



**FACTORS AFFECTING COMPETITIVENESS OF SMALL FAMILY BUSINESSES IN  
THE MAKHADO LOCAL MUNICIPALITY, SOUTH AFRICA**

by

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19 January 2026

## DECLARATION

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Exploring factors affecting growth, competitiveness and survival of small family

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businesses in the Makhado Local Municipality

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## DEDICATION

This dissertation is dedicated with love to my late mother, Mrs. Mukondi Grace Chikhala (Vho Grace), one of the greatest blessings I have ever known. She was everything to me, my source of strength, my guiding light, my best friend, and my hero (Dear Mama). Her love was unconditional, her sacrifices immeasurable, and her belief in me unwavering, even during moments when I doubted myself.

She was an extraordinarily strong and courageous woman who faced life's challenges with grace, resilience, and dignity as a young widow. She fulfilled both roles with steadfast strength, faithfully serving both mother and father. Through her actions, she taught me the true meaning of perseverance, humility, and compassion. Every step of my academic journey is inspired by her love, support, encouragement, and the values she instilled in me.

Although she is no longer physically here, her spirit lives on in my heart and through every achievement I accomplish. This dissertation serves as a tribute to her love, strength, and lasting legacy. I will forever hold her love and memory close, honour her sacrifices, and carry her lessons with me in everything I do.

### **Proverbs 31:28 & 31 (NIV)**

*“28; Her children arise and call her blessed. 31; Honor her for all that her hands have done and let her works bring her praise. ”*

I further dedicate this work to the memory of my late father, Mr. Malose P. Chikala (Pheti), in honour of your love and values that continue to guide me. To my late brother, Gumani V. Chikala (Vho Gumza), I know you would be ready to celebrate this milestone with us. I will forever cherish your honest love and support.

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## **ABSTRACT**

This study examined factors influencing the competitiveness of family businesses in the Makhado Local Municipality, South Africa. Family businesses contribute significantly to local economies, employment creation, and community development. However, their ability to remain competitive is influenced by multiple internal and external factors. Existing research focuses largely on national and global perspectives, with limited emphasis on competitiveness within local municipal contexts. There is insufficient empirical evidence explaining how internal capabilities, institutional conditions, and social networks influence competitiveness in semi-urban municipalities. This study addressed this gap by providing context-specific insights into competitiveness among family businesses in Makhado. The study was guided by the resource-based view, institutional theory, and social capital theory. It aimed to classify key competitiveness factors, examine challenges, and assess the influence of community associations, business development initiatives, and policy frameworks.

A qualitative research design was adopted to gain an in-depth understanding of business experiences and operational contexts of family business owners. Purposive sampling selected the family business owners who had operated for at least five years at Makhado Local Municipality in South Africa. Data were collected through face-to-face semi-structured interviews that allowed flexible and detailed responses. The data were transcribed and analysed using thematic analysis to identify key patterns and insights. The findings revealed that internal resources, including family trust, shared values, and managerial competence, support competitiveness. However, weak succession planning, limited governance structures, and inadequate leadership development reduce competitive performance. Institutional factors, including policies and municipal programmes, influence formalisation, legitimacy, and access to resources. Inconsistent implementation and bureaucratic inefficiencies weaken the effectiveness of institutional support. Relational networks, including bonding, bridging, and linking social capital, enhance knowledge sharing, resilience, and market access. However, weak external linkages and limited collaboration reduce opportunities for sustained competitiveness.

The study provides practical implications for family business owners, including formalisation, skills development, innovation adoption, and strategic network engagement. Policy recommendations emphasise improving accessibility of support programmes, strengthening governance systems, expanding financing opportunities, and integrating family businesses into local economic development (LED) strategies. Overall, enhancing competitiveness requires strengthening internal capabilities, improving institutional support, and building strong social networks. The study contributes to theory by extending the understanding of competitiveness in family businesses within semi-urban municipal contexts. It also provides practical insights for policymakers and practitioners supporting inclusive LED.

**Keywords:** Family business, competitiveness, growth, survival, Makhado Local Municipality, resource-based view, institutional theory, social capital theory, family business development, family business sustainability.

## **MAWANWA**

Ngudo iyi yo t̄olisisa zwithu zwine zwa t̄ut̄uwedza vhuṭaṭisani ha mabindu ha miṭa kha Masipala Wapo wa Makhado, Afrika Tshipembe. Mabindu a miṭa a shela mulenzhe vhukuma kha ikonomi dzapo, u sika mishumo, na mveledziso ya tshitshavha. Fhedzi, vhukoni havho ha u dzula vha tshi khou ṭaṭisana vhu t̄ut̄uwedzwa nga zwithu zwinzhi zwa nga ngomu na zwa nṅa. Tsedzuluso dzi re hone dzo sedza nga maanṅa kha mavhonele a lushaka na a ḽifhasi, hu tshi khou ombedzela zwiṭuku kha u ṭaṭisana nga ngomu ha zwiimo zwa masipala wapo. A hu na vhuṭanzi ho eḽanaho ha empiriki vhune ha ṭalutshedza nḽila ine vhukoni ha nga ngomu, nyimele dza tshiimiswa, na vhuṭumani ha matshilisano zwa u t̄ut̄uwedza ngayo vhuṭaṭisani kha mimasipala ya vhukati ha ḽorobo. Ngundo iyi i khou ḽivhadza tshikhala nga u ṅekedza tsiangane ya vhukuma kha u ṭaṭisana u ya ngaha miṭa ya mabindu Makhado. Ngudo yo vha i tshi livhiswa nga mavhonele o

tewaho kha zwishumiswa, theori ya tshiimiswa, na theiori ya tshelede ya matshiliso. Yo vha yo sedza kha u khethekanya zwithu zwa ndeme zwa muṭaṭisano, u ṭola khaedu, na u ṭola ṭhuthuwedzo ya madzangano a tshitshavha, vhurangeli ha mveledziso ya mabindu, na mihanga ya mbekanyamaitele.

Dizaini ya ṭhodiṣiso ya khwalithithethivi yo ṭanganedzwa u itela u wana pfeseso yo dzikaho ya tshenzhemo dza mabindu na nyimele dza mushumo dza vhaṅe vha mabindu a miṭa. Sampuli ya ndivho yo nanga vhaṅe vha mabindu a miṭa vhe vha shuma lwa miṅwaha i sa fhiriho miṭanu kha Masipala Wapo wa Makhado Afrika Tshipembe. Data yo kuvhanganywa nga kha inthavhiyu dza musi vhathu vho livhana zwifhaṭuwo dzo dzudzanywaho nga tshipiḍa dzine dza tendela phindulo dzi tendelaho na dzi re na zwidodombedzwa. Data yo ṅwalululwa na u senguluswa hu tshi shumiswa tsenguluso ya thero u itela u topola phetheni dza ndeme na ṅdivho. Mawanwa o bvisela khagala uri zwishumiswa zwa nga ngomu, hu tshi katelwa na u fulufhedzana ha muṭa, zwilinganyo zwo ṭanganelanaho, na vhukoni ha vhulanