support interviewees described strategy and goals setting in Botswana as “not so good”. “Strategy” appears in the top 8 elements from the USA at position 5. Before that USA MSMEs rate technology, company objectives, debt management and problem solving as being amongst their most important skills.

**Table 29*****Top Ratings USA***

Question	Rating	Element	Factor
23	3.71	Problem Solving	Team Work
13	3.70	Debt Management	Capital and Productivity
20	3.68	Company Objectives	Team Work
16	3.62	Technology	Environment
21	3.58	Strategy	Team Work
22	3.58	Motivation	Team Work
26	3.58	Market Research	Environment
27	3.58	Differentiation	Environment

Problem solving which is rated as number 1 in the US is rated at number 3 in Botswana after strategy and goal setting. In fact, the highly emotive subject of debt management is second on the list of most elements that US MSMEs have strong processes in place for. This does not appear in the top 5 in Botswana (it is rated at 3.2 in the bottom 5) indicating a strong need for support. This means that the operational factors that Botswana MSMEs considers themselves proficient at not the same as MSMEs in the US. Brought together the differences are clear.

**Table 30*****Top Rating Comparison***

Botswana Rating	Element	USA Rating	Element
4.07	Strategy	3.71	Problem Solving
3.93	Monitoring goals and Targets	3.70	Debt Management
3.80	Problem Solving	3.68	Company Objectives
3.73	Realistic Goals and Targets	3.62	Technology
3.73	Production Rates	3.58	Strategy

This indicates that a successful MSME in the USA brings together operational factors relating to problem solving, managing debt, setting objectives, the use of technology and the development of strategies. In Botswana MSMEs operational approach concentrates on setting strategy, monitoring the implementation of that strategy through goals and targets including production rates and problem solving. A textbook approach. It is interesting to note the

importance of problem solving in the developing country compared to the lower importance in the developing country where “international transfer” tends to solve problems for them.

The lowest ratings for Botswana included:

**Table 31**

***Lowest Ratings Botswana***

Question	Rating	Element	Factor
27.	3.41	Market Research	Environment
24.	3.27	Supply Chain	Environment
18.	3.27	Production Rates	Productivity
17.	3.25	Production Rates	Productivity
15.	3.20	Differentiation	Environment
13.	3.20	Debt Management	Capital and Finance
16.	3.00	Technology	Environment
25	3.00	Supply Chain Evaluation	Environment
19	3.00	Flexibility	Environment
22	2.75	Motivation	Teamwork

Motivation which is at the bottom of the Botswana list is rated at position 6 in the US data. In fact, setting realistic goals and targets which is at the bottom of the US rating lists is rated as the top 4<sup>th</sup> element in Botswana. This is interesting as the data shows that Botswana MSMEs prioritise planning and objective setting. The support needs in Botswana are dominated by environmental factors including issues with the supply chain and gathering market information. Also, debt management as highlighted with the business support interviewees and productivity issues are an important element in MSMEs support requirements.

The ratings for Botswana are much higher than the US ratings. Each of the top 5 ratings are above the ratings of the top 1 for the US. It is also interesting to note that strategy is rated at 4.07 (extremely important) for Botswana whereas the US rates problem solving at 3.71 (strong need for). The top 3 Botswana ratings are all above the US ratings. This could indicate an over reliance on these elements in Botswana to ensure success, in other words strongly in the wrong direction. An analysis of the top 5 ratings shows that the difference between the top

rating in Botswana and the fifth rating is 0.34 whereas in the US it is 0.13. This indicates that the US has a broader set of indicators which together cohesively contribute to the success of the MSME rather than just one or two key elements. In fact, the median rating in the US is 3.50 whereas in Botswana it is 3.41. The difference between the highest rating and the lowest rating in Botswana is 1.32 whereas the difference in the US is 0.42. This means that the US emphasises the need to integrate the operational elements of the MSME more closely together as a whole than does Botswana which tends to rely on a more loosely based assessment of what is important and what is not. This therefore promotes the concept of an integrated model whereby elements work together at similar priority levels to improve MSME operations.

It is not possible to copy exactly the US model as that would simply be reinforcing the “false paradigm” concept however the question to ask is why should the USA data be included in the model? The purpose of the model is to improve business support but also to assist Botswana transition to the next development level. The model therefore must reflect the experiences and gaps presented by the Botswana data with the US data acting as a guide. Although the US indicators may not be an important to Botswana now, they may become more relevant in the future as the country develops. Therefore, if Botswana for example improves its problem-solving capabilities allowing it to generate capital and finance then better debt management procedures and policies are required.

Considering the importance of capital and finance in the analysis it is proposed that this becomes a separate factor from productivity on the understanding that all factors affect each other. The integrated model for improving business support must include the following elements in order of most need for support.

## **Table 32**

### ***Botswana - Most Support Needed***

Botswana Improvement Rating	Factor	Indicator	USA Improvement Rating	Factor	Indicator
2.75	Teamwork	Commitment	3.29	Teamwork	Realistic Goals and Targets
3	Productivity	Technology	3.35	Productivity	Productivity Rate
3	Environment	Supply chain relationships	3.36	Environment	Differentiation
3	Productivity	Flexibility	3.39	Environment	Supply Chain Evaluation
3.2	Environment	Differentiation	3.42	Capital and Finance	Finance
3.2	Capital and Finance	Debtor Management	3.42	Productivity	Flexibility
3.25	Productivity	Data Analysis	3.47	Productivity	Monitoring goals and Targets
3.27	Environment	Supply chain relationships	3.47	Productivity	Monitoring, Analysing and Decision Making
3.27	Productivity	Production Rates	3.5	Environment	Supply Chain Management
3.41	Environment	Market Research	3.5	Productivity	Productivity Rate
3.44	Environment	Supply chain relationships	3.55	Environment	Supply Chain Management
3.63	Environment	Market Research	3.58	Teamwork	Strategy
3.67	Productivity	Data Analysis	3.58	Teamwork	Motivation
3.68	Teamwork	Objectives	3.58	Environment	Market Research
3.73	Teamwork	Realistic Goals and Targets	3.58	Environment	Differentiation
3.73	Capital and Finance	Measuring Costs	3.62	Productivity	Technology
3.8	Teamwork	Problem Solving	3.68	Teamwork	Company Objectives
3.93	Teamwork	Setting Goals and Targets	3.7	Capital and Finance	Debt Management
4.07	Teamwork	Strategy	3.71	Teamwork	Problem Solving

The draft self audit model for improving business support can therefore be presented as follows in terms of importance.

**Table 33**

### ***Self Audit***

Indicator/Support Rating	1. No Need	2.	3.	4.	5. High Need
1. The need to improve the commitment of employees					
2. Use of technology					
3. Relationships in the supply chain					
4. Flexibility in the market					
5. Differentiation in the market					
6. Debtor Management					
7. Productivity Rates					
8. Market Research					
9. Goals and Objectives					
10. Measuring costs					
11. Problem Solving					
12. Devising Strategies					

Stage 3 should show that issues relating to commitment, productivity and environment are key to improving support for MSMEs in Botswana.

The next STEPFC is to determine if these elements are important for MSMEs in Botswana and if there is a need for further support in these elements. This will be analysed through stage 3 of the methodology.

#### **4.4Stage 3 Analysis**

The aim of Stage 3 analysis is to confirm or otherwise the research objective “verify the integrated model for supporting MSMEs in Botswana.”

Stage 3 research took place between May and August 2022. The aim was to sample a large number of MSMEs to confirm the link between capital and productivity, teamwork and the business environment with the integrated model developed from stage 2.

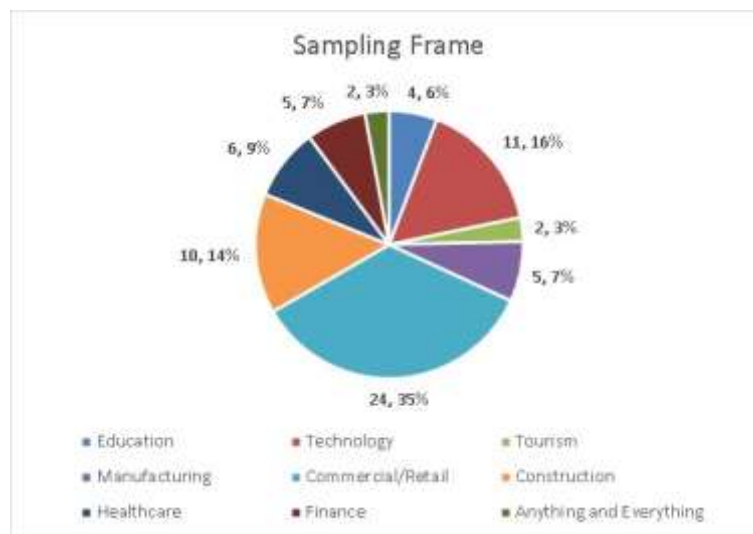
As no sampling frame existed for MSMEs and to ensure that probability sampling provided a “generalised” view of the population all MSMEs associated with a particular company were chosen. This allowed factors such as teamwork and business environment to be analysed within the context of a single supply chain. Indeed, as the company in question has

strict financial policies capital and financial issues related to the operation of the supply chain could also be examined. A total of 69 companies were identified.

The make up of the sampling frame is shown below:

**Figure 107**

***Sampling Frame***



This mirrors the Statistics Botswana's 2016 survey of (Statistics Botswana, 2016, p17) as follows:

**Table 34. Sample Breakdown**

Sector	Statistics (2016)	Sample
Manufacturing	9.1%	7%
Construction	3.7%	14%
Commercial/retail	36.6%	35%
Finance	4.1%	7%
Technology	2.5%	16%
Education	3.5%	6%
Healthcare	3.6%	9%
Other	10.7%	3%

The significance of the sample related to the hypothesis in that the output from the research is to develop a model for use in Botswana which can be used in any sector or by any MSME. In this way the model reflects the needs of Botswana and can be widely applied.

In total, after multiple attempts at electronic “door knocking” and applying the “courtship-ritual” as suggested by Tracy, (2019, p12) only 17 MSMEs responded. This meant the response rate was only 24.6%. This was deemed to low to be able to “generalise” the findings. The decision was taken to gather more respondents through non-probability sampling, opening the online questionnaires to MSMEs outside the sampling frame. The decision was taken in light of the fact that the generalisation of stage 1 is related to the “theory rather than about a population” (Saunders et al, 2009, p223) and that this philosophy could be extended throughout the study. Indeed this change illustrates the “backup” approach in research proposed by Bryman, (2006, p105).

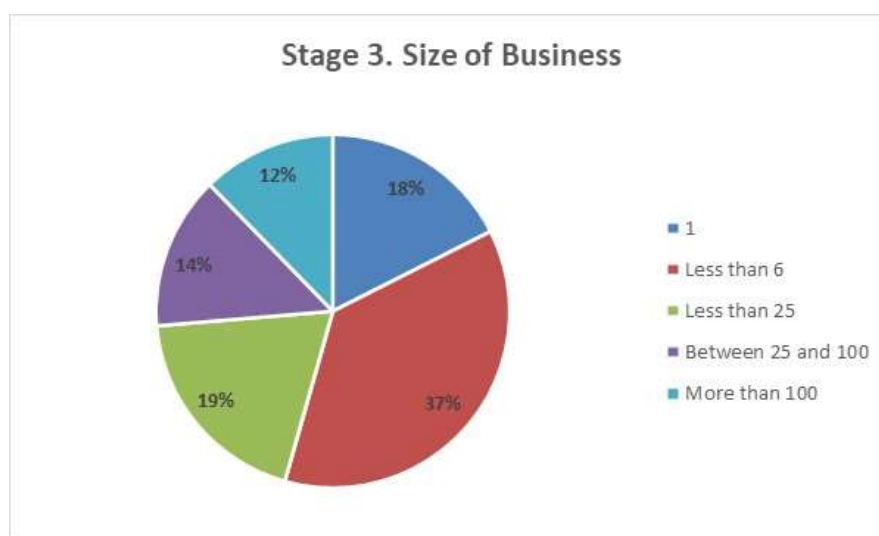
In total, after this revision of the methodology, 63 companies responded to the online questionnaire a response rate of 78.75% on the target of 80 MSMEs.

Of the 63 who submitted 6 were incomplete, having not provided any demographic information relating to their companies. These therefore could not be verified and were deleted. These were respondents 24, 31, 33, 42, 46 and 61.

Considering Jefferis' (1998, p3) classifications of MSMEs the remaining 57 stated their size as follows:

**Figure 108**

***Stage 3 Size of MSME***

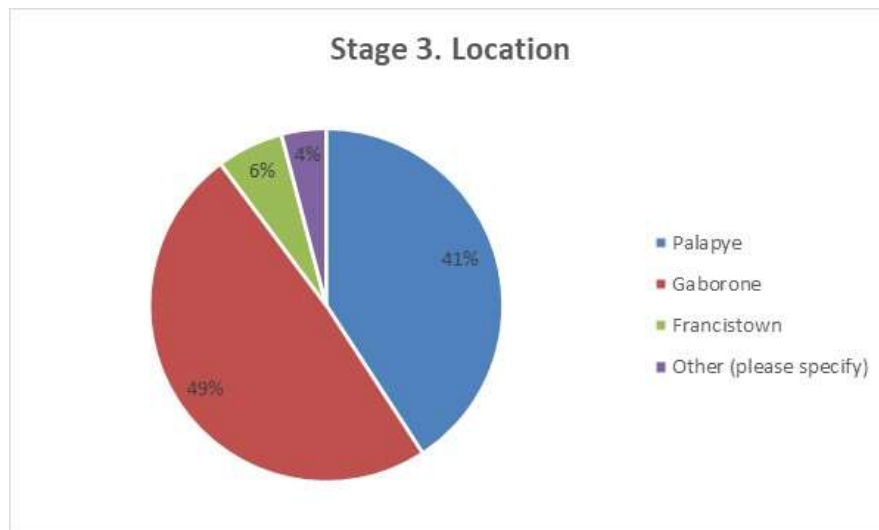


The majority of businesses could be classified as Micro, with 55% having less than 6 employees. 19% could be classified as Small Enterprises with the number of employees between 6 and 25. 14% are classified as Medium with the number of employees between 25 and 100. 12% were classified as over 100 employees. As the study concentrates on MSMEs these 7 were removed. These were 6, 19, 22, 44, 45, 54 and 59. The study therefore remained with 50 MSME responses. These remaining responses were all classified as MSMEs and each completed the questionnaire therefore improving the reliability of the data collected.

All the MSMEs were located along the A1 road in the populated east of the country, the majority from Gaborone, the capital city of Botswana.

**Figure 109**

***Stage 3 MSME Location***

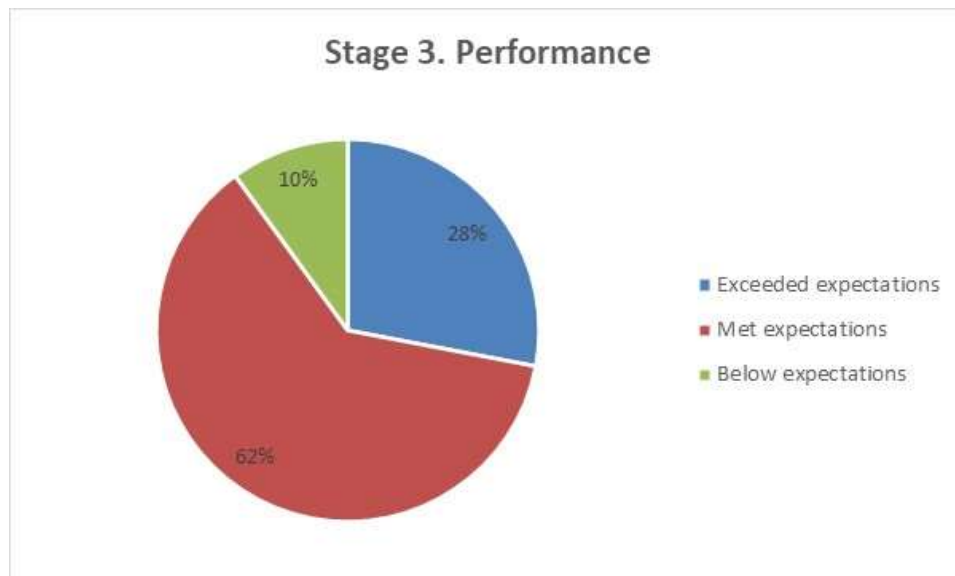


Of the businesses surveyed the majority 58% had been in operations less than 5 years old, 22% between 5 and 10 years in business and 20% above 10 years operational. 45% of the MSMEs which became operational in the past 5 years were commercial retail, followed by technology companies which represent 21% and anything and everything MSMEs which accounted for 14%. This mirrors the trend indicated by business support services which show MSMEs attempting all types of business without concentrating on one in particular.

The majority of MSMEs surveyed either met expectations or exceeded expectations in terms of performance. 10% indicated their performance was below expectations.

**Figure 110**

**Stage 3 - Performance**



Each of the MSMEs provided their views on forty-four (44) different indicators each related to a factor within the proposed integrated model.

**Table 35**

**Stage 3 Factors**

<b>Capital and Finance</b>	<b>Environment</b>	<b>Productivity</b>	<b>Environment</b>
1. Managing the customers who owe you money (Capital and Finance)	8. Negotiating with suppliers (Environment)	10. Record Keeping (Productivity)	28. Working with other companies (Environment)
2. Creating contracts with customers (Capital and Finance)	18. Setting realistic goals and objectives (Teamwork)	14. Measuring productivity (Productivity)	29. Creating relationships with other companies (Environment)
3. Managing your companies' debts (Capital and Finance)	19. Setting employee targets (Teamwork)	15. Improving productivity levels (Productivity)	30. Evaluating your relationship with your suppliers (Environment)
4. Devising Terms and Conditions (Capital and Finance)	20. Managing expectations (Teamwork)	16. Analysing productivity data (Productivity)	31. Becoming a key link in the supply chain (Environment)
5. Keeping track of expenditures (Capital and Finance)	21. Improving employee commitment (Teamwork)	17. Setting productivity targets (Productivity)	32. Market research (Environment)
6. Planning budgets (Capital and Finance)	22. Working together as a team (Teamwork)	26. Collecting business information (Productivity)	33. Offering different products/services (Environment)
7. Preparing quotations for customers (Capital and Finance)	23. Solving problems as a team (Teamwork)	27. Analysing business information (Productivity)	34. Offering new products/services (Environment)
9. Making a surplus (Capital and Finance)	24. Making decisions as a team (Teamwork)	37. Using computers to analyse the business (Productivity)	35. Looking for new opportunities (Environment)
11. Analysing costs (Capital and Finance)		38. Using computers to record business data (Productivity)	36. Responding to market requirements (Environment)
12. Reducing costs (Capital and Finance)		39. Using technology to improve productivity (Productivity)	40. Using technology to reach customers (Environment)
13. Improving profit margins (Capital and Finance)			41. Being better than the competition (Environment)
			42. Selling unique products/services (Environment)

Two clear questions were asked about each indicator. Firstly “Rate the importance of each of the following for the successful operation of your business?” and secondly for the same indicator “Rate your need of training/support for each of the following for your business?”. The questions were presented in two sections, the first in terms of importance and the second in terms of training/support need. The questions were chosen randomly so that each MSME answered all the questions in a different order. Each MSME had to choose one option for each of the indicators as follows:

Rate the importance of each of the following for the successful operation of your business?

My business cannot operate without doing this

Very important to the operation of my business

Important to some degree to the operation of my business

Not so important to the operation of my business

Not related to the operation of my business

And

Rate your need of training/support for each of the following for your business?

A lot of training/support required

Some training/support required

A little training/support required

No training/support required

In total 50 eligible enterprises provided responses for 44 data items for each of the two questions followed by 7 questions relating to demographic information about the MSME.

Therefore, in total 4750 individual data items were collected.

The data for each indicator was averaged and presented as a numeric. This number reflected the level of the response as follows:

Average	Importance Response
---------	---------------------

4 to 5	My business cannot operate without doing this
--------	---

3 to 4	Very important to the operation of my business Important to some degree to the operation of my
--------	---

2 to 3	business
--------	----------

1 to 2	No so important to the operation of my business
--------	---

0 to 1	Not related to the operation of my business
--------	---

Average	Training/Support response
---------	---------------------------

3 to 4	A lot of training/support required
--------	------------------------------------

2 to 3	Some training/support required
--------	--------------------------------

1 to 2	A little training/support required
--------	------------------------------------

0 to 1	No training/support required
--------	------------------------------

In terms of importance 2.5 represents the mid point (0 -5) and falls into the “importance to some degree” response. Therefore, in the scatter graph anything above 2.5 will be regarded as important and less than 2.5 not so important.

The data was correlated so that each indicator was listed with 2 values. For example, question 1. Managing the customers who owe you money (Capital and Finance) has two figures associated with it. The first is the value for importance. This value is from 0 to 5.

The second figure is the need for training/support figure which has a value of 0 to 4. The value is derived from the number of MSMEs that responded in a specific category, weighted by the level of the answer. This is then added and divided by the number of respondents to find that importance and need value for each indicator. For example

**Table 36**

***Example Importance and Need Analysis***

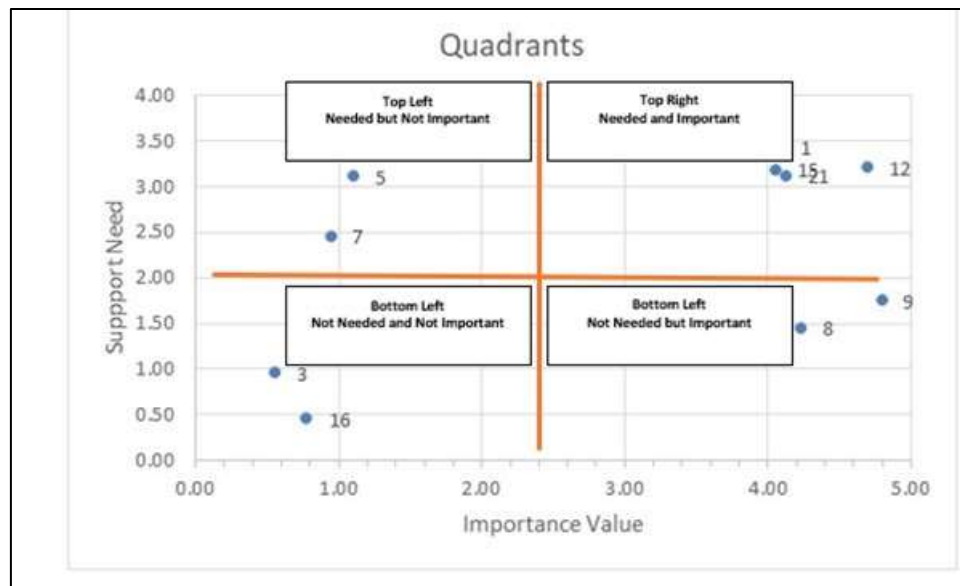
Indicator 1. Managing the customers who owe you money (Capital and Finance)	Number of Responses	Weight	Total
My business cannot operate without doing this	22	5	110
Very important to the operation of my business	16	4	64
Important to some degree to the operation of my business	4	3	12
No so important to the operation of my business	3	2	6
Not related to the operation of my business	2	1	2
	47		194
Average			4.13
A lot of training/support required	22	4	88
Some training/support required	17	3	51
A little training/support required	6	2	12
No training/support required	1	1	5
			156
Average			3.12

The averages are then plotted on the scatter graph and the quadrant in which the plot resides is determined.

The significance of the data collected are presented on scatter graphs. The scatter graph has four (4) quadrants as shown below:

**Figure 111**

***Scatter Graph Quadrants***



For the model to be verified each of the indicators must appear in the top right-hand corner of the scatter graph. This indicates that MSMEs regard the indicator as not only important for doing their work but also there is a need for training and support. Therefore, if importance is averaged above 2.5 and need averaged above 2 the indicator will appear in the top right-hand corner and thus be verified as part of the model. If the indicator appears in the bottom right quadrant MSMEs regard it as important but not necessary for additional support/training. If an indicator appears in the top left quadrant, then MSMEs put emphasis on the need for support/training but not so much on its importance. If an indicator appears in the bottom left quadrant, then it is essentially not necessary being neither important for required for training/support by MSMEs. How each indicator is viewed by MSMEs overall and in each sector is examined to determine if the integrated model can be verified. Depending on the context of the analysis the value for importance or need will be presented next to each question in brackets e.g. (2.3). If necessary, the data will be presented as the coordinates (importance, need) (4.3, 2.3). A further analysis is included which combined need and importance as one (1) number. This is achieved by simply multiplying the importance value with the need value (3.2,

2.32, 7.42). The discussion will consider the most and least significant, separately, in terms of importance, need and importance times need.

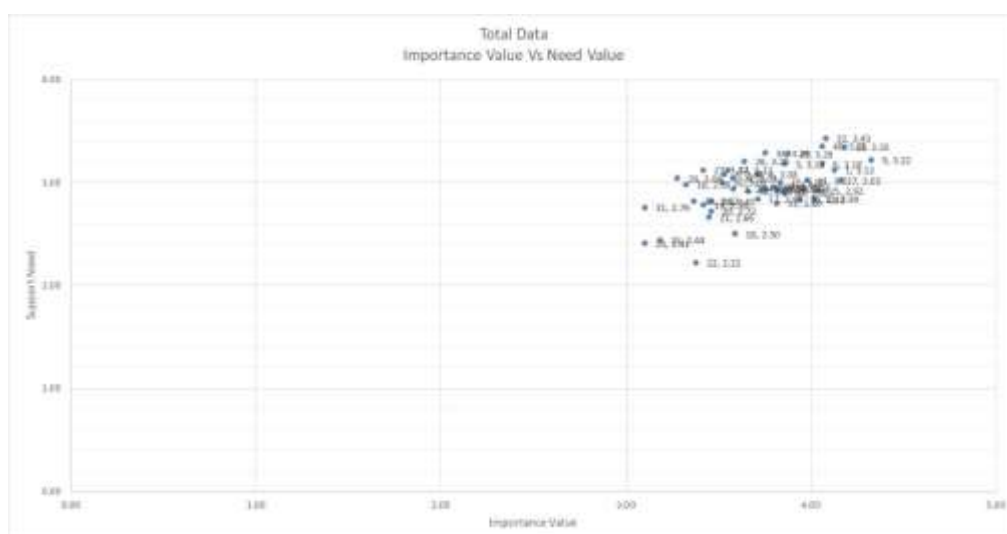
The most significant and least significant will also be listed in a table. The table will at a glance show the significance in terms of each factor e.g. Finance and Capital (blue), Environment (green), Productivity (orange) and Teamwork (white). This will provide a visual representation of significance which can be interpreted at a glance.

#### 4.4.1 Stage 3 - Overall Data Analysis.

Starting with all the data from each of the 50 MSMEs without any categorisation, the data shows a positive response to the integrated model. Each of the plots for the importance value against the need for training/support value shows that overall, the indicators fall into the top right-hand quadrant indicating need for training/support and importance for the running of the enterprise.

**Figure 112**

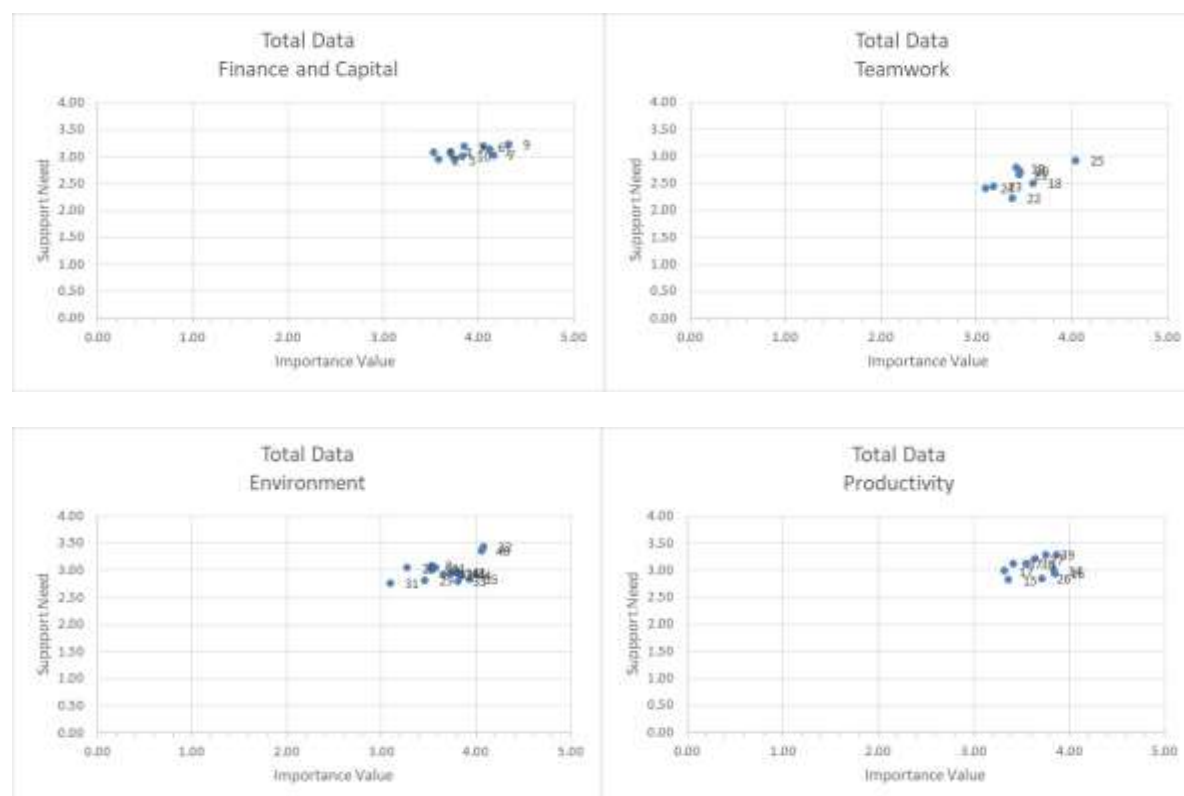
*Total Data - Importance vs Need*



Indeed, the same pattern is repeated across Capital and Finance, Teamwork, Environment and Productivity.

**Figure 113**

***Total Data Factor Analysis***



Although it is clear that all indicators fall into the verification quadrant it is important to identify which indicators are the most significant in terms of both performance and need and also those which are the least significant so it will be possible to identify priorities.

**Table 37**

***Total Data Significant Indicators***

All MSMEs – Significant		
Importance	Need	Importance x Need
9. Making a surplus (Capital and Finance) (4.33)	32. Market Research (Environment) (3.43)	13. Improving profit margins (Capital and Finance) (14.00)
13. Improving profit margins (Capital and Finance) (4.18)	40. Using technology to reach customers (Environment) (3.35)	32. Market Research (Environment) (13.99)
7. Preparing quotations for customers (Capital and Finance) (4.16)	13. Improving profit margins (Capital and Finance) (3.35)	9. Making a surplus (Capital and Finance) (13.93)
1. Managing the customers who owe you money (Capital and Finance) (4.13)	38. Using computers to record business data (Productivity) (3.29)	40. Using technology to reach customers (Environment) (13.62)
32. Market Research (Environment) (4.08)	39. Using computers to improve productivity (Productivity) (3.28)	6. Planning budgets (Capital and Finance) (12.91)

From the patterns shown in the analysis it is clear that indicators relating to Finance and Capital followed by the business environment are the most significant in terms of importance. Issues relating to the business environment top the list of areas where a lot of training and support is needed which are market research and using technology to reach customers. The use of technology was listed as 2<sup>nd</sup> on the proposed model and market research 8<sup>th</sup>. Measuring costs was 10<sup>th</sup> and now 3<sup>rd</sup> in terms of need. What is clear from the response is the importance of technology and its use to improve business productivity and potentially for market research. This mirrors the stage 2 analysis which suggested record keeping systems were “poor” and only 6% of MSMEs considered themselves to be strongly technology orientated.

Also, the need for market research mirrors Sentsho et al (2007, p16) “lack of marketing skills” as a factor which limits the performance of MSMEs in Botswana. This leads into the concept of MSMEs using “systems thinking” in terms of the “interaction among resources in the environment” as proposed by Reisman and Oral (2005, p165). Similarly, the need to improve profit margins and other finance and capital issues such as budgeting and making a surplus reflects Chinyoka’s (2015, p5) observation of “capital flowing to low-quality entrepreneurs” clearly indicating the need for more support in this factor. Further the importance of detailing with customers who owe the MSME money reflects Kaunda et al (2007, p37) assertion that this is a “chronic problem” in Botswana. It is clear the requirement for improving financial competencies in the model to reflect the complex linkages derived through the study of “society” is a key factor in the integrated model. These include improving profit margins, making a surplus, creating budgets and managing customers who owe the business money, all of which appear as the most significant of the indicators.

Issues with work ethic were highlighted as an important factor for Botswana MSMEs to resolve. Stage 2 showed that employee commitment was regarded as one of the most

important areas to address in terms of support. Question 21 asked MSMEs about the importance and need for improving employee commitment. Although not the most important nor the highest in terms of need the responses still fell within the top right hand quadrant 21. Improving employee commitment (3.45, 2.66, 9.18). Linked to managing expectations, question 20 showed a similar response (3.46, 2.72, 9.41).

Further from Financial competencies and work ethic a third point of integration was decision making. The integrated model looked at these in terms of the collection and analysis of data within the business which was highlighted by business support services as lacking in Botswana MSMEs. The results showed the following:

10. Record Keeping (Productivity)	(3.84, 3.00, 11.51)
14. Measuring Productivity (Productivity)	(3.37, 2.82, 9.50)
16. Analysing Productivity Data (Productivity)	(3.33, 2.98, 9.91)
24. Making decisions as a team, (Teamwork)	(3.10, 2.41, 7.47)
25. Solving Business Problems (Teamwork)	(4.04, 2.92, 11.79)
26. Collecting Business Information (Productivity)	(3.64, 3.20, 11.66)
27. Analysing Business Information (Productivity)	(3.42, 3.12, 10.66)
37. Using computers to analyse the business (Productivity)	(3.55, 3.12, 11.08)
38. Using computers to record business data (Productivity)	(3.76, 3.29, 12.34)

All these factors clearly showed a need for support and their importance to the operations of the MSME. This is the clear purpose of the integrated model, which provides an opportunity to address issues relating to Botswana.

**Table 38**

***Integrated Indicators***

Financial Competencies	Importance	Need	Importance X Need
13. Improving Profit Margins	4.18	3.35	14.00
9. Making a surplus	4.33	3.22	13.93
6. Planning Budgets	4.06	3.18	12.91
1. Managing Customers who owe you money	4.13	3.12	12.88
7. Preparing quotations for customers	4.16	3.02	12.57
3. Managing your companies' debts	3.86	3.18	12.27
11. Analysing costs	3.98	3.02	12.02
4. Devising terms and conditions	3.71	3.08	11.44
12. Reducing Costs	4.02	2.84	11.42
5. Keeping track of expenditure	3.76	2.94	11.04
2. Creating contracts with customers	3.58	2.94	10.54
Decision Making			
38. Using computers to record business data	3.76	3.29	12.34
25. Solving business problems	4.04	2.92	11.79
26. Collecting business information	3.64	3.20	11.66
10. Record Keeping	3.84	3.00	11.51
37. Using computers to analyse the business	3.55	3.12	11.08
27. Analysing business information	3.42	3.12	10.66
16. Analysing productivity data	3.33	2.98	9.91
23. Solving Problems as a team	3.18	2.44	7.77
24. Making decisions as a team	3.10	2.41	7.47
Work Ethic			
17. Setting productivity targets	3.71	2.84	10.55
19. Setting employee targets	3.42	2.78	9.50
20. Managing expectations	3.46	2.72	9.41
21. Improving employee commitment	3.45	2.66	9.17
18. Setting realistic goals and targets	3.59	2.50	8.98

Although the model showed the integrated aspects of work ethic, financial competencies and making decisions a number of factors particularly in relation to teamwork represented the least significant indicators.

**Table 39*****Total Data Least Significant Indicators***

All MSMEs - Least Significant		
Importance	Need	Importance x Need
24. Making decisions as a team (Teamwork) (3.10)	22. Working together as a team (Teamwork) (2.22)	24. Making decisions as a team (Teamwork) (7.47)
31. Becoming a key link in the supply chain (Environment) (3.10)	24. Making decisions as a team (Teamwork) (2.41)	22. Working together as a team (Teamwork) (7.50)
23. Solving problems as a team (Teamwork) (3.18)	23. Solving problems as a team (Teamwork) (2.44)	23. Solving problems as a team (Teamwork) (7.76)
28. Working with other companies (Environment) (3.28)	18. Setting realistic goals and targets (Teamwork) (2.50)	31. Becoming a key link in the supply chain (Environment) (8.55)
16. Analysing productivity data (Productivity) (3.33)	21. Improving employee commitment (Teamwork) (2.66)	18. Setting realistic goals and targets (Teamwork) (8.98)

In terms of least significant, teamwork indicators are not as highly regarded. This mirrors the “broad based participation” (Acemoglu et al’s, 2002, p32) and “solid pattern of interaction” (Moumakwa, 2011, p3) which is inherent in Botswana society. Although decision making was highlighted as by Grobbelaar and Tsotetsi, (2005, p3) in terms of “vacillation and a lack of decisive and quick action”, the verification of the factors shows that many MSMEs regard this indicator as the least significant of their needs and in fact the least important. The Stage 2 analysis highlighted deficiencies in the approach to teamwork. However, it must be noted that teamwork appears in the top right quadrant and therefore is still important but not as important as researching the market, using technology and managing the finances. Indeed, issues with “work ethic” (World Economic Forum, 2017, p92) resolved through the development and monitoring of goals and objectives are in the middle in terms of need. In the stage 2 analysis, commitment was placed at the top of the priority list. Financial support and support within the business environment are clearly the priority followed by goals and objective setting and finally teamwork.

As all of the indicators are in the top right-hand quadrant then the integrated model is verified.

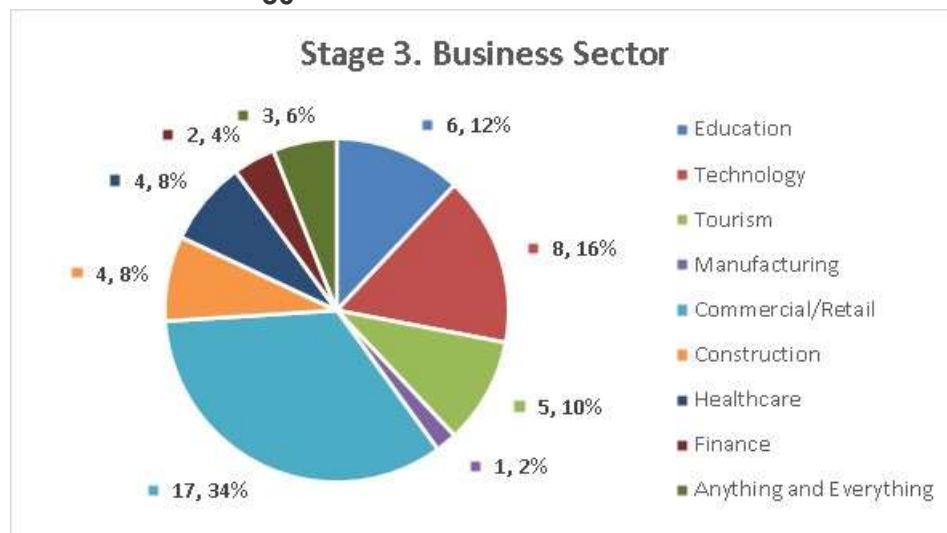
However, it is not as simple as this.

Considering the wide-reaching methodological approach numerous MSMEs in a variety of sectors responded to the question.

**Figure 114**

***Stage 3 - Business Sector***

Sector	No.
Education	6
Technology	8
Tourism	5
Manufacturing	1
Commercial/Retail	17
Construction	4
Healthcare	4
Finance	2
Anything and Everything	3
	<b>50</b>



The majority of the MSMEs classified themselves as Commercial/Retail (34%), the second highest classification was technology (16%), followed by education (12%),

tourism (10%), healthcare and construction (8%), anything and everything (6%), finance (4%) and manufacturing (2%).

The national breakdown (Statistics Botswana, 2016, p17) shows some correlation with this data with Commercial/Retail being the biggest sector in both surveys however it should be noted that the 2016 survey is for all enterprises and establishments.

**Table 40*****Sector Break Down Analysis***

Sector	2016 National Statistics	Stage 3
Commercial/Retail	36.6%	34%
Manufacturing	9.1%	2%
Technology	2.5%	16%
Other	10.7%	6%
Construction	3.7%	8%
Education	8.5%	12%
Finance	4.1%	4%

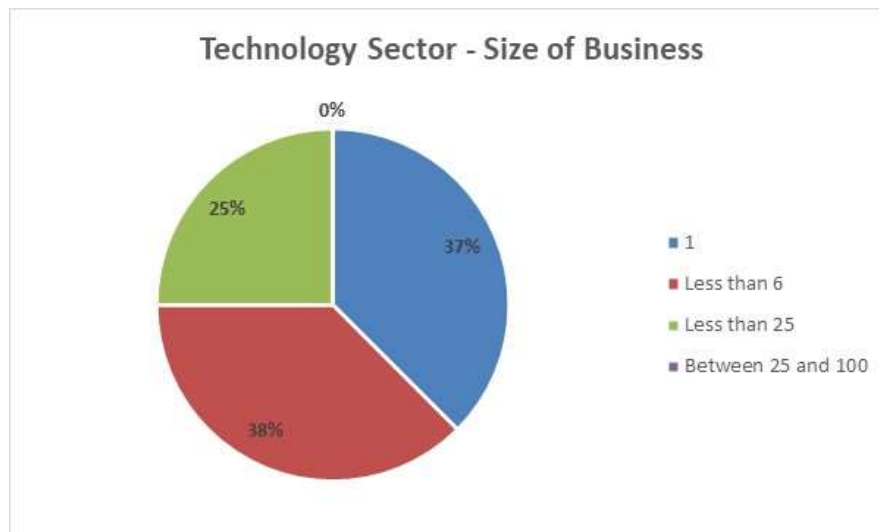
The following reviews each of the sectors in turn.

**4.4.1.1 Technology Sector**

The technology MSMEs who responded represented a wide field of technology related services from IT maintenance, web design and hosting services, reprographics services and graphic design. 16% of the MSME respondents classified themselves as within the technology sector. This sector is dominated by companies which have less than 6 employees with 37% being single person businesses. 25% have less than 25 employees.

**Figure 115**

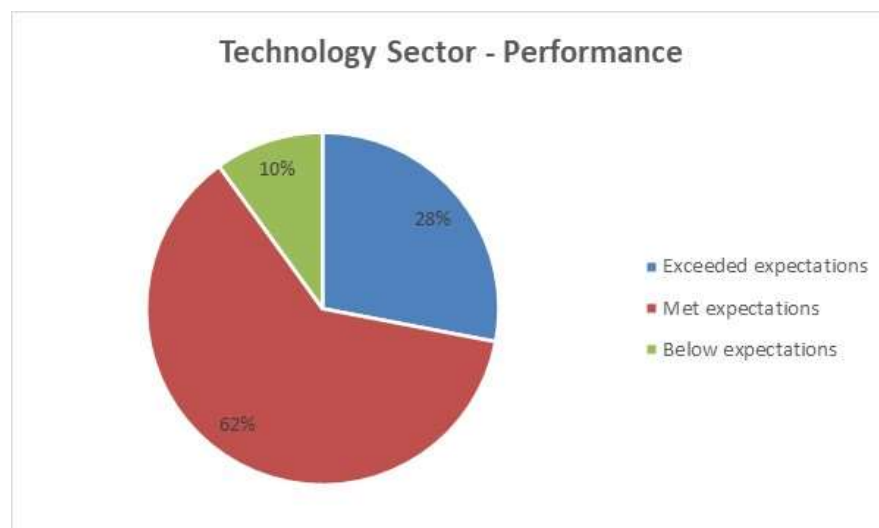
***Technology Sector - Size of Business***



In terms of performance the majority of the technology sector's MSMEs in the survey met expectations. 28% over a quarter exceeded expectation, 10% performed below expectation. This is a precise match for ALL MSMEs in terms of performance.

**Figure 116**

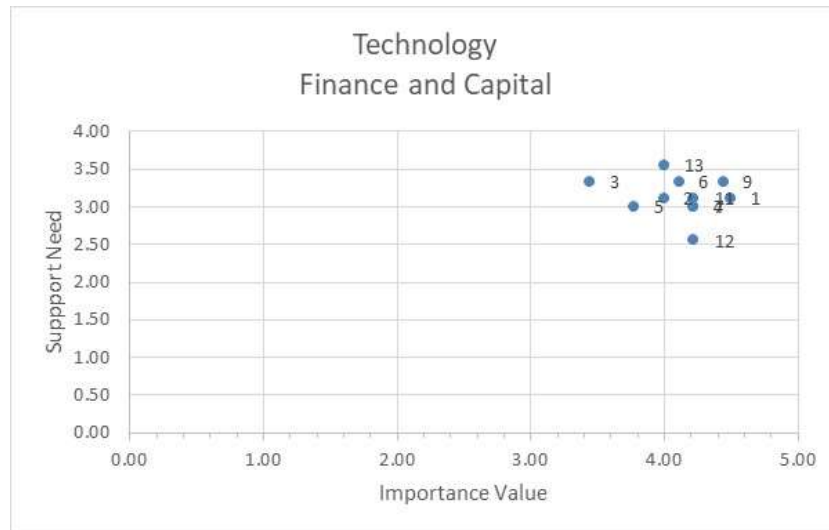
***Technology Sector - Performance***



The analysis of the technology sector shows a high correlation between the importance of capital and productivity factors and the need for support.

**Figure 117**

***Technology Sector - Capital and Finance***

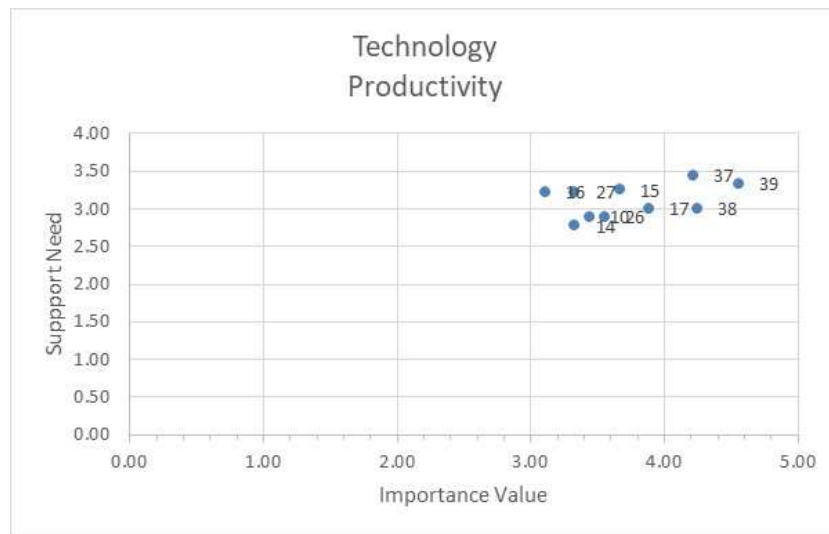


The majority of the responses fall into the top right-hand quadrant representing “Important for MSME operations and support is required”. The two most important factors under capital and productivity are 1. Managing the customers who owe you money (4.5) and 9. Making a surplus (4.4). According to technology MSMEs they would not be able to operate without doing these. The least significant is 3. Managing your companies’ debts (3.44) 5. Keeping track of expenditure (3.78). However, these although less significant are regarded as being “Very important to the operation” of the MSMEs. In terms of training/support needs the highest is 13. Improving profit margins (3.56). Technology MSMEs are stating that alot of training/support is required to improve profit margins. The least significant is 12. Reducing costs (2.56) with technology MSMEs suggesting some training/support is required to help them reduce costs. In terms of combined importance and need the highest is 9 and the least significant is 12. However, it should be noted that all indicators fall into the top right-hand quadrant in terms of importance and need.

Similarly in terms of Productivity all indicators fall into the top right-hand quadrant.

**Figure 118**

***Technology Sector - Productivity***

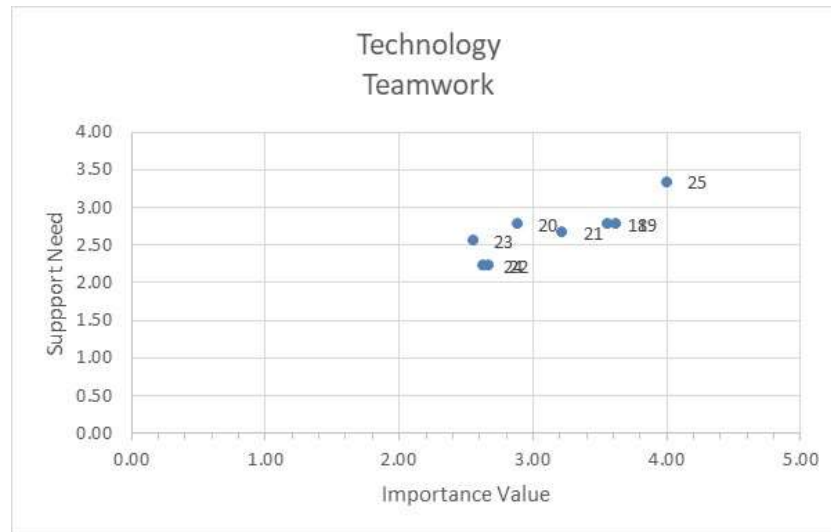


The most important is 39. Using technology to improve productivity (4.56) followed by 38. Using computers to record business data (4.25) both regarded as essential for the operations of technology MSMEs. The least significant is 16. Analysing Productivity data (3.11) however, it must be noted that is still regarded as very important by MSMEs. In terms of training/support need the highest is 37. Using computers to analyse the business (3.44) followed by 39. Using technology to improve productivity (3.33). Both these technology MSMEs suggest require a lot of support and training. In terms of combined importance and need the highest is 39. (15.19) and the least significant 14. Measuring Productivity (9.26)

In terms of teamwork all points are again in the quadrant of high importance and high need.

**Figure 119**

***Technology Sector - Teamwork***

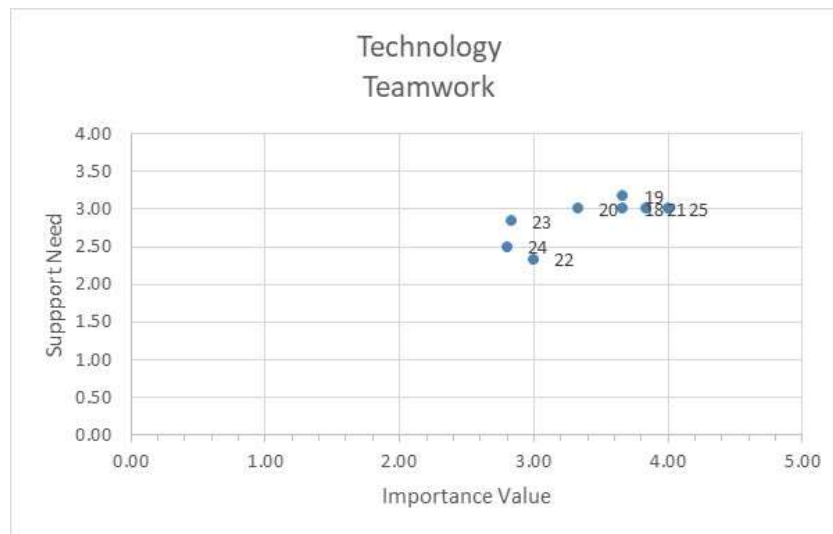


The most important indicator is 25. Solving business problems (4.00) which is essential followed by 19. Setting employee targets (3.63) which is regarded as very important/ The least significant is 23. Solving problems as a team (2.56) and 22. Working together as a team (2.67). These are regarded as only important to some degree” by technology MSMEs. This ties in with the one (1) person nature of the technology sector as the response statistics show. In terms of need 25. (3.33) again is the highest with technology MSMEs suggesting a lot of training is required to help them solve business problems. This is followed by 19. (3.63) whereby a lot of training and support is required to help technology MSMEs to set employee targets. The least significant is 22. (2.22) and 24. Making decisions as a team (2.22) with technology MSMEs suggesting that some training and support is required to address these indicators The highest combined importance and need is 25. (13.33) With the least significant being 24. (5.83).

The single person MSMEs under technology are enterprises 21, 27 and 39. With these removed the teamwork data looks like this.

**Figure 120**

***Technology - Single Person - Teamwork***

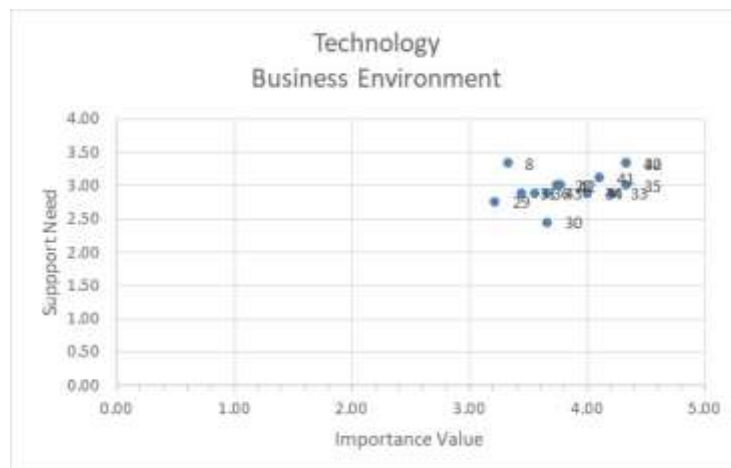


24. Making decisions as a team (2.8) is the least important followed by 23. Solving problems as a team (2.83) and 22. Working together as a team (3.00). Although 23 and 24 fall into the category of important to a degree, 22. now falls onto the border between important and very important. This pattern mirrors the lowest when all the data is combined.

In terms of the business environment the statistics show all indicators again fall into the top right-hand quadrant.

**Figure 121**

***Technology Sector - Business Environment***

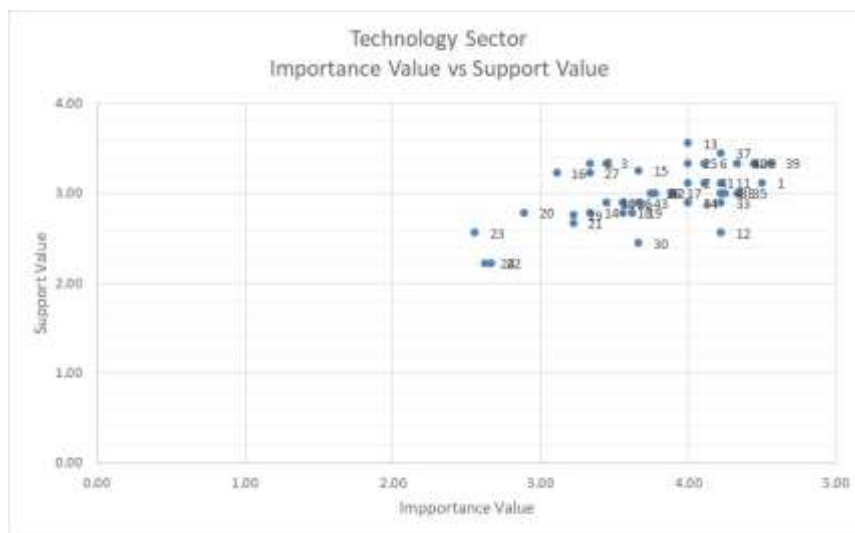


The highest in terms of importance and need together is 32. Market Research (14.44) and 40. Using technology to reach customers (14.44). The highest in terms of importance are 32. (4.33), 40. (4.33) and 35. Looking for new opportunities (4.33), these are regarded as some of the most essential indicators of technology MSMEs. The highest in terms of training/support needs are 40. (3.33), 32. (3.33) and 8. Negotiating with suppliers (3.33) all of which indicate a lot of training and support is required. The least significant is 30. Evaluating your relationship with your supplier (2.44) and 29. Creating relationships with other companies (2.75). all of which fall into the “some training and support required” category. The least significant in terms of importance and need together is 29. (8.86).

Overall, within the technology sector the data shows that each factor falls into the quadrant of most important and requiring most support.

**Figure 122**

***Technology Sector - Importance Vs Support***



In summary

**Table 41*****Technology Sector - Significant Indicators***

Technology – Significance		
Importance	Need	Importance x Need
39. Using technology to improve (Productivity) (4.56)	13. Improving Profit Margins (3.56) (Finance and Capital)	39. Using technology to improve (Productivity) (15.19)
1. Managing the customers who owe you money (4.50) (Finance and Capital)	37. Using computers to analyse the business (3.44) (Productivity)	9. Making a surplus (14.81) (Finance and Capital)
9. Making a surplus (4.33) (Finance and Capital)	39. Using technology to improve (Productivity) (3.33)	37. Using computers to analyse the business (14.54) (Productivity)
32. Market Research (4.33) (Environment)	9. Making a surplus (3.33) (Finance and Capital)	32. Market Research (14.44) (Environment)
40. Using technology to reach customers (4.33) (Environment)	32. Market Research (3.33) (Environment)	40. Using technology to reach customers (14.44) (Environment)
35. Looking for new opportunities (4.33) (Environment)	6. Planning budgets (3.33) (Finance and Capital)	
	25. Solving business problems (3.33) (Teamwork)	
	3. Managing your companies' debts (3.33) (Finance and Capital)	

The analysis shows that the need for productivity and capital and finance skills within the technology sector are a priority.

**Table 42*****Technology Sector - Least Significant Indicators***

Technology – Least Significance		
Importance	Need	Importance x Need
23. Solving problems as a team (2.56) (Teamwork)	24. Making decisions as a team (2.22) (Teamwork)	24. Making decisions as a team (5.83) (Teamwork)
24. Making decisions as a team (2.63) (Teamwork)	22. Working together as a team (2.22) (Teamwork)	22. Working together as a team (5.93) (Teamwork)
22. Working together as a team (2.67) (Teamwork)	30. Evaluating your relationship with your supplier (2.44) (Environment)	23. Solving problems as a team (6.53) (Teamwork)
20. Managing Expectations (2.89) (Teamwork)	23. Solving problems as a team (2.56) (Teamwork)	20. Managing Expectations (8.02) (Teamwork)
16. Analysing (Productivity) data (3.11) (Productivity)	12. Reducing Costs (2.56) (Capital and Finance)	21. Improving employee commitment (8.59) (Teamwork)

In terms of least significant it is clear the teamwork is dominant.

Without the single person enterprises included the data summary looks like this.

**Table 43*****Technology Sector – Without Single Person - Most Significant Indicators***

Technology – Most Significant		
Importance	Need	Importance x Need
6. Planning budgets (4.73) (Finance and Capital)	6. Planning budgets (3.82) (Finance and Capital)	6. Planning budgets (18.05) (Finance and Capital)
9. Making a surplus (4.55) (Finance and Capital)	13. Improving Profit Margins (3.55) (Finance and Capital)	13. Improving Profit Margins (15.15) (Finance and Capital)
10. Record Keeping (4.45) (Productivity)	32. Market Research (3.55) (Environment)	10. Record Keeping (14.98) (Productivity)
3. Managing your companies' debts (4.45) (Finance and Capital)	27. Analysing business information (3.55) (Productivity)	9. Making a surplus (14.88) (Finance and Capital)
7. Preparing quotations for customers (4.36) (Finance and Capital)	37. Using computers to analyse the business (3.55) (Productivity)	7. Preparing quotations for customers (4.68) (Finance and Capital)
	34. Offering new products/services (Environment) (3.55)	

With technology enterprises which have more than one employee finance and capital have become more significant in terms of need and interestingly also market research.

**Table 44**

***Technology Sector - Without Single Person - Least Significant Indicators***

Technology – Least Significance		
Importance	Need	Importance x Need
2. Creating contracts with customers (3.18) (Finance and Capital)	22. Working together as a team (2.09) (Teamwork)	22. Working together as a team (8.74) (Teamwork)
31. Becoming a key link in the supply chain (Environment) (3.18)	24. Making decisions as a team (2.36) (Teamwork)	24. Making decisions as a team (9.67) (Teamwork)
28. Working with other companies (Environment) (3.27)	23. Solving problems as a team (2.73) (Teamwork)	28. Working with other companies (Environment) (9.82)
4. Devising terms and conditions (Capital and Finance) (3.36)	20. Managing Expectations (2.82) (Teamwork)	2. Creating contracts with customers (Finance and Capital) (10.12)
14. Measuring productivity (Productivity) (3.45)	44. Always being ahead of the competition (2.82) (Environment)	14. Measuring productivity (Productivity) (10.36)

Teamwork becomes more important and clearly training/support in the teamwork indicators are needed less.

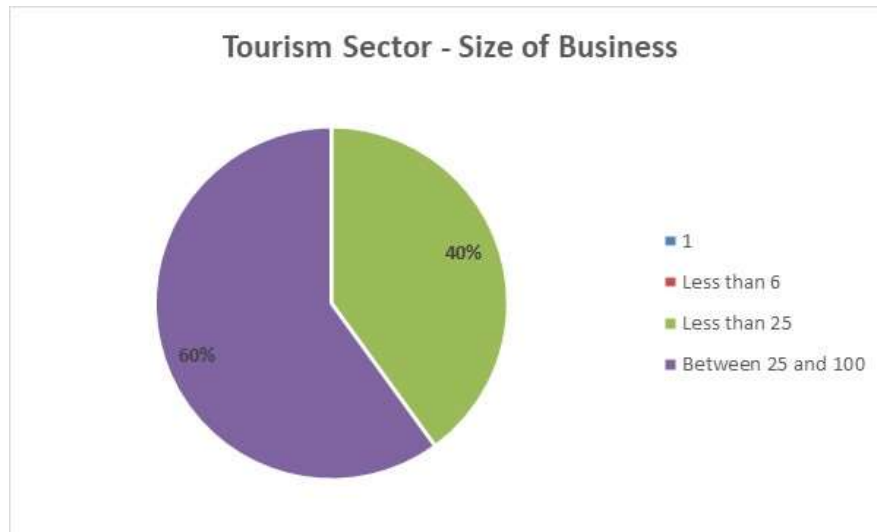
#### **4.4.1.2 Tourism Sector**

The International Trade Administration (ITA), estimate Tourism accounts for “less than 10 percent of GDP” in Botswana but that “Tourism (in Botswana) is a major contributor to the national economy and has tremendous potential for growth” (ITA, 2022). The MSMEs who responded to the questionnaire include small enterprises which service the tourism industry providing services such as hotels, small budget Bed and Breakfast establishments and those that provide transport services.

The tourism enterprises which responded are characterised by larger MSMEs with the majority deemed medium, with between 25 and 100 employees.

**Figure 123**

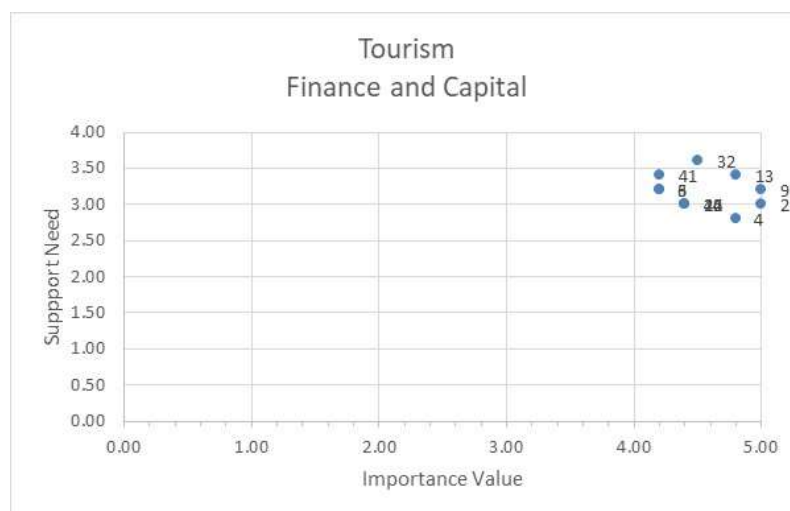
***Tourism Sector - Size of Business***



In terms of Finance and Capital the most important for the tourism sector are 9. Making a surplus (5.0) and 2. Creating contracts with customers (5.0) both of which the sector suggest are required to do business. The most significant in terms of training and support requirements is 1. Managing Customers who owe you money (3.8) followed by 3. Managing your companies' debts (3.2), 6. Planning Budgets (3.2) and 9. Making a surplus (3.2). Each of these falls into the “a lot of training/support required” category of responses.

**Figure 124**

***Tourism Sector - Finance and Capital***

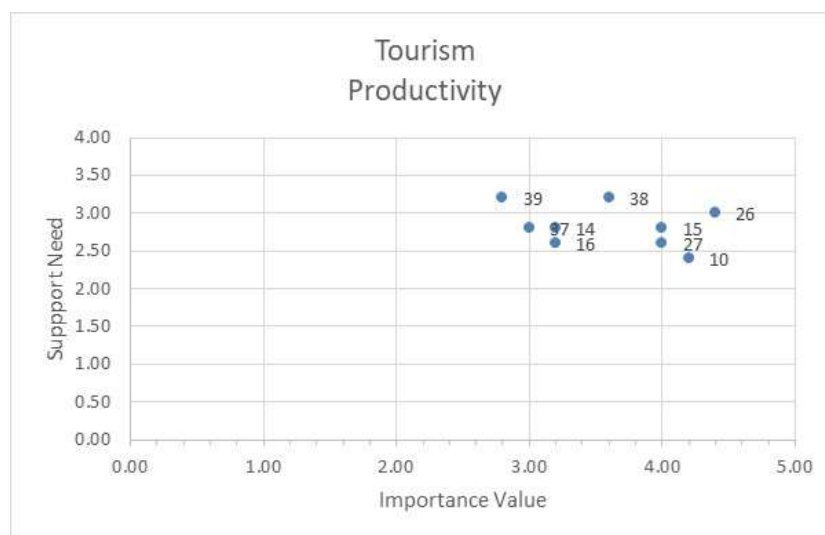


In terms of combined importance and need 13. Improving profit margins had the highest combined importance and support needed value with (16.32). This is followed by 9 (16.00). The least significant in terms of combined importance and need are 11. Analysing Costs (11.20) and 5. Keeping track of expenditures (11.20) however both still fall into the top right-hand quadrant.

In terms of productivity the most important factor was 26. Collecting business information (4.40) followed by 10. Record Keeping. (4.20).

**Figure 125**

***Tourism Sector - Productivity***



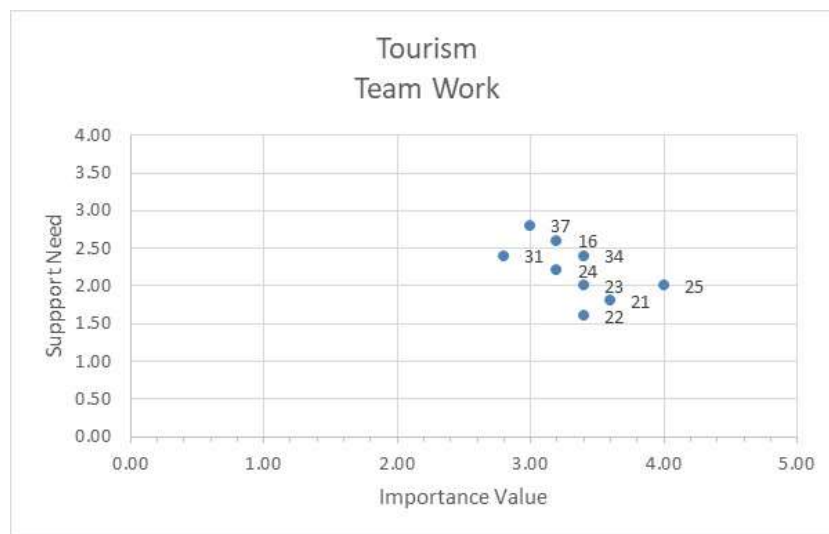
In terms of support needs 39. Using technology to improve productivity (3.20) and 38. Using computers to record business data (3.20) where the most significant with tourism MSMEs suggesting a lot of training and support were needed for these indicators. Although using technology was not considered as significant (2.8) as the others, support was clearly needed in this activity. The highest combined factor for both need, and importance was 26. Collecting business information (13.2). The least significant was 16. Analysing productivity

data (8.32). However, all indicators fall into the top righthand quadrant in terms of importance and need.

In terms of teamwork the most significant combined factor was 19. Setting employee targets. (10.80).

**Figure 126**

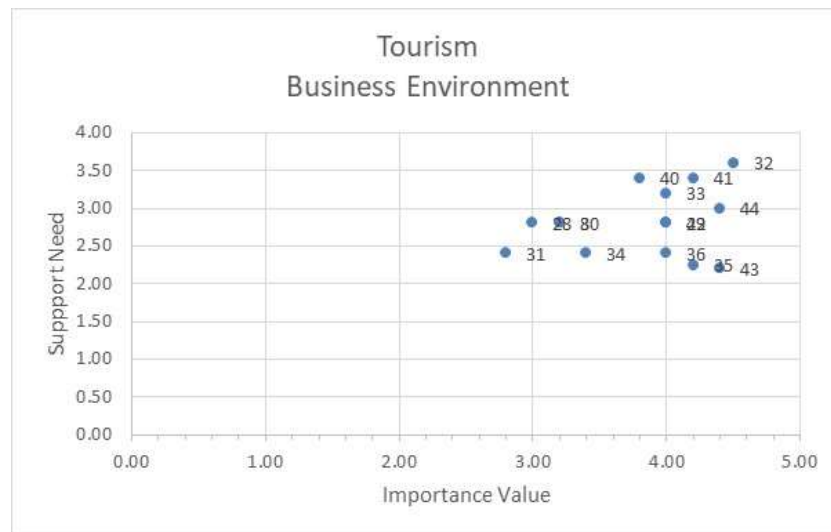
***Tourism Sector - Teamwork***



The most significant in terms of importance were 25. Solving Business problems (4.00) and 18 Setting realistic goals and objectives (4.00) however 25 was on the margin in terms of need (2.00). Also, on the margin is 23. Solving problems as a team (2.0). Two factors fall into the quadrant of “important but training/support are not required”. These are 21. Improving employee commitment (3.6, 1.8) and 22. Working together as a team (3.4, 1.6). 22 also had the least significant combined total (5.44). These represent indicators which are very important for the operation of the enterprise but requiring only a “little” training and support.

In terms of business environment, the most significant factors in terms of importance were 42. Market Research (4.5) followed by 43. Always being ahead of the competition (4.4) and 43. Offering more than the competition (4.4) all of which are regarded as critical to the operation of the enterprise.

**Figure 127 Tourism Sector - Business Environment**



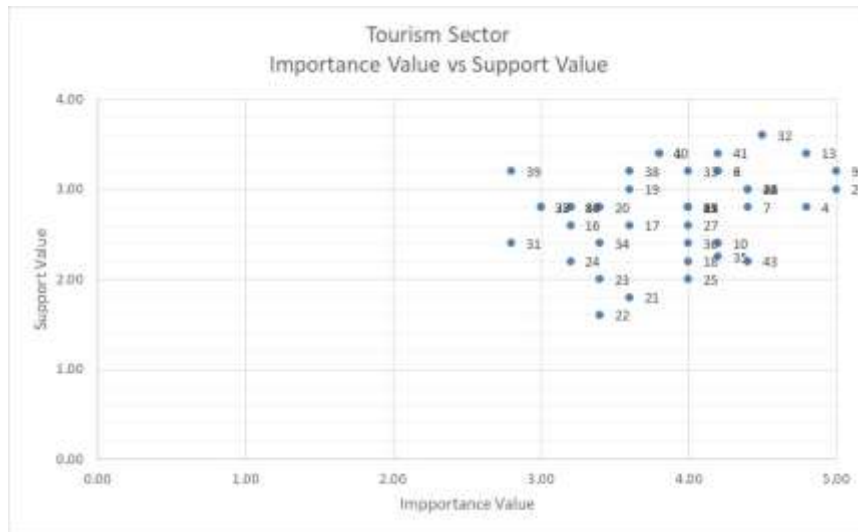
In terms of need 32. Market Research (3.60) is followed by 40. Using technology to reach customers (3.40) and 41. Being better than the competition (3.40). Market research is also the highest in terms of combined need and importance (4.50, 3.60). The least significant is 31. Becoming a key link in the supply chain (2.80, 2.40, 6.72). This indicator represents an activity which is important to some degree with some training and support required.

The highest in terms of the most significant with importance and need combined are 32. Market Research (16.20) followed by 41. Being better than the competition (14.28) and 44. Always being ahead of the competition (13.20).

Overall, apart from 21. and 22. all indicators fall into the top right quadrant in terms of importance and support/training needed.

**Figure 128**

***Tourism Sector - Importance Vs Support***



The following summary highlights the most and least of the analysis.

**Table 45**

***Tourism - Most Significant Indicators***

Tourism – Significance		
Importance	Need	Importance x Need
9. Making a surplus (5.0) Capital and Finance	32. Market Research (3.6) Environment	13. Improving Profit Margins (16.32) Capital and Finance
2. Creating Contracts with customers (5.0) Capital and Finance	13. Improving Profit Margins (3.4) Capital and Finance	32. Market Research (16.2) Environment
13. Improving Profit Margins (4.8) Capital and Finance	41. Being better than the competition (3.4) Environment	9. Making a surplus Capital and Finance
4. Devising Terms and Conditions (4.8) Capital and Finance	1. Managing customers who owe you money (3.4) Capital and Finance	2. Creating contracts with customers Capital and Finance
32. Market Research (4.5) Environment	40. Using Technology to reach customers (3.4) Environment	41. Being better than the competition (14.28) Environment

Capital and Finance plus the business environment clearly dominate the Tourism sector.

Market Research and Improving Profit margins are the only two indicators which appear in all three (3) categories.

In terms of the least significant:

**Table 46*****Tourism - Least Significant Indicators***

Tourism – Least Significant		
Importance	Need	Importance x Need
31. Becoming a key link in the supply chain (2.8) Environment	22. Working together as a team (1.6) Teamwork	22. Working together as a team (5.44) Teamwork
39. Using technology to improve productivity (2.8) Productivity	21. Improving employee commitment (1.8) Teamwork	21. Improving employee commitment (6.48) Teamwork
37. Using computers to analyse the business (3.0) Productivity	23. Solving problems as a team (2.0) Teamwork	31. Becoming a key link in the supply chain (6.72) Environment
28. Working with other companies (3.0) Environment	25. Solving business problems (2.0) Teamwork	23. Solving problems as a team (6.80) Teamwork
24. Making Decisions as a team (3.2) Teamwork	24. Making decisions as a team (2.2) Teamwork	24. Making decisions as a team (7.04) Teamwork
16. Analysing Productivity data (3.2) Productivity	18. Setting Realistic Goals and Objectives (2.2) Teamwork	
14. Measuring Productivity (3.2) Productivity		
30. Evaluating your relationship with your suppliers (3.2) Environment		
8. Negotiating with Suppliers (3.2) Environment		

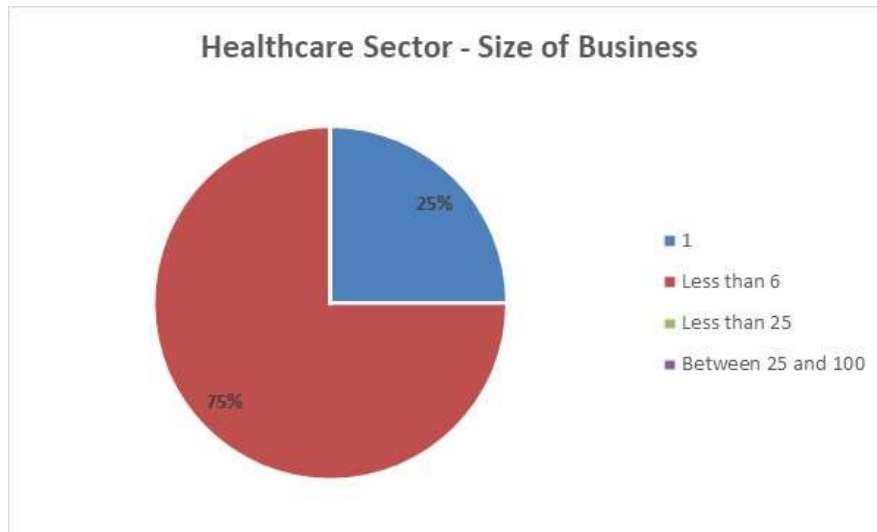
Support/training in terms of Teamwork is clearly not as needed in the tourism sector. Only two (2) indicators fall into the quadrant of “important but training/support are not required”. These are 21. Improving employee commitment and 22. Working together as a team suggesting within the tourism sector MSMEs do not require support for these.

**4.4.1.3 Healthcare Sector**

Under this heading the enterprises which responded are clearly in health and beauty care sector. They included dieticians, nail and beauty treatment enterprises and stylists. The health and beauty care sector like the technology sector is dominated by small operations. The responses show the majority less than six (6) with one quarter being single person businesses.

**Figure 129**

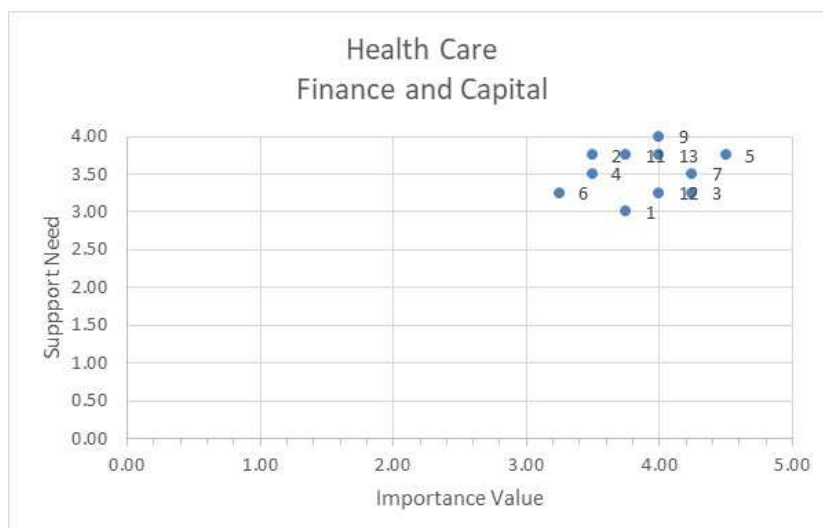
***Healthcare Sector – Size of Business***



In terms of Finance and Capital all the healthcare MSMEs have placed the indicators in the top righthand corner most important and highest need. In terms of need each indicator is above three (3) or 75% indicating “A lot of training/support required”.

**Figure 130**

***Healthcare – Finance and Capital***

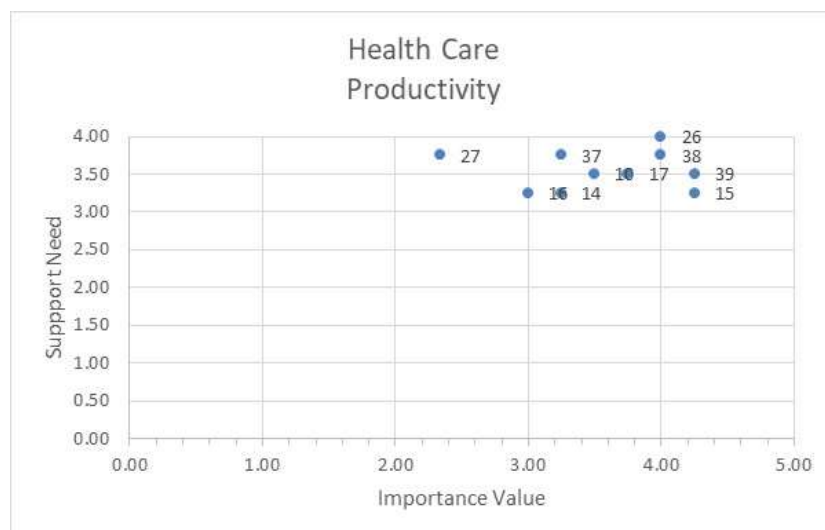


The most important indicator is 5. Keeping track of expenditure (4.5) with health and beauty related MSMEs suggesting their business “cannot operate without doing this”. This is followed by 3. Managing your companies’ debts (4.25) and 7. Preparing quotations for customers (4.25). The least significant in terms of importance is 1. Managing the customers who owe you money (3.0). Interestingly this is also the least significant in terms of support needed. The most significant for support is 9. Making a surplus (4.0). Followed by 2. Creating Contracts with customers (3.75), 5. Keeping track of expenditure (3.75), 11. Analysing costs (3.75) and 13. Improving profit margins (3.75). All of the indicators fall into the “a lot” of training and support needed category. In terms of both importance and need 5. (16.88) followed by 9. Making a surplus. The least significant is 6. Planning budgets (10.56).

In terms of productivity one (1) indicator falls into the top left quadrant, indicating a need for the skill but that it is not so important for the business. This is 27. Analysing business information (2.33, 3.75).

**Figure 131**

***Healthcare – Productivity***

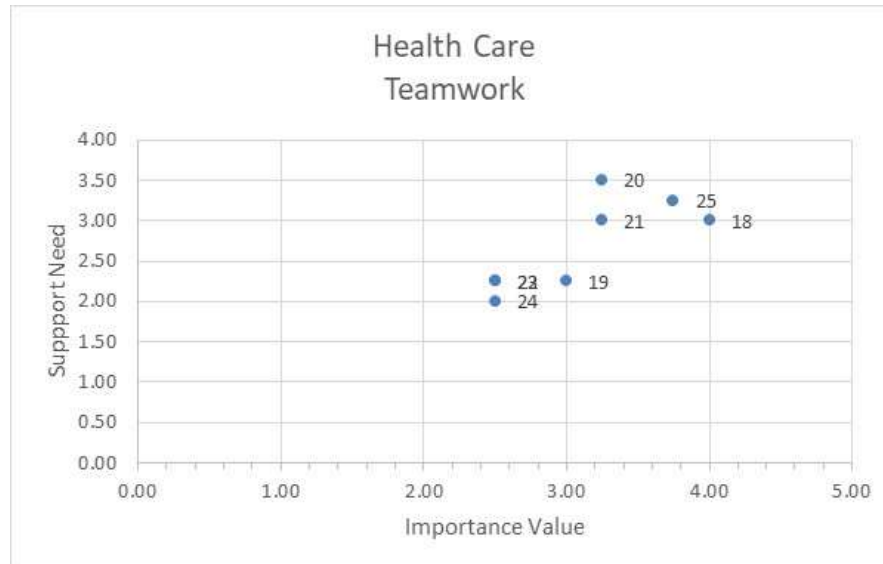


The most significant in terms of importance are 39. Using technology to improve productivity (4.25) and 15. Improving productivity levels (4.25) falling into the “my business cannot operate without doing this” option. In terms of support/training needs the most significant is 26. Collecting business information (4.00), followed by 27. Analysing business information (3.75), 37. Using computers to analyse the business (3.75) and 38. Using computers to record business data (3.75). The least significant in terms of importance is 27 as stated, but in terms of support/training need it is 14. Measuring productivity (3.25). 15. Improving productivity levels (3.25) and 16. Analysing productivity data (3.25). However, at 3.25 they fall into the “alot of training/support required” option.

In terms of Teamwork one indicator is at the centre of the quadrants.

**Figure 132**

***Healthcare Sector - Teamwork***



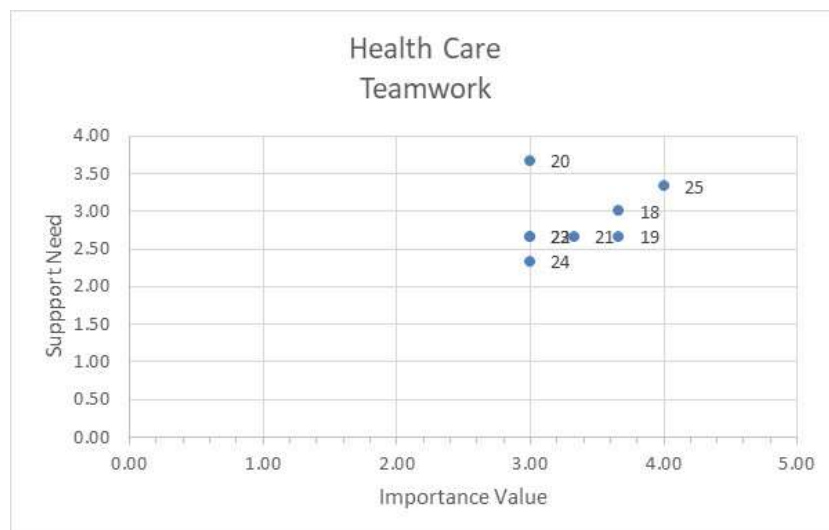
Indicator 24. Making decisions as a team (2.50) is in the centre of importance and of support/training need. Also regarded as least significant in terms of importance is 23. Solving problems as a team (2.50). The most significant in terms of importance under teamwork is 18.

Setting realistic goals and objectives, followed by 25. Solving business problems (3.75). In terms of combined importance and need they are also the most significant 25. Solving business problems (12.19) followed by 18. Setting realistic goals and objective (12.00). In addition to the 24 and 23, 19. Setting employee targets is also regarded as least significant in terms of training/support needs.

Significantly without the one person MSMEs the teamwork data (49) looks like this.

**Figure 133**

***Healthcare Sector - Teamwork***

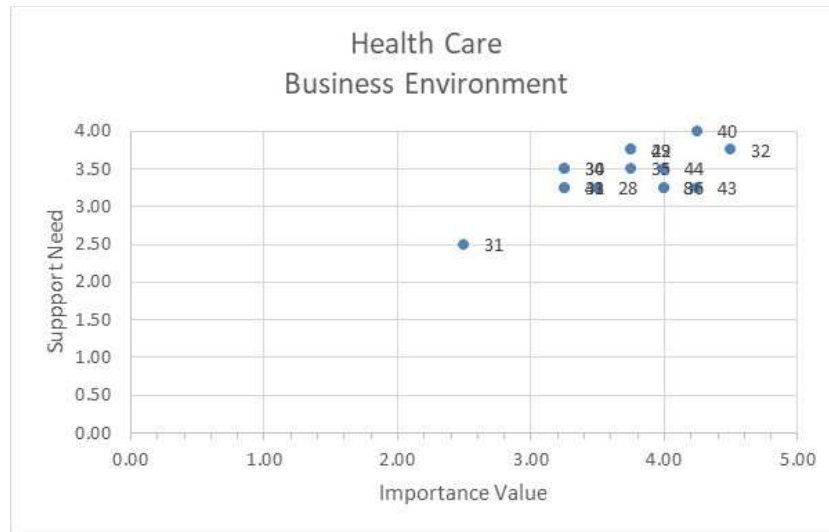


The least significant in terms of need is 24. Making decisions as a team (2.33, 3.00) however it now falls into the top righthand quadrant representing importance and need. 23. (3.00, 2.67) and 19. (3.67, 2.67) also rise in importance along with 21. Improving employee commitment.

In terms of environment there is one outlier, 31. Becoming a key link in the supply chain (2.50, 2.50) which is on the line for important/not so important.

**Figure 134**

***Healthcare Sector – Business Environment***

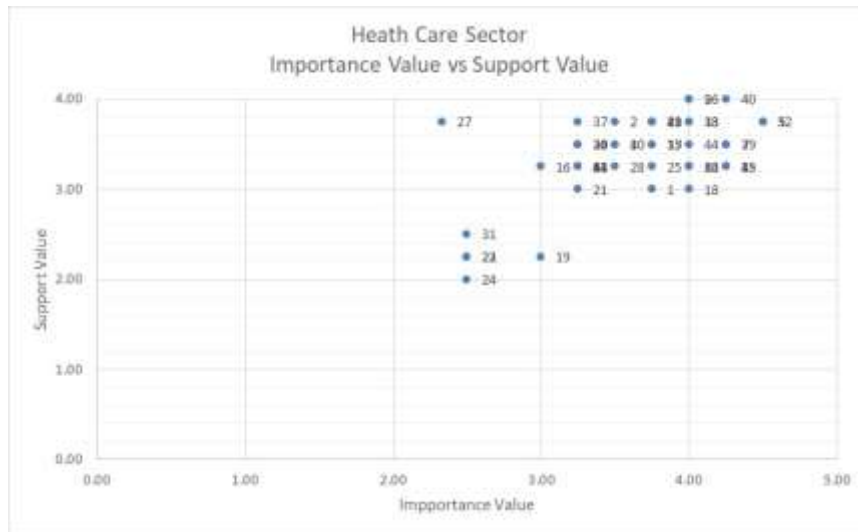


All other indicators fall into the top righthand quadrant. The most significant in terms of importance for healthcare MSMEs is 32. Market Research (4.50), followed by 40. Using technology to reach customers (4.25) and 43. Offering more than the competition (4.25). The most significant in terms of need is 40. (4.00) followed by 32. Market Research (3.75) and 29. Creating relationships with other companies. In terms of both importance and need 40. Using technology to reach customers (17.00) and 32. Market research (16.88) represent the most significant indicators.

The overall picture for the health care sector shows a significant number of indicators in the top righthand quadrant with 24. Making decisions as a team in the middle.

**Figure 135**

***Healthcare Sector - Importance Vs Need***



The data for all healthcare respondents can be summarised as follows:

**Table 47**

***Healthcare Sector - Most Significant Indicators***

Healthcare – Significance		
Importance	Need	Importance x Need
5. 5. Keeping track of expenditure (4.75) Capital and Finance	40. Using Technology to reach customers (4.00) Environment	40. Using Technology to reach customers (17.00) Environment
32. Market Research(4.75) Environment	9. Making a surplus (4.00) Capital and Finance	5. Keeping track of expenditure (16.88) Capital and Finance
40. Using Technology to reach customers (4.25) Environment	26. Collecting business information (4.00) Productivity	32. Market Research (16.88) Environment
7. Preparing quotations for customers (4.25) Capital and Finance	5. Keeping track of expenditure (3.75) Capital and Finance	9. Making a surplus (16.00) Capital and Finance
39. Using technology to improve productivity (4.25) Productivity	32. Market Research (3.75) Environment	26. Collecting business information (16.00) Productivity
3. Managing your companies debts (4.25) Capital and Finance	13. Improving profit margin (3.75) Capital and Finance	
43. Offering more than the competition (4.25) Environment	38. Using computers to record business data (3.75) Productivity	
15. Improving productivity levels (4.25) Productivity	11. Analysing costs (3.75) Capital and Finance	
	29. Creating relationships with other companies (3.75) Environment	
	42. Selling unique products/services (3.75) Environment	
	2. Creating contracts with customers (3.75) Capital and Finance	
	37. Using computers to analyse the business (3.75) Productivity	
	27. Analysing business information (3.75) Productivity	
	40. Using Technology to reach customers (4.00) Environment	

In terms of the health care and beauty sector both the business environment plus capital and finance dominate, followed by productivity. 40. Using technology to reach customers appears in all 3 columns along with 32. Market Research.

**Table 48**

***Healthcare Sector - Least Significant Indicators***

Healthcare – Least Significant		
Importance	Need	Importance x Need
27. Analysing business information (2.33) Teamwork	24. Making decisions as a team (2.00) Teamwork	24. Making decisions as a team (5.00) Teamwork
24. Making decisions as a team (2.50) Teamwork	23. Solving problems as a team (2.25) Teamwork	23. Solving problems as a team (5.63) Teamwork
23. Solving problems as a team (2.50) Teamwork	22. Improving employee commitment (2.25) Teamwork	22. Improving employee commitment (5.63) Teamwork
22. Improving employee commitment (2.50) Teamwork	19. Setting employee targets (2.25) Teamwork	31. Becoming a key link in the supply chain (6.25) Environment
31. Becoming a key link in the supply chain (2.50) Environment	31. Becoming a key link in the supply chain (2.50) Environment	19. Setting employee targets (6.75) Teamwork

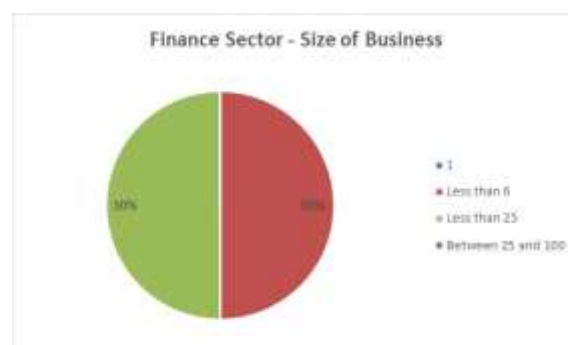
Teamwork dominates the least significant indicators.

#### 4.4.1.4 Finance Sector

Financial enterprises account for 4.1% of all enterprises in Botswana according to Statistics Botswana (2019, p17) and account for 4% of the respondents for this survey. The same survey suggests that 90% of these companies have less than 50 employees (p20). In this survey the finance sector is dominated by companies which have less than 25 employees and is made up of auditors and financial service providers.

**Table 49**

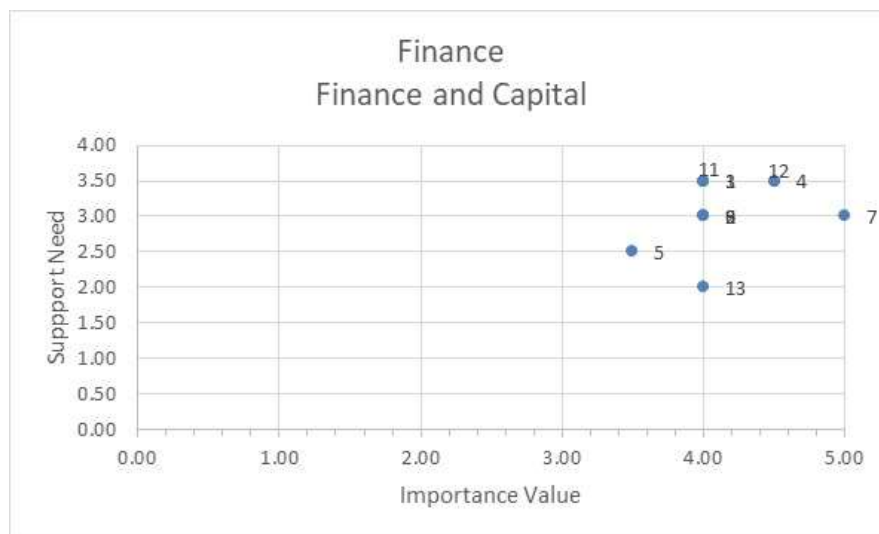
***Finance Sector – Size of Business***



In terms of Finance and Capital the majority of the indicators appear in the top right quadrant of the scatter graph except for 13. Improving profit margins (4.00, 2.00) which is on the border between training/support needed and not needed. However, it is still deemed important.

**Figure 136**

***Finance Sector - Finance and Capital***

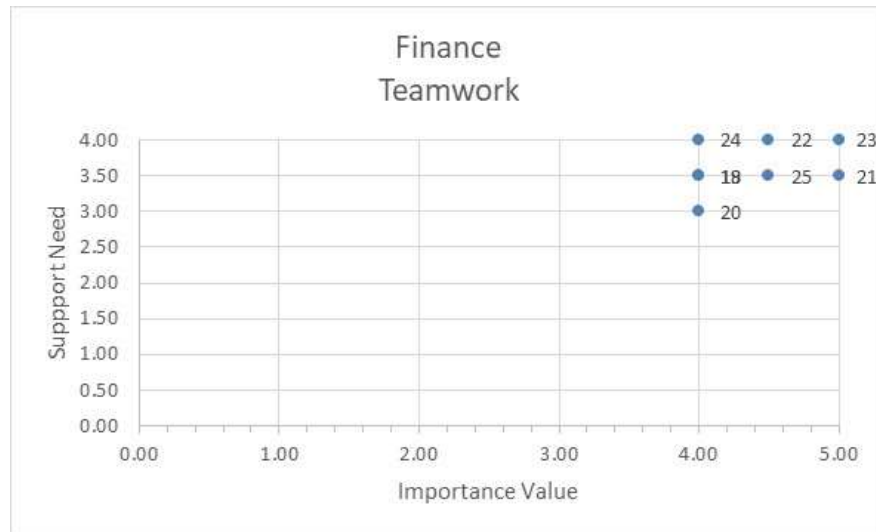


The most significant in terms of importance is 7. Preparing quotations for customers (5.00), the least significant is 5. Keeping track of expenditure (3.50). However, this still falls into the “very important” category for MSME operations. 31. In terms of need 4 indicators require a lot of training and support: 1. Managing customers who owe you money (3.50), 4. Devising terms and conditions (3.50), 11. Analysing costs (3.50) and 12. Reducing costs (3.50).

It is clear from the graph that teamwork is not only important but is regarded as a need within the Finance sector.

**Table 50**

***Finance Sector - Teamwork***

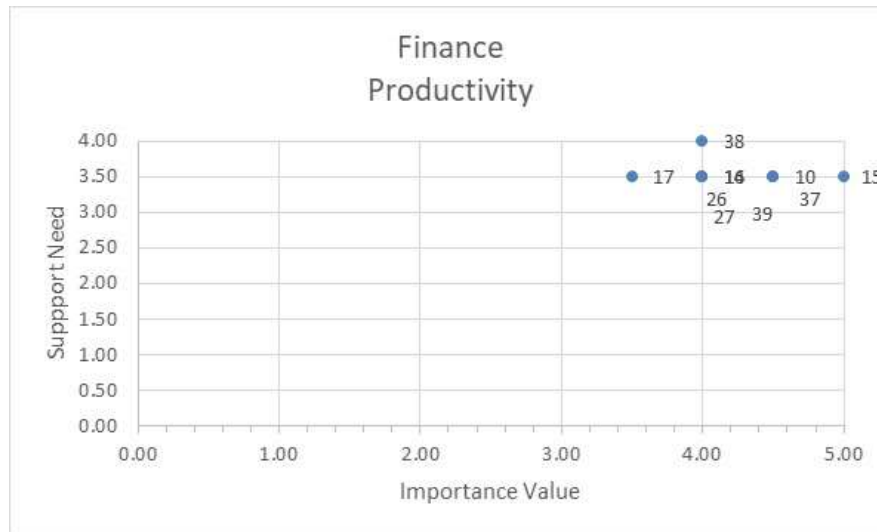


The most significant in terms of importance are 21. Improve employee commitment (5.00) and 23. Solving problems as a team (5.00). In terms of need teamwork dominates 24. Making decisions as a team (4.00), 22. Working together as a team (4.00) and 23. (4.00) again. Each of these represents the highest need and therefore the finance sector are recommending “a lot” of training and support is required for these indicators.

In terms of productivity all the indicators appear in the top right-hand quadrant.

**Figure 137**

***Finance Sector - Productivity***

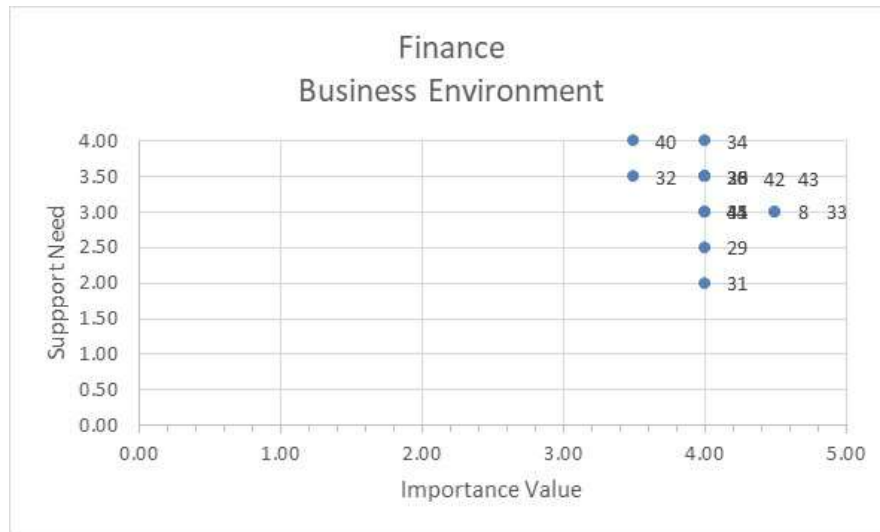


Two indicators stand out in terms of importance and need. 15. Improving productivity levels (5.00) is deemed the most significant in terms of importance and 38. Using computers to record business data the most significant in terms of need. As is clear from the graph productivity is deemed highly important in the Finance Sector and also there is a strong need for training and support with all indicators falling into the “a lot” of training and support required.

In terms of the Business Environment only 1 indicator falls on the border between needed and not needed. This is indicator 31. Becoming a key link in the supply chain.

**Figure 138**

***Finance Sector - Business Environment***



The most important are indicators 8. Negotiating with suppliers (4.50) and 33. Offering different products and services (4.50). The most significant in terms of support/training needs are 40. Using technology to reach customers (4.00) and 34. Responding to market requirements (4.00).

The overall picture for the Finance sector shows that the majority of indicators are both important and needed. Only 31 (4.00, 2.00) and 13 (4.00, 2.00) are not significant in terms of need.

**Figure 139**

***Finance Sector – Importance Vs Support***



The trends in the data can be summarised as follows:

**Table 51**

***Finance Sector - Most Significant Indicators***

Finance – Significance		
Importance	Need	Importance x Need
23. Solving problems as a team (Teamwork) (5.00)	23. Solving problems as a team (Teamwork) (4.00)	23. Solving problems as a team (Teamwork) (20.00)
21. Improving employee commitment (Teamwork) (5.00)	22. Working together as a team (Teamwork) (4.00)	22. Working together as a team (Teamwork) (18.00)
15. Improving productivity levels (Productivity) (5.00)	24. Making decisions as a team (Teamwork) (4.00)	21. Improving employee commitment (Teamwork) (17.50)
7. Preparing quotations for customers (Capital and Finance)	38. Using computers to record business data (Productivity) (4.00)	15. Improving productivity levels (Productivity) (17.50)
	34. Offering new products/services (Environment) (4.00)	24. Making decisions as a team (Teamwork) (16.00)
		38. Using computers to record business data (Productivity) (16.00)
		34. Offering new products/services (Environment) (16.00)

Teamwork clearly dominates the Finance sector.

**Table 52**

***Finance Sector - Least Significant Indicators***

Finance – Least Significant		
Importance	Need	Importance x Need
5. Keeping track of expenditure (Finance and Capital) (3.50)	13. Improving profit margins (Capital and Finance) (2.00)	13. Improving profit margins (Capital and Finance) (8.00)
32. Market research (Environment) (3.50)	31. Becoming a key link in the supply chain (Environment) (2.00)	31. Becoming a key link in the supply chain (Environment) (8.00)
17. Setting productivity targets (Productivity) (3.50)	5. Keeping track of expenditures (Capital and Finance) (2.50)	5. Keeping track of expenditures (Capital and Finance) (8.75)
40. Using technology to reach customers (Environment) (3.50)	29. Creating relationships with other companies (Environment) (2.50)	29. Creating relationships with other companies (Environment) (10.00)

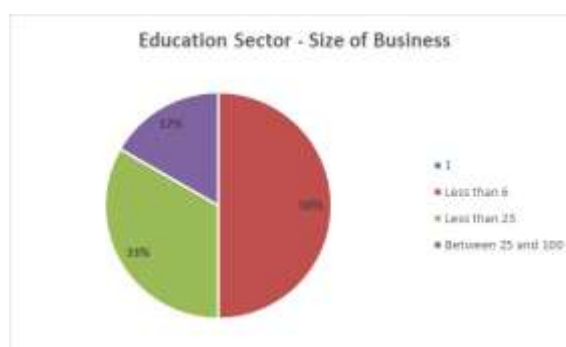
Capital and Finance plus the environment clearly dominate the least significant list of indicators.

#### 4.4.1.5 Education Sector

The education sector is made up not only of schools but also education consultants, tutoring organisations and companies which provides services to schools such as the Language Hub. This diversity within the sector is shown in the statistics for business size whereby the schools make up 17% of respondents as medium sizes enterprises followed by the smaller consultancies and education service providers.

**Figure 140**

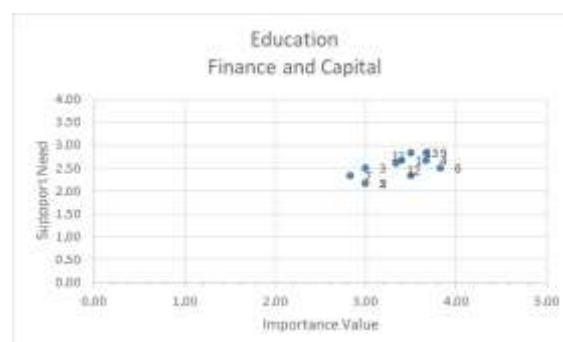
*Education Sector - Size of Business*



The Finance and Capital responses are neatly clustered in the need and importance quadrant.

**Figure 141**

*Education Sector – Finance and Capital*



The most significant in terms of importance is 6. Planning budgets (3.83) followed by 12. Reducing costs (3.50) and 13. Improving profit margins (3.50). The least significant in terms of importance is 7. Preparing quotations for customers (2.83) although it is still regarded as “important” for the operation of MSME enterprises. Apart from this one the remaining indicators can be classified as “Very important to the operation of my business”.

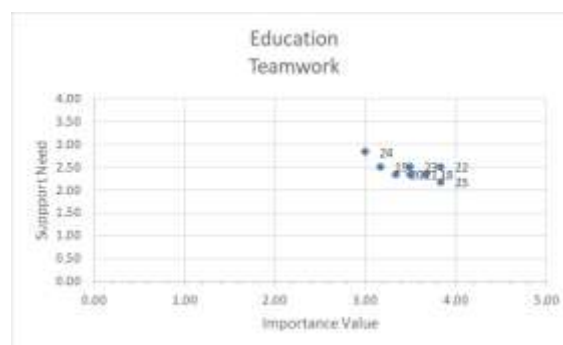
In terms of need for training and support two (2) indicators are regarded as the most significant. These are 13. Improving profit margins (2.83) and 9. Making a surplus (2.83). The least significant in terms of need are 2. Creating contracts with customers (2.17) and 5. Keeping track of expenditure (2.17). It must be noted that all of these fall into the 2.00 to 3.00 category suggesting some training and support is needed for all the indicators in the finance and capital factor.

The most significant in terms of both need and importance is 9. Making a surplus (10.39) and the least significant is 2. Creating contacts with customers (6.50).

The same need pattern is reflected with teamwork.

**Figure 142**

***Education Sector – Teamwork***



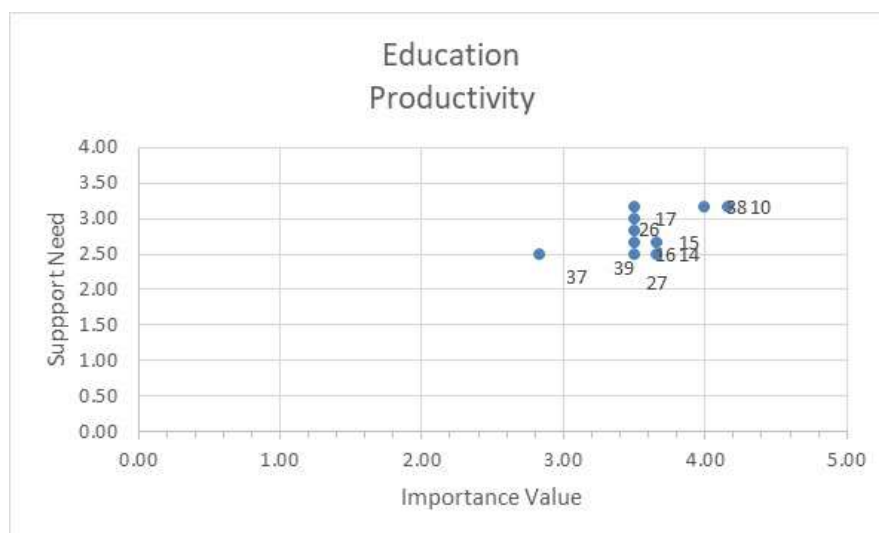
In terms of importance the two (2) most significant indicators are 25. Solving business problems (3.83) and 22. Working together as a team (3.83). The least significant is 24. Making decisions as a team (3.00).

In terms of need for support/training 24. Making decisions as a team (2.83) is the most significant whereas 25. Solving business problems (2.17) is the least, but again it should be noted that all teamwork indicators fall into the “some” training and support needed option. In terms of need and importance 22. Working together as a team is the most significant (9.58) whereas 20. Managing expectations (7.78) is the least.

The neat pattern seen under capital and finance and teamwork is slightly more dissipated when considering productivity.

**Figure 143**

***Education Sector - Productivity***



The outlier is 37. Using the computers to analyse the business (2.83, 2.50). Although less important it is still within the top righthand corner of the graph. In terms of importance 10.

Record keeping (4.17) is the most significant followed by 38. Using computers to record business data (4.00).

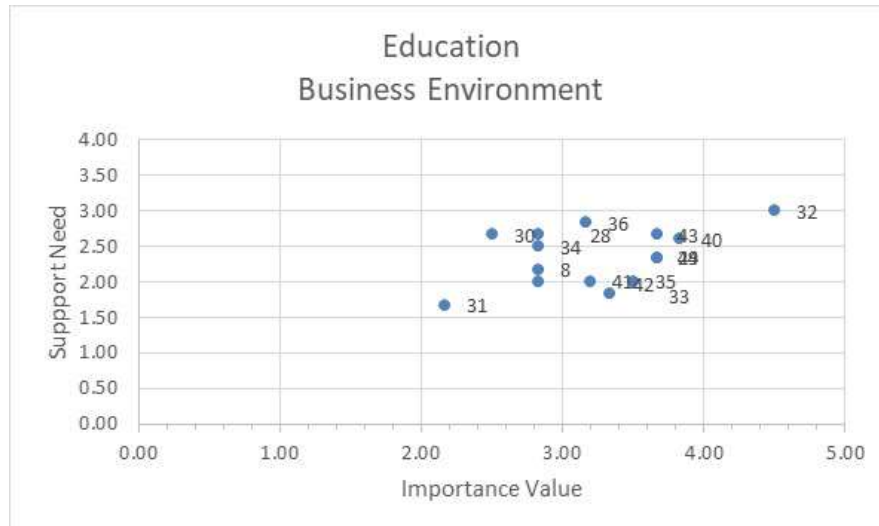
In terms of need for training/support there are three (3) indicators. 10. Record keeping (3.17), 26. Collecting business information (3,17) and 38. Using computers to record business data (3.17) all similarly themed. The least significant in terms of need are 14. Measuring productivity (2.50), 16. Analysing productivity data (2.50) and 37. As mentioned.

When combined the most significant in terms of need and importance is 10. Record keeping (13.19) and the least significant is 37. Using computes to analyse the business (7.08).

The pattern is also dispersed when considering Environment.

**Figure 144**

***Education Sector – Business Environment***



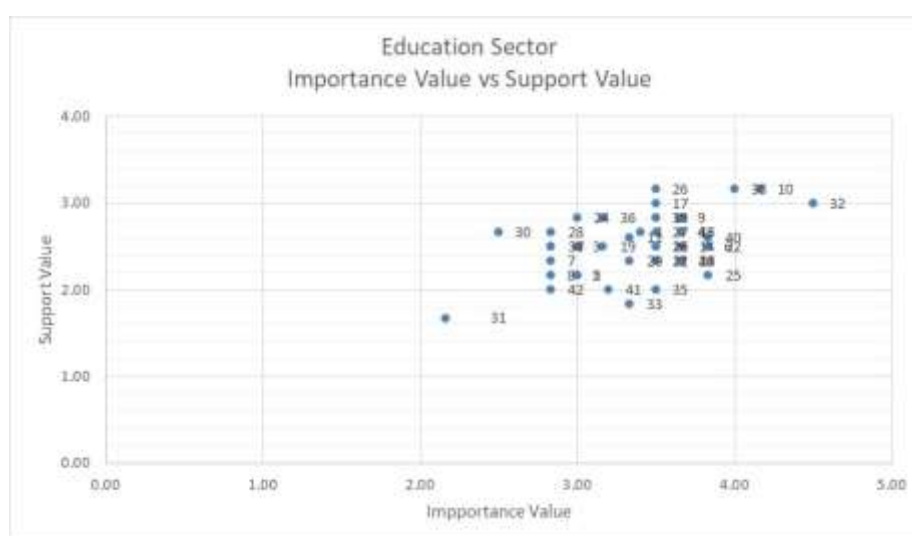
The outliers are 32. Market Research (4.50, 3.00) and the opposite 31. Becoming a key link in the supply chain (2.17, 1.67). In fact, this is the first indicator to fall into the bottom left quadrant, of not important and no need for support or training. The second most significant in terms of importance is 40. Using technology to reach customers (3.83). In terms of need it is

36. Responding to market requirements (2.83). Market research is also the most significant when combining need and importance (13.50) with 31 bring the least significant (3.61). Note that only 32. Market Research (3.00) could be considered for “a lot” of training and support needed.

The overall data for the education sector clearly shows the outliers.

**Figure 145**

***Education Sector – Importance Vs Support***



The data can be summarised as follows:

**Table 53**

***Education Sector - Most Significant Indicators***

Education – Significance		
Importance	Need	Importance x Need
32. Market Research (Environment) (4.50)	10. Record keeping (Productivity) (3.17)	32. Market Research (Environment) (13.50)
10. Record keeping (Productivity) (4.17)	38. Using computers to record business data (Productivity) (3.17)	10. Record keeping (Productivity) (13.19)
38. Using computers to record business data (Productivity) (4.00)	26. Collecting business information (Productivity) (3.17)	38. Using computers to record business data (Productivity) (12.67)
40. Using technology to reach customers (Environment) (3.83)	32. Market Research (Environment) (3.00)	26. Collecting business information (Productivity) (11.08)
22. Working together as a team (Teamwork) (3.83)	17. Setting productivity targets (Productivity) (3.00)	17. Setting productivity targets (Productivity) (10.50)
6. Planning budgets (Capital and Finance) (3.83)		
25. Solving business problems (Teamwork) (3.83)		

Productivity dominates the indicators for Education.

**Table 54**

***Education Sector - Least Significant Indicators***

Education – Least Significant		
Importance	Need	Importance x Need
31. Becoming a key link in the supply chain (Environment) (2.17)	13. Improving Profit Margins (2.00) (Capital and Finance)	31. Becoming a key link in the supply chain (Environment) (3.61)
30. Evaluating your relationship with your suppliers (Environment) (2.50)	31. Becoming a key link in the supply chain (2.00) (Environment)	42. Selling unique products/services (Environment) (5.67)
42. Selling unique products/services (Environment) (2.83)	5. Keeping track of expenditure (2.50) (Capital and Finance)	33. Offering different products/services (Environment) (6.11)
8. Negotiating with suppliers (Environment) (2.83)	29. Creating relationships with other companies (Environment) (2.50)	8. Negotiating with suppliers (Environment) (6.50)
7. Preparing quotations for customers (Capital and Finance) (2.83)		41. Being better than the competition (Environment) (6.40)
34. Offering new products/services (Environment) (2.83)		
37. Using computers to analyse the business (Environment) (2.83)		
28. Working with other companies (Environment) (2.83)		

Environment dominates education in terms of least significant.

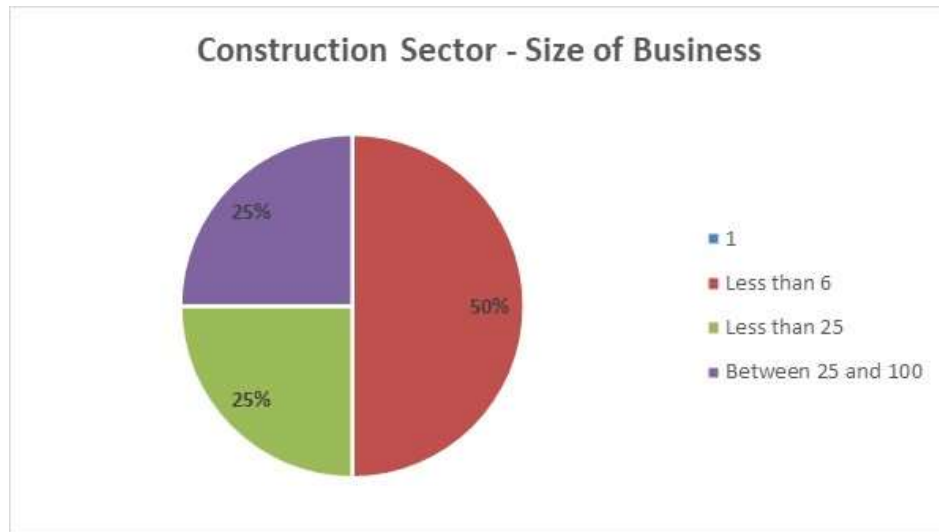
#### **4.4.1.6 Construction Sector**

The Botswana Construction Industry Report 2021 (Businesswire, 2021) states that in Botswana the “construction industry contributed 6.8% of GDP n 2020 and employs over 50,000 people”.

The analysis of the data collected for the construction sector shows that the majority who responded have less than 6 employees with 75% less than 25. This corresponds with Statistics Botswana’s 2016 survey of enterprises which shows 79% of enterprises within the industry have less than 29 employees (Statistics Botswana, 2016, p20).

**Figure 146**

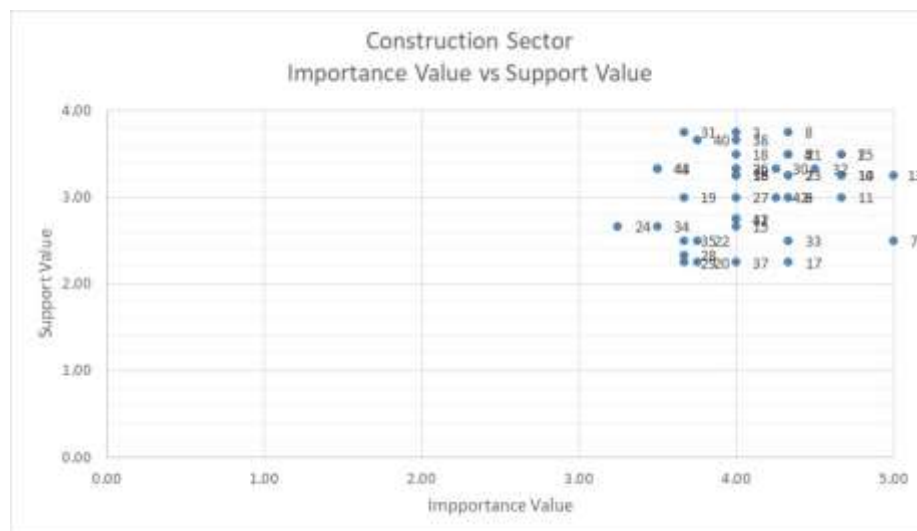
***Construction Sector - Size of Business***



All the data collected from the construction industry show that each indicator falls into the top right-hand corner in terms of need and importance.

**Figure 147**

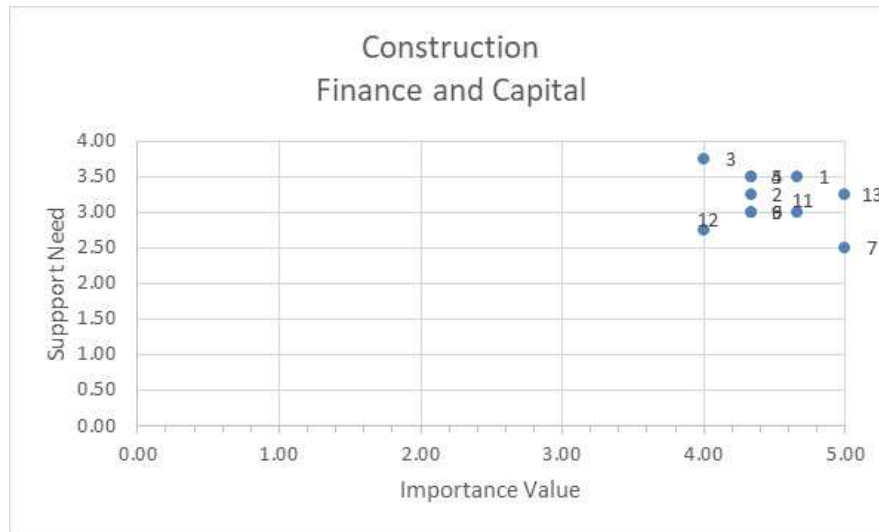
***Construction Sector - Importance Vs Support***



In terms of Finance and Capital the two most significant indicators in terms of importance are 13.Improving profit margins (5.00) and 7. Preparing quotations for customers (5.00) although the need for training and support for this indicator is lower (2.50) which suggests some training and support is required.

**Figure 148**

***Construction Sector -Finance and Capital***

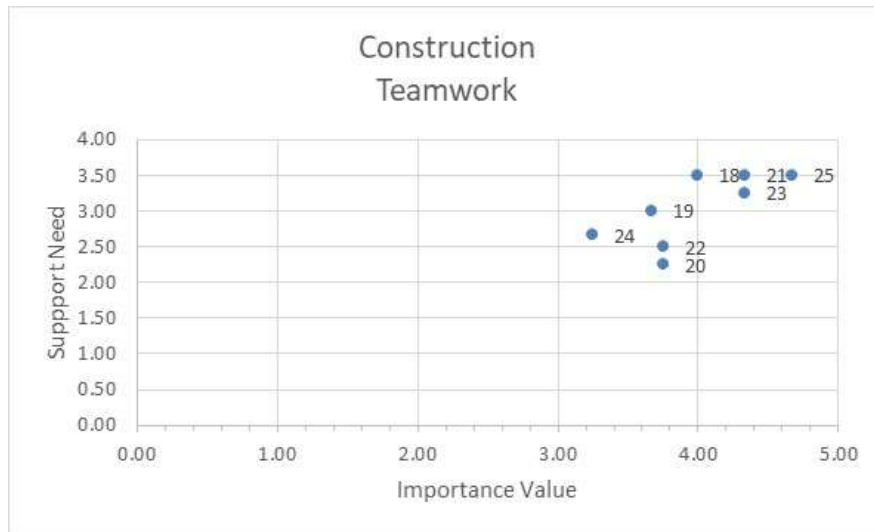


All the indicators for Finance and Capital are rated between 4 and 5 suggesting “my business cannot operate without doing this”. Only 12. Reducing Costs (2.75) and 7. Preparing quotations for customers (2.50) are rated as “some training/support required” whereas the remainder are between 3 and 4 “a lot of training/support required”. The highest combined importance and need indicator is 1. Managing the customers who owe you money (16.33).

In terms of teamwork 25. Solving business problems (16.33) is the highest combined need and importance indicator followed by 21. Improving employee commitment (15.17). The least significant is 24. Making decisions as a team (8.44) however it remains in the top right hand quadrant.

**Figure 149**

***Construction Sector - Teamwork***

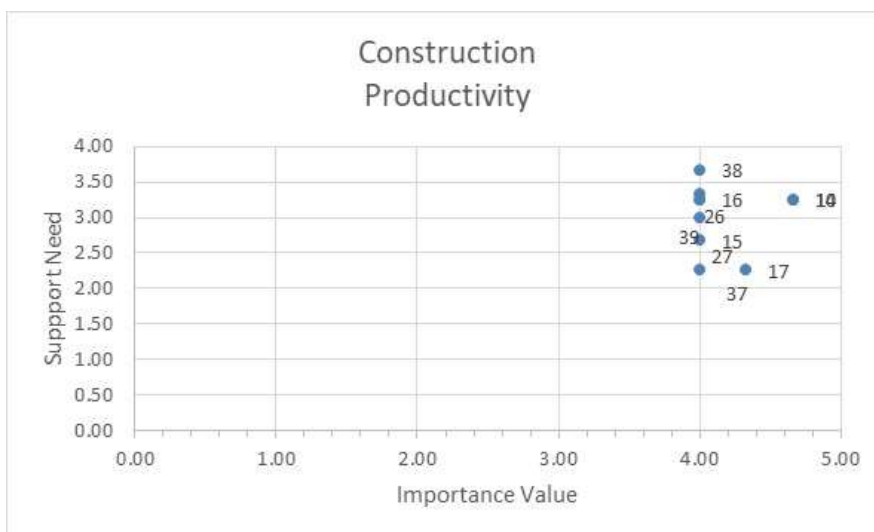


The most significant of the important indicators are 25. (4.67), 21. (4.33) and 23. Solving problems as a team. The least is 24. (3.25). In terms of need 25. (3.50), and 21. (3.50) are joined with 18. Setting realistic goals and objectives (3.50).

Similarly, with productivity all indicators are displayed in the top righthand quadrant.

**Figure 150**

***Construction Sector - Productivity***



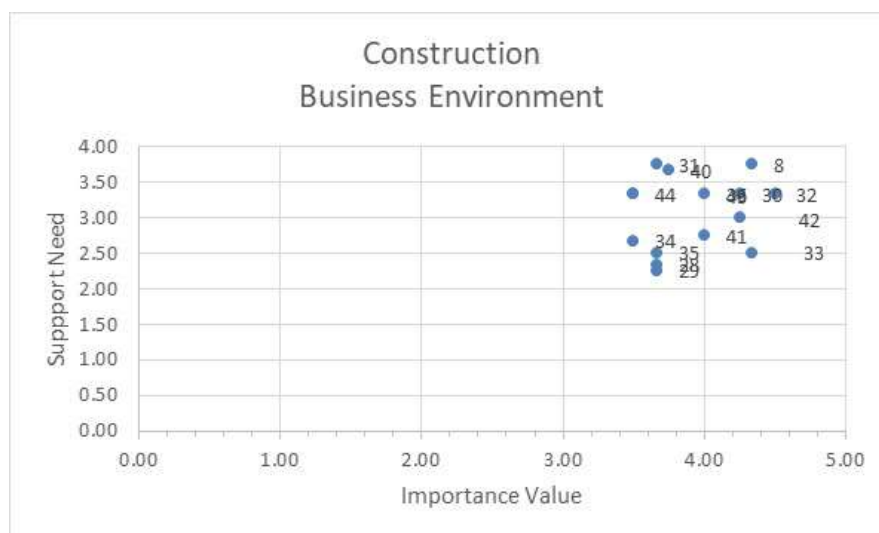
All of them are rated between 4 and 5 and therefore the construction industry states in terms of each indicator that “My business cannot operate without doing this”. The most significant in terms of importance is 10. Record Keeping (4.67). In terms of need the most significant is 38. Using computers to record business data (3.67) followed by 26. Collecting business information (3.33).

The two most significant indicators in terms of combining need and importance are 10. Record Keeping (15.17) and 14. Measuring productivity (15.17). The least significant is 37. Using computers to analyse the business (9.00).

In terms of the business environment each indicator is also clustered into the top right-hand quadrant.

**Figure 151**

***Construction Sector - Business Environment***



Two indicators represent the most significant in terms of importance. These are 8. Negotiating with Suppliers (4.33) and 33. Offering different products and services (4.33). Although still important to the business the least significant are 34. Offering new products and

services (3.50), 43. Offering more than the competition (3.50) and 44. Always being ahead of the competition (3.50).

In terms of need the least significant is 29. Creating relationships with other companies (2.25) whilst the most significant is 31. Becoming a key link in the supply chain (3.75) and 8. Negotiating with suppliers (3.75). The most significant in terms of combined need and importance is 8. (16.25) whilst the least significant is 29. (8.25).

The data can be summarised as follows:

**Table 55**

***Construction Sector - Most Significant Indicators***

Construction – Significance		
Importance	Need	Importance x Need
7. Preparing quotations for customers (Capital and finance) (5.00)	10. Record keeping (Productivity) (3.17)	1. Managing the customers who owe you money (Capital and Finance) (16.33)
13. Improving Profit margins (Capital and Finance) (5.00)	38. Using computers to record business data (Productivity) (3.17)	25. Solving business problems (Teamwork) (16.33)
1. Managing customers who owe you money (Capital and Finance) (4.67)	26. Collecting business information (Productivity) (3.17)	8. Negotiating with Suppliers (Environment) (16.25)
11. Analysing costs (Capital and Finance) (4.87)	32. Market Research (Environment) (3.00)	13. Improving Profit Margins (Capital and Finance) (16.25)
10. Record Keeping (Productivity) (4.87)	17. Setting productivity targets (Productivity) (3.00)	
14. measuring productivity (Productivity) (4.87)		
25. Solving business Problems (Teamwork) (4.67)		

Finance and Capital plus productivity clearly influence the construction sector.

**Table 56**

***Construction Sector - Least Significant Indicators***

Construction – Least Significant		
Importance	Need	Importance x Need
24. Making decisions as a team (Teamwork) (3.25)	8. Negotiating with suppliers (Environment) (3.75)	29. Creating relationships with other companies (Environment) (2.25)
44. Always being ahead of the competition (Environment) (3.50)	3. Managing your companies' debts (Capital and Finance) (3.75)	20. Managing Expectations (Teamwork) (2.25)
43. Offering more than the competition (Environment) (3.50)	31. Becoming a key link in the supply chain (Environment) (3.75)	37. Using computers to analyse the business (Productivity) (2.25)
34. Offering new products/services (Environment) (3.50)	38. Using computers to record business data (Productivity) (3.67)	17. Setting productivity targets (Productivity) (2.25)
	40. Using technology to reach customers (Environment) (3.67)	

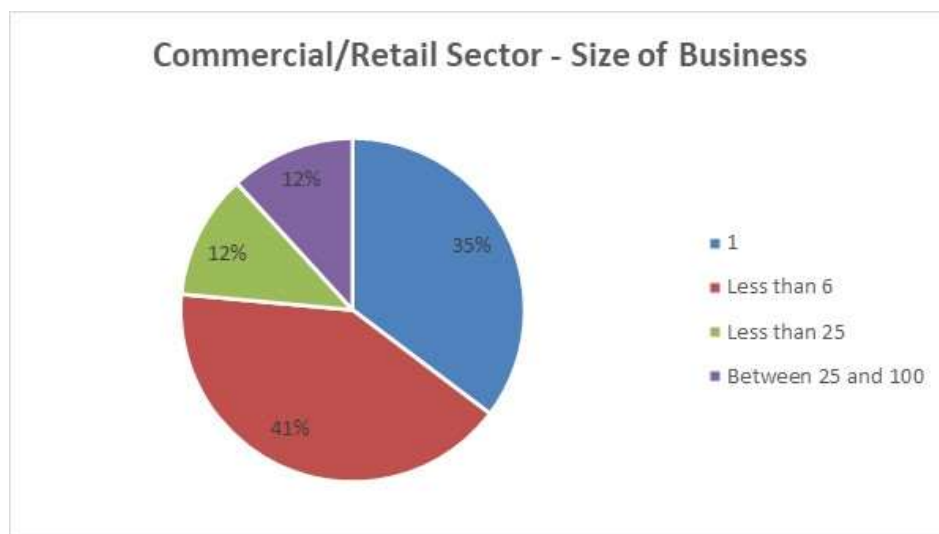
The business environment is less significant in terms of the construction sector.

#### 4.4.1.7 Commercial/Retail Sector

The majority of respondents had either less than six employees or were individuals. 24% had more than six employees.

**Figure 152**

*Commercial/Retail - Size of Business*



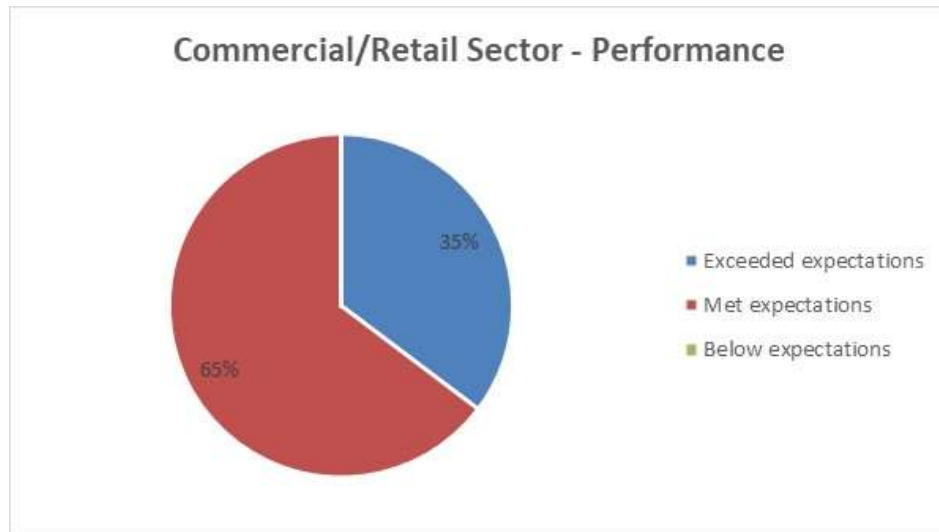
This sector is characterised as containing a multitude of businesses mostly focused on reselling.

According to the 2016 Census of Enterprises and Establishments, retail accounted 36.6% of the enterprises in Botswana, “the largest industry in terms of number of establishments” in Botswana (Statistics Botswana, 2016, p6).

When asked to describe the performance of their MSME, the majority stated that they had met expectations.

**Figure 153**

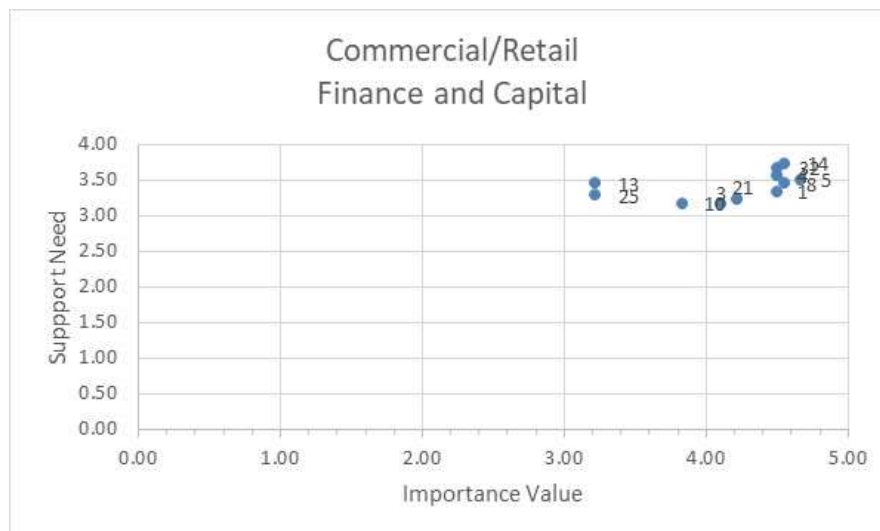
***Commercial/Retail – Performance***



In terms of the indicators for the Capital/Finance factor all appear in the top righthand quadrant representing importance and need.

**Figure 154**

***Commercial/Retail – Finance and Capital***



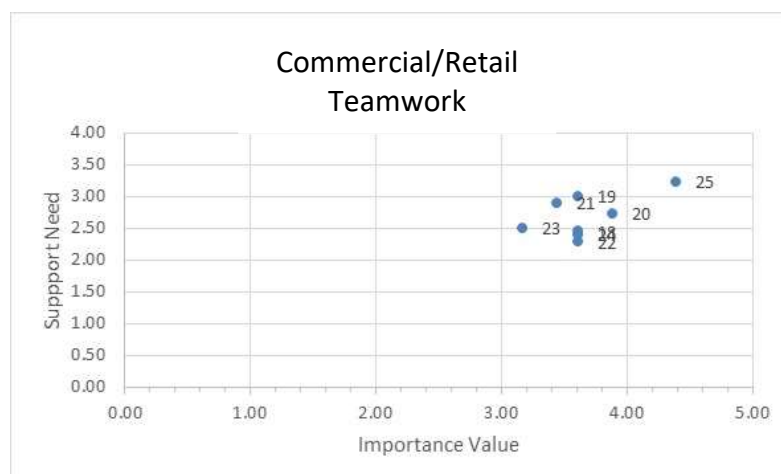
In fact, all of the indicators fall into the need category of “a lot of training/support required”. The most important of these in terms of need is 6. Planning budgets (3.72) followed by 13.

Improving profit margins (3.67). 6. Is also the highest combined need and importance indicator (16.96). The least significant in terms of need are 5. Keeping track of expenditure (3.17) and 12. Reducing costs (3.17) however commercial/retail enterprises suggest a lot of training is still required in these areas.

The most important indicator is 9 Making a surplus (4.67) followed by 6. Planning budgets (4.56) and 3. Managing your companies' debts (4.56). Apart from three indicators all the remaining indicators fall into the category "My business cannot operate without doing this". The three indicators which fall into "Very important to the operation of my business" are 2. Creating contracts with customers (3.22), 4. Devising terms and conditions (3.22) and 5. Keeping track of expenditures (3.83). The least significant combined need and importance indicator is 2. (10.56).

Considering that 35% of respondents in this sector where single person enterprises the statistics generated for teamwork show all indicators falling into the top righthand quadrant.

**Figure 155***Commercial/Retail - Teamwork*

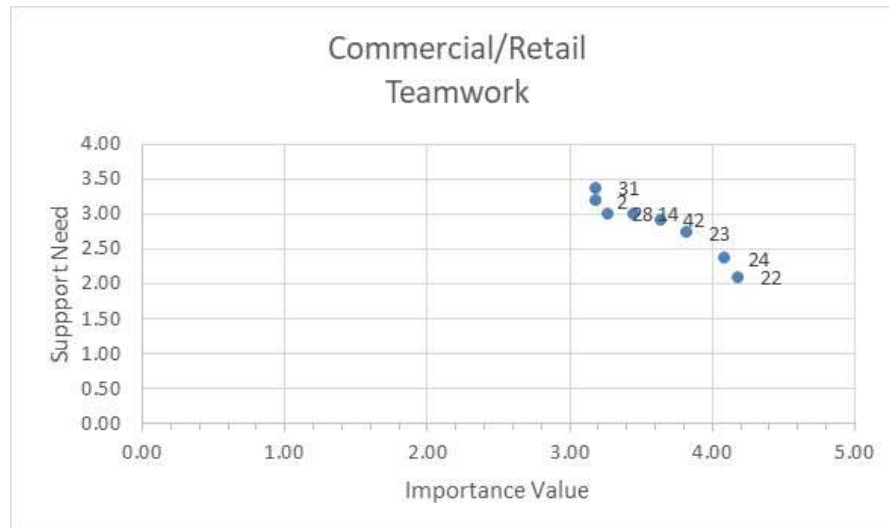


Standing out as the most important and most needful is 25. Solving business problems (4.39, 3.22). The least significant in terms of importance is 23. Solving problems as a team (3.17). The least significant in terms of need is 22. Working together as a team (2.28).

Excluding the single person businesses, the chart changes to reflect the following:

**Figure 156**

***Commercial/Retail - Teamwork without Single***

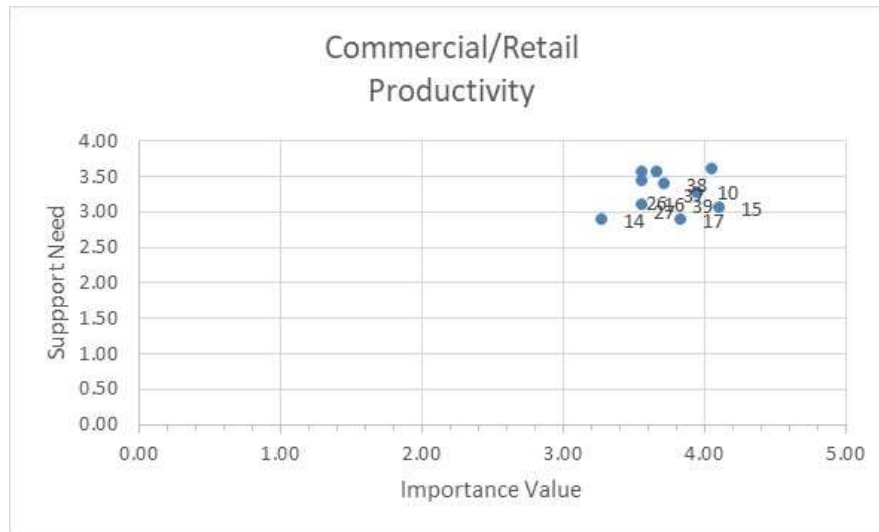


22. Working together as a team (4.18) is now the most significant in terms of importance followed by 25. (4.09) and 24. Making decisions as a team (4.09). Interestingly the least significant in terms of importance remains 23. (3.82) although it is now joined by 19. Setting employee targets (3.82) and 20. Managing expectations (3.82).

In terms of productivity all indicators are placed in the top right-hand quadrant.

**Figure 157**

***Commercial/Retail - Productivity***

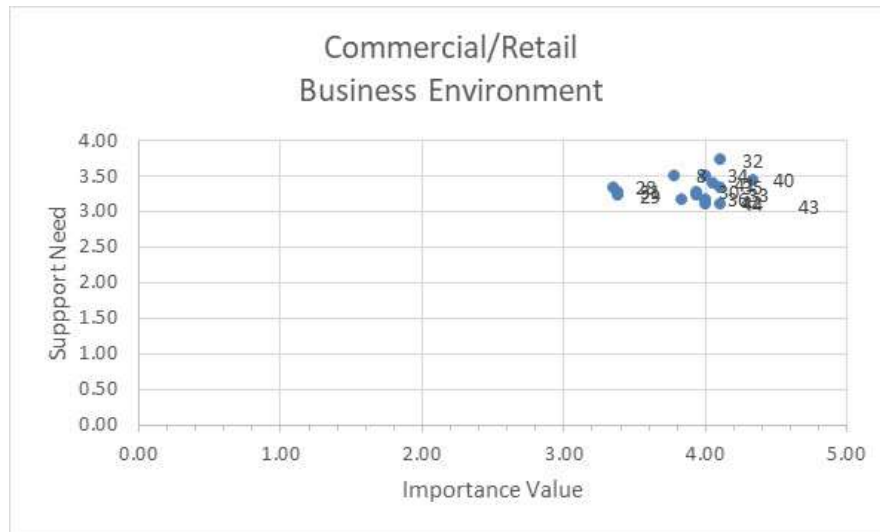


Only 14. Analysing productivity data (2.89) and 17. Setting productivity targets (2.89) are regarded as ““Some training/support required” in terms of need. The remainder are classified under “a lot”. With 27. Analysing business information (3.56) and 37. Using computers to analyse the business (3.56) being the most significant in term of need. In terms of importance 15. Improving productivity levels (4.11) is followed by 39. Using technology to improve productivity (4.06). Only these are regarded as so important “my business cannot operate without doing this”. The combined most significant is 39. (14.65) whilst the least significant is 14. Measuring productivity (9.47) which is the least significant in terms of both importance and need.

In terms of environment all indicators appear between 3.0 and 4.0 suggesting “a lot of training/support required.

**Figure 158**

***Commercial/Retail - Business Environment***



The most significant in terms of need is 32. Market Research (3.72) which also happens to be the highest combined importance and need indicator with 15.30. In terms of importance 35. Looking for new opportunities (4.11) and 44. Always being ahead of the competition (4.11) join 32, however 40. Using technology to reach customers is regarded as the most important.

The data can be summarised as follows:

**Table 57**

***Commercial/Retail - Most Significant Indicators***

Commercial Retail – Significance		
Importance	Need	Importance x Need
9. Making a surplus (Capital and Finance) (4.67)	6. Planning budgets (Capital and Finance) (3.72)	6. Planning Budgets (Finance and Capital) (16.96)
6. Planning Budgets (Capital and Finance) (4.56)	32. Market research (Capital and Finance) (3.72)	13. Reducing costs (Finance and Capital) (16.50)
3. Managing your companies' debts (Capital and Finance) (4.56)	13. Improving profit margins (Capital and Finance) (3.67)	9. Making a surplus (Finance and Capital) (16.33)
13. Improving profit margins (Capital and Finance) (4.50)	39. Using technology to improve productivity (Productivity) (3.61)	7. Preparing quotations for customers (Finance and Capital) (16.00)
7. Preparing quotations for customers (Capital and Finance) (4.50)		3. Managing your companies' debts (Finance and Capital) (15.69)
1. Managing customers who owe you money (Capital and Finance) (4.50)		

Capital and Finance clearly dominates the commercial/retail sector.

**Table 58*****Commercial/Retail - Least Significant Indicators***

Commercial/Retail – Least Significant		
Importance	Need	Importance x Need
23. Solving problems as a team (Teamwork) (3.17)	22. Working together as a team (Teamwork) (2.28)	23. Solving problems as a team (Teamwork) (7.92)
2. Creating contracts with customers (Capital and Finance) (3.22)	24. Making decisions as a team (Teamwork) (2.39)	22. Working together as a team (Teamwork) (8.23)
4. Devising terms and conditions (Capital and Finance) (3.22)	18. Setting realistic goals and targets (Teamwork) (2.44)	24. Making decisions as a team (Teamwork) (8.63)
14. Measuring productivity (Productivity) (3.28)	23. Solving problems as a team (Teamwork) (2.50)	18. Setting goals and objectives (Teamwork) (8.83)
	20. Managing Expectations (Teamwork) (2.72)	14. Measuring productivity (Productivity) (9.47)

Teamwork dominates the least significant in the commercial/retail sector. However this is different when considering the commercial/retail sector without the individual traders the results are as follows:

**Table 59*****Commercial/Retail - Most Significant Indicators without Single***

Commercial Retail – Significance (without individuals)		
Importance	Need	Importance x Need
6. Planning budgets (Capital and Finance) (4.73)	6. Planning Budgets (Capital and Finance) (3.82)	6. Planning Budgets (Capital and Finance) (18.05)
9. Making a surplus (Capital and Finance) (4.55)	13. Improving profit margins (Capital and Finance) (3.55)	13. Improving profit margins (Capital and Finance) (15.15)
3. Managing your companies' debts (Capital and Finance) (4.45)	32. Market Research (Environment) (3.55)	10. Keeping Records (Productivity) (14.98)
10. Keeping Records (Productivity) (4.45)	27. Analysing business information (Productivity) (3.55)	9. Making a surplus (Capital and Finance) (14.88)
7. Preparing quotations for customers (Capital and Productivity) (4.36)	37. Using computers to analyse the business (Productivity) (3.55)	7. Preparing quotations for customers (Capital and Finance) (14.68)
	34. Offering new products/services (Environment) (3.55)	

Capital and Finance still clearly dominates the commercial/retail sector however, productivity and business environment indicators have emerged as significant.

**Table 60*****Commercial/Retail - Least Significant Indicators without single***

Commercial/Retail – Least Significant (without individuals)		
Importance	Need	Importance x Need
31. Becoming a key link in the supply chain (Environment) (3.18)	22. Working together as a team (Teamwork) (2.09)	22. Working together as a team (Teamwork) (8.74)
2. Creating contracts with customers (Capital and Finance) (3.18)	24. Making decisions as a team (Teamwork) (2.36)	24. Making decisions as a team (Teamwork) (9.67)
28. Working with other companies (Environment) (3.27)	23. Solving problems as a team (Teamwork) (2.73)	28. Working with other companies (Environment) (9.82)
4. Devising Terms and Conditions (Capital and Finance) (3.36)	20. Managing Expectations (Teamwork) (2.82)	2. Creating contracts with customers (Capital and Finance) (10.12)
14. Measuring productivity (Productivity) (3.45)	44. Always being ahead of the competition (Environment) (2.82)	14. Measuring productivity (10.36)

Although to some extent teamwork still dominates issues relating to the business environment have emerged.

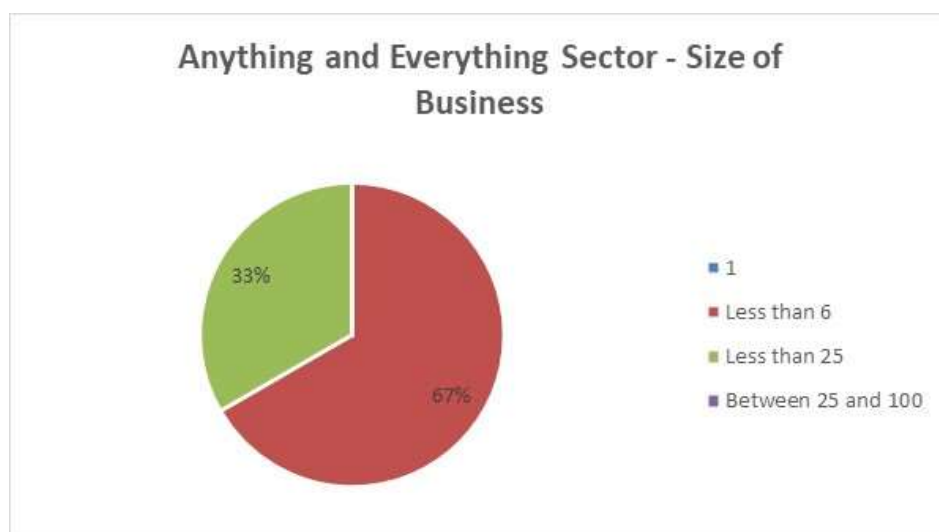
#### **4.4.1.8 Anything and Everything**

According to the 2016 Census of enterprises and establishments, 10.6% of establishments were under the category “other service activities” (Statistics Botswana, 2016, p17). Although flexibility is deemed important and linked to market research stage 2 showed this approach was not condoned by Business Support interviewees who suggested MSMEs could be more productive if they become experts in one activity. However, over 53% of respondents in stage 2 suggested they were flexible organisations.

In stage 3, Anything and Everything MSMEs are dominated by enterprises with less than 6 employees.

**Figure 159**

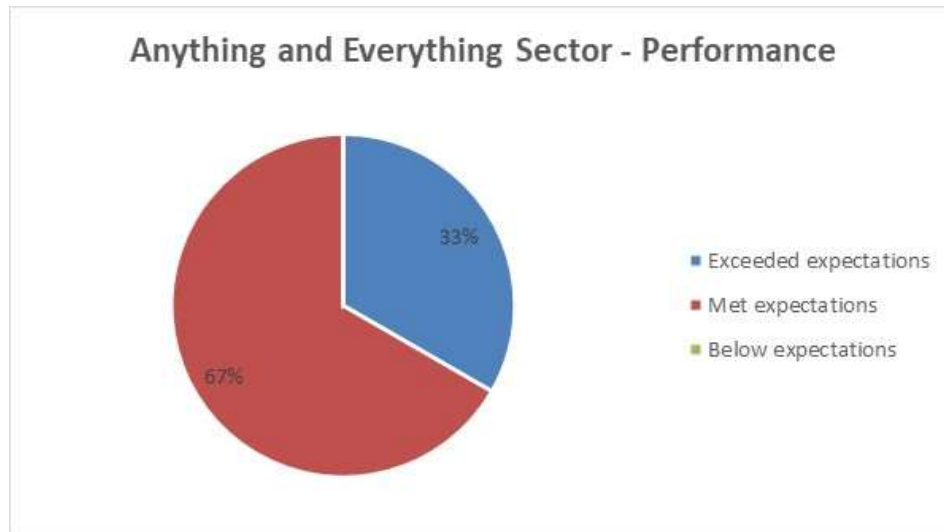
*Anything and Everything Sector – Size of Business*



Indeed, many regard themselves as successful having met and exceed their expectations.

**Figure 160**

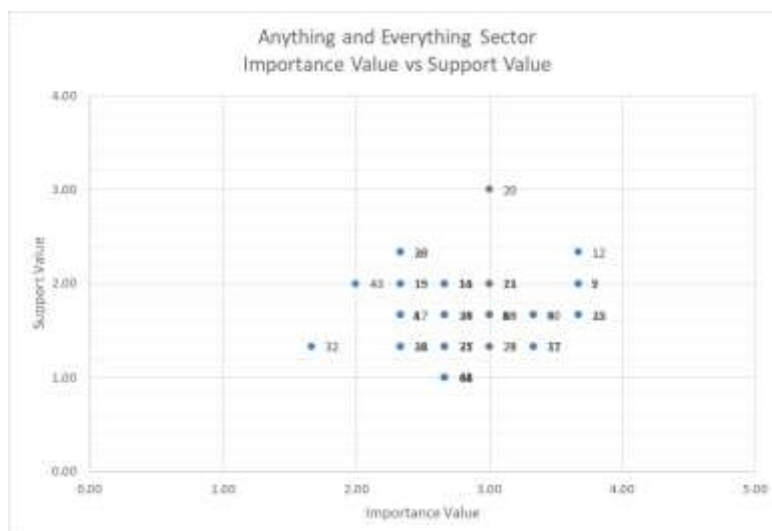
***Anything and Everything Sector – Performance***



What is interesting in this sector compared to the others is the large amount of data indicators which are not in the top right hand quadrant and instead occupy different quadrants on the graph.

**Figure 161**

***Anything and Everything Sector - Importance Vs Support***



The quadrants can be translated as follows:

**Table 61**

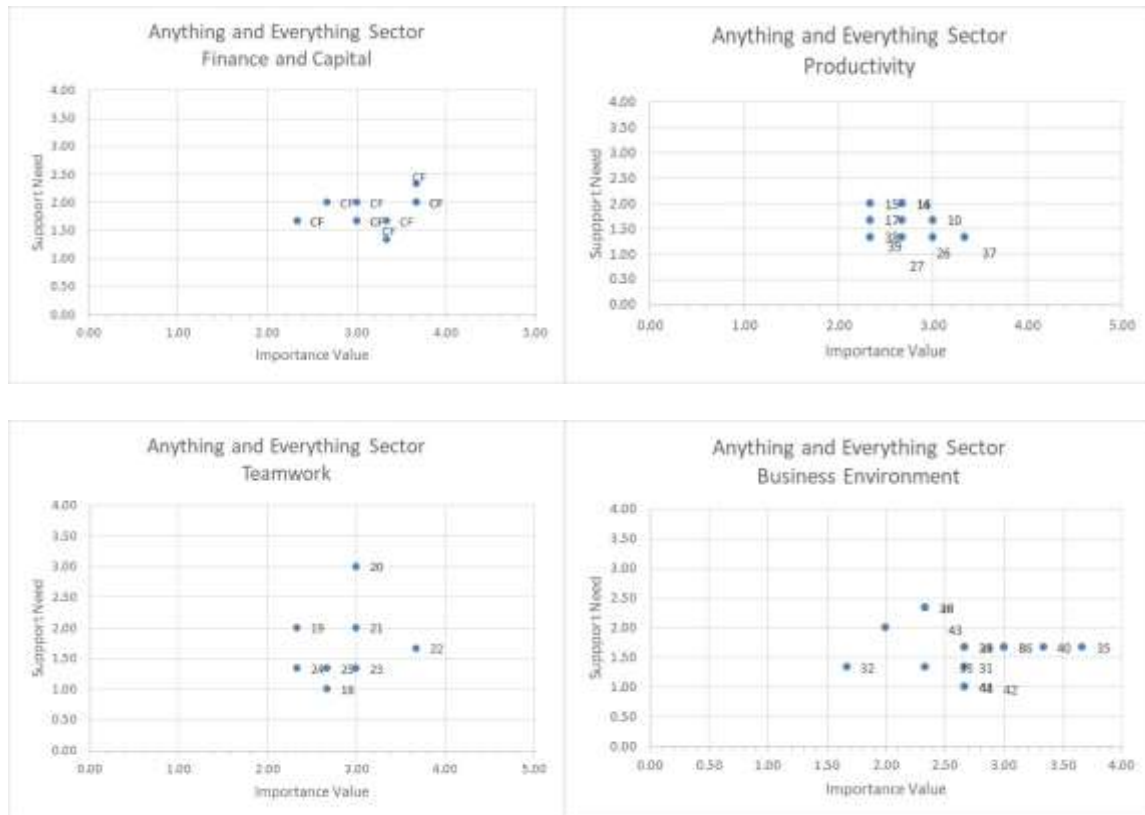
***Anything and Everything Sector - Quadrant Analysis***

<p>NOT IMPORTANT BUT NEEDED</p> <p>15. Improving productivity levels (Productivity) (2.33, 2.00, 4.67)</p> <p>19. Setting employee targets (Teamwork) (2.33, 2.00, 4.67)</p> <p>28. Working with other companies (Environment) (2.33, 2.33, 5.44)</p> <p>30. Evaluating your relationship with your suppliers (Environment) (2.33, 2.33, 5.44)</p> <p>43. Offering more than the competition (Environment) (2.0, 2.0, 4.00)</p>	<p>IMPORTANT AND NEEDED</p> <p>1. Managing the customers who owe you money (Capital and Finance) (2.67, 2.00, 5.33) (Marginal Need)</p> <p>5. Keeping track of expenditures (Capital and Finance) (3.67, 2.00, 7.33) (Marginal Need)</p> <p>7. Preparing quotations for customers (Capital and Finance) (3.67, 2.00, 7.33) (Marginal Need)</p> <p>12. Reducing costs (Capital and Finance) (3.67, 2.33, 8.56)</p> <p>13. Improving profit margins (Capital and Finance) (3.00, 2.00, 6.00) (Marginal Need)</p> <p>14. Measuring productivity (Productivity) (2.67, 2.00, 5.33) (Marginal Need)</p> <p>16. Analysing productivity data (Productivity) (2.67, 2.00, 5.33) (Marginal Need)</p> <p>20. Managing expectations (Teamwork) (3.00, 3.00, 9.00)</p> <p>21. Improving employee commitment (Teamwork) (3.00, 2.00, 6.00) (Marginal Need)</p>
<p>NOT NEEDED NOT IMPORTANT</p> <p>24. Making decisions as a team (Teamwork) (2.33, 1.33, 3.11)</p> <p>32. Market research (Environment) (1.67, 1.33, 2.22)</p> <p>33. Offering different products/services (Environment) (2.33, 1.33, 3.11)</p> <p>38. Using computers to record business data (Productivity) (2.33, 1.33, 3.11)</p> <p>3. Managing your companies' debts (Capital and Finance) (2.33, 1.67, 3.89)</p> <p>4. Devising Terms and Conditions (Capital and Finance) (2.33, 1.67, 3.89)</p> <p>17. Setting productivity targets (Productivity) (2.33, 1.67, 3.89)</p>	<p>IMPORTANT BUT NOT NEEDED</p> <p>18. Setting realistic goals and objectives (Teamwork) (2.67, 1.00, 2.67)</p> <p>22. Working together as a team (Teamwork) (3.67, 1.67, 6.11)</p> <p>23. Solving problems as a team (Teamwork) (3.00, 1.33, 4.00)</p> <p>25. Solving business problems (Teamwork) (2.67, 1.33, 3.56)</p> <p>26. Collecting business information (Productivity) (3.00, 1.33, 4.00)</p> <p>27. Analysing business information (Productivity) (2.67, 1.33, 3.56)</p> <p>29. Creating relationships with other companies (Environment) (2.67, 1.67, 4.44)</p> <p>31. Becoming a key link in the supply chain (Environment) (2.67, 1.33, 3.56)</p> <p>34. Offering new products/services (Environment) (2.67, 1.67, 4.44)</p> <p>35. Looking for new opportunities (Environment) (3.67, 1.67, 6.11)</p> <p>36. Responding to market requirements (Environment) (3.00, 1.67, 5.00)</p> <p>37. Using computers to analyse the business (Productivity) (3.33, 1.33, 4.44)</p> <p>39. Using technology to improve productivity (Productivity) (2.7, 1.7, 4.44)</p> <p>40. Using technology to reach customers (Environment) (3.3, 1.7, 5.56)</p> <p>41. Being better than the competition (Environment) (2.7, 1.0, 2.67)</p> <p>42. Selling unique products/services (Environment) (2.7, 1.0, 2.67)</p> <p>44. Always being ahead of the competition (Environment) (2.7, 1.0, 2.67)</p> <p>2. Creating contracts with customers (Capital and Finance) (3.00, 1.67, 5.00)</p> <p>6. Planning budgets (Capital and Finance) (3.00, 1.67, 5.00)</p> <p>8. Negotiating with suppliers (Environment) (3.00, 1.67, 5.00)</p> <p>9. Making a surplus (Capital and Finance) (3.33, 1.67, 5.56)</p> <p>10. Record Keeping (Productivity) (3.00, 1.67, 5.00)</p> <p>11. Analysing costs (Capital and Finance) (3.33, 1.33, 4.44)</p>

In terms of the graphs for each factor the indicators are plotted as follows:

**Figure 162**

***Anything and Everything Sector – Factor Analysis***



What is clear is the need for financial skills followed by skills in measuring and analysing the productivity of the business. In terms of not needed and not important are marketing skills, possible as the anything and everything sector are already very adept at this.

#### **4.4.1.9 Single Person Enterprise**

Apart from this anomaly in the data it is probably wise to look at the single person operations separately as these affect the teamwork statistics. It is also of interest as single person enterprises tend to work in the informal sector and may well be linked to the anything and everything sector. The first link is clearly in the data which shows a number of indicators

outside of the top right-hand quadrant representing most important and more in need of training/support.

**Figure 163**

**Single Enterprise - Importance Vs Support**



It is clear that the teamwork aspects do not fall into the importance half of the graph with 21, 22, 23 and 24 all to the left of the importance line. Also 23. and 18. are below the line for need and 24 on the line between needed and not needed.

21. Improving employee commitment (Teamwork) (2.40, 2.40, 5.76)

22. Working together as a team (Teamwork) (2.10, 2.10, 4.41)

23. Solving problems as a team (Teamwork) (1.90, 1.80, 3.42)

24. Making decisions as a team (Teamwork) (2.30, 2.00, 4.60) (Marginal need)

18. Setting realistic goals and objectives (Teamwork) (3.30, 1.80, 5.94)

In terms of most significant the data shows the following:

**Table 62**

**Single Enterprise - Most Significant Indicators**

Single – Significance		
Importance	Need	Importance x Need
40. Using technology to reach customers (Environment) (4.90)	9. Making a surplus (Capital and Finance) (4.70, 3.90, 18.33)	40. Using technology to reach customers (18.62)
9. Making a surplus (Capital and Finance) (4.70)	39. Using technology to improve productivity (Productivity) (3.90)	9. Making a surplus (Capital and Finance) (18.33)
1. Managing the customers who owe you money (Capital and Finance) (4.70)	13. Improving profit margins (Capital and Finance) (3.80)	13. Improving profit margins (Capital and Finance) (16.72)

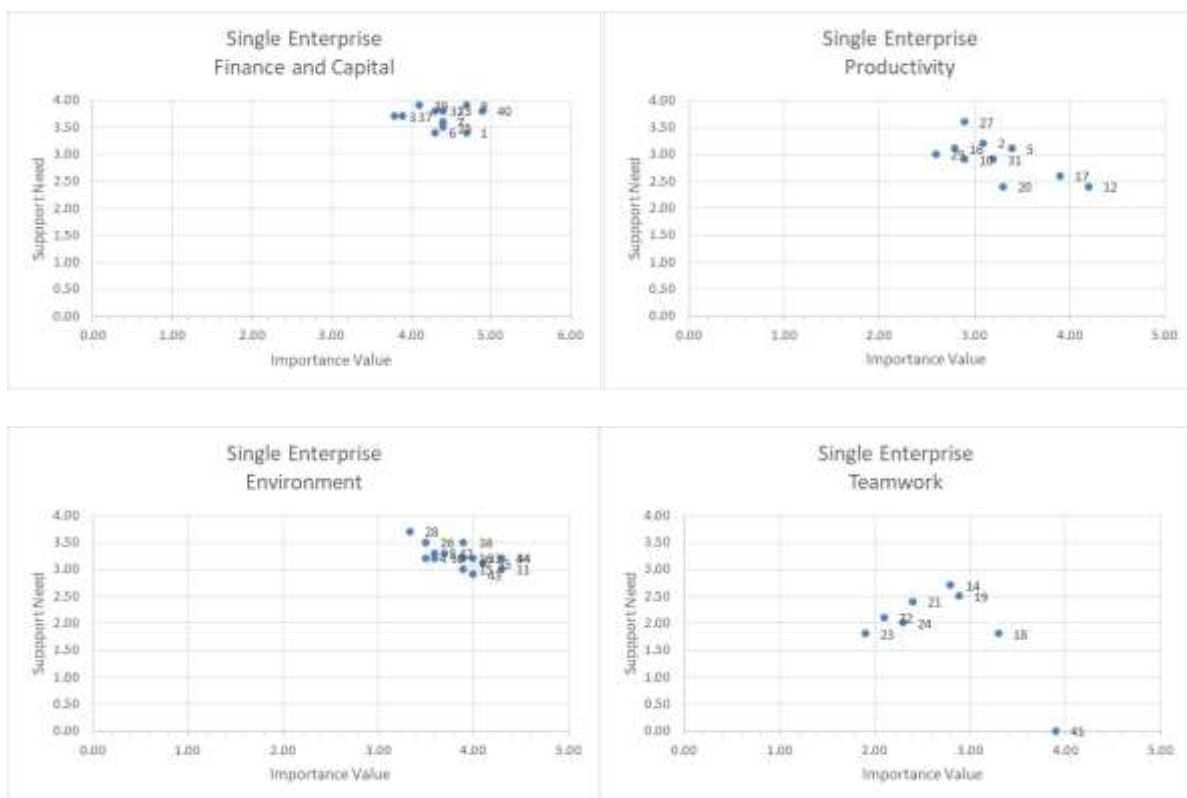
Single – Significance		
Importance	Need	Importance x Need
13. Improving profit margins (Capital and Finance) (4.40)	40. Using technology to reach customers (Environment) (3.80)	32. Market Research (Environment) (16.34)
7. Preparing quotations for customers (Capital and Finance) (4.40)	3. Managing your companies' debts (Capital and Finance) (3.70)	39. Using technology to improve productivity (Productivity) (15.99)
25. Solving business problems (4.40)		

Capital and Finance factors dominate the most significant indicators for a single owner enterprise.

The graphs for each factor show that the majority of the indicators are in the top right-hand quadrant of the graphs except for teamwork.

**Figure 164**

#### *Single Enterprise - Factor Analysis*



#### **4.4.1.10 Manufacturing**

The final sector is manufacturing. Manufacturing represented 9.1% of enterprises (Statistics Botswana, 2016, p17). In this survey only 2% of respondents identified as manufacturers.

The data can be summarised as follows:

**Table 63**

***Manufacturing Sector - Most Significant Indicators***

Manufacturing– Significance		
Importance	Need	Importance x Need
1. Managing the customers who owe you money (Capital and Finance) (5.00)	32. Market Research (Environment) (4.00)	43. Offering more than the competition (Environment) (16.00)
4. Defining terms and conditions (Capital and Finance) (5.00)	38. Using computers to record business data (Productivity) (4.00)	
17. Setting productivity targets (Productivity) (5.00)	43. Offering more than the competition (Environment) (4.00)	
30. Evaluating your relationship with your suppliers (Environment) (5.00)		

The business environment indicators dominate the manufacturing sector with emerging Capital and Finance plus productivity indicators.

**Table 64**

***Manufacturing Sector - Least Significant Indicators***

Manufacturing – Least Significant		
Importance	Need	Importance x Need
44. Always being ahead of the competition (Environment) (1.00)	36. Responding to market requirements (Environment) (1.00)	6. Planning budgets (Capital and Finance) (3.00)
18. Setting realistic goals and objectives (Teamwork) (1.00)		44. Always being ahead of the competition (Environment) (3.00)
6. Planning budgets (Capital and Finance) (1.00)		18. Setting realistic gals and objectives (Teamwork) (3.00)

Environment also dominates the least significant along with teamwork and Capital and Finance.

## 4.5 Evaluation of the Findings against the Objectives

Considering this analysis, it is possible to surmise if the objectives of the research have been met. Taking each objective in turn the analysis of the results of the research provides a conclusion which mirrors the findings as follows:

Objective 1. “Determine which economic factors/indicators relate to MSME success”

It is possible to determine factors. Research into the history of economic development provided substantive information from productivity and capital to human capital through to

globalisation and societies. Factors derived from examining economic development models linked to the expansive research into tiger economies has provided many factors and indicators for consideration. Indicators relating to the reasons for economic success such as financial management, setting objectives, leadership/decision making, data analysis, supply chain etc... were used to determine the integrated model. What makes the integrated model different is that it does not follow a functional design but rather represents the complex systems thinking of societies. The concept of a single factor or a step-by-STEPFC model to resolve economic development issues is a misnomer. Policy makers require “distinctive structural” (Devarajan et al, 1990, p36) models of economies. The integrated model on the other hand represents the complexities of integrating factors together. Complex social issues such as work ethics, managing debts and decision making are integrated into the model factors to provide an analysis of how they interact and network together.

The analysis showed that US MSMEs who had strong debtor control processes and procedures were able to increase revenue. Revenue was also improved if employees were aware of the financial implications of their work and knowledge of their production rates. The data also showed that MSMEs with strong goal and objective setting procedures in place tended to survive for 5 years or more. Indeed, the data also showed that employee commitment under the teamwork factor also led to improved employee growth. In terms of the business environment MSMEs which established strong supply chain relationships also survived for 5 or more years. In Botswana there was no relationship between revenue and debtor management however this did appear as a training/support need by MSMEs indicating a short coming in their entrepreneurial skills which needs addressing. The data for Botswana also showed that smaller MSMEs who relied on informal approaches tended to be more profitable but those who had policies and procedures in place related to productivity tended to stay in business longer.

The Botswana data also highlighted the importance of goals and objectives with MSMEs who had formal process for identify these being active for longer than those who did not. On the other hand, companies with informal supply chain policies tended to stay in business longer than those with formal processes which could be improved. The data also showed that Botswana MSMEs who stayed active tended to expand and employ more employees. These issues therefore become important considerations which contributed to the development of the integrated model.

The analysis clearly showed that to be successful Botswana must improve many of its functions including its financial and decision-making processes. This confirms the notion that investment in MSMEs represents capital flow to “low-quality entrepreneurship” (Chinyoka, 2015, p5) as financial literacy and the ability to monitor processes to make decisions are two fundamental skills required to successfully operate a business. However, it also sheds light on Castel-Branco’s (2003, p2) caution regarding MSMEs “privileged treatment in the development literature” with few “arguments” “against SMEs”. The integrated model data clearly shows that MSME success/failure should be measured using other factors, factors which link together as per Castel-Branco’s (2003, p2) recommendation to measure the “type and nature of linkages and the engines of such linkages” including employee growth and years active.

## Objective 2. “Determine strategies for supporting MSMEs?”

The business support strategy recommended through the research was an audit approach. This strategy followed recommended guidelines established in the research. The findings of the audit drive the measures which can be implemented to support the MSME.

It is possible to tie in the results of the analysis using the audit business strategy to identify goals and objectives for an MSMEs. A goal, according to Johnson and Scholes (2008, p13), is a “general statement of aim or purpose”, used to “determine the actual courses of action that are taken” by an organisation (Simon, 1964. p22). In terms of strategic planning, goals contribute to the “where we want to be?” and are thus derived from the output of applying the integrated model. Goals can be strategic, tactical or operational (Smit and Cronje, 2004, p136) and/or order, economic or cultural (Etzioni, 1975, p104). They provide a “basis for the evaluation of organisational performance and effectiveness” (Mullins, p145, 2005) and this when the integrated model audit is reapplied it is possible to determine progress towards meeting these goals and objectives.

In this light it should be noted that organisations “rarely achieve goals” as they are generally presented as “ideals” and will “almost always be reported as a failure” (Mullins, 2005, p145). Therefore, good objectives “need to meet certain specifications in order to fulfil their managerial expectation” (Smit & Cronje, 2004, p142). They must have “characteristics” which allows them to be “effective” (McNamee, 1988, p120). Essentially, they “add breadth and specificity in identifying what must be accomplished to achieve long term objectives” (Pearce and Robinson, 1991; p298).

These characteristics can be applied to the output of the integrated model to ensure the development of goals and objectives which are suitable for MSMEs.

Applying the messages garnered from the findings of the integrated model audit strategy, the business support initiatives that could be implemented in Botswana are as follows:

**Table 65**

***Business Support Initiatives***

<i>Description</i>	Business Support Initiatives – Goals and Objectives
<i>Financial Management</i>	<ul style="list-style-type: none"> <li>• Better training on Capital/Financial Management issues including ethical training on the use of Capital, maintaining cash flow and debt management.</li> <li>• Introduction of Laws/ Regulations to deter the use of Capital Investments for purposes other than what they were intended for</li> <li>• Improvement of laws to deal with defaulters and non payment</li> </ul>
<i>Goals and Objective</i>	<ul style="list-style-type: none"> <li>• Better training on how to set and track Goals and Objectives</li> <li>• Better training on data collection and analysis</li> </ul>
<i>Team</i>	<ul style="list-style-type: none"> <li>• Concentrated training on how to work as a team to achieve results (link to goal and objective setting)</li> </ul>
<i>Leadership</i>	<ul style="list-style-type: none"> <li>• Improved leadership training including how to motivate staff and promote decision making through teamwork</li> </ul>
<i>Supply Chain</i>	<ul style="list-style-type: none"> <li>• Provide mechanisms for MSMEs to work together in a supply chain or network. The network must be mutually supporting and offer the ability to mentor entrants</li> <li>• Continue to encourage flexibility and meeting market demand but include sustainability training to maintain capital and retained profit reserves for the next opportunity</li> </ul>
<i>Flexibility</i>	<ul style="list-style-type: none"> <li>• Support MSMEs to analyse how to differentiate their products to increase market share</li> <li>• Support MSMEs as they seek foreign technology to maintain market share/leadership</li> </ul>
<i>Production</i>	<ul style="list-style-type: none"> <li>• Mentor MSMEs so they can improve their productivity rates and quality inline with market demand</li> </ul>
<i>Data</i>	<ul style="list-style-type: none"> <li>• Provide training to MSMEs on how to measure, record and analyse production data including financial implications</li> </ul>

Within a global context it is possible to make comparisons between ratings and therefore seek opportunities to reengineer methods or improve skills within the country. The integrated model analysis from Botswana clearly showed an overwhelming desire for improvements. These improvements can be targeted in terms of the business support initiatives based on the rating generated from the integrated model.

Objective 3. “Define the specific factors which affect MSMEs in Botswana?”

The research highlighted three (3) areas of concern in Botswana: decision making, financial management and work ethic. Further more, the research highlighted a number of issues relating to teamwork, working with other MSMEs within the business environment, using technology to manage the MSME and issues related to understanding and responding to market needs. These factors highlighted through the stage 1 and stage 2 research defined the indicators for use in stage 3. These factors were measured twice. Firstly, in terms of the number of MSMEs who had formal or informal processes in place. Secondly according to the rating of the indicator which averaged the responses to get a figure between 0 and 5. The higher the rating the better Botswana was at performing that particular indicator. Therefore, in terms of the model, for support it was necessary to identify the indicators which were rated low. It was through this careful analysis that the 44 key indicator points were established under finance and capital, environment, productivity and teamwork.

Considering that the majority of these indicators could be plotted into the top right hand quadrant signifying importance and need for support/training it is clear that these were specific factors which affect MSMEs in Botswana.

Objective 4. “Define an integrated model for improving MSME support in Botswana?”

The outcome of the research into stage 1 and stage 2 has shown that an audit model can be developed and defined. The model itself looked at two key aspects for each of the identified indicators. Firstly, was the indicator important to the MSME. This provided MSMEs with an opportunity to prioritise what was important for them. For example, MSMEs made up of single person enterprises would be unlikely to state that teamwork was important. On the other hand,

a manufacturing entity would consider productivity indicators to be very important. Secondly the MSMEs were asked to indicate their training/support needs for each of the indicators. They for example may see an indicator as very important and would therefore wish to have more support to use it within their business. This allowed for indicators to be compared against two criteria: Importance and Need. This comparison then allowed the data to be plotted into one of four quadrants: important and needed, important and not needed, not important but needed, not important and not needed. Any indicator which landed in the important and needed quadrant would be identified as an important function of an MSME which needed support.

The implementation of the model which can be applied to any sector was determined as follows:

**Table 66**

***Integrated Model for Business Support in Botswana***

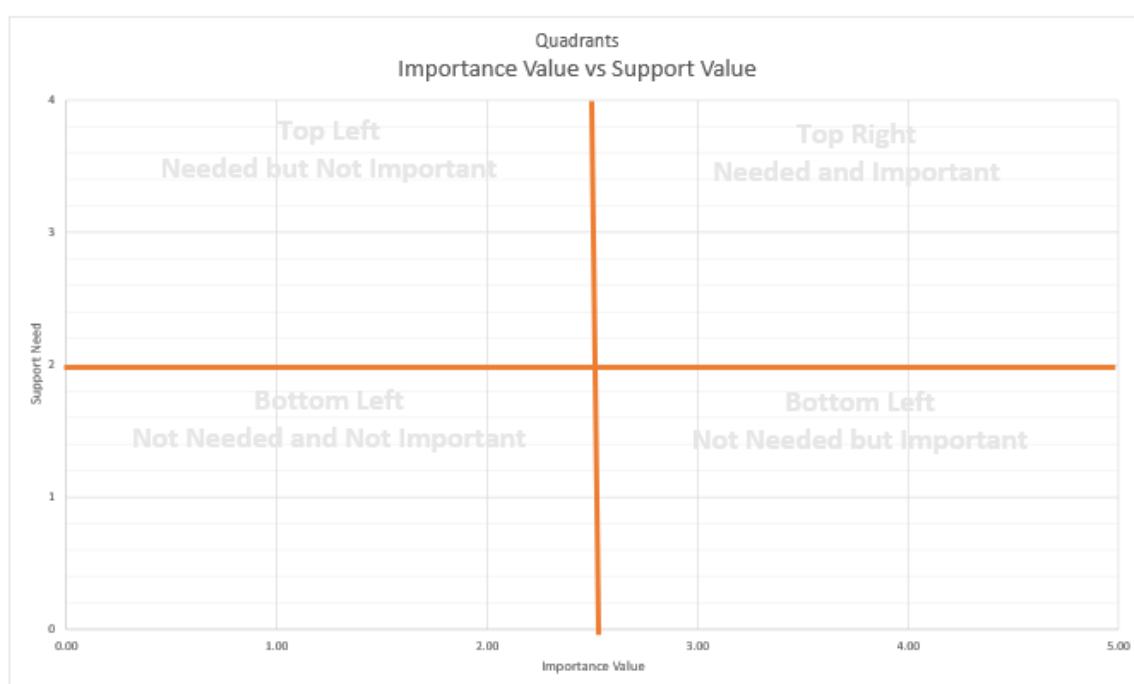
Integrated Model for Business Support										
Rate the following in terms of importance for your business:						Rate the following in terms of training/support required				
5. My business cannot operate without doing this						4. A lot of training/support required				
4. Very important to the operation of my business						3. Some training/support required				
3. Important to some degree to the operation of my business						2. A little training/support required				
2. Not so important to the operation of my business						1. No training/support required				
1. Not related to the operation of my business										
Finance and Capital	1	2	3	4	5	1	2	3	4	
1. Managing customers who owe you money										
2. Creating contract with customers										
3. Managing your companies' debts										
4. Devising terms and conditions										
5. Keeping track of expenditures										
6. Planning budgets										
7. Preparing quotations for customers										
8. Making a surplus										
9. Analysing costs										
10. Reducing costs										
11. Improving profit margins										
Teamwork										
12. Setting realistic goals and objectives										
13. Setting employee targets										
14. Managing expectations										
15. Improving employee commitment										
16. Working together as a team										
17. Solving problems as a team										
18. Making decisions as a team										
19. Solving business problems										
Productivity										
20. Record Keeping										
21. Measuring productivity										
22. Improving productivity levels										
23. Setting productivity targets										
24. Collecting business information										
25. Analysing business information										
26. Using computers to analyse the business										
27. Using computers to record business data										
28. Using computers to record business data										
29. Using technology to improve productivity										
Environment										
30. Negotiating with suppliers										
31. Working with other companies										
32. Creating relationships with other companies										
33. Evaluating your relationship with your suppliers										
34. Becoming a key link in the supply chain										
35. Market research										
36. Offering different products/services										
37. Offering new products/services										
38. Looking for new opportunities										
39. Responding to market requirements										
40. Using technology to reach customers										
41. Being better than the competition										
42. Selling unique products/services										
43. Offering more than the competition										

Integrated Model for Business Support									
Rate the following in terms of importance for your business:					Rate the following in terms of training/support required				
5. My business cannot operate without doing this					4. A lot of training/support required				
4. Very important to the operation of my business					3. Some training/support required				
3. Important to some degree to the operation of my business					2. A little training/support required				
2. Not so important to the operation of my business					1. No training/support required				
1. Not related to the operation of my business									
44. Always being ahead of the competition									

The results can then be plotted on this graph.

**Table 67**

***Integrated Model for Business Support for Botswana Analysis***



From the results the key factors and indicators to concentrate on to improve MSME operations could be established.

Objective 5. “Verify the integrated model for use by MSMEs in Botswana”

Botswana is 85 places behind the USA in terms of its Human Capital Ranking, 89 behind the USA in terms of Competitiveness, and 78 places behind the USA in terms of Doing Business. The data collected for this research also shows that in terms of revenue Botswana MSMEs generated 0.2% of the revenue generated by MSMEs in the USA in comparison. This

means that the MSMEs in the USA generate 500 times the revenue that their Botswana counterparts do. Considering the international statistics for both countries this is not an unreasonable figure and can equally be accepted along with the human capital, competitiveness and doing business statistics. Damania (2004, p291) identifies a “multiplier-effect”, “largely ignored in the public policy debate” which includes corruption levels, openness of markets, environmental policy and trade liberalisation. The output from stage 2 clearly showed that MSMEs in Botswana and the USA operate differently. Whereas MSMEs in the USA promote problem solving and debt management as key aspects of their operations, in Botswana strategy and monitoring goals and targets represent their key aspects. This shows that no one model can be used across countries confirming the “false paradigm” of “international transfer”. According to the World Bank economies move between Factor Driven to Efficiency Driven to Innovation Driven with transition stages in between. This represents 5 possible stages. Therefore, the integrated model represents a process which enables improvement to transition. If this is the case the question of verification becomes very important.

The stage 3 analysis showed that all indicators plotted by sector reveal the following:

**Figure 165** *All Sectors - Importance Vs Need*



The outliers are Health care 27. Analysing business information (1.50, 3.67) not so important but still needed. Anything and everything 32. Market research (Environment) (1.67, 1.33) neither needed nor important. Also, in this quadrant is 23. Solving problems as a team (1.90, 1.80) which comes from the “single” MSME category. In fact, all of the elements which fall into this quadrant are from the anything and everything sector and from the single person MSME. This suggests that these entrepreneurs may require further analysis under the “informal sector” heading. The majority of indicators were plotted in the most important and most needed quadrant.

The data meets the criteria for a two tailed t-test as the number (n) of data items of both variables are the same. In this case representing the 44 rating questions for importance and need. What will be significant is “the probability (p) that could be produced by chance if the null hypothesis were true” (Creswell, 2012, p189). Creswell, (2012, p189) also suggests a two paired test is “more conservative or demanding because the area of rejection at either end of the curve is less than that of a one-tailed test”. With this value it will be possible “to reject or fail to reject the null hypothesis” if “the p-value is statistically significant” (Creswell, 2012, p192).

The following calculations compares the t-statistic against the critical t calculated as part of the two-tail t test. If the t-critical value is bigger than the t statistic it means, the null hypothesis cannot be rejected. This means that “An integrated model for improving MSME business support cannot be developed for Botswana”. If the t critical value is higher than the t statistic then the null hypothesis is rejected and the alternate hypothesis is accepted, in other words “An integrated model for improving MSME business support can be developed for Botswana”.

A two tailed T test on all of the data comparing the observation for importance and need shows the following:

**Table 68**

***T-Test Results***

	<i>Variable Importance</i>	<i>Variable Need</i>
Mean	3.652812	3.631668
Variance	0.056809	0.062423
Observations	44	44
Pearson Correlation	0.497489	
Hypothesized Mean Difference	0	
Df	43	
t Stat	0.572691	
P(T<=t) one-tail	0.284918	
t Critical one-tail	1.681071	
P(T<=t) two-tail	0.569837	
t Critical two-tail	2.016692	

In this case the t-critical value is bigger than the t statistic which means the null hypothesis is rejected. Therefore overall “An integrated model for improving MSME business support can be developed for Botswana”.

However, further analysis shows the p test is 0.56%. This is “the probability (p) that could be produced by chance if the null hypothesis were true” (Creswell, 2012, p189). Creswell (2012, p192) states that to “reject or fail to reject the null hypothesis” a decision must be made which considers if the “p-value is statistically significant”. Therefore, in this case as the p value is 0.568 (56.8%) is statistically significant and therefore there is no evidence to reject the null hypothesis.

This can be explained through the analysis of each sector. Although the T-Test supports the hypothesis there is no discernible pattern for each sector. The table below shows the most important and most needed indicators listed by most needed. The table clearly shows each sector has its own needs in terms of business support. In this case an integrated model which covers all sectors cannot be developed.

**Table 69**

***All Sector Analysis - Important and Needed Indicators***

Single	Commercial	Technology	Healthcare	Tourism	Finance	Education	Construction	Manufacturing	Anything and Everything
9	6	8	5	32	22	10	3	32	20
39	13	13	9	1	23	26	8	38	12
13	27	15	11	13	24	38	31	43	28
32	32	1	26	40	34	17	38	1	30
40	34	2	32	41	38	32	40	3	1
3	37	6	37	3	40	9	1	4	5
28	8	11	38	6	1	13	4	5	7
37	12	16	40	9	3	24	5	6	13
7	39	35	2	33	4	36	18	7	14
27	4	3	4	38	10	39	21	8	15
25	7	4	7	39	11	1	25	9	16
26	10	17	10	2	12	4	26	10	19
38	31	19	13	12	14	15	30	11	21
1	35	32	17	19	15	27	32	12	
6	40	36	20	26	16	28	36	13	
8	9	37	27	44	17	30	43	14	
41	11	41	29	4	18	43	44	15	
42	16	42	34	5	19	11	2	16	
2	26	44	39	7	21	40	10	17	
4	2	5	41	8	25	3	13	18	
30	3	9	42	11	26	6	14	19	
33	29	10	43	14	27	14	16	20	
34	38	14	3	15	28	16	23	21	
36	41	18	6	20	30	19	39	23	
44	43	20	8	28	32	22	6	24	
5	33	21	12	29	36	23	9	25	
16	1	25	15	30	37	34	11	26	
35	5	27	25	37	39	37	19	27	
11	17	29	30	42	42	7	27	28	
15	21	31	33	16	43	12	42	29	
29	25	38	35	17	2	18	12	30	
10	30	39	44	27	6	20	41	31	
31	14	40	1	10	7	21	15	33	
43	15	7	14	31	8	29	24	34	
14	28	12	16	34	9	44	34	35	
17	36	23	18	36	20	2	7	37	
19	18	26	28	35	33	5	22	39	
12	19	28	36	18	35	8	33	40	
20	42	33	19	24	41	25	35	41	
	20	34	21	43	44	35	28	42	
	44	43	22	23	5	41	17	44	
	23	24	23	25	29	42	20	22	
	24	30	31		13		29		
		22	24		31		37		

Although an integrated model is possible it is likely that the model itself cannot produce a common output across all sectors just as mentioned previously regarding countries. This is

the very essence of the integrated model, the opportunity for MSMEs to audit themselves against the developed criteria to determine which areas they need to focus on. In fact, each MSME may have its own requirements. In this way the model is verified, in this case for Botswana.

#### **4.6 Making the Model**

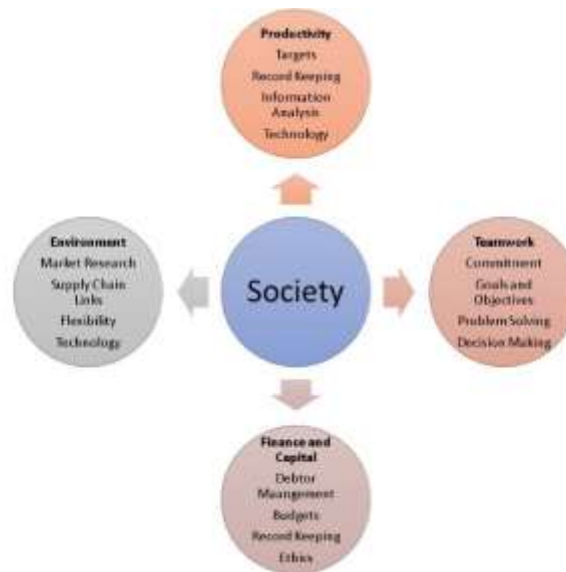
The field of Business is littered with numerous models developed by renowned academics and business theorists. From Porter's 5 forces to Maslow's Hierarchy of Needs, theories and models abound each claiming their usefulness to hopeful entrepreneurs and business leaders. As stated by Johnson et al (2005, p19) "to be effective in a management role it is important to consider the concepts, models and techniques". Gangadharan and Swami (2004, 139) point to the fact that "new and complex changes are emerging that will force enterprises to operate in entirely new ways" with Mullins (2005, p18) adding that businesses have "moved from an emphasis on the structural aspects of functional and cross-functional organizations to more flexible models". However, for potential users of models "the process of selecting the right technique and the right tool has become more and more complex", "because of the huge range of approaches available" (Aguilar-Saven, 2004, p130). Some researchers suggest using too many techniques may not be productive. Rho et al (2001, p91) point to companies who use a "few appropriate and elective approaches" have "higher performance" but even so for "many companies there is still a lack of consistency between business strategy, performance measurement systems and improvement actions" (p92). Reeves (2007, p2) suggests the use of models to create goals must produce objectives that are "meaningful, are attainable, and provide immediate feedback to reinforce effective practice". In simple terms Shiffman et al (2004, p419) state that with any model "the approach should be systematic, replicable, and reusable".

The integrated model for MSMEs linking importance and need is no different, addressing perceived gaps in the research relating to business support and SMEs in Botswana. The purpose of the model is clear, as an “en-actable or analytical models for decision support during process execution, and control” (Aguilar-Saven, 2004, p146). In addition, the push for efficiency and productivity is another characteristic of the model. Melão and Pidd (2000, p14) point to the need for “holism, stressing the behaviour of a business process as a whole rather than its parts”, decrying the “neglect of the social-political dimension”, as they state, “the humanity of the human is ignored” (p16). Gordijn and Van Vliet (2000, p41) comply with the view of the holistic approach suggesting “the central notion in any business model should be the concept of value, in order to explain the creation and addition of value in a multi-party stakeholder network, as well as the exchange of value between stakeholders”. The integrated model embraces the “cultural feasibility” which “may impede the attainment of more efficient and radical designs” (Melão&Pidd, 2000 p21) through its inclusion of social capital issues directly related to Botswana. This is in line with Mullins (2005, p20) assertion that the use of models “provides a conceptual framework”, that the “theory helps in building generalised models applicable to a range of organisations or situations.” (p20). This is exactly what the integrated model provided in terms of sectors.

Considering this, the model as a conceptual theory which links societies views on Capital, Finance, Business Environment, Teamwork and Productivity to determine how best to support MSMEs can be viewed as follows:

**Figure 166**

***Conceptual STEPFC model***



Within the conceptual model it is society which affects each of the elements of the model. As shown within the research different societies balance these factors in different ways. Therefore, the output of the analysis of the model should reflect societal thinking in terms of business activity and thus identify areas which can be exploited and areas which can be improved and supported. This is proven in the analysis of Botswana, with financial issues high on the agenda but teamwork an element which can be seen as an advantage for the country.

#### **4.7 Implementation Gaps**

Having a model is one thing, implementing it is another. Gilg and Kelly (1997, p19) refer to the “implementation gap”, which highlights the differences between “what they promise and what they actually deliver”. In line with the concept of unrealistic promises Reeves (2007, p2) suggests models which are being implemented should “emphasize effectiveness, not popularity” suggesting that implementing models which highlight potential change in a

business involve “risk, loss, and fear, a triumvirate never associated with popularity” (p3). Guth and MacMillan (1986, p314) use words such as “desirability”, “willingness”, “commitment” when discussing factors, for which the lack of results in the failure when implementing models. They highlight “inability to execute”, “low perceived probability” and the “perception that outcomes will not satisfy individual goals” (p323) as key factors of failure. Indeed, highlighting the concept that it may not be the model, but the people involved in implementation that creates the implementation gap is purported by Mullins (2005, p36) who states “it is not so much the intent but the manner of implementation” that causes failure. Gilg and Kelly (1997, p35) discuss the need to be “consistent” and “rational” to address the implementation gap with Johnson et al (2005, p366) suggesting hopefully that benefits “tend to become clear only as implementation proceeds”.

Addressing the implementation gap is not easy but is a critical factor to consider if the model for linking MSMEs to business support strategies is to be successful. Riccò and Guerci (2014, p237) suggest the implementation gap can be breached if within the model “the process is normative” but with the ability “to adapt it to ... specific situations”, that it can be implemented in a “participative way” and that it “integrates strategic, tactical and operational levels in a coordinated way”. To add to this viewpoint Melão and Pidd (2000, p19) emphasises the perspective that “business processes need not exist in the objective and concrete sense ....rather, they are abstractions, meanings and judgments that people put on the real world”. In this regard the model for linking MSMEs to business support strategies must be perceived as implementable, adaptable, and participatory but also allow for interpretation of results in a way which can lead to decisions and judgements being made.

How the model can be presented to address the implementation gaps can be considered therefore in a schematic approach.

#### **4.8S.T.E.P.F.C.**

The title of the model “An integrated model for improving MSME support in Botswana” is long winded and vague. With so many models and theories in existence the current title “makes it more difficult to hear a significant message loud and clear” (White, 2004, p119). The title does not conform to Mullins’ (2005, p404) suggestion that it is the “predictability of the message” that is “symbolic of recognition”. Indeed, Sutcliffe and Namoune (2008, p18) point to the need for a message to match the “goals and interests” of a reader which is not the case with the current title. The concept of a “sticky idea” might be appropriate as it “is one that people understand, that they remember later on, and that it changes something about the way they think or act” (Mendonca & Miller, 2007, p1). This requires the message to conform with “simplicity”, “concreteness”, and be “portable across audiences”, “learnable” and it must avoid “the curse of knowledge” (ibid). Taking the key concepts from the verified model it is possible to produce the acronym STEPFC (Society, Team, business Environment, Productivity and Finance and Capital) and therefore refer to the model as the STEPFC (for short) model for MSME development which allows small business to “step” up and be successful.

The use of the simple acronym to communicate the message is applicable as it directly relates to the goals and interests of MSME entrepreneurs for improving and growing their business and therefore has the potential to be classified as “symbolic of recognition”. Its use also has the potential to address the implementation gap by clearly stating its value to the user as in “taking a step” thus conceivably creating “commitment”, “desirability” and “willingness”. Its advantage lies in its holistic content addressing society. Although the STEPFC model for MSME development is characterised by its inclusion of “cultural feasibility” (Melão&Pidd,

2000 p21) it has origins that link it directly to development theories and the emergence of tiger economies. Development theories from Lewis (1954) Dual Economy model highlighting capital and productivity to the promotion of education development, the globalisation and localisation of economies and the concept of social capital are enhanced by an analysis of tiger economies to define factors such as innovation, foreign investment and technology transfer which when combined provide a solid basis for the theory behind the STEPFC model. Considering Ray's (1998, p8) statement that countries are not "doomed to eternal poverty" in conjunction with the concept of business as a black box, the "strategic importance of internal resources, capabilities, and competences, systematic competitive advantages" (Vanderstraeten&Matthyssen, 2012, p658) and best practices from the analysis of tiger economies it is possible to consider the STEPFC model as the link which brings "complex systems" (Green, 2015, p7) represented by the interactions between social, political and economic factors, together. Indeed, as is shown in its development, Porter's (1980, p74) assertion that it is the "culmination of small insights and advances" that create innovations holds true for the STEPFC model.

Chinyoka's (2015, p2) requirement for African countries "to identify economic policies and strategies that can spur and sustain growth" similar to the Asian tigers is encompassed within the STEPFC model. The model incorporates the tiger economy development strategies to address the need for business and countries to "move up the value chain" by improving "productive capacities to transform their manufacturing and services sectors" (World Bank, 2013, pXV). However, it must be noted that the inclusion of "society" embedded within the model will contribute to addressing the problems associated with "policy borrowing" (Aggarwal &Gasskov, 2013, p47) as the model can be adapted to suit individual societal needs. It is this aspect of the model which can be specifically aligned to the social capital determinants

of a country or society that makes the model a grand theory, a “general and comprehensive theory with abstract concepts that cover all aspects of human experience related to a specific topic” (Leggette et al, 2015, p2). However, it must be noted that it is the ability to tailor the aspect of society, that allows it to create “restrictions in terms of general applicability” (Saunders et al, 2009, p40) thus classify the model as a “substantive theory” (Saunders et al, 2009, p41). It is the model’s culturally and ethically aware approach to international development research which has the potential to create “high survival rates” (Wheelen & Hunger, 2012, p211) amongst businesses. In addition, considering the audit approach as a business support strategy it can be repeated so feedback can be analysed and progress measured through the STEPFC variables. In a deeper sense, further drawing on the concepts of auditing as suggested by Hackett and Dilts (2004) and Tidd et al (1997) the analysis of the feedback can produce a STEPFC rating. The rating can be used for many purposes including strategic planning and investment. It is this rating, how it is calculated and how it may be presented which will be a crucial element of the next stage of the research. Although there appears to be many perceived advantages of using the STEPFC model contradictions and uncertainties, for the moment, remain.

#### **4.9 Contradictions and Uncertainties**

Wacker (1998, p361) states that “theory-building is important because it provides a framework for analysis, facilitates the efficient development of the field, and is needed for the applicability to practical real-world problems”. Indeed, Gioia and Pure (1990, p587) suggest “it would be useful for theory building to be viewed not as a search for the truth, but as more of a search for comprehensiveness stemming from different worldviews”. The STEPFC model encompasses these views however caution must be taken. Ireland and Hitt (1999, p74) highlight that although the focus on outcomes remains important implementation processes remains a

contradiction. As stated by Merton, one of the early thinkers on theory development, “we have many concepts but fewer confirmed theories; many points of view, but few theorems; many approaches but few arrivals” (1949, p485). Therefore, the next stage of the research must be used to confirm or adjust the findings of the literature review and thus confirm the hypothesis and the model. This represents the uncertainty of the model, its acceptability. This is a critical point. Müller-Bloch and Kranz (2015, pP14) suggest “the approach of analysing literature reviews ..... did not always lead to the desired results”. In fact, Chasan-Taber (2014, p246) noted “all studies face limitations”. What is needed to ensure acceptance of the STEPFC model as a “robust” (Heyvaert et al, 2011, p13) reflection of complex interactions which can only be understood by applying the model to actual MSME businesses and measuring its performance over time. At the moment what is not fully understood is the validity of the model.

Therefore, critical to the success of the STEPFC model will be how well the next stage of the research is completed. The process of triangulation mixing qualitative and quantitative research to confirm the model will be required “to ensure that the data are telling you what you think they are telling you” (Saunders et al, 2009, p146). Creswell (2014 p264) suggests the next stage must analyse qualitative and quantitative data to gain “a stronger understanding” of the proposed STEPFC model. Therefore, the next stage of the research has the specific aim to confirm the validity of the STEPFC model.

#### **4.10 Summary**

The STEPFC model began as a concept, a way to look at the differences between a developed economy and a developing economy. It was envisaged that the application of the model would provide an opportunity to determine if there was any way in which an MSME within a country could assess themselves through an audit to determine which aspects of its business functions could be improved and thus improve contribution to a country's economy.

With a literature review analysis of tiger economies summarising their key strengths and pointing to a specific emphasis on MSMEs which make up the majority of businesses in countries and especially in Africa, it was hoped that the STEPFC model could provide an insight into how developing economies could emulate their developed counterparts. The audit approach, also derived from the literature review, analysed these different economies to determine what were the elements the STEPFC model should, specifically emphasise. It was this analysis that determined the audit questions which were in turn converted into an online questionnaire. Further questions were developed for formal interviews with those who support MSMEs to elicit their views on the elements of the STEPFC model.

Through a comprehensive mixed methodology, triangulating data from the USA and Botswana including qualitative and quantitative data the analysis of the STEPFC model provided a deep insight into the inner workings of MSMEs and their relationships to society as a whole. Through discussions based on the 4 STEPFC principals of Finance and Capital, Teamwork, Environment and Productivity it was clear that the data highlighted a number of differences between the countries including highlighting societal norms which worked against the concept of business growth. Indeed, it was clear that the data from the USA showed that MSMEs had different operation priorities compared to Botswana MSMEs. The analysis of the

findings of the STEPFC model clearly showed that Botswana could be classified as “almost”, “nearly” “not quite” in terms of applying business concepts. It has procedures in place, but they could be improved. The USA’s “take it or leave it” attitude is clearly evident, either they embrace the philosophy whole-heartedly and to the best of their ability or they just leave it out. Being able to suggest business support initiatives based on the findings is one important output from the model itself. The fact that on self reflection MSMEs felt there were opportunities for improvement meant that specific business support initiatives could be developed to support them. This represented the essence of the model. Its intentions were simply to provide a guide to assist with determining which actions are necessary to improve MSMEs and their functions within society to thus contribute to economic development.

As an audit model, STEP, will produce different results for different sectors and even different MSMEs within each sector. Still further analysis will need to be carried out to determine the usefulness of the STEPFC model. It will be important to look further into the data to determine if the model in any way was able to contribute to economic development.

In conclusion, the STEPFC model shows potential in terms of developing an approach to improve the contribution of MSMEs for economic development however it is uncertain which economic factors the STEPFC model can influence. As one of the Business Support interviewees states Botswana “could have been better than Singapore”. It may be that with a little extra effort to close the gap and improve the processes which are highlighted through the research using the identified business support initiatives Botswana MSMEs could function at the same level as those in the USA. The effects this would have on the economy are unknown, however as the STEPFC elements are derived from the tiger economies, there remains the

potential that addressing these gaps may thus drive Botswana's economy out of its factor driven transition stage.

It must be noted that Castel-Branco (2003, p4) stated "there is no single institution or economic policy or organization that can address all, or most of, the economic problems, and that is more or less appropriate for any stage of development irrespectively of history, society and the dynamic relationship between linkages and agents". The STEPFC model and its subsequent analysis proves this to be true. The complex linkages between factors within the STEPFC model attempt to mirror the complex nature of society and businesses however it must be noted that it is difficult if not impossible to determine completely a model which can reflect all relationships. Even so it is possible with some confidence to recommend initiatives derived from the STEPFC model which can lift developing countries out their factor driven economies into something regarded by the international community as a STEPFC up.

Indeed, as seen previously Green (2015, p7) points to social, political and economic "complex systems", "in which the sheer number of relationships and feedback loops means that the system cannot be reduced to simple chains of cause and effect". This represents the main drawback of the STEPFC model. Although through the assessment it is clear that Society is represented in each of the STEPFC elements of Team, Environment and Productivity, it must also be assumed that each of these elements are also so deeply intertwined that it is not possible to separate or classify them as different entities. As stated by Fine (2002, p2058) "cross disciplinary" approaches are necessary to understand economic development. The STEPFC model can therefore be considered, not a STEPFC too far but perhaps as a STEPFC up or a STEPFC closer to addressing the complex nature of economic development.

Considering, that the STEPFC model is in its first evolution, Chapter 5 will have to consider what the next steps are to, if possible, further research the concept. Chapter 5 will look in detail at the implications, recommendations, and conclusions relating to the STEPFC model and the research carried out to derive it.

## CHAPTER 5: IMPLICATIONS, CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Introduction

Two quotations stand out from the literature review, that help define the reason for researching the possibilities of the STEPFC model. Firstly, Ray (1998, p8) states that “there is no evidence that very poor countries are doomed to eternal poverty”. The World Bank’s twin goals are “promoting shared prosperity (together with eradicating extreme poverty)” (World Bank, 2020, p82) suggesting that “poverty reduction policies need to have a clear demographic focus by promoting inclusive growth and helping the poor gain access to education, health, employment, and business opportunities” (p121). In fact, the Asian Development Bank (ADB) “adopted poverty reduction as its overarching goal in 1999” (Bauer et al, 2008, p24) suggesting that the “ADB needs to align its operational and knowledge support better to such pro-poor investments and capacity development activities of partner countries” that promote “employment schemes to enhance income opportunities for the poorer strata of the society”.

The second quotation from the literature review, which relates to the development concept of the STEPFC model which states that research into strategies that support businesses “are insufficient to draw any useful conclusions” (Pittaway et al, 2004, p27).

As the literature review states, small to medium enterprises account for 98% of employment in the European Union (Brien & Hamburg, 2014, p61), “96% of all businesses” and “33% of employment and 21% of turnover” (House of Commons Library, 2018, p5) in the UK, “99.8% of Korean manufacturers, 98.6% of English and Japanese manufacturers, 97.8% of German manufacturers” (Ezell & Atkinson, 2011, p14), “Account for 80% of new jobs and 82% of new technologies” in Canada (Ezell & Atkinson, 2011, p14), “are the dominant form of business

organization, representing roughly 95 – 99% of all companies” (Robu, 2013, p86) and it is recognised that “new jobs in Africa today are in microenterprises” (World Bank, (2017, p xiv).

Therefore, it is important to consider new and innovative ways to develop a model that is specifically developed to support MSME organisations in developing countries to lift them out of poverty:

To develop and verify an integrated model for improving MSME support in multiple sectors  
in Botswana.

This concept formed the basis for the research into the STEPFC model, looked into a developing economy to determine where potential improvements in business practices could be made.

With Botswana representing the developing economy, the objectives of the research therefore are:

1. To determine which economic factors/indicators relate to MSME success
2. To determine strategies for supporting MSMEs
3. To define factors that affect MSMEs in Botswana
4. To define an integrated model for improving MSME support in Botswana
5. To verify the integrated model for use by MSMEs in Botswana

The result of addressing each of these objectives was the STEPFC (Society, Teamwork, business Environment, Productivity, Finance and Capital) model.

It was expected that by comparing factors, derived from a comprehensive analysis of successful economies, it would be possible to determine support strategies to improve MSMEs in developing countries. The proof would be a detailed analysis of the results of an audit of MSMEs based in a developed and developing economy, which could then be verified by consulting actual MSMEs.

The data gathered for this analysis was derived from a mixed methodology, with MSMEs in the US and Botswana completing a quantitative online questionnaire that represented the STEPFC audit, linked to further quantitative and qualitative data collected from Botswana MSMEs and also qualitative data derived from Business Support Service organisations in Botswana. Over 9,000 data items were collected from 66 USA MSMEs, 68 Botswana MSMEs and 11 business support organisations.

The results show that the STEPFC model clearly states that it is possible to define business support strategies for MSMEs in Botswana. The data collected meets reliability criteria and the methodology meets validity requirements, the model's potential will be further clarified through chapter 5. Whether the STEPFC model has any application and what recommendations can be made to improve the research and the model will also be discussed.

## 5.2 Implications

Saunders et al (2009, p538) state that “virtually all research has its limitations” suggesting that documenting these “should not be seen as a confession of your weaknesses, but as a mature reflection on the degree to which your findings and conclusions can be said to be the ‘truth’”. This is mirrored by Chasan-Taber (2014, p246) who affirms that “the key principle in presenting limitations is transparency”. Clearly, there are a number of limitations in relation to the development and application of the STEPFC model. These limitations provide a basis for determining potential future research. As stated by Creswell (2012, p199) “these limitations are useful to other potential researchers who may choose to conduct a similar or replication study. Advancing these limitations provides a useful bridge for recommending future studies”.

Without a doubt, there are a number of research gaps generated from this research that match Robinson et al (2011, F-1) definition: “a research gap is a topic or area for which missing or inadequate information limits the ability of reviewers to reach a conclusion on a given question”.

It is possible to look at these limitations through an analysis of each of the research objectives and research questions:

1. To determine what economic factors or indicators relate to MSME success

What economic factors/indicators relate to MSME success?

2. To determine strategies for supporting MSMEs

What strategy can be used for supporting MSMEs?

3. To define factors that affect MSMEs in Botswana

What factors that affect MSMEs in Botswana?

4. To define an integrated model for improving MSME support in Botswana?

How can an integrated model for improving MSME support in Botswana be defined?

5. To verify the integrated model for use by MSMEs in Botswana

How the integrated model for use by MSMEs in Botswana be verified?

The first objective and question required the research to “explore and identify which economic factors/indicators relate to MSME success?”. The research on developed economies and in particular those that moved from a developing to a developed status, provided the basis for each element of the STEPFC model. It was through this research that issues relating to financial management, drive, and ambition through goal setting were determined, in addition to a focus on leadership and decision making. Further, research showed the importance of being part of a supply chain and the need for businesses to understand the importance of data analysis derived from production to improve productivity. The research looked at three factors: business longevity, the expansion of the business through increasing the number of employees and businesses success through the obligatory increase in revenue. The research showed that success factors are different in different countries; the USA saw improvements in revenue through improved approaches in productivity but in Botswana these created sustainability. These findings were formed into four separate factors to create the STEPFC model.

Devarajan et al (1990, p36) state that policymakers require “distinctive structural” models. Many researchers attempt to pin-point factors that contribute to economic development, such as Ireland’s “stock of human capital” (Breathnach, 1998, p307) improving “productive capacities”, “to move up the value chain” (World Bank, 2013, pXV) “better health

and nutrition” (Todaro and Smith, 2015, p386), or “economic openness” (Seguino, 2000, p4). This “functional approach” to economic development is different from the concept of the STEPFC model.

This interlinking of the four quadrants of the model, Finance and Capital, Teamwork, Environment and Productivity, to society represents a key strength of the model. The research embraced what previous research had stated. Green’s (2015, p7) observation that social, political and economic issues represent “complex systems” and that these “complex systems are replete with feedback loops” (Tsoukas and Hatch, 2001 p989) does not correspond to the traditional functional view of development. The STEPFC model was formulated specifically to reflect “systems thinking”, “thinking systematically and paying attention to the dynamic, often nonlinear or stochastic processes of interaction among resources and the environment within which the system operates” (Reisman and Oral, 2005, p165). The research therefore showed that economic factors/indicators that relate to MSME success could be defined, thus proving the hypothesis.

Interestingly, the answering of the question “What strategy can be used for supporting MSMEs?” provided an opportunity to consider ratings based on an audit approach, which linked to potential conclusions that showed a level of comparison between MSME activity in two disparate countries. The highly developed and innovation driven US economy was thus comparable to the developing economy in Botswana and the efforts of its MSMEs, both showing different approaches reflecting their differing status in terms of development. It is clear that the audit approach, which produced a rating rubric, was able to determine suitable support initiatives for MSMEs. It was also clear from the analysis of the audit data that Botswana was almost there, having procedures in place that could have been improved, and

that interventions could be identified based on these findings. Therefore, the research showed that a strategy for supporting MSMEs could be defined.

For Objectives 3 and 4 the factors within the STEPFC model were identified through three clear stages. Firstly, a wide view of differing successful economies, followed by the narrowing of the analysis to two economies, and finally a further narrowing to 44 different indicators to be used by Botswana's MSMEs. This allowed the question, "What factors affect MSMEs in Botswana?" This emphasised the need for the model to consider work ethics, financial competency and decision making thus proving that factors that specifically affect MSMEs in Botswana could be identified together with the other factors, it was then possible to answer question 4 "How can an integrated model for improving MSME support in Botswana be defined?". As the model is designed for improving MSME support, the list of factors developed needs to be analysed against their need within an organisation and their importance. Using this approach and the identified factors, it was possible to show that an integrated model for improving MSME support in Botswana could be defined.

It was clear that the final question "How can the integrated model for use by MSMEs in Botswana be verified?" could only be answered when many different sectors were analysed. Although the model can be applied and verified, it must be recognised that different sectors produce different results. In this way the STEPFC model provides a "fit to size" solution, therefore proving that an integrated model for improving MSME business support could be developed for use in Botswana.

The implications for future study of the model are established through the fifth objective, the verification of the model. The model clearly has a use in identifying areas of

support for MSMEs. As the questions are specifically tailored for Botswana to produce a broad overview of the sector, the model can form the basis for more specific research that accounts for different types of MSMEs and sectors of businesses.

### **5.3 Limitations**

The reason for the conclusion that the model provides a “fit to size” solution could relate to limitations of the research. Creswell (2012, p289) points out that “no set standards exist” for evaluating research, and Saunders et al (2009, p357) suggest “it is not a good idea to be too modest” when discussing limitations. Therefore, it is important to review the research against the existing limitation frameworks described below.

A number of limitations of the research into the STEPFC model can be identified through the application of Creswell’s (2012) understanding of why limitations exist. Firstly, as stated by Creswell (2012, p25) “sites for the study” represent limitations in both the qualitative and quantitative aspects of the research. Although choosing Botswana was ideal as it represented an opportunity to access local enterprises and business support organisations, it does represent one of the most advanced economies in Africa, even if based on mineral resources. With high levels of education, health care, and infrastructure investment, Botswana is ranked 51<sup>st</sup> in terms of economic freedom and “3<sup>rd</sup> among 47 countries in Sub-Saharan Africa” where “its overall score is above the regional and world averages” (Heritage Foundation, 2021). The USA is ranked 20<sup>th</sup> in the same list. It might have been more appropriate to choose countries which have a more distinct rating.

Secondly, Creswell (2021, p289) suggests the “self-awareness of the researcher” represents a qualitative limitation. This is clearly the case. Although Wallis and Dollery, (2001,

p253) suggested there is a need to look at solutions “within the bottom-up social capital paradigm”, with the complex interactions associated with “interconnected networks” (Seligman, 1997, p14) and the fact that “networks of civic engagement seem to be a precondition for economic development.” (Putnam, 1993, p. 175) required a more detailed analysis in the STEPFC model. The STEPFC model is undoubtedly a 3-dimensional model aiming to present distinct elements to represent different influences on economic activity using a “complex” viewpoint, but perhaps it does not go far enough. This limitation corresponds to Müller-Bloch and Kranz (2015, p14) observation, which suggests that “the approach of analysing literature reviews in terms of how they identified research gaps did not always lead to the desired results”. This they referred to as “Contradictory Evidence” where “results from the studies allow for conclusions in their own right but are contradictory when examined from a more abstract point of view” (p3). This agrees with the analysis of the STEPFC model. Although it is possible to determine business support initiatives the analysis does not go deep enough into social norms and values. Robinson et al (2011, F1), refer to this within their research gap framework as a lack of “Consistency”, “the degree to which reported effects from different studies appear to go in the same direction”. This lack of consistency can be directly related to the “self awareness of the researcher” as the need for the development of a complex system rather than a functional system which was clearly indicated during the literature review and should have been considered in more detail.

Thirdly, Saunders et al (2009, p358) highlights, limitations such as “size of sample” mirroring Creswell’s (2012, p199) “small sample sizes”, which is certainly the case with this research. The research involves 18 responses from MSMEs and 11 informal interviews from Botswana for stage 2. As stated by Schreuder et al (1999, p284) the “smallest n elements of a population” cannot be representative of the population, as is the case with this research.

Further Müller-Bloch and Kranz (2015, p3) discuss “methodological conflict” whereby “a variation of research methods is necessary to generate new insights or avoid distorted findings”. This is also the case with the STEPFC model research. The self-evaluation of the audit should have been backed up by observations of the MSME’s actual operations. The over reliance on the audit data is a weakness. This is clear, as the negative opinion of the business support interviewees does not correspond to some of the responses provided by the MSMEs themselves, particularly in relation to teamwork. This schism cannot be explained as the need for triangulated data through impartial observation of MSME practices did not take place. It may be that MSMEs are overstating their competence and business support services, which rely on income from their services to business are overstating their negativity. Although the COVID pandemic caused lockdowns and restricted movement that affected access to MSMEs, it should have been considered in the methodology.

At this stage, Chasan-Taber (2014, p246) should be noted: “remember that there is no perfect study. All studies face limitations and being humble and knowledgeable about these limitations will be more impressive to reviewers than ignoring them”.

## 5.4 Verified Results

The expectations that MSMEs in the USA perform better than those in Botswana is clearly indicated in the results. Whether it is teamwork, productivity, or dealing with suppliers and customers in the supply chain, the USA is always ahead of Botswana's need to improve. This is entirely expected, the US economy is ranked higher than Botswana's, even though Botswana is one of the best performing economies in Africa. True, Botswana has a high reliance on its mineral resources; however, what the data seems to be telling us is that the difference between how MSMEs operate there and in the US is due to its development status.

Returning to the literature review, Ireland jumped from factor driven to innovation driven certainly as a result of foreign direct investment but also because of factors including "flexibility" (O'Hearn, 2018, p37), "optimism", (ibid, p41) and "quality of life" (Murphy, 2000, p24). The analysis clearly shows Botswana's preference for flexibility; however, what is not measured is how this flexibility relates to a better quality of life or, indeed, how it interacts to improve society.

Similarly, in an opposite vein, how the data shows the need for improvement in terms of teamwork in Botswana must be related to how current practices may negatively affect society. Certainly, in terms of the Asian tigers "priorities of the group" (Varma, 2002, p348) are emphasised over those of the individual. The constraint of the research is its inability to determine whether if Botswana were to improve this aspect of the STEPFC model, it would result in gains as seen in the tiger economies.

It is the lack of data relating to insights such as these that creates a further limitation on the research results and the ability to draw a definite conclusion. On the positive side, it was possible to develop a model based on economic factors, suggesting that future research should look more deeply into the “complex systems” that make up societies. Ideally, the STEPFC model should be presented as a 3-dimensional model with multiple connections within the framework of societies.

One of the key implications of the STEPFC model can be derived from the main findings of the analysis. Although it is clear that in Botswana, business support services have an overwhelmingly negative view of MSME practices, MSMEs themselves clearly do not. The data shows that with some improvement, they feel they can be successful with better teamwork, productivity, and working relationships within the business environment. As a result, the level of improvement required must be considered in accordance with the systems approach. Although this is one recommendation, further recommendations will emerge as the study of the model and its approach is continued as part of an ongoing process of building the integrated model into a useful tool for businesses.

## **5.5 Conclusion**

This entire research was based on establishing the credibility of the model. The countries were not the main focus, but simply sources of data that could be collected for the purposes of analysis against the factors that composed the STEPFC model. If the STEPFC model is to have any value, then it would be wise to end the research with a synopsis of what the STEPFC model data would suggest for Botswana. However, it is also important to look at how MSME sector reform has taken place in other regions.

The 2008 European Union Small Business Act is part of an overall policy by the union to “place the needs of SMEs at the heart” (European Commission, 2008, p2) of its growth and job strategies. It recognised the “diversity” (European Commission, 2008, p2) of MSMEs as shown in this research to design a strategy for small business support. According to Dilger (2016, p20) the “emphasis on creating jobs and targeting SME assistance to industries deemed essential to Europe’s competitive position in world commerce was largely a reaction to the growing realization that its economic future was no longer going to be primarily decided by how well its member states competed against one another, but by how well Europe as a whole competed against the rest of the world, particularly with the United States, Japan, and China.”

The primary advantage for MSMEs of this act was the recognition that they are different from large businesses and organisations. It was recognised that MSMEs struggled to meet the legislative and regulatory frameworks that existed as these represented a one-size-fits-all for all companies, whether they were a small, two (2) person organisation or a multimillion-dollar operation. The second advantage to MSMEs was the recognition that MSMEs represented important economic sector and thus needed support for growth.

Through what it called a “break through” the European Commission created a “SME-friendlier business environment” through “the modernisation and simplification of existing EU legislation” and thus the reduction in “administrative burdens arising from EU legislation” (European Commission, 2008, p2,3). The aim was to “anchor the “Think Small First” principle in policy-making, from regulation to public service, and to promote SMEs’ growth by helping them tackle the remaining problems that hamper their development.” (European Commission, 2008, p3). The key to understanding the act lies in its “Think Small first” principal, which recognises that “SMEs bear a disproportionate regulatory and administrative burden in

comparison to larger businesses” (European Commission, 2008, p7). Simpler compliance procedures with the laws and regulations of the EU linked with commitments to promoting skills development and innovation, access to finance, and timely payments, plus creating an environment where entrepreneurship is rewarded are key elements of the reform.

A report funded by the European Union analysing the Small Business Act in Eastern European countries shows that “economic policy of the government of Georgia most closely complies with the requirements of the Small Business Act for Europe” (p6).

The “radical reforms” introduced by Georgia (p14) meant that the country:

- “Georgia moved from 112th (according to “Doing Business” report from 2006) to 8th place in 2014” according to the World Bank
- “Foreign direct investment (FDI) and economic growth, reaching 9% annually over the period from 2005 to 2008.”

Although it must be noted that “economic growth has not led to the creation of new jobs and reduction of unemployment, which remains high (over 13%)”.

The OECD (2022) report assessing the Small Business Act in the Western Balkans and Turkey noted numerous achievements including “reforms to improve the business environment through comprehensive legislative simplification programmes (p33), ongoing reforms “to reduce administrative barriers for businesses”(p38), widely used “simplified bookkeeping rules for SMEs” (p38), “supporting financial literacy development” and “initiated or adopted dedicated financial education strategies” (p51), “comprehensive framework for innovation policy, and smart specialisation is progressing across the region” (p64), “implemented cluster

development programmes and intensified their institutional support for industrial groupings by boosting financial and non-financial incentives for SMEs with cluster potential.” (p73) and “introduced e-commerce initiatives” (p73)

The analysis provided through the STEPFC model showed the need for improvement in terms of the factors related to finance and capital, teamwork, environment, and productivity. The analysis also showed the need to interlink these factors to determine what strategies are required to allow MSMEs to contribute to the economy.

In the context of legislation and regulation in Botswana, the Small Business Act of 2004 set up the Local Enterprise Authority, which helps small businesses compete for government tenders. This is similar to the approach of the 1958 Small Business Act in the United States, which was designed to “aid, counsel, assist, and protect, insofar as is possible, the interests of small-business concerns in order to preserve free competitive enterprise, to insure that a fair proportion of the total purchases and contracts or subcontracts for property and services for the government be placed with small-business enterprises” (United States Congress, 1958, p1). The Local Enterprise Authority is also responsible for changes in regulations affecting businesses, business advisory, training and mentoring, linkages between MSMEs, facilitating technology adoption and diffusion; and promoting general entrepreneurship and MSME awareness. This is similar to the Small Business Act of 1996 in South Africa, where the National Small Business Council and the Ntsika Enterprise Promotion Agency which provide guidelines and promote small businesses were established.

However, as the European Union has resolved to do, there is a need to look deeper into the MSME sector and seek mechanisms that can ensure its growth and sustainability. The STEPFC

research shows that there are gaps that need to be addressed specifically for MSMEs. As the STEPFC model shows, reforms are required to cover the following:

- Legislation and regulations for MSMEs as “small business”.
- Mechanisms including education, to improve the financial management and financial reporting of MSMEs.
- Mechanisms including legislation, to improve or speed up the process of debt recovery for MSMEs.
- Mechanisms to encourage supply chains and clusters of MSMEs to work together.
- Mechanisms to encourage work force flexibility.
- Mechanisms to allow MSMEs to take advantage of innovations and technologies more easily, such as those offered through the world wide web.

Although the STEPFC model is able to identify areas that are important for businesses and where they see a need for support, this must be translated into practice. What must be kept in mind is the nature of the “false paradigm”. Although it might be considered advantageous to implement the European Small Business Act in Botswana, as this research shows, it is more likely that success will come from developing focused legislation and regulation that reflects the realities and distinctions that are applicable to Botswana for the benefit of Botswana MSMEs. Although STEPFC should be regarded as a starting point it offers areas for discussion among business owners, lawmakers, and other ad hoc committees that can influence government. A framework based on the output of the model should allow participants and policymakers to begin the formulation of a strategy to assist small businesses in Botswana.

Therefore, rather than a functional solution to the problem, a lateral thinking approach is required, which involves solving problems creatively when viewed in the light of the STEPFC model. The integrated STEPFC model has provided a solution that interconnects how society operates and the needs of businesses, which in turn can contribute to the economy. In Botswana, the teamwork aspects linked to the flexibility in the thinking of its MSMEs can be regarded as an advantage. Strengthening financial competencies, skills in measuring business performance and productivity, and providing mechanisms to support clusters of linked businesses provide opportunities that are derived directly from the STEPFC model and analysis.

If the research into STEPFC is to be repeated or to begin again, then there are a number of recommendations that must be considered. These include the need to narrow the research to one sector so that a full sector analysis could take place. This would allow the sector to determine its specific needs and either provide more training or more support to within its own supply chain. The research has shown that different sectors have different needs, therefore, the analysis of one sector where the sampling frame within the population can be accurately determined will provide a more meaningful application of the STEPFC model and thus more targeted solutions. Further research into one factor specifically related to Botswana would also yield precise results, providing an opportunity to address specific issues related to all sectors. The development and analysis of a STEPFC integrated model should be repeated in other countries to determine the differences in how society affects business operations either negatively or positively. This would then cement the STEPFC model as one that can provide local solutions and avoid the dangers on international transfer, which was the reason for its development to begin with.

The future of the STEPFC model lies in its application, not as a functional model but as a

model that represents the complex interactions of society with the business environment. The importance of the model should be determined through the publication of this research and its presentation at conferences. Further, its ability to attract funding from donor institutions that aim for better application of their development funds to ensure the success of their projects should be a factor in determining if the STEPFC model has a future or not. Although it is recognised that further research into specific issues raised by its broad application is necessary to confirm if the STEPFC model has any influence on developing economies it can be assured that this research represents the first steps in what may be potentially a “new paradigm” in how the world models economic development. Therefore, STEPFC model does not represent an end point, instead, it represents a deeper, practical application of the concepts of Fine’s (2002, p2058) “real factors”, Green’s, (2015, p7) “complex systems”, Seligman’s (1997, p14) “modern societies” “based on “interconnected networks”, Putnam’s (1993, p. 175) “networks of civic engagement”, and Todaro’s (1989, p13) “social system”.

## **5.6 Recommendations for Application**

The STEPFC model has the potential to enhance our understanding of MSMEs and therefore represents a “substantive theory” (Saunders et al, 2009, p41). It was derived from a number of gaps established in the literature review such as Pittaway et al (2004, p27) observation that research into strategies that support businesses “are insufficient to draw any useful conclusions” and Naudé’s (2013, p3) assertion that entrepreneurship and economic development are “currently at the forefront of thought in development”. Indeed, as the literature review showed, the analysis of economic development and its subsequent policy-driven growth strategies are often criticized for their inability to “address pressing policy and analytical problems” (Kanbur, 2002, p1). Therefore, by integrating society, teamwork, environment and productivity into an audit model, it provided an opportunity to gather substantial information

and measure performance that had opportunities to influence policy development. The audit approach was influenced by Tidd et al (1997, p376) who suggested audits “often provide an indication of how a system and its components are performing”. In these terms, the STEPFC model is representative of Wallis and Dollery’s, (2001, p247) observation that “social capital theories provide analytical framework”. As Putzel (1997, p948) contends, good governance can be achieved by “analysing the political substance, content and determinants of the networks and norms established through social interaction”. It is the social aspects and the subsequent interactions with business strategies derived from the research that make the STEPFC model uniquely applicable. This is in line with the aims of the model established through the literature review that the use of models to create goals must produce objectives that are “meaningful, are attainable, and provide immediate feedback to reinforce effective practice” (Reeves, 2007, p2).

The STEPFC model is not perfect, although it does correspond to Shiffman et al’s (2004, p419) suggestion that with any model “the approach should be systematic, replicable, and reusable”. This is clear from the outcome of objective 5, which verified the model showing that different sectors have different needs. The implications of the verification through objective 5, show clearly that additional steps are required to confirm STEPFC as a model for improving MSMEs in developing countries. As the model stands it is still a prototype, a beta version, test rig for research. The model must be seen as dynamic and changeable as more and more evidence is gathered to create the required proof of concept. Considering that further research, described later in this chapter, has the potential to further refine the model, it may be possible to think of the STEPFC model as a tool that has a number of potentially useful applications.

Considering its origins in the analysis of tiger economies, Todaro and Smith (2015, p133), developed an opinion through objective 1, which “attributes underdevelopment to faulty and inappropriate advice provided by well-meaning but often uninformed, biased, and ethnocentric international expert advisers from developed-country assistance agencies and multinational donor organizations”, referred to as “the false-paradigm model”. The advantage of the STEPFC model is that it looks deeply into the local situation to “engage with their local contexts”, (UNESCO, 2016, p12) to create “informed and locally grounded approaches” (International Labour Organisation, ILO, 2011, p6). STEPFC therefore attempts to avoid “policy borrowing” (ILO, 2013, p47) of tried and tested western concepts and models that are “irrelevant” in the developing world (Todaro and Smith, 2015, p113). The model follows Green’s (2015, p7) assertion that “local knowledge and networks created by local actors matter more than imported best practice”. It also is in line with Cheng et al (2001, p97) who point out that management and organizational behaviour theories “have not adequately addressed the factor of culture”. Indeed, Smith (2001, p313) suggests that “despite globalization, cultural diversity, and keeping pace with the trend of the day, people acquire and apply tacit and explicit knowledge in their own way”. Therefore, the overriding application of the STEPFC model is to collect, local, cultural, and socially relevant information.

STEPFC provides an opportunity to gather economically relevant information and knowledge relating to the performance of MSMEs. Knowledge is now regarded as a key source of value, with Dess et al (2015, p129) pointing to “intellectual capital – and not physical and financial resources” as “a potential source of wealth”. What makes the STEPFC model stand out is its inbuilt recognition of society as a key determinant of economic development, developed through Objective 3 which defined specific factors affecting Botswana. The

STEPFC model provides an opportunity to “continue to foster an understanding of cultures, systems, and techniques that are different” (Robbins et al, 2013, p48).

The STEPFC model is essentially a knowledge enabler, a model whose purpose is to provide an opportunity to disseminate “knowledge from those who have it to those who need it” (Armstrong, 2009, p222). Those, who, need the knowledge include governments, training organisations and MSMEs themselves who through an internal audit, can determine areas for improvement. Strategies can be developed to address issues relating to teamwork, productivity, and the business environment within the context of society. The inclusion of society in the STEPFC model provides an opportunity for MSMEs and business support services to “build upon a common appreciation of a shared social and cultural context” (Roberts, 2006, p628). Through the inclusion of cultural and social issues, the STEPFC model provides an opportunity to enhance knowledge management and avoid, as stated by Johnson et al (2005, p396) “failure to adjust structures appropriately (which) can fatally undermine strategy implementation”. As Wickham (2001, p174) suggests, an audit is necessary before embarking on an initiative, therefore the STEPFC model as an audit process contributes to the theory that “developing a strategy demands that the organisation’s capabilities and competencies are audited”. As observed by Mohr and Spekman (1994, p139) “when parties engage in joint problem solving, a mutually satisfactory solution may be reached”. This means that the strategy developed through objective 2 of the audit is applicable for an integrated model. However, as pointed out by Dess et al (2015, p130) local tacit knowledge is not easy to extract and “is shared only with the consent and participation of the individual”. Therefore, the STEPFC model enables participants to “share actual experiences”, “difficulties and insights” and thus “learn from each other and build on each other’s expertise” (Wenger, 2004).

Cundill et al (2012, p17) suggest an organisation must deal with elements within its environment that are “interacting in unpredictable ways to produce high levels of uncertainty”. However, as Smit and Cronje (2004, p61) point out, these must be regarded “as a set of interrelated elements functioning as a whole”. STEPFC is made up of “interrelated elements” and therefore the data it generates can contribute to reducing the levels of uncertainty. This means that the definition of the model as defined through objective 4 provides the potential to assess, analyse and rate interrelated factors to reduce uncertainty, as stated in the literature. Indeed, the verification in objective 5 shows that different sectors are dealing with different uncertainties, have different needs, so the interrelated elements of the STEPFC model provide an opportunity to define unique solutions to specific situations.

As a knowledge enabler, STEPFC data provides a platform for strategic planning. Wickham (2001, p167) contends “planning only works if the future can be predicted with some certainty”. In fact, Klink (2017, p61) suggests companies should be continually “learning and adapting the position of the company”. This process of prediction, learning and adapting creates an opportunity for “strategies” to “emerge from within”, “not so much developed on the basis of some grand plan” (Johnson et al, 2005, p264). As stated by White (2004, p19), “strategy as a reactive adaptation to environmental circumstances”.

Considering the application of the STEPFC model as a “knowledge enabler” its use throughout all aspects of MSME operation must be considered. It is important to note that because of its audit nature, the STEPFC model provides a rating in terms of finance, teamwork, environment, and productivity, which can be used as a basis for comparison and thus improvement. Therefore, an MSME can apply the STEPFC model as follows as an Internal audit to look for areas of improvement as a self-reflection on operations and activities. They

could also use it as a tool for comparison with similar MSMEs within the same sector to identify potential improvements to improve competition, market share, and/or productivity. Indeed, they have the opportunity to use STEP for the evaluation of MSMEs within a supply chain to collectively seek areas of improvement.

Self-reflection represents an important element of business success and is a key element in the definition of the model as produced through objective 4. According to Mullins (2005, p206) the internal environment of an organisation refers to “how things are around here”. Wheelen and Hunger (2012, p138) suggest that it is the analysis of this environment that will enable a firm to identify “critical strengths and weaknesses” and thus “take advantage of opportunities while avoiding threats”. Wickham (2001, xiii) describes the “entrepreneurial way”: “recognising the potential of a situation: the opportunities it presents, how changes are made for the better and how new value can be created from it”, a concise analysis that allows for quick decision making.

MSMEs who analyse themselves against the STEPFC model in a form of self reflection. There are many advantages to using the STEPFC model:

1. MSMEs can look deeply into their financial and capital management processes and systems to determine if they are making the best use of the funds available. Creditor and debtor management should also be a focus of this self reflection to ensure cash flow is available to promote flexibility.
2. The STEPFC model provides an opportunity for MSMEs to relook at their goals and objectives to determine if a new path must be devised or if existing goals and objectives should be reinforced. As the STEPFC model reviews goal setting and monitoring it provides an ideal measuring tool for MSMEs as they reflect on their practices.

3. Problem solving and decision making are key aspects of business, particularly in the MSME environment, where competition promotes the need for fast paced flexibility. The STEPFC model audit process provides an opportunity for MSMEs to measure their decision-making processes and helps them to consider the data, and information-driven nature of making the right decisions in a timely manner. In addition, how employees within the MSMEs solve problems as a team can be measured through the STEPFC model.
4. MSMEs can measure the commitment of their work force and take steps to improve commitment by re-examining how issues such as goal and objective setting, problem solving, decision-making, and productivity are interlinked rather than looking at them as separate entities. This linking of business concepts represents a key strength of the STEPFC model.
5. How the MSME interacts with its supply chain partners is a key component of the environment aspect of the STEPFC audit. MSMEs can measure their effectiveness in terms of interaction with other key companies within their sphere of influence to look for mutually beneficial opportunities that can benefit them within the supply chain.
6. How MSMEs interact with the market and how they are able to adapt and be flexible to meet changing demand can also be measured through the STEPFC model audit. As is shown, MSMEs in developing countries such as Botswana must continually scan the market for opportunities. However, this is only plausible if cash flow is available, therefore the market must be tied in with financial management. This again represents a key reason for using the STEPFC model, which attempts to bring all these interactions together.

7. A key element in development economics is technology. The STEPFC model provides an opportunity for MSMEs to assess their use of technology and determine if new opportunities or better productivity can arise through the adoption of technologies.
8. Technology is linked to the concepts of productivity and measuring performance. MSMEs can use the STEPFC model to determine if they are effectively measuring productivity and therefore linking to the objective setting processes described above. Again, this represents the complex linkages promoted through the STEPFC model, which may not be as apparent in other audit processes, a distinct advantage of the model.

The STEPFC model embodies Klink's (2017, p61) "learning and adapting" cycle, which allows for the concept of "circling back" as stated by (Feizizadeh, 2012, p2778). It is this fast response, decision enabling approach that appeals to the small-to-medium-nature of the STEPFC model. Therefore, the very definition of the STEPFC model as produced through objective 4 as an audit tool that produces ratings for different factors enables a feedback cycle, allowing the model to be applied at different times to measure changes in MSME operations.

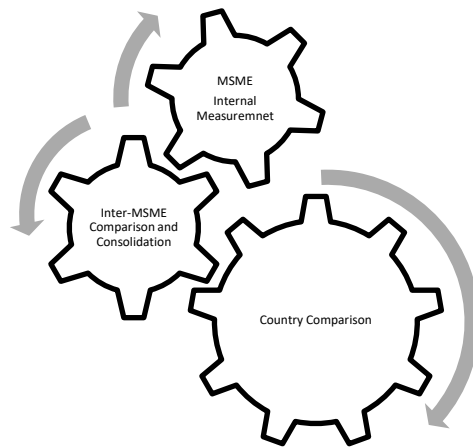
The STEPFC model, with its emphasis on the business environment and society, provides an information rich model for strategic planning not only in a local context but also in a global context.

The STEPFC model can be used by individual MSMEs and organisations to measure themselves against each of the STEPFC elements for strategic planning. They may also compare their STEPFC measurements with those of other MSMEs, for example, in terms of how they manage societal issues such as debt collection. An aggregation of STEPFC data

within a country provides an opportunity for government policy planning in terms of business law, education, and workforce development. Further comparisons can be made between countries to drive comparisons, cross-border support, partnership opportunities, and development investment opportunities. Indeed, in terms of globalisation, the application of the STEPFC model in different countries provides suitable information for those working in the foreign direct investment (FDI) field and international companies to strategize their operations “in multiple geographic locations at the same point on an industry’s value chain” (Pearce & Robinson, 1991, p211). This creates a perpetual application of the model. As policies become effective and MSME internal measurements improve, the cycle of measurement continues to extend inter-company and inter-country, as illustrated below.

**Figure 167**

***STEPFC Application***



As Ozaslan et al (2006, p1) pointed out in their literature review, globalisation has “increased the importance of local dynamics as the thrust of economic growth”. The application of the STEPFC model to compare the results of MSME performance within different countries complies with this view.

**5.6.1 Conclusion to Application**

The STEPFC model follows the quality guru, W. Edwards Deming’s advice that “if you don’t measure it, you can’t improve it”. If something can be measured, then it provides information. This information can then be compared to similar information from another source or compared to information from the same source but in a different context. It is with this information that knowledge can be created. Therefore, the STEPFC model is a knowledge enabler, providing MSMEs and companies with a deep insight into their own operations in relation to teamwork, the business environment, and productivity within the context of society. By measuring this performance, they can better strategize to meet the needs of the local market. By collating the information from different MSMEs, it is possible for business support services

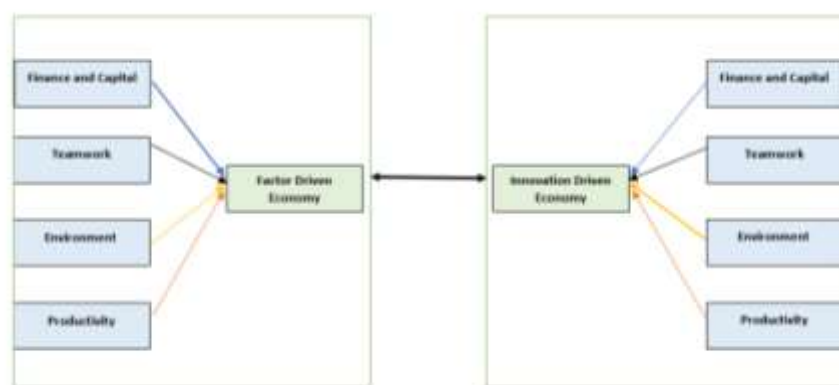
to target support, such as training, or provide opportunities for improved revenue generation. Further, by comparing the audit results between countries, there is an opportunity to seek approaches to improvement which is applicable within a local context. As “knowledge” can be associated with “wealth”, the application of the STEPFC model in its various future forms provides improvement opportunities within a societal context, which may be a source of interest for some organisations.

## 5.7 Recommendations for Future Research

Considering the amount of research available, some researchers, such as Jacobs (2013, p107) find it “difficult to believe that a knowledge void exists today” considering “the volume of research being conducted and reported”. In fact, “knowledge voids account for the largest percentage of ‘research gaps’” (Müller-Bloch & Kranz, 2015, p9). The void in the case of the STEPFC model exists due to imprecision. Robinson’s et al (2011, p15) focus on the concept of “precision”, “the degree of certainty surrounding the effect estimate” putting forward the view that “if the estimate of the effect is imprecise there is a research gap” clearly sums up the inconclusive nature of the research findings. If we were to present a model of the STEPFC research carried out, it could be depicted as shown below.

**Figure 168**

### *STEPFC Model Research*



In simple terms the research took each element of the STEPFC model (society, teamwork, environment, productivity, finance and capital) researched its application with two different and opposing economies, and presented the results. The outcome produced through objective 5, verified the model for use in Botswana.

As we have already seen in the chapter, a number of limitations exist within the research that provide an opportunity for further research. As stated by Creswell (2012, p199) “advancing these limitations provides a useful bridge for recommending future studies”. Considering Creswell’s (2012, p25) “sites for the study” limitation additional countries chosen from different World Bank classifications could be chosen to take part in the STEPFC research. In addition, taking into account Creswell’s (2012, p289) “self-awareness of the researcher” it is necessary to look at the STEPFC model from a complex systems point of view rather than as a functional model. Further considering Saunders et al (2009, p358) “size of sample” and Creswell’s (2012, p199) “small sample sizes” it would be beneficial if the same research could be carried out with more participants. Indeed, linking to “methodological conflict” (Müller-Bloch and Kranz, 2015, p3) actual observation of the MSMEs in operation would also prove to be a useful research opportunity.

Considering these points, it is recommended that further research be carried out to confirm the STEPFC model by utilizing different research frameworks. How these can be collectively elaborated into further research is described below.

### **5.7.1 Further Research considering the Findings.**

The factors within each element of the STEPFC model require further analysis. Objectives 1 and 3 produced a number of factors for finance, productivity, teamwork, the

business environment including how they are affected by society; however, more research is needed to confirm and expand the number of factors. The fact that the STEPFC model produced expected results for USA and for Botswana highlights a number of issues that need to be further researched in order to firstly confirm that the STEPFC model is actually a viable economic tool and, secondly, to ensure that it produces results which reflect not necessarily the data generated by other organisations but the actual situation on the ground concerning MSMEs.

The first area for further research must therefore be the questions and the number of questions per STEPFC economic factor produced through the analysis of the outputs from objectives 1 and 3. If a deeper meaning is to be generated from the data, a comprehensive list of questions relating to all aspects of the STEPFC model has to be generated. Therefore, the first recommendation, which affects all further recommendations listed below, is to improve the questions so that they reflect the deep nature of business operations within the MSME for each of the factors, finance and capital, teamwork, productivity and business environment. It must be further noted that each society is different, therefore one set of questions for one society may not be applicable to or comparable with another society. Although it is fair to say that aspects such as financial management can be compared across societies, cultural norms and values this may result in a different and possibly subjective analysis. Therefore, how society affects business operations should be carefully considered. Therefore, objective 3, which looks at country-specific factors could be considered a stand-alone research topic.

It is clear from the analysis that MSMEs in Botswana are attempting to implement business concepts such as goal and objective setting and productivity measuring. As stated previously, doing business in Botswana is ranked well below that in the United States, also in terms of innovation and competitiveness, and this is clearly stated by the business support

interviewees. It may be that some form of “multiplier effect” occurs for example increased production (Sloman, 1997, p480) which ultimately must be factored into the STEPFC ratings, which can reflect the business support data. It may be related to many factors, some external to the MSMEs sphere of operation, however that considering US MSMEs generate 500 times the revenue of the Botswana counterparts some form of research that includes an element which statistically proves that the STEPFC analysis of MSMEs is realistic must be considered. Therefore, the second recommendation must be to look at MSME performance and determine what factors are at play in each different society. This will require a deeper insight into objective 1 which looks at factors related to MSME success.

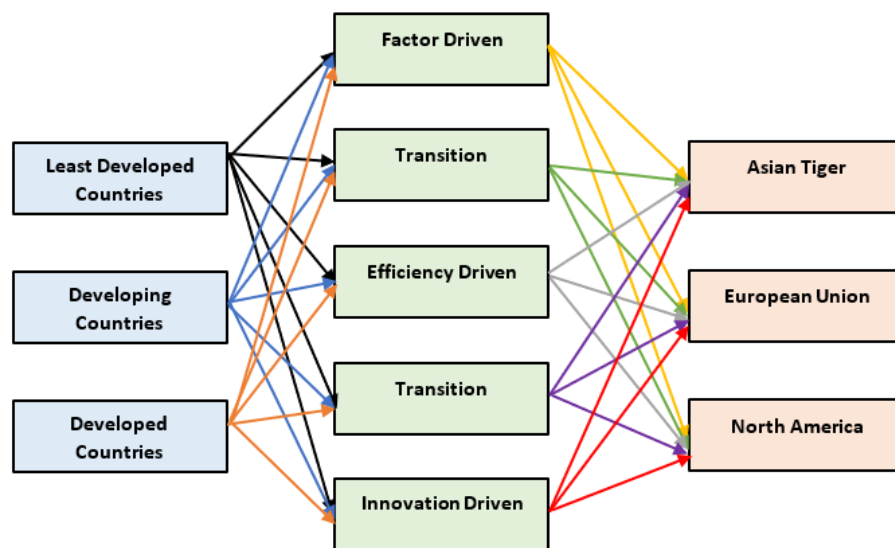
The World Bank classifications of countries as factor-driven, efficiency-driven and innovation-driven (World Bank, 2017, p9), including transition stages, provide a basis for choosing countries for participation in further research. Although Botswana is in transition from factor-driven to efficiency-driven the World Bank classifies most African countries under the factor-driven category. These include countries such as: Benin, Cameroon, Ethiopia, Gambia, Mozambique, Rwanda, Senegal, Tanzania, Uganda, Zimbabwe, and Zambia. In fact, only 4 counties are in transition between factor and efficiency-driven: Algeria, Botswana, Gabon and Nigeria. A further 6 countries are classified as efficiency driven: Egypt, Morocco, Tunisia, Cape Verde, Namibia, and South Africa. Only Mauritius is transitioning from efficiency to innovation driven. Comparisons between each of these is of course very important but it is also important to consider the Asian, European and the countries of the Americas. Indeed, the classifications of the United Nations, with particular reference to their categorisation of “least developed countries” (UNCTAD, 2021) would provide useful comparisons for the validity of the STEPFC model. The aim of the research would be to provide

an all-encompassing understanding of how the STEPFC factors are influenced by society through a broad understanding of different country categories and settings.

If a framework were to be provided for future research the following could be considered:

**Figure 169**

*Country Research Framework*



Although unintentional, the framework presented provides a view of the complexity of the development phenomenon. The diagram represents an insight into the functional characteristics of complex societies, which now in turn provides an opportunity for further research. It is therefore recommended that further research consider countries that are in different categories when applying the STEPFC model, particularly when reassessing objective 1 for general factors and more specifically, objective 3 for factors that directly affect target countries.

Further research is required to fully confirm the STEPFC findings that complex models that link different economic factors are more relevant than functional models. The model is

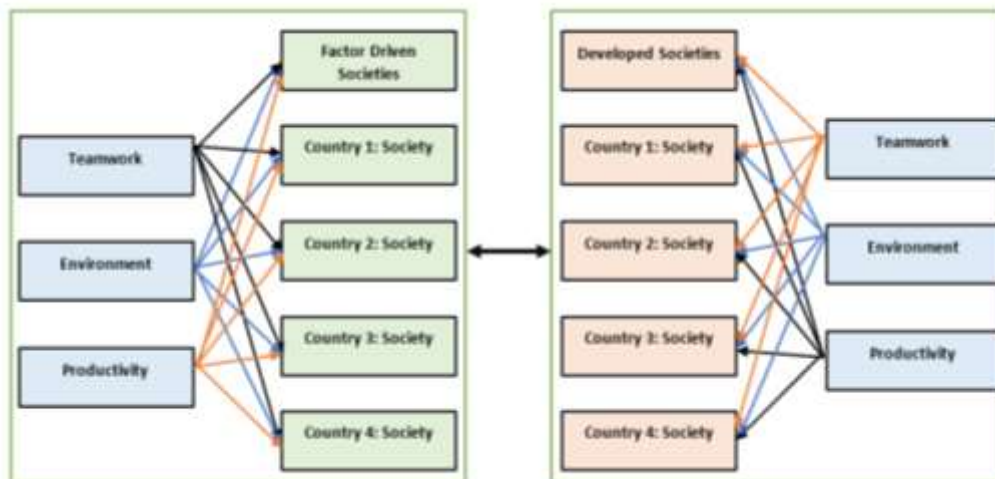
verified in Botswana though for objective 5 more research is required to confirm whether the model is actually a viable one that could be implemented and used. Although Devarajan et al (1990, p36) promote “distinctive structural and institutional” models, this research clearly shows the functional approach to development must consider the complex systems derived from the interactions of society. The aim of further research in this context would be to look for common ground within different countries within one classification and compare it to countries within another classification using the STEPFC model as a framework.

The STEPFC model provides an opportunity for further research into functional aspects of development such as productivity, teamwork, finance, etc. within the context of different societies and thus the complex linkages that make development possible. Fine (2002, p2058) regards these as the “real factors in economic and social outcomes” and that “cross disciplinary” approaches are necessary to understand economic development. Tackling this from a research perspective requires a deep understanding of a host country’s societal input into development to be able to derive the complex characteristics that arise. Even so this complex system needs to be structured in some way in order to be able to compare results from different countries. The STEPFC model provides a basis for this, which can be adapted through further research to compare societal issues. For example, further research can determine the relationships between society and finance (capital management), society and productivity, society and teamwork, society and the supply chain. These fundamentals, represented in the STEPFC model and researched in more detail, can give way to additional aspects that can enhance the model and further its use as a tool for providing insight into how society can or cannot develop. This requires a different research approach to the “sites for study” methodology, which highlights the need for research between different classifications. To thoroughly study complex interactions within society, it is necessary, through further research,

to establish what these actually are within a group of similarly defined countries before seeking comparisons with others. Therefore, a framework representing the further research required for this aspect of the model changes:

**Figure 170**

***Further Research STEPFC and Society***



It is recommended that further research use the framework shown above to further clarify the STEPFC assertion that development requires an understanding of the complex interactions between economic factors, but in this case between countries that have similar classifications. This means that the integrated model defined through objective 4 must be thoroughly researched within different contexts, in this case different country contexts.

In an unrestricted environment, gathering substantive research information on MSMEs should be a reasonable proposition. Beyond the COVID-19 pandemic, it should be possible to fully address the “size of sample”. Therefore, any recommendation relating to further research must consider sample size.

Two (2) issues must be considered within this research realm. Firstly, the “methodological conflict” as described by Müller-Bloch and Kranz (2015, p3). This will require actual observation of MSME practices to ensure triangulation between the on-line

questionnaire and what is actually happening on the ground. Secondly, the sample can be chosen to represent not a general view of MSMEs but more of a specific view based on type and economic area. The aim of this aspect of further research would be to look at how the STEPFC model evolves within specific types of MSME and within a specific sector.

Taking the classification of MSMEs adapted from Jefferis (1998, p3) shown in the table below, it is possible to formulate a research strategy to improve the “size of sample” gap.

**Table70**

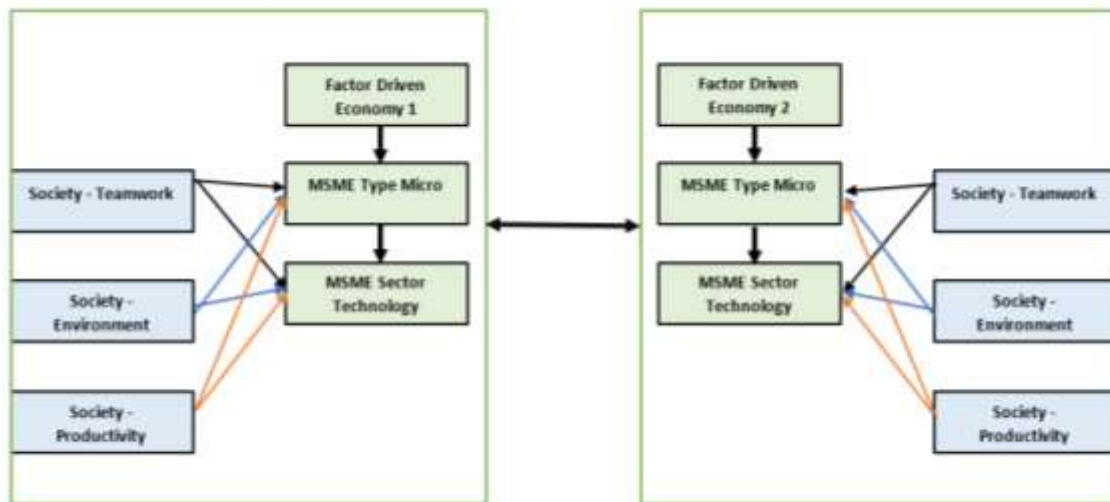
***Types of MSME***

<b>Type</b>	<b>No. of Employees</b>
Micro-Enterprises	6 but typically 1 or 2
Small Enterprises	Less than 25
Medium	25-100 employees

In other words, one type of MSME can be chosen, either micro-enterprises, small enterprises or medium enterprises and researched further. Indeed, another classification can be based on sector. Whereas the original STEPFC research covered all sectors, any future research should concentrate on a single sector. This will provide an opportunity for further research to narrow the findings to a specific type of MSME within a specific sector of the economy. The research model will therefore change to resemble the framework shown below.

**Figure 171**

***Further Research by MSME Type and Sector***



Indeed, it does not have to be between factor-driven economies as depicted in the figure, but between different classifications or different levels of classification. The aim of this further research proposal would be to look at how the STEPFC model evolves within specific types of MSME and within a specific sector.

As described above, further research can look at countries within different classifications, how STEPFC factors are related within countries and how STEPFC can be used within specific sectors or MSME types. Each of these further research recommendations relates to the entire STEPFC model. A further recommendation can be made that narrows the focus of the STEPFC model in relation to its component parts.

Considering the narrowing of the sample size to specific types of MSME and economic sectors, it may also be possible to restrict the research to a single element of the STEPFC model, e.g., society and productivity or society and finance. This narrowing of the research would enhance the understanding of “business support strategies” and provide an opportunity for

targeted, specific responses to development issues. For example, if society and the business environment were to be studied in detail, it could be possible that government initiatives would be created to target a specific gap in a supply chain and also provide training for businesses to work together within the sector. This narrowing to specifics using the STEPFC model provides a genesis factor that represents the original intention of the STEPFC model, i.e., to provide an understanding of and thus specific support for MSMEs. Therefore, the final recommendation is to narrow the focus of further research and concentrate on how one element of the STEPFC model affects others.

### **5.7.2 Further Research Summary**

The aim of any further research is to determine if the STEPFC model is applicable to different situations or environments. There are six main recommendations for further research that can be used to enhance the understanding of the STEPFC model:

1. Further research is needed to increase the number of questions related to each economic factor.
2. Further research into why the data is similar with the aim of defining a multiplier that can be used to reflect the real differences in the data.
3. The further research of the STEPFC model using countries of different classifications.
4. The further research of the STEPFC model using countries of similar classifications and comparing the complex scenarios of how each STEPFC factor influences the other.
5. The further research of the STEPFC model based on specific MSME types and sectors.
6. The further research of the STEPFC model considers only one (1) factor within societies and how it relates to other factors.

There is a view that “the theoretical process puts boundaries on what is examined or studied” (Udo-Akang, 2016, p89). However true this is, it must be read in consideration of the STEPFC model and its potential to be enhanced and improved. The further research detailed above provides the opportunity not only to confirm the STEPFC model but also to improve and develop it further.

Wacker, (1998, p365) highlights the concept of “fecundity” whereby a “theory should generate new models and hypotheses”. This is key to understanding how further research can be applied to the STEPFC model. In fact, the further research options discussed provide an opportunity to improve the external validity of the model, whereby “study results can be applied to other individuals or settings” (Eldridge et al, 2008, p1). The STEPFC model is as it states, a model that conforms to Gelso’s, (2006, p8) concept of “testability” which states that a theory “contains propositions that can be tested and disconfirmed through research”. The additional research approaches, and frameworks proposed provide an opportunity to further test the STEPFC model in a multitude of different contexts. In this way, the model could be presented at conference for other researchers to consider and possibly continue the research. What needs to be remembered is an understanding of what constitutes a theory. In 1949, Merton provided a definition of a theory as ideas that “are close enough to observed data to be incorporated in propositions that permit empirical testing” (Merton, 1949, p448). This is what the STEPFC model represents, an observed concept that is incorporated into a proposition, and which permits a wide range of empirical testing. Although not a completed model, and certainly more research is needed, the STEPFC model in its current format with the addition of further research frameworks does conform to the conclusion that Merton also made: “some further changes in emphasis would be all to the good.” (Merton, 1949, p485). The additional research detailed here provides the desired “change of emphasis”.



## **5.8 Research Summary**

Is it possible to define an integrated model for improving MSME support in Botswana and apply it to different sectors, MSMEs of different sizes, and MSMEs who do anything and everything? This is not an unreasonable question to ask. With MSMEs being an important element of developing economies and the world around us looking for answers to alleviate poverty and promote development, why not look at how the function of MSMEs can be improved to assist economies?

The study was able to confirm that it is possible to avoid “policy borrowing” and “international transfer” by closing the research gaps that exist in terms of MSMEs in Botswana and the black box of business operations to produce the integrated model. Indeed, the model potentially represents the complex and innovative systems that promote local contexts and bottom up approaches that modern economists desire.

The research covered two countries on two different continents, within two different economic classifications. The economic segment within the business environment, MSMEs, are promoted as the most likely source for new employment. To determine the composition of the economic model, a wide range of factors were explored, from capital utilisation to data management, within the context of recently developed countries. The analysis included business success factors derived from economies that have successfully emerged into “developed” status. Further, the mixed methodology involved multiple sources of data for triangulation purposes. Online questionnaires and multiple informal interviews provided both quantitative and qualitative data, which, when analysed determined whether the STEPFC model was valid or not. The conclusion and outcome of the research clarified whether it was possible to define an integrated model for improving MSME support in Botswana.

The numerous gaps in the research described in Chapter 5 mean that there are a large number of interpretations of what the data means. It must be noted that these gaps may be attributed to disparities in the methodology caused by a lack of access to MSMEs because of the COVID lockdown. However, through the verification process, the STEPFC model does have potential. It could indicate that Botswana is clearly a dynamic and fast-moving country that deserves its kudos as one of Africa's star economies. The data may suggest many outcomes, as is typical with statistical modelling. The testing of the initial STEPFC model was based on the categorisation of countries by the World Bank and the United Nations. Botswana is regarded as being in transition between factor-driven and efficiency-driven economies. It is also categorised as a developing country with a Human Development Index rating of 0.735 (UNDP, 2020, p2). Data generated from MSMEs in Botswana. The United States is a developed innovation-driven country with a high human development index of 0.926 (UNDP, 2021) and ranked 17<sup>th</sup> in the world compared to Botswana's position of 100 out of 189. The fact that both showed differing priorities indicates an important consideration when comparing countries at different development levels.

It is the results of this testing of the STEPFC model that represent the take home message from the research. The STEPFC model, which integrates social factors into finance and capital, productivity, teamwork, and business environment factors, can be applied as an audit to seek improvement in business practices. This is where the benefits of applying the STEPFC model come to the fore. It is how the STEPFC model is applied that provides a benefit for those using it as a model.

Any business management course involves the in-depth study of models associated with business. From the "continuum of manager – non manager behaviour" (Tannebaum and

Schmidt, 1973), to Porter and Lawler's "Expectancy Model" (Porter and Lawler, 1968, p165), and "the 3-D model of Managerial Effectiveness" (Reddin, 1970, p206) and into "Organisational Relationships and Compliance" (Etzioni, 1975). The number of models for every conceivable element of the business world is enormous. The world around us wants us to think in a logical manner. Whereby complex ideas are presented in simple categorised terms each with their own characteristics. Each step we take, each improvement we make, each setback overcome which takes us one step closer to our goal, can be attributed to the application of a model. This methodical, step by step, project management approach defines who we are and how we expect things to get done. We look for a strategy to achieve goals, we define waypoints towards achieving them, and we expect to move forward following a process or well-defined path.

Linked to this logical concept is the illusion that economies can focus on a small number of factors to resolve their economic woes. Traditional models of development tend to be narrowly focused on one or two miracle factors. The Lewis Model (1954) considered productivity and capital in a "dual economy". In response to criticism of this model, Fei-Ranis model (1964) included agricultural productivity as a factor. Becker's (1984) "Human Capital Investment model" emphasised the research carried out into "Education and Health" (Denison, 1962), (Solow, 1957) and (Harbison, 1973). The adoption of "technology" to improve development was promoted by Singh (2006, p2), and Gries and Naudé (2010, p25). After 50 years of development, with many countries and populations still living below the poverty line, issues relating to social capital reached the forefront of development thought (Putnam, 1993, p. 175), (Seligman, 1997, p14), (Putzel, 1997, p948). Until finally we reach a consensus on Porters (1990, p7) Competitive Advantage of Nations in terms of Globalisation and Localisation (Nederveen, 2010, p7), (Gries&Naudé, 2010, p25). Porter (1990, p7) defines the

concept of globalisation and the competitiveness of nations in terms of a nation specialising “in those industries and segments in which its firms are relatively more productive and import those services where its firms are less productive than foreign rivals” and thus “increase exports and earn foreign profits that flow back to the nation to boost national income”. Thus, bringing the concept of development back full circle to mirror the productivity and capital factors promoted by the Lewis Model. Rather than looking at two sectors within an economy, Porter looks at different countries.

This logical progression is also present in how countries are classified in terms of development. Countries are expected to progress from one development category to another by following a prescribed formula as outlined by these development models. These two concepts can be thought of as a “functional approach” to development. The World Bank’s classifications of factor-driven, efficiency-driven, and innovation-driven whereby countries “transition” between development stages (World Bank, 2017) is mirrored by the United Nations which suggests countries “graduate” (United Nations, 2010) from Least Developed Country status. The outdated and somewhat troubling “first world” and “third world” terms are replaced by “developed” and “developing” countries.

Considering that MSMEs are recognised as primary source of “new jobs in Africa today” (World Bank, 2017, pxiv) the aim of the research was to define an integrated model for improving MSME support in Botswana and thus provide an opportunity for countries to transition and graduate between classifications. To assist with the definition of business support strategies, so called tiger economies (Asian and Ireland) were investigated to determine key elements that contributed to their economic development. Factors identified could be categorised into the STEPFC model, whereby the setting of goals and targets, financial literacy,

capital management, and decision making formed the elements of Society. This was followed by elements relating to flexibility, commitment, and problem solving being brought together to form the team category. The environment included elements relating to the supply chain and how businesses work together. Finally, the production category included elements related to efficiency and data measurement for production. These elements reflected factors that were drawn from the experiences of countries that transitioned or graduated their economic status. For example, commitment to the company is a large element of Asian tiger businesses, whereas a highly skilled and flexible workforce contributed to Ireland's Celtic tiger moniker. However, the STEPFC model was a reflection of the complex approach to economic development. This was apt, as the name suggested, by measuring themselves against the elements of the STEPFC, model businesses could theoretically design support strategies to improve and thus contribute to the economic development of their country, and thus STEPFC would move up to the next category or classification.

Relooking at the research it shows that Ireland went from factor-driven to innovation-driven skipping efficiency-driven because of foreign direct investment but other factors were at play. It did not follow the rules of development. China developed rapidly with its concept of "socialism with Chinese characteristics". The economy of the United States is dominated by Wall Street, liberalisation of regulations, and "Greed is Good" philosophies, another form of "sekoloto" if you will. The Korean economy modernised through "hard work" characterised as the "Miracle on the Han River". The German economy was similarly rebuilt after WWII, creating the "Miracle on the Rhine River" through capital provided by the western allies. Economists and governments look to these developed countries for solutions to their problems. They look for a logical answer, a process to follow, a classification of where they are and where they should be in order to set their economic direction. However, the thinking that

policymakers' functional models "of their economies" (Devarajan et al, 1990, p36) has given way to Fine's (2002, p2058) observation of "real factors in economic and social outcomes" that are "cross disciplinary" to understand economic development. Thus, the STEPFC model as envisaged, with separate categories linking each element, represents modern thinking in terms of economic development.

The research into the STEPFC model proves that what is required is a model that links aspects of economic performance within society to determine local solutions to local problems. The solutions generated by STEPFC do not mirror the "false-paradigm" concept of copying foreign countries initiatives and methods, as stated by Todaro and Smith (2015, p133) but instead allow for solutions that "engage with their local contexts", (UNESCO, 2016, p12) to create "informed and locally grounded approaches" (International Labour Organisation, ILO, 2011, p6).

This is the crux of the finding, the take home message from the research. The world is not a logical place. Following a functional development path does not correspond to how society and countries actually operate. Each country has nuances that affect how it operates, how it manages capital, how its citizens work together, how much it emphasises productivity and commitment over each citizen's own personal goals, how flexible it is to change, how it seeks and exploits opportunities, how it measures what is meant by success. The intention of the STEPFC model was to provide an avenue to explore and understand these aspects and thus provide a better understanding of what is required for development. The intricacies of how society and MSMEs within that society operate cannot be modelled in the traditional step-by-step, category-by-category functional way but instead in a complex, interlinked, 3-dimensional approach that looks at how business activity effects and is affected by society. The STEPFC

model therefore supports Fine's (2002, p2058) "real factors" and Greens, (2015, p7) "complex systems", Seligman (1997, p14) "modern societies" "based on "interconnected networks", Putnam's (1993, p. 175) "networks of civic engagement" and Todaro's (1989, p13) "social system".

This research provides evidence that the traditional functional approach must be replaced by a societal approach characterised by the interconnection of business elements that affect MSMEs and thus development.

By relooking at the underlying theories that drive this study, it is possible to conclude that the STEPFC model provides an avenue to explore these new ideas and novel approaches. As stated previously, Todaro (1989, p7) suggested that development economics "is nothing more, or less, than the economics of contemporary poor, underdeveloped Third World nations", "with very complex yet similar economic problems that usually demand new ideas or novel approaches". With "international transfer" (Todaro & Smith, 2015, p556) and "policy borrowing" (Aggarwal, 2013, p47) derided as the "false paradigm" (Todaro and Smith, 2015, p133) and Wallis and Dollery's (2001, p253) observation that "solutions to the problem are perhaps best sought within the bottom-up social capital paradigm" it is possible through an analysis of the output and the intricacies that exist to define new ways of encouraging and promoting development. from the STEPFC model to devise new strategies and programmes that harness society.

**Word Count: 88,331**

## REFERENCES

- Adom, D., Hussein, E., &Agyem, J., (2018), Theoretical And Conceptual Framework: Mandatory Ingredients of a Quality Research, International Journal Of Scientific Research, (2018) Volume-7 | Issue-1
- Aggarwal A., &Gasskov V., (2013). Comparative Analysis of National Skills Development Policies: A guide for Policy Makers, Geneva: International Labour Office
- Aguilar-Saven, R. S., (2004). Business process modelling: Review and framework, International Journal of production economics, 90(2), 129-149
- Agyapong, D., (2010). Micro, small and medium enterprises' activities, income level and poverty reduction in Ghana-A synthesis of related literature. International Journal of Business and Management, 5(12), 196
- Ajilore, T., &Yinusa, O., (2011). An analysis of employment intensity of sectoral output growth in Botswana. Southern African Business Review, 15(2)
- Al Lily, A. E., & Al Lily, M. (2020). The methodology of door-knocking: Saudi household surveys on socioeconomics and learning technologies. Cogent Social Sciences, 6(1), 1774982.
- Alagaraja, M., Kotamraju, P., &Kim, S., (2014), A conceptual framework for examining HRD and NHRD linkages and outcomes Review of TVET literature, European Journal of Training and Development Vol. 38 No. 4

Albert, P., & Gaynor, L. (2000). Incubators-growing up, moving out: A review of the literature.

ARPENT: Annual review of progress in entrepreneurship, 1, 158

Almalki, S., (2016), Integrating Quantitative and Qualitative Data in Mixed Methods Research—Challenges and Benefits, Journal of Education and Learning; Vol. 5, No. 3; 2016

Andersen, K. (2020). Evil Geniuses: The Unmaking of America: A Recent History. Random House.

Ansoff H. I. (1987) Corporate Strategy, Revised Edition, Penguin

Armstrong, M., (2009), Armstrong's Handbook of Human Resource Management practice (11th edition), Kogan Page Limited.

Arvey, R. D., Rotundo, M., Johnson, W., Zhang, Z., & McGue, M. (2006). The determinants of leadership role occupancy: Genetic and personality factors. The Leadership Quarterly, 17(1), 1-20.

Atkinson, P. E., (1990). Creating culture change. IFS.

Attride-Stirling, J., (2001). Thematic networks: an analytic tool for qualitative research. Qualitative research, 1(3), 385-405

Azriel, J. A., & Laric, M. V., (2008). Cracking open the black box of the business incubation process: creating mutually beneficial relationships between incubators and entrepreneurs.

In United States Association for Small Business and Entrepreneurship. Conference Proceedings (p. 814). United States Association for Small Business and Entrepreneurship.

Bank of Botswana, (2018), Bank of Botswana, 2018 Annual Report

Barney, J. B., (2001). Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. *Journal of management*, 27(6), 643-650.

Bauer, A., Hasan, R., Magsombol, R., & Wan, G. (2008). The World Bank's new poverty data: implications for the Asian Development Bank.

Beardwell, I., & Holden, L., (1997), *Human Resource Management: A contemporary perspective*, (2<sup>nd</sup> Edition), Pitman Publishing

Becker, G.S., (1964). *Human Capital*. New York, United States: Columbia University Press

Benatar, S. R., & Singer, P. A. (2000). A new look at international research ethics. *Bmj*, 321(7264), 824-826.

Bergek, A., & Norrman, C., (2008). Incubator best practice: A framework. *Technovation*, 28(1-2), 20-28.

Berk, R. A., & Ray, S. C., (1982), Selection biases in sociological data. *Social Science Research*, 11(4), 352-398.

Bokova, I, (2014), Director-General of UNESCO, Global Summit for Education Ministers,  
“Learning from the Best of a World of Change”, 10<sup>th</sup> January 2014

Botswana Construction Industry, (2021, 10, 1), Botswana Construction Industry Report 2021:  
Demand for Housing and Public Amenities is High in Gaborone and Francistown -  
ResearchAndMarkets.com [https://www.researchandmarkets.com/reports/5463125/the-construction-industry-in-botswana-2021?utm\\_source=BW&utm\\_medium=PressRelease&utm\\_code=vv4b8l&utm\\_campaign=1616560+-+Botswana+Construction+Industry+Report+2021%3a+Demand+for+Housing+and+Public+Amenities+is+High+in+Gaborone+and+Francistown&utm\\_exec=chdo54prd](https://www.researchandmarkets.com/reports/5463125/the-construction-industry-in-botswana-2021?utm_source=BW&utm_medium=PressRelease&utm_code=vv4b8l&utm_campaign=1616560+-+Botswana+Construction+Industry+Report+2021%3a+Demand+for+Housing+and+Public+Amenities+is+High+in+Gaborone+and+Francistown&utm_exec=chdo54prd)

Boynton, M. H., Portnoy, D. B., & Johnson, B. T., (2013). Exploring the ethics and  
psychological impact of deception in psychological research. *IRB*, 35(2), 7.

Breathnach, P. (1998). Exploring the 'Celtic Tiger' phenomenon: causes and consequences of  
Ireland's economic miracle. *European Urban and Regional Studies*, 5(4), 305-316.

Bryman, A., (2006), Integrating quantitative and qualitative research: how is it done?.  
*Qualitative research*, 6(1), pp97-113

Burris, V. (1987), The political partisanship of American business: A study of corporate  
political action committees. *American Sociological Review*, 732-744.

- Byun, S. Y. (2010). Does policy matter in shadow education spending? Revisiting the effects of the high school equalization policy in South Korea. *Asia Pacific Education Review*, 11(1), 83-96.
- Cameron, R., (2011). Mixed methods research: The five Ps framework. *Electronic journal of business research methods*, 9(2), pp96-108.
- Capannelli, G. (2014). The ASEAN Economy in the Regional Context: Opportunities, Challenges, and Policy Options (No. 145). ADB Working Paper Series on Regional Economic Integration.
- Caracelli, V. J., & Greene, J. C. (1993). Data analysis strategies for mixed-method evaluation designs. *Educational evaluation and policy analysis*, 15(2), 195-207
- Carlile, P. R., & Christensen, C. M. (2004). The Cycles of Theory Building in Management Research, Boston University and Havard Business school.
- Carney, M., &Gedajlovic, E. (2000). East Asian financial systems and the transition from investment-driven to innovation-driven economic development. *International Journal of Innovation Management*, 4(03), 253-276.
- Castel-Branco, C. N. (2003, May). A critique of SME-led approaches to economic development. In Comunicaçãoapresentadana II Reunião do Task Force sobrePequenas e MédiasEmpresas da Câmara do Comércio e Indústria da ConferênciaIslâmica (<http://www.iese.ac.mz/lib/cncb/CCA-2003a-Critical-view-on-SMEs-anddevelopment.pdf>).

CEDA, (2012), 2011-2012 Annual Report, Citizen Entrepreneurial Development Agency (CEDA), Botswana

Chartered Institute of Internal Auditors (CIIA) (2015), International Professional Practice Framework, updated July 2015

Chasan-Taber, L. (2014), Writing Dissertation and Grant Proposals Epidemiology, Preventive Medicine and Biostatistics, CRC Press

Chatterjee, S., & Mahama, J. D., (2019, 08, 19), Promise Or Peril? Africa's 830 Million Young People By 2050, United Nations Development Programme, from <http://www.africa.undp.org/content/rba/en/home/blog/2017/8/12/Promise-Or-Peril-Africa-s-830-Million-Young-People-By-2050.html>

Chen, M. R., Jhabavala, & Lund, F. (2002). Supporting Workers in the Informal Economy: A Policy Framework. Employment Center, the ILO, Geneva: International Labour Office

Cheng, T. K., Sculli, D., & Shui-fun Chan, F., (2001), Relationship dominance—rethinking management theories from the perspective of methodological relationalism. *Journal of Managerial Psychology*, 16(2), 97-106.

Chetty, R., Grusky, D., Hell, M., Hendren, N., Manduca, R., & Narang, J. (2017). The fading American dream: Trends in absolute income mobility since 1940. *Science*, 356(6336), 398-406.

Chinyoka, S., V., (2015), Why Self-Employment Entrepreneurship is Worth Less to Less-Developed Countries, Botswana Journal of Business Volume 8 No. 1 (2015)

CIA, (2011, 5, 25), Central Intelligence Agency World Fact Book. Retrieved from [www.cia.gov/library/publications/the-world-factbook/geos/bc.html](http://www.cia.gov/library/publications/the-world-factbook/geos/bc.html) on May 25, 2011

Clancy, P., O'Malley, E., O'Connell, L., & Van Egeraat, C. (2001). Industry clusters in Ireland: An application of Porter's model of national competitive advantage to three sectors. *European planning studies*, 9(1), 7-28.

Clover, J. (2003). Botswana: Future prospects and the need for broad-based development.

Conceição, P., (2019), Human Development Report 2019 Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st century, UNDP

Corrado, C., Hulten, C., & Sichel, D. (2009). Intangible capital and US economic growth. *Review of income and wealth*, 55(3), 661-685.

Creswell, J. W., (1994). *Research design: Qualitative and quantitative approach*. London: Sage Publications.

Creswell, J. W., (2002), *Qualitative, Quantitative, and Mixed Methods Approaches* (2nd ed). Thousand Oaks, CA: Sage

- Creswell, J. W., (2014), *Research Design, Qualitative, Quatitative and Mixed Method Approaches*, Fourth Edition, Sage Publications
- Creswell, J.W., (2012), *Educational Research: Planning, conducting, and evaluating quantitative and qualitative research* (4<sup>th</sup> edition). Upper Saddle River, NJ: Prentice Hall
- Cundill, G., Cumming, G. S., Biggs, D., & Fabricius, C. (2012). Soft systems thinking and social learning for adaptive management. *Conservation Biology*, 26(1), 13-20.
- Dalziell, E. P., & McManus, S. T. (2004). Resilience, vulnerability, and adaptive capacity: implications for system performance, International Forum for Engineering Decision Making, Stoos, Switzerland, December 2004
- Damania, R., Fredriksson, P. G., & List, J. A. (2004). The multiplier effect of globalization. *Economics Letters*, 83(3), 285-292
- Davenport T., & Prusak L., (1998), *Working Knowledge*, HBS press
- Dekker, H. C. (2003). Value chain analysis in interfirm relationships: a field study. *Management accounting research*, 14(1), 1-23.
- Denison, E. F. (1962). United States economic growth. *The Journal of Business*, 35(2), 109-121.

- Denzin, N. K. (2017). *The research act: A theoretical introduction to sociological methods*. Routledge.
- Dess, G. G., McNamara, G., Eisner, A. B., (2015), *Strategic Management: Text and Cases*. Eighth Edition, McGraw-Hill Education.
- Devarajan, S., Lewis, J., & Robinson, S. (1990). Policy lessons from two-sector models (No. 1557-2016-132608).
- Dilger, R. J. (2016). *The European Union's small business act: a different approach*. Congressional Research Service.
- Drost, E. A. (2011). Validity and reliability in social science research. *Education Research and Perspectives*, 38(1), 105-123.
- Dulewicz, V., & Higgs, M., (2004), Assessing leadership styles and organisational context, *Journal of Managerial Psychology*, Vol. 20 No. 2, 2005, pp. 105-123
- Dwyer, T., R., (1991), *De Valera, the Man and the Myths*, Poolbeg Press Ltd.
- Easterby-Smith, M., Thorpe, R. Jackson, P. & Lowe, A. (2008) *Management Research* (3rd edn) London.
- Edelman, P. B. (2012). *Poverty in America: Why Can't We End It?*.

Eita, J. H., & Jordaan, A. C. (2010). A causality analysis between financial development and economic growth for Botswana. *African Finance Journal*, 12(1), 72-89.

Eldridge, S., Ashby, D., Bennett, C., Wakelin, M., & Feder, G. (2008). Internal and external validity of cluster randomised trials: systematic review of recent trials. *Bmj*, 336(7649), 876-880.

Ellsberg, M., & Heise, L. (2002). Bearing witness: ethics in domestic violence research. *The lancet*, 359(9317), 1599-1604.

Emanuel E., Abdoler, E., & Stunkel, L., (2006), Research ethics: How to Treat People who Participate in Research, Clinical Center Department of Bioethics, National Institutes of Health, Bethesda, MD

Etzioni, A., (1975), A Comparative Analysis of Complex Operations, Revised Edition, Free Press, a Division of Simon and Schuster Inc.

EU, (2018), Eastern Partnership Civil Society Forum, Analysis of the EU Small Business Act, European Development Fund

European Commission, (2008), Think Small First A Small Business Act for Europe, Brussels, 25.6.2008 COM(2008) 394 final

European Commission. (2003). Competence Development in SMEs. European Observatory for SMEs, European Commission.

Ezell, S. J., & Atkinson, R. D. (2011). International benchmarking of countries' policies and programs supporting SME manufacturers. *Information Technology and Innovation Foundation, September, 8*.

FASID, (2006), In Search of New Approaches to Japanese Development Assistance, Foundation for Advanced Studies on International Development (FASID)

Fbi, J. C. H., & Ranis, G. (1964). Development of the labor surplus economy: theory and policy. *Development of the labor surplus economy: theory and policy*.

Feizizadeh, A. (2012). Strengthening internal audit effectiveness. *Indian Journal of Science and Technology*, 5(5), 2777-2778.

Ferguson, L. (2004). External validity, generalizability, and knowledge utilization. *Journal of Nursing Scholarship*, 36(1), 16-22.

Fine, B. (2002). Economics imperialism and the new development economics as Kuhnian paradigm shift?. *World development*, 30(12), 2057-2070.

Gangadharan, G. R., & Swami, S. N. (2004, June). Business intelligence systems: design and implementation strategies. In 26th International Conference on Information Technology Interfaces, 2004. (pp. 139-144). IEEE.

Gardener, M., (2019, 07, 30), Statistics for Ecologists Using R and Excel - Data Collection, Exploration, Analysis and Presentation, Edition 2, Pelagic Publishing – Online Version <http://www.dataanalytics.org.uk/Publications/S4E2e%20Support/exercises/spearman.htm>

Gavin, M. (2007). Africa's restless youth. *Current History*, 106(700), 220.

Gelso, C. J. (2006). Applying theories to research. *The psychology research handbook: A guide for graduate students and research assistants*, 455.

Gilg, A. W., & Kelly, M. P. (1997). The delivery of planning policy in Great Britain: explaining the implementation gap. New evidence from a case study in rural England. *Environment and Planning C: Government and Policy*, 15(1), 19-36.

Gioia, D., & Pure, E., 1990 Multiparadigm Perspectives on Theory Building, *Ecole des Hautes Etudes Commerciales, Academy of Management Review*, 1990, Vol. 15, No. 4, 584-602.

Gollin, D. (2014). The Lewis model: A 60-year retrospective. *Journal of Economic Perspectives*, 28(3), 71-88.

Gordijn, J., Akkermans, H., & Van Vliet, H. (2000). Business modelling is not process modelling. In *Conceptual Modeling for E-Business and the Web: ER 2000 Workshops on Conceptual Modeling Approaches for E-Business and The World Wide Web and Conceptual Modeling Salt Lake City, Utah, USA, October 9–12, 2000 Proceedings 19* (pp. 40-51). Springer Berlin Heidelberg.

Gordon, R. J. (2012). Is US economic growth over? Faltering innovation confronts the six headwinds (No. w18315). National Bureau of Economic Research.

Government of Botswana (2008), April, Inauguration Address by H.E. Lieutenant General S.K.I. Khama President of the Republic of Botswana Tuesday 1st April 2008 National Assembly

Grant, C., & Osanloo, A. (2014). Understanding, selecting, and integrating a theoretical framework in dissertation research: Creating the blueprint for your “house”. *Administrative Issues Journal*, 4(2), 12-26.

Greaney, A., Sheely, A., Heffernan, C., Murphy, J., Ni Mhalolrunaigh, S., Heffernana, E., & Brown, G., (2012), Research ethics application: a guide for the novice researcher, *British Journal of Nursing*, 2012, Vol 21, No 1, 38-43

Green, D. (2015). Fit for the Future? Development trends and the role of international NGOs. Oxfam GB.

Greene, J. C., & McClintock, C., (1985), Triangulation in Evaluation, Design and Analysis Issues, *Evaluation Review*, Vol. 9 No 5, pp. 523-545

Greene, J. C., Caracelli, V. J., & Graham, W. F., (1989), Toward a conceptual framework for mixed-method evaluation designs. *Educational evaluation and policy analysis*, 11(3), 255-274.

- Gregorio, J. D., & Lee, J. W. (2002). Education and income inequality: new evidence from cross-country data. *Review of income and wealth*, 48(3), 395-416.
- Gries, T., & Naudé, W. (2010). Entrepreneurship and structural economic transformation. *Small Business Economics*, 34, 13-29.
- Grobelaar, N., & Tsotetsi, K. (2005). Africa's first welfare state: the experience of South African firms doing business in Botswana.
- Guillemin, M., & Heggen, K. (2009). Rapport and respect: Negotiating ethical relations between researcher and participant. *Medicine, Health Care and Philosophy*, 12, 291-299.
- Guth, W. D., & MacMillan, I. C. (1986). Strategy implementation versus middle management self-interest. *Strategic Management Journal*, 7(4), 313-327.
- Hackett, S. M., & Dilts, D. M. (2008). Inside the black box of business incubation: Study B—scale assessment, model refinement, and incubation outcomes. *The Journal of Technology Transfer*, 33(5), 439-471.
- Haggerty, K., D., (2004), Ethics creep: Governing social science research in the name of ethics. *Qualitative sociology*, 27(4), 391-414.
- Harbison, F., H., (1973), *Human Resources as the Wealth of Nations*, Oxford University Press
- Harris, J. R., & Todaro, M. P. (1970). Migration, unemployment and development: a two-sector analysis. *The American economic review*, 60(1), 126-142.

Harvie, C., & Lee, H. H. (2003). New regionalism in East Asia: how does it relate to the East Asian economic development model?. In *New Asian Regionalism* (pp. 40-71). Palgrave Macmillan, London.

Heritage Foundation (2021, 05, 08), 2021 Index of Economic Freedom, Botswana, <https://www.heritage.org/index/country/botswana>, accessed 8<sup>th</sup> of May 2021.

Hernan, M., A., Hernandez-Diaz, S., & Robins, J., M., (2004), A Structural Approach to Selection Bias, *Epidemiology* • Volume 15, Number 5, September 2004, pp.615-625

Heyvaert, M., Maes, B., & Onghena, P., (2011), *Methods research synthesis: definition, framework, and potential*, Springer Science+Business Media B.V. 2011

Hillbom, E. (2012). Botswana: A development-oriented gate-keeping state. *African Affairs*, 111(442), 67-89.

Hope Sr, K. R., & Edge, W. A. (1996). Growth with uneven development: urban-rural socio-economic disparities in Botswana. *Geoforum*, 27(1), 53-62.

Hosseini, H. (2012). Arthur Lewis' Dualism, the Literature of Development Economics, and the Less Developed Economies. *Rev. Eur. Stud.*, 4, 132.

House of Commons Library (2018), *Business Statistics Briefing Paper*, Number 06152, 12 December 2018

Hoynes, H. W., Page, M. E., & Stevens, A. H. (2006). Poverty in America: Trends and explanations. *Journal of Economic Perspectives*, 20(1), 47-68.

International Labour Office, (2011), Skills for Employment Policy Brief, Formulating A National Policy on Skills Development, 9<sup>th</sup> of November

International Trade Administration, (2022, 08, 26), ITA, Botswana - Country Commercial Guide, Travel and Tourism, International Trade Administration, US Department of Commerce, Washington, USA. <https://www.trade.gov/country-commercial-guides/botswana-travel-and-tourism>

Iqbal, B. A., & Rahman, M. N. (2015). Contribution of ASEAN-6 SMEs to economic growth of ASEAN. *Economics World*, 3(11-12), 258-269.

Ireland, R. D., & Hitt, M. A. (1999). Achieving and maintaining strategic competitiveness in the 21st century: The role of strategic leadership. *The Academy of Management Executive*, 13(1), 43-57.

Jack, E. P., & Raturi, A., S., (2006), Lessons learned from methodological triangulation in management research *Management Research News* Vol. 29 No. 6, pp. 345-357

Jefferis, K. (1998). BIDPA Briefing The New Policy on Small, Medium and Micro Enterprises.

- Jefferis, K., (2014), The Botswana Development Model since 1966: Evaluation of Diversification Efforts. What worked? What didn't? presented to the BIDPA-UB-FES Conference on "Are Diamonds there forever? –Prospects of a Sustainable Development Model for Botswana", 27 – 28 August 2014, Gaborone
- Jerven, M. (2013). Poor numbers: how we are misled by African development statistics and what to do about it. Cornell University Press.
- Jick, T. D. (1979). Mixing qualitative and quantitative methods: Triangulation in action. *Administrative science quarterly*, 24(4), 602-611.
- Johnson, B., R., & Onwuebuze, A., J., (2004), Mixed Methods Research: a research Paradigm Whose Time Has come, education researcher, Vol. 33, no.7, pp 14-26
- Johnson, G., Scholes, K., & Whittington, R., (2005), Exploring corporate strategy: text and cases. (7<sup>th</sup> Edition) Pearson education
- Jones, C. I. (2002). Sources of US economic growth in a world of ideas. *American economic review*, 92(1), 220-239.
- Jones, L. (2016). Explaining the failure of the ASEAN economic community: the primacy of domestic political economy. *The Pacific Review*, 29(5), 647-670.
- Jordaan, A. C., & Eita, J. H. (2009). Testing the export-led growth hypothesis for Botswana: A causality analysis. *Botswana Journal of Economics*, 6(10), 2-14.

- Jorgenson, D. W., Stiroh, K. J., Gordon, R. J., & Sichel, D. E. (2000). Raising the speed limit: US economic growth in the information age. *Brookings papers on economic activity*, 2000(1), 125-235.
- Kanbur, R. (2002). Economics, social science and development. *World Development*, 30(3), 477-486.
- Kaplan, R. S., & Norton, D. P. (2000). Having trouble with your strategy? Then map it. *Focusing Your Organization on Strategy—with the Balanced Scorecard*, 49(5), 167-176.
- Kerlinger, F. N., (1979), *Behavioral research: A conceptual approach*. New York: Holt, Rinehart and Winston
- Khan, H. (1991). Measurement and determinants of socioeconomic development: A critical conspectus. *Social Indicators Research*, 24, 153-175.
- Kimberlin, C. L., & Winterstein, A. G. (2008). Validity and reliability of measurement instruments used in research. *Am J Health Syst Pharm*, 65(23), 2276-2284
- Kitchin, R., O'Callaghan, C., & Gleeson, J. (2014). The New Ruins of Ireland? Unfinished Estates in the Post-Celtic Tiger Era. *International Journal of Urban and Regional Research*, 38(3), 1069-1080.

- Klein, N. (2013). Non-performing loans in CESEE: Determinants and impact on macroeconomic performance (No. 13-72). International Monetary Fund.
- Krueger, A. B. (2017). Where have all the workers gone? An inquiry into the decline of the US labor force participation rate. *Brookings papers on economic activity*, 2017(2), 1.
- Kubickova, D., &Soucek, J. (2013). Management of receivables in SMEs in the Czech Republic.
- Kushnir, K., Mirmulstein, M.L., &Ramalho, R.D. (2010). Micro , Small , and Medium Enterprises Around the World : How Many Are There , and What Affects the Count ?, World Bank/IFC
- Lederman, N. G., & Lederman, J. S. (2015). What is A theoretical framework? A practical answer. *Journal of Science Teacher Education*, 26(7), 593-597.
- Lee, C. H. (2002). The state and institutions in East Asian economic development: The past and the future. *The Journal of the Korean Economy*, 3(1), 1-17.
- Lee, E. (2015). ASEAN: growth in the fast lane.
- Leggette, H. R., Rutherford, T., Dunsford, D., & Costello, L. (2015). A review and evaluation of prominent theories of writing. *Journal of Applied Communications*, 99(3), 37-53.
- Lewis, W.A. (1954). 'Economic Development with Unlimited Supplies of Labour', *The Manchester School*, 28(2): 139-191

Li, H. (2015). The Chinese model of development and its implications. *World Journal of Social Science Research*, 2(2), 128.

Library of Congress, (2021), “Apple Computers, Inc.”, Business Reference Services, Science Technology and Business Division (<https://www.loc.gov/rr/business/businesshistory/April/apple.html#1> accessed 31<sup>st</sup> of July 2021)

Luft, J. (1997). Design your own rubric. *Science Scope*, 20, 25-27.

Maconick, R., (2002), Capacity-Building for Poverty Eradication Analysis of, and Lessons from, Evaluations of UN System Support to Countries' Efforts, United Nations

Magembe, Simon MB & Shunda, J. (2007). SME Finance, development and trade in Botswana: A gender perspective. *Business Management Review*, 11(1), 30-54.

Mahoney, J. T., & Pandian, J. R. (1992). The resource-based view within the conversation of strategic management. *Strategic management journal*, 13(5), 363-380.

Maravelakis, E., Bilalis, N., Antoniadis, A., Jones, K. A., & Moustakis, V. (2006). Measuring and benchmarking the innovativeness of SMEs: A three-dimensional fuzzy logic approach. *Production Planning and Control*, 17(3), 283-292.

- Marope, P. T. M., Chakroun, B., & Holmes, K. P. (2015). *Unleashing the potential: Transforming technical and vocational education and training*. UNESCO Publishing
- Matandare, M. A. (2018). Botswana Unemployment Rate Trends by Gender: Relative Analysis with Upper Middle Income Southern African Countries (2000-2016). *Dutch Journal of Finance and Management*, 2(2), 04. <https://doi.org/10.20897/djfm/3837>
- McAdam, M., Galbraith, B., McAdam, R., & Humphreys, P. (2006). Business processes and networks in university incubators: A review and research agendas. *Technology analysis & strategic management*, 18(5), 451-472.
- McDonnell, F., F., (1999), Integrated circuit label, The power of global markets, Shari Caudron, 1999, <http://www.businessfinancemag.com/article/power-globalmarkets>
- McNamee, P., (1988), *Management Accounting, Strategic Planning and Marketing*, CIMA, Heinemann
- McNamee, P., (2000) *Strategic Market Planning: A Blueprint for Success*, CBI Series in Practical Strategy, Wiley
- Melão, N., & Pidd, M. (2000). A conceptual framework for understanding business processes and business process modelling. *Information systems journal*, 10(2), 105-129.
- Mendonca, L. T., & Miller, M. (2007). Crafting a message that sticks: An interview with Chip Heath. *The McKinsey Quarterly*.

Merton, K., R., (1949), On Sociological Theories of the Middle Range, Social Theory and Social Structure New York: Simon and Schuster, The FreePress, 1949

Microsoft (2021, 05, 23), Use the Analysis ToolPak to perform complex data analysis, Correlation. - <https://support.microsoft.com/en-us/office/use-the-analysis-toolpak-to-perform-complex-data-analysis-6c67ccf0-f4a9-487c-8dec-bdb5a2cefab6?ns=excelandversion=90andsyslcid=1033anduilcid=1033andappver=zx1900andhelpid=xladdin.chm1780andui=en-usandrs=en-usandad=us>

Mirza, H., & Giroud, A. (2004). Regional integration and benefits from foreign direct investment in ASEAN economies: the case of Viet Nam.

Mohr, J., & Spekman, R., (1994). Characteristics of partnership success: partnership attributes, communication behavior, and conflict resolution techniques. Strategic management journal, 15(2), 135-152.

Mole, K. F., Hart, M., Roper, S., & Saal, D. S. (2009). Assessing the effectiveness of business support services in England: Evidence from a theory-based evaluation. International small business journal, 27(5), 557-582.

Mondada, L. (2014). Ethics in action: Anonymization as a participant's concern and a participant's practice. *Human Studies*, 37, 179-209.

Morgan, P., (2002), The Evaluation of the Work of the UN System in Capacity Building and Poverty Eradication, United Nations

Morse, J., M., Niehaus, L., Wolfe, R., & Wilkins, S., (2006), The role of the theoretical drive in maintaining validity in mixed method research, *Qualitative Research in Psychology* 2006; 3: 279\_291

Moumakwa, P. C. (2011). The Botswana Kgotla system: a mechanism for traditional conflict resolution in modern Botswana: case study of the Kanye Kgotla (Master's thesis, Universiteteti Tromsø).

Müller-Bloch, C., & Kranz, J., (2015), A Framework for Rigorously Identifying Research Gaps in Qualitative Literature Reviews, Thirty Sixth International Conference on Information Systems, Fort Worth 2015

Mullins, L., J., (2005), Management and Organizational Behavior. London: FT Pitman

Murphy, A. E. (2000). The 'Celtic Tiger', An Analysis of Ireland's Economic Growth Performance.

National Development Bank, (2017), Working together for a Better Future, Annual Report 2017, Botswana

Naudé, Wim A. (2013) : Entrepreneurship and Economic Development: Theory, Evidence and Policy, IZA Discussion Papers, No. 7507, Institute for the Study of Labor (IZA), Bonn

Nederveen Pieterse, J. P. (2010). Development theory: deconstructions/reconstructions.

Nguyen, K. T. (2013). Employment transition in a developing country: the experience of Vietnam.

Nkwe, N. (2012). Role of SMES in Botswana.

Noble, H., & Heale, R. (2019). Triangulation in research, with examples. *Evidence-based nursing*, 22(3), 67-68.

O'Hearn, D. (2018). Macroeconomic policy in the Celtic Tiger: a critical reassessment. In *The end of Irish history?*. Manchester University Press.

Oakshott, L., (2001), *Essential Quantitative Methods for Business Management and Finance*, 2<sup>nd</sup> Edition, Palgrave

OECD (2017), Botswana, in *African Economic Outlook 2017: Entrepreneurship and Industrialisation*, OECD Publishing, Paris, <https://doi.org/10.1787/aeo-2017-16-en>.

OECD (2018), *OECD Economic Surveys*, United States, June 2018

OECD| European Training Foundation| European Union| European Bank for Reconstruction and Development. (2019). *SME Policy Index: Western Balkans and Turkey 2019 Assessing the Implementation of the Small Business Act for Europe*. OECD

OECD, (2019), OCED Economic Outlook, Ireland Economic Snapshot, - Economic Survey of Ireland, Volume 2019, Issue 2 (Accessed 5<sup>th</sup> April 2020, <https://www.oecd.org/economy/ireland-economic-snapshot/>)

Office of the United States Trade Representative, (2021, 07, 31), Small and Medium Sized Enterprises (SMEs), Executive Office of the President, (<https://ustr.gov/trade-agreements/free-trade-agreements/transatlantic-trade-and-investment-partnership-t-tip/t-tip-12>)

Okurut, F. N., Olalekan, Y., & Mangadi, K. (2011). Credit rationing and SME development in Botswana: Implications for economic diversification. *Botswana Journal of Economics*, 8(12), 62-85.

Olatokun, W., & Kebonye, M. (2010). e-Commerce technology adoption by SMEs in Botswana. *International Journal of Emerging Technologies and Society*, 8(1).

Onken, M., Garrison, S., & Dotterweich, D., (1999), Research Ethics Among AACSB Faculty and Deans: Why Isn't There More Whistleblowing? *Journal of Information Ethics*; Spring 1999; 8, 1; ProQuest Central

Ostrom, E. (2010). Beyond markets and states: polycentric governance of complex economic systems. *American economic review*, 100(3), 641-672.

Outlook, A. E. (2019). Macroeconomic Performance and Prospects. Jobs, growth, and firm dynamism. Integration for Africa's economic prosperity, African Development Bank

Ozaslan, M., Dincer, B., & Ozgur, H. (2006). Regional disparities and territorial indicators in Turkey: Socio-economic development index (sedi).

Page, J. (1994). The East Asian miracle: four lessons for development policy. *NBER macroeconomics annual*, 9, 219-269.

Pearce, J. & Robinson, R. (1991), Strategic Management: Formulation, Implementation, and Control" (4th Edition), Irwin.

Pearce, J., A., (1982). Selecting among alternative grand strategies. *California Management Review*, 24(3), 23-31.

Peteraf, M. A. (1993). The cornerstones of competitive advantage: a resource-based view. *Strategic management journal*, 14(3), 179-191.

Pittaway, L., Robertson, M., Munir, K., Denyer, D., & Neely, A. (2004). Networking and innovation: a systematic review of the evidence. *International journal of management reviews*, 5(3-4), 137-168.

Porter M. E., (1990) *The Competitive Advantage of Nations*, The MacMillan Press Ltd, London

Porter, L. W., & Lawler, E. E., (1968), *Managerial Attitudes and Performance*, Richard D. Irwin Inc

Proctor, T., (2005), *Essentials of Marketing Research*, (4<sup>th</sup> Edition), Prentice Hall

Putnam, R (1996) Who killed civic America?, *Prospect*, March, pp 66–72

Putnam, R. (1993). The prosperous community: Social capital and public life. *The American prospect*, 13(Spring), Vol. 4.

Putten, A., & Vander, J., (2007), *Action Research in Education: addressing Gaps in Ethical Principles and Practices*, *Educational researcher*, Oct 2007: 36,7; Proquest Central

Putzel, J. (1997). Policy arena: accounting for the ‘dark side’ of social capital: reading Robert Putnam on democracy. *Journal of International Development: The Journal of the Development Studies Association*, 9(7), 939-949.

Pyzdek, T. (2003). *The six sigma*. Estados Unidos: McGraw-hill.

Quirk, B. (2003). Local government: the adaptive tier of governance. *DEMOS COLLECTION*, 99-111.

Ranis, G. (2004). Arthur Lewis's contribution to development thinking and policy. *The Manchester School*, 72(6), 712-723.

Ray, D. (1998). *Development economics*. Princeton University Press.

Rayport J., & Jaworski B., (2001), “Introduction to e-commerce”, McGraw Hill, Sage

Reddin, W. J., (1970), *Managerial Effectiveness*, McGraw Hill

Reeves, D. (2007), Leading to change-closing the implementation gap. *Educational Leadership*, 64(6), 85

Reisman, A., & Oral, M. (2005). Soft systems methodology: A context within a 50-year retrospective of OR/MS. *Interfaces*, 35(2), 164-178

Resnik, D.B., (2015), What is ethics in research and why is it important? National Institutes of Health, <https://www.niehs.nih.gov/research/resources/bioethics/whatis>

Rho, B. H., Park, K., & Yu, Y. M. (2001).An international comparison of the effect of manufacturing strategy-implementation gap on business performance. *International Journal of Production Economics*, 70(1), 89-97.

Riain, S. (1999). *Development and the global information society*. unpublished PhD dissertation, University of California, Berkeley

Riccò, R., &Guerci, M. (2014). Diversity challenge: An integrated process to bridge the ‘implementation gap’. *Business Horizons*, 57(2), 235-245.

Richardson, K. A. (2008). *Managing complex organizations: Complexity thinking and the science and art of management*. *Emergence: Complexity and Organization*, 10(2), 13-26.

- Risjord, M., Moloney, M., & Dunbar, S., (2001), Methodological Triangulation in Nursing Research, *Philosophy of the Social Sciences*, No. 31: pp. 40-59
- Robbins, S. P., DeCenzo, D. A., & Coulter, M., (2013), *Fundamentals of management: Essential concepts and applications*. 8<sup>th</sup> Edition, Prentice Hall.
- Roberts, J., (2006), Limits to communities of practice. *Journal of management studies*, 43(3), 623-639.
- Robinson, K. A., Saldanha, I. J., & Mckoy, N. A. (2011). Development of a framework to identify research gaps from systematic reviews. *Journal of clinical epidemiology*, 64(12), 1325-1330.
- Robu, M. (2013). The dynamic and importance of SMEs in economy. *The USV annals of economics and public administration*, 13(1 (17)), 84-89.
- Roper, S., Youtie, J., Shapira, P., & Fernández-Ribas, A. (2010). Knowledge, capabilities and manufacturing innovation: a USA–Europe comparison. *Regional Studies*, 44(3), 253-279.
- Rothwell, R. (1994). Towards the fifth-generation innovation process. *International marketing review*. P23 characteristics of 5G
- Rothwell, R., & Dodgson, M., (1991). External linkages and innovation in small and medium-sized enterprises. *Randd Management*, 21(2), 125-138.

- Roy, D.J., Black, P.M. &McPeck, B., (1991), Ethical principles in research. In Principles and Practice of Research (pp. 91-103). Springer, New York, NY
- Sadan, V., (2014), Mixed Methods Research: A New Approach, International Journal of Nursing Education; New Delhi Vol.6,Iss.1,(Jan-Jun 2014): 254-260
- Salmon, J., (2015), Using observational methods in nursing research. Nursing Standard. 29, 45, 36-41.
- Saunders, M., Lewis, P., Thornhill, A., (1997), Research Methods for Business Students, (1<sup>st</sup> Edition), Pitman
- Saunders, M., Lewis, P., Thornhill, A., (2009), Research Methods for Business Students, (5<sup>th</sup> Edition), Pitman
- Schreuder, H. T., Gregoire, T. G., &Weyer, J. P., (1999), For what applications can probability and non-probability sampling be used? USDA Forest Service, Rocky Mountain Research Station, Fort Collins, CO, U.S.A.; York University, New Haven, Connecticut, U.S.A.
- Schuh, G., Lenders, M., &Hieber, S. (2011). Lean Innovation–Introducing value systems to product development. International Journal of Innovation and Technology Management, 8(01), 41-54.
- Seguino, S. (2000). Accounting for gender in Asian economic growth. Feminist Economics, 6(3), 27-58.

Seligman, A., (1997), *The problem of trust*. Princeton: Princeton University Press

Sentsho, J., Maiketso, J. T., Sengwaketse, M., Ndzinga-Anderson, V., & Kayawe, T. (2007).

*Performance and competitiveness of small and medium sized manufacturing enterprises in Botswana*. Botswana Institute for Development Policy Analysis (BIDPA) and Citizen Entrepreneurial Development Agency (CEDA).

Shepherd, D. A., & Shanley, M. (1998). *New venture strategy: Timing, environmental uncertainty, and performance*. SAGE Publications, Incorporated.

Shiffman, R. N., Michel, G., Essaihi, A., & Thornquist, E. (2004). Bridging the guideline implementation gap: a systematic, document-centered approach to guideline implementation. *Journal of the American Medical Informatics Association*, 11(5), 418-426.

Siisiainen, M. (2003). Two concepts of social capital: Bourdieu vs. Putnam. *International Journal of Contemporary Sociology*, 40(2), 183-204.

Silver, C., (2021, 07, 31), *The Top 25 Economies in the World, Ranking the Richest Countries in the World*, Investopedia, (<https://www.investopedia.com/insights/worlds-top-economies/>)

Silverman, D., (2011), *Interpreting qualitative data: A guide to the principles of qualitative research*. London: SAGE

- Singh, L., (2006): Innovations, high-tech trade and industrial development: Theory, evidence and policy, WIDER Research Paper, No. 2006/27, ISBN 9291907952, The United Nations University World Institute for Development Economics Research (UNU-WIDER), Helsinki
- Sloman, J., (1997), World Development Indicators, Economics, Third Edition, Prentice Hall
- Smit, P. J., & Cronje, GJ de J., (2004), Management Principles, A Contemporary Edition for Africa, (3rd Edition), Juta and Co.
- Smith, A. C., & Graetz, F. (2006). Complexity theory and organizing form dualities. *Management Decision*, 44(7), 851-870.
- Smith, E. A., (2001), The role of tacit and explicit knowledge in the workplace. *Journal of knowledge Management*, 5(4), 311-321.
- Solomon, G. E., Nhete, T., & Sithole, B. M. (2018). The case for the need for personal financial literacy education in Botswana secondary schools. *SAGE Open*, 8(1), 2158244017753867.
- Solow, R. M. (1957). Technical change and the aggregate production function. *The review of Economics and Statistics*, 312-320.
- Sommers, M. (2011). Governance, security and culture: assessing Africa's youth bulge. *International Journal of Conflict and Violence (IJCIV)*, 5(2), 292-303.
- Statista, (2020, 05, 17), Botswana: Unemployment rate from 1999 to 2019, <https://www.statista.com/statistics/407807/unemployment-rate-in-botswana/>

Statistics Botswana (2016), Statistics Botswana, Census of Enterprises and Establishments  
2016 Report: Phase 1

Statistics Botswana (2018), Statistics Botswana Gross Domestic Product, First Quarter 2018

Steiner-Khamsi, G. & I. Stolpe (2004). Decentralization and recentralization reform in  
Mongolia: tracing the swing of the pendulum. *Comparative Education* 40(1): 29-53,  
*Comparative Education*, Vol. 40, No. 1,

Sutcliffe, A., & Namoune, A. (2008, February). Getting the message across: visual attention,  
aesthetic design and what users remember. In *Proceedings of the 7th ACM conference on  
Designing interactive systems* (pp. 11-20).

Takyi, E. (2015), The Challenge of Involvement and Detachment in Participant Observation,  
*The Qualitative Report* 2015 Volume 20, Number 6, How To Article 2, 864-872

Tan, H. (2009). Evaluating SME support programs in Chile using panel firm data. *World  
Bank Policy Research Working Paper*, (5082).

Tannebaum R., Schmidt W. H., (1973), How to choose a Leadership Pattern, Harvard Business  
Review, Harvard Business School Publishing Corporation

Tansey, O., (2007), Process Tracing and Elite Interviewing: A Case for Non-probability  
Sampling, *PS: Political Science and Politics*, Volume 40, No.4, October 2007

Temtime, Z. T. &Pansiri, J., (2004), Small Business Critical Success/Failure, Factors in Developing Economies: Some Evidences from Botswana American Journal of Applied Science 1 (1): 18-25, 2004

Tidd, J., Bessant, J. R., & Pavitt, K. (1997). Managing innovation: Integrating technological, market and organizational change. Wiley.

Time Magazine (2021, 07, 31), "Person of the Year – Jeffrey P. Bezos". Time. December 27, 1999. Archived from the original on April 8, 2000. (<https://web.archive.org/web/20000408032804/http://www.time.com/time/poy/bezos5.html>)

Todaro M. P., & Smith C. S., (2015), Economic Development, (12<sup>th</sup> Edition), Pearson

Todaro, M. P., & Smith, S. C. (2009). Economic Development. Harlow.

Todaro, M. P., (1989) Economic Development in the Third World, (4th Edition), Longman

Tracy, S. J. (2019). Qualitative research methods: Collecting evidence, crafting analysis, communicating impact. John Wiley and Sons.

Transparency International (2021, 04, 18), Country Data Botswana, Corruption Perceptions Index, <https://www.transparency.org/en/countries/botswana#>

Tsoukas, H., & Hatch, M. J. (2001). Complex thinking, complex practice: The case for a narrative approach to organizational complexity. *Human relations*, 54(8), 979-1013.

Udo-Akang, D., (2012), Theoretical Constructs, Concepts, and Applications, *American International Journal of Contemporary Research* Vol. 2 No. 9; September 2012, 89

UNCTAD (2021, 06, 05), United Nations conference on Trade and Development, UN List of Least Developed Countries, <https://unctad.org/topic/least-developed-countries/list>

UNDP (2020), Human Development Report 2020 The Next Frontier: Human Development and the Anthropocene Briefing note for countries on the 2020 Human Development Report

UNDP (2021, 06, 20) Human Development Reports, United States, <http://hdr.undp.org/en/countries/profiles/USA>

UNDP, (2020), Socio-Economic Impact Analysis Of Covid-19 In Botswana Analysis Brief No.1 06 May 2020

UNESCO, (2016), Recommendation concerning Technical and Vocational Education, UNESCO Publishing, Paris

UNFPA, (2016), The Demographic Profile of African Countries, Economic Commission for Africa, United Nations Population Fund

UNICEF, (2017), Generation 2030 Africa 2.0, Prioritizing investments in children to reap the demographic dividend, UNICEF, Division of Data, Research and Policy, Vol. 2, No. 2, 2015

UNICEF, (2017), The State of The World's Children 2017, United Nations

United Nations, (2010) ,Graduation from the LDC category | Department of Economic and Social Affairs". Economic Analysis and Policy Division | Dept of Economic and Social Affairs | United Nations. March 5, 2010.

United States Congress (1958), SMALL BUSINESS ACT, Public Law 85–536; Approved July 18, 1958, As Amended Through P.L. 117–188, Enacted October 10, 2022, 15 U.S.C. 631 et seq.; 72 Stat. 384 et seq.

United States International Trade Commission (2010), Small and Medium-Sized Enterprises: Overview of Participation in U.S. Exports, Investigation No. 332-508 USITC Publication 4125 January 2010

Van Leeuwen, B., & Foldvari, P. (2008). Human Capital and Economic Growth in Asia 1890–2000: A Time-series Analysis. *Asian Economic Journal*, 22(3), 225-240.

van vanKlink, H. A. (2017). *Next Strategy: How SMEs can grow into the future* (Vol. 2017). Hogeschool Rotterdam.

Vanderstraeten, J., & Matthyssens, P. (2012). Service-based differentiation strategies for business incubators: Exploring external and internal alignment. *Technovation*, 32(12), 656-670.

- Varma, R., (2002). High-tech coolies: Asian immigrants in the US science and engineering workforce. *Science as Culture*, 11(3), 337-361.
- Wacker, J. G. (1998). A definition of theory: research guidelines for different theory-building research methods in operations management. *Journal of operations management*, 16(4), 361-385
- Wallis, J., & Dollery, B. (2001). Government failure, social capital and the appropriateness of the New Zealand model for public sector reform in developing countries. *World Development*, 29(2), 245-263.
- Walmart (2021, 07, 31), Our History (<https://corporate.walmart.com/our-story/our-history>,
- Wang C.L. & Ahmed P.K., (2007) „Dynamic Capabilities: a review and research Agenda“, *International Journal of Management Reviews*, vol. 9, no. 1: 31–52.
- Wang, X., & Piesse, J. (2009). *Economic Development and Surplus Labour: A Critical Review of the Lewis Model*. Brooks World Poverty Institute, University of Manchester.
- Wenger, E. (2004). Knowledge management as a doughnut: Shaping your knowledge strategy through communities of practice. *Ivey business journal*, 68(3), 1-8.
- Wheelen, T., L., & Hunger, D., J., (2012), *Strategic Management and Business Policy: toward global sustainability*, (13th Edition), Pearson

- Whetten, D. A., (1989), What Constitutes a Theoretical Contribution?, *Academy of Management Review*, 1989, Vol. 14, No. 4, 490-495
- White, C., (2004) *Strategic Management*, Palgrave Macmillan
- Wickham, P. A., (2001), *Strategic Entrepreneurship, A decision making approach to venture creation and management*, (2<sup>nd</sup> Edition), Prentice Hall
- Wigger, B. U., & von Weizsäcker, R. K. (2001). Risk, resources, and education: Public versus private financing of higher education. *IMF Staff Papers*, 48(3), 547-560.
- Wiles, R., Crow, G., Heath, S., & Charles, V. (2006). *Anonymity and confidentiality. ESRC National Centre for research methods*. NCRM Working Paper Series 2/06. University of Southampton.
- Winship, C., & Mare, R., D., (1991), Models for Sample Selection Bias, *Annual Review Sociology*, 18:327-50
- Wolf, A., & Erdle, A., (2009), Key Aspects of the Economics of Technical and Vocational Education and Training (TVET) Lessons Learned and Gaps to be Filled, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH
- Wolf, K. & Stevens, E. (2007). The role of rubrics in advancing and assessing student learning. *The Journal of Effective Teaching* 7(1): 3-14.

World Atlas, (2020, 04, 05), The Best Countries to Live In,  
<https://www.worldatlas.com/articles/the-best-countries-to-live-in-the-world.html> accessed

World Bank (2020, 05, 17), GDP growth (annual %), Botswana,  
<https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>

World Bank (2021, 04, 27), The World Bank in Botswana, Overview, April 01, 2021,  
<https://www.worldbank.org/en/country/botswana/overview>

World Bank Group (2020, 04, 05), World Development Indicators  
<https://databank.worldbank.org/source/world-development-indicators#>

World Bank, (1993), The East Asian Miracle - Economic Growth and Public Policy, Oxford  
University Press

World Bank, (2003), Prospects for Export Diversification in Botswana - Botswana Institute for  
Development Policy Analysis, BIDPA, Gaborone, Botswana

World Bank, (2009), World Economic Forum, The Africa Competitiveness Report 2009,  
Addressing Africa's Demographic Dividend, World Bank Group

World Bank, (2011), Promoting Entrepreneurship in Botswana: Constraints to Micro Business  
Development March 2011 Financial and Private Sector Development Africa Region and  
The Botswana Institute of Development Policy Analysis (BIDPA)

World Bank, (2013), Africa Competitiveness Report 2013, the World Bank

World Bank, (2020, 05, 23), Incomes Growth in Rural Botswana Lifts Thousands out of Poverty and Decreases Inequality December 8, 2015, <https://www.worldbank.org/en/news/press-release/2015/12/08/incomes-growth-in-rural-botswana-lifts-thousands-out-of-poverty-and-decreases-inequality>

World Bank, (2017), World Economic Forum, The Africa Competitiveness Report 2017, Addressing Africa's Demographic Dividend, World Bank Group

World Bank, (2019), World Development Report, The Changing Nature Of Work, International Bank for Reconstruction and Development

World Bank, (2020), Poverty and Share Prosperity, Reversals of Fortune, International Bank for Reconstruction and Development

World Health Organisation, (2015), Least Developed Countries Health and WHO Country Presence Profile, United Nations, 20, Avenue Appia, 1211 Geneva 27, Switzerland

World Population Review (2021, 06, 20), Developed Countries List, <https://worldpopulationreview.com/country-rankings/developed-countries>

Yusoff, M. N. H. B., & Yaacob, M. R. B. (2010). The government business support services in Malaysia: The evolution and challenges in the new economic model. *International Journal of Business and Management*, 5(9), 60.

Zhang, X., Yang, J., & Wang, S. (2011). China has reached the Lewis turning point. *China Economic Review*, 22(4), 542-554.

Zimunya, F. M., & Raboloko, M. (2015). Determinants of household debt in Botswana: 1994-2012. *Journal of Economics and Public Finance*, 1(1), 14.

## APPENDICES

### Appendix A: Analysis of Business Support Interventions, External Factors and Economic Development Concepts

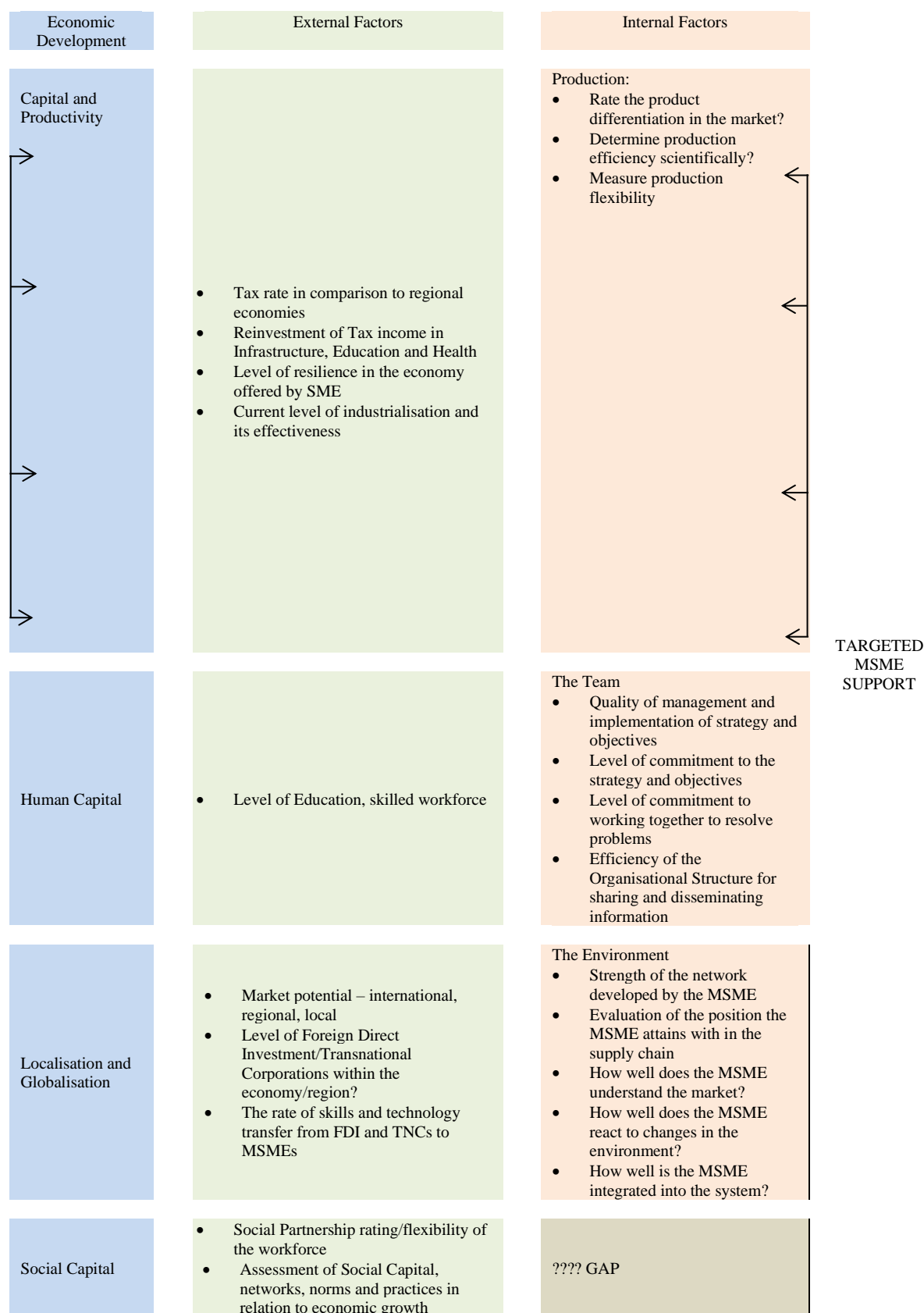
Economic Development Concepts derived from the research	External Factors associated with Tiger Economies	Tidd et al (1997, p378) Innovation Management Questions	Hackett and Dilts (2008, p463) Incubator Construct items/references	Maravelakis et al (2006, p288) Innovation attributes: Product Dimension	Rothwell (1994, p22) 5 <sup>th</sup> Generation Innovation
Capital and Productivity	<ul style="list-style-type: none"> <li>• Current level of industrialisation and its effectiveness</li> <li>• Tax rate in comparison to regional economies</li> <li>• Reinvestment of Tax income in Infrastructure, Education and Health</li> <li>• Level of resilience in the economy offered by SMEs</li> </ul>	<ul style="list-style-type: none"> <li>• “Does the organisation take a strategic approach to innovation?”</li> <li>• “Do we have a system for selecting product innovations in the face of competition alternatives?”</li> <li>• “Are there effective implementation mechanisms?”</li> <li>• “Is there a framework for monitoring and measuring how well innovative projects run?”</li> </ul>	<ul style="list-style-type: none"> <li>• “The uniqueness of the product”</li> <li>• “Whether the product has a technological edge”</li> <li>• “Whether the product has relative advantage over competitor’s products”</li> <li>• “Whether the start-up company has a strong likelihood of achieving financial break-even in a short period of time”</li> <li>• “Potential to attract investment participation from venture capitalists”</li> </ul>	<ul style="list-style-type: none"> <li>• “Best use of Technology”</li> <li>• “Value for money”</li> <li>• “Standards compliance”</li> <li>• “Original novel solution”</li> <li>• “Offers improvements”</li> <li>• “Delivers functional needs”</li> <li>• “Good aesthetic definition”</li> </ul>	<ul style="list-style-type: none"> <li>• “An explicit time based strategy: Time-Based strategy (faster, more efficient product development)”</li> <li>• “High quality initial product specification”</li> <li>• “Development focus on quality and other non-price factors”</li> <li>• “Adequate preparation: mobilising commitment and resources”</li> <li>• “Efficiency at indirect development activities”</li> <li>• “Incremental development strategy”</li> <li>• “Emphasis on</li> </ul>

Economic Development Concepts derived from the research	External Factors associated with Tiger Economies	Tidd et al (1997, p378) Innovation Management Questions	Hackett and Dilts (2008, p463) Incubator Construct items/references	Maravelakis et al (2006, p288) Innovation attributes: Product Dimension	Rothwell (1994, p22) 5 <sup>th</sup> Generation Innovation
		•	• “Whether the product demonstrates defendable competitive position”		<ul style="list-style-type: none"> <li>• corporate flexibility and responsiveness”</li> <li>• “Policy of Total Quality control”</li> <li>• “Fully developed internal databases – effective data sharing systems”</li> <li>• “Product design combining the old with the new”</li> <li>• “Design-in flexibility”</li> <li>• “Use of computers for computers for efficient intra-firm communication and data sharing “</li> <li>• “Use of expert systems, technology demonstrators, simulation modelling and fast prototyping techniques”</li> </ul>

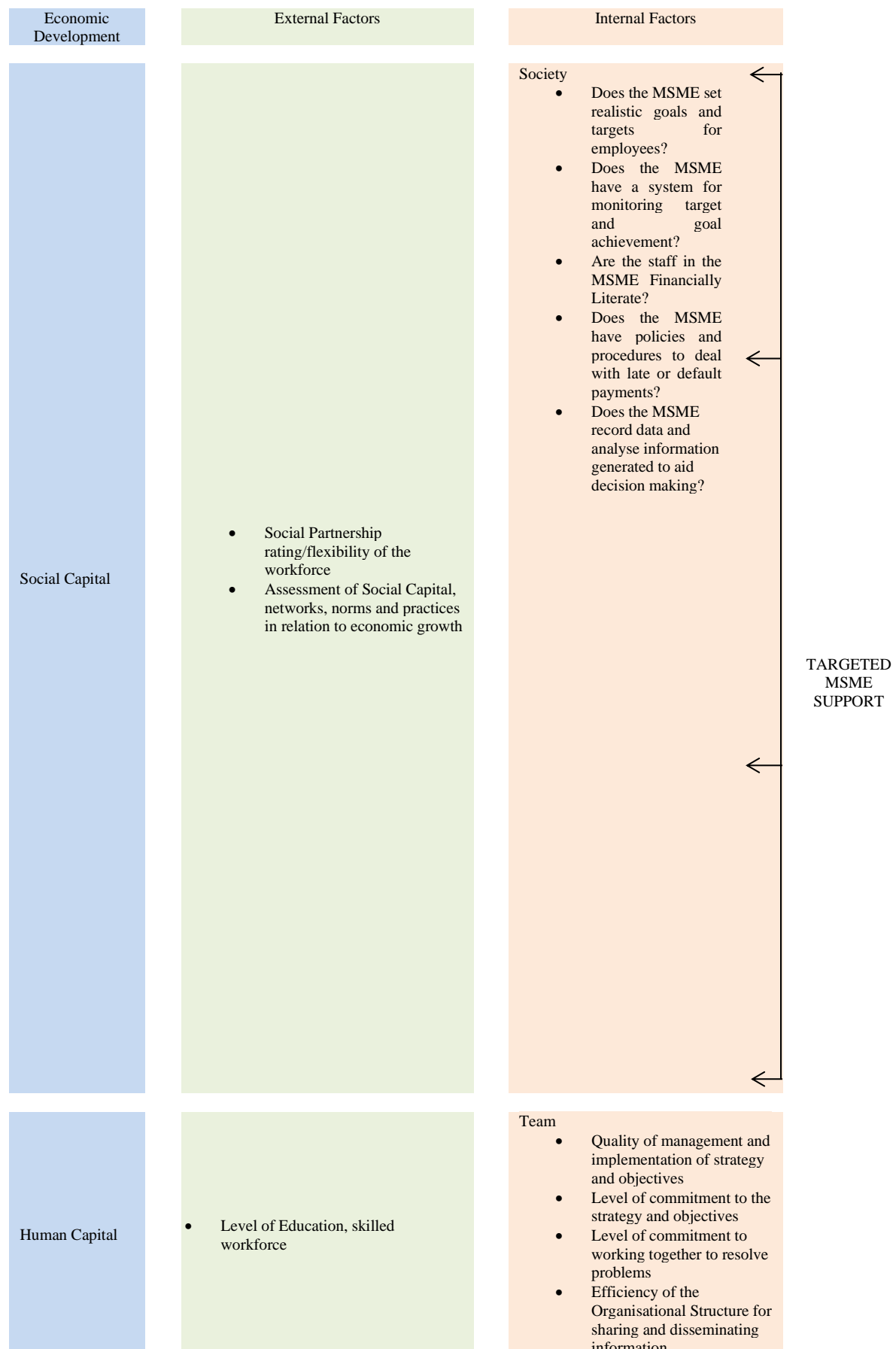
Economic Development Concepts derived from the research	External Factors associated with Tiger Economies	Tidd et al (1997, p378) Innovation Management Questions	Hackett and Dilts (2008, p463) Incubator Construct items/references	Maravelakis et al (2006, p288) Innovation attributes: Product Dimension	Rothwell (1994, p22) 5 <sup>th</sup> Generation Innovation
Human Capital	<ul style="list-style-type: none"> <li>Level of Education, skilled workforce</li> </ul>	<ul style="list-style-type: none"> <li>“Does innovation take place in a supportive organisational context? Eg. Is there top management commitment and support for innovation? Is there a clear sense of strategic vision and ownership of the business plan, Are key individuals recognised and supported in the organisation?”</li> <li>“Is this a learning organisation with regard to innovation management?”</li> </ul>	<ul style="list-style-type: none"> <li>“The technical expertise of the start-up company’s management team”</li> <li>“The prior management experience of the start-up company’s management team”</li> </ul>		<ul style="list-style-type: none"> <li>“Top Management commitment and support”</li> <li>“Commitment to across the board quality control”</li> <li>“Adopting a horizontal management style with increased decision making at lower levels- Flatter, more flexible organisational structures for rapid and effective decision making: -greater empowerment of managers at lower levels – empowered product champions/product leaders”</li> <li>“Use of integrated (cross functional teams) during development and prototyping (concurrent engineering)”</li> </ul>

Economic Development Concepts derived from the research	External Factors associated with Tiger Economies	Tidd et al (1997, p378) Innovation Management Questions	Hackett and Dilts (2008, p463) Incubator Construct items/references	Maravelakis et al (2006, p288) Innovation attributes: Product Dimension	Rothwell (1994, p22) 5 <sup>th</sup> Generation Innovation
Localisation and Globalisation	<ul style="list-style-type: none"> <li>Market potential – international, regional, local</li> <li>Level of Foreign Direct Investment/Transnational Corporations within the economy/region?</li> <li>The rate of skills and technology transfer from FDI and TNCs to MSMEs</li> </ul>	<ul style="list-style-type: none"> <li>“Do we identify and work with lead customers to innovate?”</li> <li>“Has the organisation established effective external linkages?”</li> <li>“Do we seek to develop learning in our supply chain?”</li> <li>“What potential innovative advantages (disadvantages) derive from the national (local) environment?”</li> <li>“What action is to be taken to benefit from foreign systems of innovation?”</li> <li>“Do we have clear criteria for identifying and selecting potential alliance partners?”</li> <li>“Do we have clear policies for outsourcing, licensing in and licensing out technology?”</li> <li>“Do we systematically search for new product opportunities?”</li> </ul>	<ul style="list-style-type: none"> <li>“The long-term growth potential of the market the start-up company plans to enter”</li> <li>“The size of the target market that the start-up company plans to enter”</li> <li>“The potential for the start-up company to create new markets”</li> <li>“The rareness of the product the start-up company is proposing to introduce to the market”</li> <li>“The inimitability of the product the start-up company is proposing to introduce to the market”</li> </ul>	<ul style="list-style-type: none"> <li>“Market Needs “</li> <li>“Easy appeal to target group”</li> </ul>	<ul style="list-style-type: none"> <li>“Strategic Integration with primary suppliers”</li> <li>“Strategies for horizontal technological collaboration”</li> <li>“Involving leading edge users in design and development activities - Customer focus at the forefront of strategy”</li> <li>“Assessing External know how”</li> <li>“Early supplier involved in product development”</li> <li>“Effective external data link: development with suppliers using linked CAD systems”</li> </ul>
Social Capital	<ul style="list-style-type: none"> <li>Social Partnership rating/flexibility of the workforce</li> <li>Assessment of Social Capital, networks, norms and practices in relation to economic growth</li> </ul>	<ul style="list-style-type: none"> <li>“Do we have a supportive climate for new ideas?”</li> </ul>			

## Appendix B: An economic model for linking MSMEs to business support strategies – DRAFT Version 1



## Appendix C: STEPs Schematic



Localisation and Globalisation	<ul style="list-style-type: none"> <li>• Market potential – international, regional, local</li> <li>• Level of Foreign Direct Investment/Transnational Corporations within the economy/region?</li> <li>• The rate of skills and technology transfer from FDI and TNCs to MSMEs</li> </ul>	<p>Environment</p> <ul style="list-style-type: none"> <li>• Strength of the network developed by the MSME</li> <li>• Evaluation of the position the MSME attains with in the supply chain</li> <li>• How well does the MSME understand the market?</li> <li>• How well does the MSME react to changes in the environment?</li> <li>• How well is the MSME integrated into the system?</li> </ul>
Capital and Productivity	<ul style="list-style-type: none"> <li>• Tax rate in comparison to regional economies</li> <li>• Reinvestment of Tax income in Infrastructure, Education and Health</li> <li>• Level of resilience in the economy offered by SME</li> <li>• Current level of industrialisation and its effectiveness</li> </ul>	<p>Production:</p> <ul style="list-style-type: none"> <li>• Rate the product differentiation in the market?</li> <li>• Determine production efficiency scientifically?</li> <li>• Measure Production Flexibility</li> </ul>

## Appendix D: Proposed Ethical Implementation Framework.

Participant	Information Sheet	Consent Form	Debrief	Protection of Participants	Deception Interviews and Observations	Deception Questionnaires	Confidentiality
MSMEs	✓include confidentiality clause	✓online questionnaire consent form	✓at end of questionnaire	<ul style="list-style-type: none"> <li>✓Promote trust</li> <li>✓Minimal Risk</li> <li>✓No Undue inducement</li> <li>✓No Coercion</li> </ul>	<ul style="list-style-type: none"> <li>✓avoid interview bias</li> <li>✓avoid interviewer bias using appropriate comments, tone and non-verbal behaviours</li> <li>✓do not get too close when observing</li> <li>✓avoid losing perspective</li> </ul>	<ul style="list-style-type: none"> <li>✓don't ask leading questions</li> <li>✓don't ask two questions in one</li> </ul>	<ul style="list-style-type: none"> <li>✓store conceptual data separately</li> <li>✓link data sets with special codes</li> <li>✓save interviews in separate word documents</li> <li>✓assign numbers or aliases to keep identifies confidential</li> </ul>
Business Support Services	✓include confidentiality clause	✓for interviews	✓at end of interview	<ul style="list-style-type: none"> <li>✓Data Integrity</li> <li>✓No Conflict of interest</li> </ul>	<ul style="list-style-type: none"> <li>✓avoid "observer effect"</li> <li>✓use participant as observer approach</li> </ul>	<ul style="list-style-type: none"> <li>✓don't ask hypothetical questions</li> </ul>	<ul style="list-style-type: none"> <li>✓do not share data outside the study</li> <li>✓omit off the record information</li> <li>✓avoid accidental or deliberate disclosures</li> </ul>

## **Appendix E: Research Tools**

“UU-PhD-900 Dissertation 3”

Week 2

Data Collection Tool – Online Questionnaire

NOTE THAT THIS TABLE WILL BE CONVERTED INTO AN ONLINE  
QUESTIONNAIRE

R1708D3341613

Raymond Doherty

## Online Questionnaire

### Introduction

All information gathered through this questionnaire will remain anonymous and will only be used for the purpose of this PhD research project. The aim of the questionnaire is to confirm the validity of a business support model derived from an analysis of economic development which promotes the development of Micro, Small and Medium Enterprises through understanding Society, Team Work, the business Environment and Productivity (STEP). The questionnaire takes the form of three sections. The first section collects information about your company, the second section asks you to rate statements in relation to your company and the third is a self-reflection soliciting your views on business matters. You will be required to answer all questions, however if you feel that a question requires you to provide sensitive information which you do not wish to divulge you are free to move onto the next one.

The questionnaire contains 56 questions and will take approximately 20 minutes to complete

Thank you in advance

PRE-QUESTIONNAIRE			
The following information is required by UNICAF. If you do not wish to provide this information you may skip these questions and move on to the actual Questionnaire. The information provided in this section will NOT be used for any statistical analysis of the data collected.			
		Gender (Circle One)	M      F
Position/Title		Years with Company	

Section A: Company Profile									
In this section you will be asked a series of questions which are designed to obtain information about your company. Please answer each question as well as possible based on your knowledge. If you feel that some of the information requested is confidential please move onto the next question and leave that one blank. If you feel further information could be of value to this research please include it in question 10.									
1. Company Name		2. Location		3. Date of Incorporation					
4. Sector / Main Activity		5. Number of Employees	2018		2019		2020		
6. Number of Products Manufactured		6.1. List of Products							
7. Highest Level of Education in the Company		8. Source of Capital							
9. Annual Turnover	2018		2019		2020				
10. Describe your company in a short paragraph (No more than 100 words)									
<p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p>									
Section B. Ranking Questions									
<p>Please read each question carefully and use the following scale to determine your answer:</p> <ol style="list-style-type: none"> <li>1. We don't do this at all</li> <li>2. We have thought about implementing this but have not made much progress implementing it</li> <li>3. We are aware of this and do try to implement but it is mostly informal</li> <li>4. We have formal processes in place to achieve this but they could be improved and/or monitored more closely</li> <li>5. We have very strong processes in place to achieve this which is constantly monitored</li> </ol> <p>Please Circle <u>ONE</u> answer which best represents your company's activities.</p>									
10. Does the company set realistic goals and targets for employees?	1	2	3	4	5				

11. Does the company have a system for monitoring goal and target achievement?	1	2	3	4	5
12. Does the company make staff aware of the Financial Implications of their work? E.g. cost of raw materials	1	2	3	4	5
13. Does the company have policies and procedures to deal with late or default payments from customers?	1	2	3	4	5
14. Does the company record and analyse data to aid decision making?	1	2	3	4	5
15. Does the company consider ways to establish product differentiation in the market place?	1	2	3	4	5
16. Does the company consider itself technology orientated?	1	2	3	4	5
17. Does the company measure its production rates?	1	2	3	4	5
18. Does each employee know their expected production rate?	1	2	3	4	5
19. Does the company consider production flexibility important for making different products?	1	2	3	4	5
20. Does the company set itself objectives?	1	2	3	4	5
21. Does the company implement a strategy to achieve those objectives?	1	2	3	4	5
22. Does the company have policies in place to improve the commitment of its workers?	1	2	3	4	5
23. Does the company commit itself to resolving problems through team work?	1	2	3	4	5
24. Does the company build relationships with other companies in the supply chain?	1	2	3	4	5
25. Does the company evaluate its relationships with other companies within the supply chain?	1	2	3	4	5
26. Does the company actively research the market within which it operates?	1	2	3	4	5
27. Does the company use market information to adjust its products to meet market needs?	1	2	3	4	5
28. Is the company integrated into the supply chain as a preferred supplier?	1	2	3	4	5

### Section C. Self-Evaluation

In this section you will be asked a series of questions which are designed to obtain your evaluation of critical business factors within your company. The questions have different responses so read each one carefully to ensure you give the response which reflects your views.

There are 6 sections to complete:

C-1. Productivity Evaluation

C-2. Decision Making Evaluation

C-3. Goal Setting Evaluation

C-4. Business Environment Evaluation

C-5. Information Evaluation

C-6. finance Evaluation

Please read each of the following questions carefully and Circle ONE answer where appropriate. Provide a brief summary of your views for the Written Questions.

#### C-1. Productivity Evaluation

29. How would you rate your company's productivity within the sector?	Lowest	Medium	High
30. What single measure would you take to improve productivity? (No more than 20 words)			
31. What prevents the sector achieving high levels of productivity? (No more than 20 words)			

#### C-2. Decision Making Evaluation

32. How would you describe the process of decision making in your company?	Difficult	Fair	Easy
33. How often are decisions made which are timely and accurate/correct?	Not Often	Sometimes	Often
34. Is reaching a decision a focus of meetings?	Not Really	Sometimes	Yes, very much so
35. What would make decision making easy in your company? (No more than 20 words)			

#### C-3. Goal Setting Evaluation

36. How well does each employee know their goals and objectives?	Not at All	Fairly Familiar	Totally Familiar
--	------------	-----------------	------------------

37. Are employees monitored on a regular basis in terms of the goals and objectives?	Not Regularly	Sometimes	Regularly
38. Do you think setting goals and objectives for employees improves productivity?	No	Maybe	Yes
39. Do you think setting goals and objectives for employees improves commitment?	No	Maybe	Yes
40. How do you think productivity and commitment can be improved? (No more than 20 words)			
C-4. Business Environment Evaluation			
41. Do you have meetings with your suppliers to build relationships?	Not Regularly	Sometimes	Regularly
42. Do you action feedback from your customers	Not Regularly	Sometimes	Regularly
43. Do you feel you are part of a business network?	Not Really	Sometimes	Yes, very much so
44. Do you look for new opportunities in the market?	Not Regularly	Sometimes	Regularly
45. What do you think is necessary to improve business relationships within your sector? (No more than 20 words)			
46. How important is overseas markets to your business?	Not Important	Fairly Important	Very Important
C-5. Information Evaluation			
47. Do you consider new technologies from overseas?	Not Really	Sometimes	Yes, all the time
48. Is the use of ICT to record and analyse data an important aspect of your management?	Not Really	Sometimes	Yes, all the time
49. What do you think you need to remain competitive in the market? (No more than 20 words)			
50. Does information arrive where it is suppose to be and on time?	Not Really	Sometimes	Yes, all the time
51. Would you describe the structure of the organisation as flexible?	No	Maybe	Yes
52. What would you recommend the organisation do to improve its structure? (No more than 20 words)			

C-6. Finance Evaluation			
53. How often do you pursue customers for non-payment?	Not Regularly	Sometimes	Regularly
54. Has non-payment by customers lead to a lack of cash flow in the business?	Not Regularly	Sometimes	Regularly
55. How can the financial management of the business be improved? (No more than 20 words)			
56. Add any other points you wish to make. (No more than 100 words)			

“UU-PhD-900 Dissertation 3”

Week 2

Data Collection Tool- Informal Interviews

R1708D3341613

Raymond Doherty

## Informal Interview Guide

### Introduction to Informal Interview

All information gathered through this informal interview will remain anonymous and will only be used for the purpose of this PhD research project. The aim of the informal interview is to elicit information from key organisations who support MSME business in terms of finance and training. Information relating to their approach to business support will assist to confirm the validity of a business support model derived from an analysis of economic development in terms of Society, Team Work, the business Environment and Productivity (STEP). The questionnaire takes the form of three sections. The concept of an informal interview is NOT to set boundaries on the discussion however the following themes are presented to guide the discussion/conversation in such a way as to obtain relevant information related to the area of study. Therefore all participants in the informal discussion must feel free to discuss their views and not be presented boundaries as posed by closed questions. The interviewer will take notes during the informal interview process for review at the end of the interview. Note that the interview if informal, points made by the participant which are not listed in the interview guide must be included.

Each informal interview should last no longer than 1 hour.

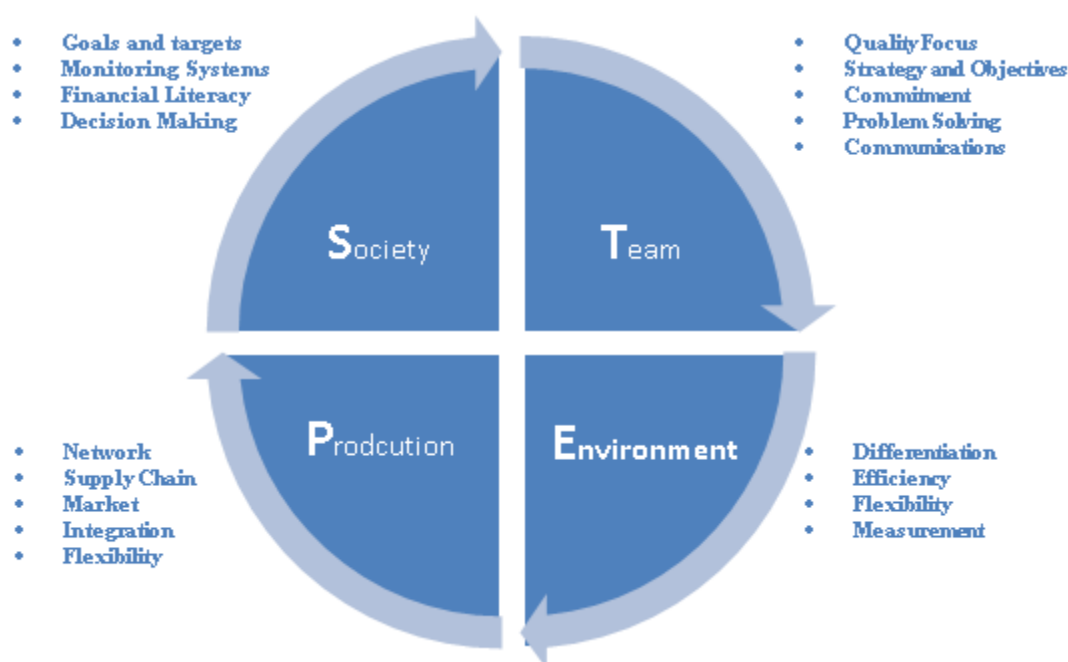
Key words which must be noted during the discussion include but are not limited by the following:

Key words:               lack of, need, importance, problematic, opportunities

Target:                 business support organisations, business advisors, entrepreneurs

## Introduction to PhD study

Provide the participant with background information relating to the research. Discuss the aim of the informal interview is to explore the business support model derived from an analysis of economic development which promotes the development of Micro, Small and Medium Enterprises through understanding Society, Team Work, the business Environment and Productivity (STEP). If possible, show the participant the STEPFC illustration and describe how each part was derived from the research.



Explain that the purpose the model is to provide a mechanism for MSMEs to self evaluate so they can better target which elements of their operations to improve. In addition funding organisations can get information rich data from applying the STEPFC model. The advantage is that it specifically matches the requirements of a business within the business environment it operates. The purpose of the informal interview is to explore these elements to ensure they match the requirements for businesses in Botswana.

## Introduction to Interview

The following personal demographic information must be obtained as a requirement of the University. It will not be used for any statistical analysis. If the participant does not want this information to be recorded move to the actual interview questions.

Gender

Title/Position in Company

Number of years with the Company

The following Company Demographic information must be collected either as part of the informal interview or through a review of relevant documentation for the enterprise.

## Demographics

1. Company Name

2. Location

3. Date of Incorporation

4. Sector / Main Activity

5. Number of Employees      2018              2019              2020

6. Number of Products Manufactured

7. List of Products

8. Highest Level of Education in the Company

9. Source of Capital

10. Annual Turnover   2018              2019              2020

11. Describe the company in a short paragraph

## Themes and Discussion Points

The following themes and discussion points should be raised during the informal interview. Note that the discussion may jump between points. This is entirely acceptable to allow the flow of the discussion. Ensure that these points are clearly indicated in the discussion notes as linked. A guide to how participants may answer is provided in blue. However as this is a open discussion it is NOT necessary to lead participants to one of the answers, instead allow the interview to flow and record their answer if the same and if different from the options available.

## 1. Capital and Productivity

The discussion on capital and productivity should cover the following themes:

- a) What is the perception of the local workforce in terms of productivity?  
(Low/Medium/High)
- b) What is the Level of commitment to developing strategy and objectives? (Good, Could be Better, Ignored)
- c) What is the Level of commitment to working together to resolve problems? (Excellent, people try their best, problems are ignored)
- d) Do you use Scientific determination of production efficiency? (Don't know what this means, Yes, No)
- e) How do you carry out Measuring production flexibility? (Open Answer)
- f) What Sources of Capital do you use? (Open Answer, seek information relating to why i.e. difficulties, paperwork required etc...)
- g) What is your view on Inexperienced entrepreneurs receiving loans? (Open Answer, find out how they started)
- h) Why do you think there are High loan impairment rates? (Open Answer, see if they also have loans which are impaired)

## 2. Human Capital

The discussion on human capital should cover the following themes:

- a) What is your Perception of the local workforce in terms of commitment, productivity, team work, goal orientation? (Open discussion, link to 1a)
- b) What is your perception of Quality of management and implementation of strategy and objectives? (Open discussion, link to 1b)
- c) Is there a Level of commitment to developing strategy and objectives? (Yes, Sometimes for some tasks, No)
- d) Is there a Level of commitment to working together to resolve problems? (Yes, Sometimes for some tasks, No) Link to 1c
- e) Do you believe there is efficiency in the Organisational Structure for sharing and disseminating information? (Discussion particularly the concepts of committees and accountabilities)

### 3. Localisation and Globalisation

The discussion on Localisation and Globalisation should cover the following themes:

- a) What are your views on the Strength of the networking in your sector? (Discussion)
- b) What are your views on the evaluation of the importance of the position an MSME attains with in the supply chain? (Discussion)
- c) What is your opinion of MSMEs understanding of the market? (Good, Indifferent, No so Good, extend the discussion to successful MSMEs)
- d) What is your opinion on MSMEs reactions to changes in the environment? (Discussion, look for issues relating to flexibility, 1e)
- e) What is your opinion of MSME integration into the supply chains? (Easy, Difficult, but qualify the answer)

#### 4. Social Capital

The discussion on social capital should cover the following themes:

- a) What is the Perception of society in terms of financial capability e.g. when paying bills, accounts etc? (Good, not so good, discussion should centre around debt, if possible, gather statistics or examples)
- b) Do you have policies and procedures in place to seek creditors for payments? (A short description is required)
- c) What is your Perception of leadership with emphasis on decision making? (A description but determine if it is a collective agreement and the time it takes)
- d) What is your perception of the Work ethic of the workforce?(Note positives and negative, link to 1a)

#### Finishing the Interview

At the end of the interview review the notes taken with the participant to ensure what has been recorded is a true reflection of the discussion.

Thank the participant. Enquire if they are aware of another person who could provide further information for the research.

## Appendix F: Gate Keeper letter



### Gatekeeper Letter

Organization: Errigal Investments

Address: 7 St. Mary's Drive, Palapye, Botswana

Date: 3<sup>rd</sup> November 2020

Subject: Business Support Information Request

Dear Sir/Madam,

I am a doctoral student at UNICAF University. As part of my research I am carrying out a study on An integrated model for improving MSME support in Botswana . As your business in involved in this sector of the economy I am writing to enquire whether you or your organisation would be interested in/willing to assist with taking part in a short interview to gather information in relation to this research.

Subject to approval by Unicaf Research Ethics Committee (UREC) this study will be using interviews, observations and online questionnaires.

The purpose of the research is to determine how investment in MSMEs can lead to an improvement in the economic outlook for a developing country. The outcome of the research will be a business support model that specifically supports skilled artisan businesses with the intention of improving their contribution to the economy.

As your organisation meets the profile of a business that can contribute to this research I am asking kindly if it is possible to discuss with you or your colleagues aspects of your business and the business environment in general which can contribute to the findings. You can contact me on +26772692323 or through email using dohertysbar@gmail.com to arrange a date and time when I can visit you to discuss this further and make a suitable plan.

Thank you in advance for your time and for your consideration of this project. Kindly please let me know if you require any further information or need any further clarifications.

Yours Sincerely,

Raymond Doherty

Student Name: Raymond Doherty

Position: Doctoral Student

Address: Pota Post 11291 Palapye

Supervisor's title and name:

Position:

Address:

Dr. Shilpa Jain

Supervisor

P.O.Box 42572, 6500  
Larnaca, Cyprus

Telephone  
Number: +267 72692323

Telephone  
Number: + 357 24747500

E-mail: dohertysbar@gmail.com

E-mail: drshilpajain1111@gmail.com

## **Appendix G. Informed Consent Form**

## Appendix H: Data Coding Strategy

### Demographics

Demographics	Variable	Type	Values	Measurement Scale (fixed distance between variables), Ordinal (Rank), Nominal	Label (more detail)
D1.	Company Name	Text	N/A		Name of the Company
D2.	Position	Text	N/A		Position within the organisation
D3.	Gender	Numeric	1 = Male, 2 = Female	Nominal	
D4.	Years with Company	Numeric			Number of years employed by the company or number of years owing the company
D5.	Location	Text			Where the business is located
D5.	Date of Incorporation	Date, Year			Date the organisation was officially incorporated
D6.	Years Active	Numerical			Calculation based on Date of Incorporation and current year
D7.	Sector/Main Activity	Text			The sector the company operates within and/or its main business activity
D8.	Number of Employees	Numerical			The number of employees from 2018 to 2020.
	Employee Growth	Numerical			Based on Number of Employees over 2018, 2019 and 2020
	MSME	Text	Calculation: Small enterprise, micro, medium, large		Based on number of employees classification from Botswana
D10.	Highest Level of Education	Number	1. Phd 2. Masters 3. Degree 4. Diploma 5. Certificate 0. Other	Ordinal	The highest level of education within the organisation.

D11.	Source of Capital	Number	1. Retained Profit 2. Loans (including bank) 3. Overdrafts 4. Government Grants 5. Government Sponsored Loans 6. Private Investors 7. Personal Capital 0 Other	Nominal	The source of capital for the organisation
D12.	Annual Turnover	Number			Details of the annual turnover for each of the years 2018, 2019, 2020
	Revenue Growth	Percentage			Based on Annual Turnover over 2018, 2019 and 2020
D13.	Local or Foreign	Number	1. Local 2. Foreign	Nominal	Whether the company is a company set up and run locally within the country or whether it is a foreign owned business
D14.	Description	Text			Description of the company in a short paragraph (No more than 100 words)

## Survey

Each of the survey questions are surveyed as follows:

1. We don't do this at all
2. We have thought about implementing this but have not made much progress implementing it
3. We are aware of this and do try to implement but it is mostly informal
4. We have formal processes in place to achieve this but they could be improved and/or monitored more closely
5. We have very strong processes in place to achieve this which is constantly monitored

Survey	Variable	Type	Values	Measurement Scale (fixed distance between variables), Ordinal (Rank), Nominal	Category
S10.	Does the company set realistic goals and targets for employees?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Society, Teamwork, Productivity

Survey	Variable	Type	Values	Measurement Scale (fixed distance between variables), Ordinal (Rank), Nominal	Category
S11.	Does the company have a system for monitoring goal and target achievement?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Society, Teamwork, Productivity
S12.	Does the company make staff aware of the Financial Implications of their work? E.g. cost of raw materials	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Society, Productivity
S13.	Does the company have policies and procedures to deal with late or default payments from customers?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Society
S14.	Does the company record and analyse data to aid decision making?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Society, Teamwork
S15.	Does the company consider ways to establish product differentiation in the market place?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Environment

Survey	Variable	Type	Values	Measurement Scale (fixed distance between variables), Ordinal (Rank), Nominal	Category
S16.	Does the company consider itself technology orientated?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Environment
S17.	Does the company measure its production rates?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Productivity
S18.	Does each employee know their expected production rate?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Teamwork, Productivity
S19.	Does the company consider production flexibility important for making different products?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Productivity
S20.	Does the company set itself objectives?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Society, Teamwork, Productivity

Survey	Variable	Type	Values	Measurement Scale (fixed distance between variables), Ordinal (Rank), Nominal	Category
S21.	Does the company implement a strategy to achieve those objectives?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Society, Teamwork, Productivity
S22.	Does the company have policies in place to improve the commitment of its workers?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Teamwork
S23.	Does the company commit itself to resolving problems through team work?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Teamwork
S24.	Does the company build relationships with other companies in the supply chain?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Environment
S25.	Does the company evaluate its relationships with other companies within the supply chain?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Environment

Survey	Variable	Type	Values	Measurement Scale (fixed distance between variables), Ordinal (Rank), Nominal	Category
S26.	Does the company actively research the market within which it operates?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Environment
S27.	Does the company use market information to adjust its products to meet market needs?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Environment
S28.	Is the company integrated into the supply chain as a preferred supplier?	Numeric	1. No 2. No progress 3. Informal 4. Formal but could be improved 5. Strong processes in place	Ordinal	Environment

Addition al Questio ns (Botswana)	Variable	Type	Values	Measurement Scale (fixed distance between variables), Ordinal (Rank), Nominal	Label (more detail)
A29.	How would you rate your company's productivity within the sector?	Numeri c	1. Lowest 2. Medium 3. High	Ordinal	Productivity Evaluation Productivity
A30.	What single measure would you take to improve productivity? (No more than 20 words)	Text	20 words		Productivity Evaluation Productivity Strategy

Addition al Questio ns (Botswana)	Variable	Type	Values	Measurement Scale (fixed distance between variables), Ordinal (Rank), Nominal	Label (more detail)
A31.	What prevents the sector achieving high levels of productivity? (No more than 20 words)	Text	20 words		Productivity Evaluation Productivity Strategy
A32.	How would you describe the process of decision making in your company?	Numeri c	1. Difficult  2. Fair 3. Easy	Ordinal	Decision Making Evaluation Society, Teamwork
A33.	How often are decisions made which are timely and accurate/correct?	Numeri c	1. Not Often  2. Sometimes  3. Often	Ordinal	Decision Making Evaluation Society, Teamwork
A34.	Is reaching a decision a focus of meetings?	Numeri c	1. Not Really  2. Sometimes 3. Yes, very much so	Ordinal	Decision Making Evaluation Society, Teamwork
A35.	What would make decision making easy in your company? (No more than 20 words)		20 words		Decision Making Evaluation Society Strategy Teamwork Strategy
A36.	How well does each employee know their goals and objectives?	Numeri c	1. Not at All 2. Fairly Familiar 3. Totally Familiar	Ordinal	Goal Setting Evaluation Society, Teamwork, Productivity
A37.	Are employees monitored on a regular basis in terms of the goals and objectives?	Numeri c	1. Not Regularly 2. Sometimes 3. Regularly	Ordinal	Goal Setting Evaluation Teamwork
A38.	Do you think setting goals and objectives for employees improves productivity?	Numeri c	1. No 2. Maybe  3. Yes	Ordinal	Goal Setting Evaluation Teamwork
A39.	Do you think setting goals and objectives for employees improves commitment?	Numeri c	1. No 2. Maybe  3. Yes	Ordinal	Goal Setting Evaluation Society, Teamwork

Addition al Questio ns (Botswana)	Variable	Type	Values	Measurement Scale (fixed distance between variables), Ordinal (Rank), Nominal	Label (more detail)
A40.	How do you think productivity and commitment can be improved? (No more than 20 words)	Text	20 words		Goal Setting Evaluation Society Strategy
A41.	Do you have meetings with your suppliers to build relationships?	Numeri c	1. Not Regularly 2. Sometimes 3. Regularly	Ordinal	Business Environment Evaluation Environment
A42.	Do you action feedback from your customers	Numeri c	1. Not Regularly 2. Sometimes 3. Regularly	Ordinal	Business Environment Evaluation Environment
A43.	Do you feel you are part of a business network?	Numeri c	1. Not Really 2. Sometimes 3. Yes, very much so	Ordinal	Business Environment Evaluation Environment
A44.	Do you look for new opportunities in the market?	Numeri c	1. Not Regularly 2. Sometimes 3. Regularly	Ordinal	Business Environment Evaluation Environment
A45.	What do you think is necessary to improve business relationships within your sector? (No more than 20 words)	Text	20 words		Business Environment Evaluation Environment Strategy
A46.	How important is overseas markets to your business?	Numeri c	1. Not Important 2. Fairly Important 3. Very Important	Ordinal	Business Environment Evaluation Environment
A47.	Do you consider new technologies from overseas?	Numeri c	1. Not Really 2. Sometimes 3. Yes, all the time	Ordinal	Information Evaluation Environment, Productivity
A48.	Is the use of ICT to record and analyse data an important aspect of your management?	Numeri c	1. Not Really 2. Sometimes 3. Yes, all the time	Ordinal	Information Evaluation Productivity

Addition al Questio ns (Botswana)	Variable	Type	Values	Measurement Scale (fixed distance between variables), Ordinal (Rank), Nominal	Label (more detail)
A49.	What do you think you need to remain competitive in the market? (No more than 20 words)	Text	20 words		Information Evaluation Environment Strategy
A50.	Does information arrive where it is suppose to be and on time?	Numeri c	1. Not Really 2. Sometimes 3. Yes, all the time	Ordinal	Information Evaluation Society
A51.	Would you describe the structure of the organisation as flexible?	Numeri c	1. No 2. Maybe 3. Yes	Ordinal	Information Evaluation Society
A52.	What would you recommend the organisation do to improve its structure? (No more than 20 words)	Text	20 words		Information Evaluation Society Strategy
A53.	How often do you pursue customers for non-payment?	Numeri c	1. Not Regularly 2. Sometimes 3. Regularly	Ordinal	Finance Evaluation Society
A54.	Has non-payment by customers lead to a lack of cash flow in the business?	Numeri c	1. Not Regularly 2. Sometimes 3. Regularly	Ordinal	Finance Evaluation Society
A55.	How can the financial management of the business be improved? (No more than 20 words)	Text	20 words		Finance Evaluation Society
A56.	Add any other points you wish to make. (No more than 100 words)	Text	100 words		

## Appendix I: UREC forms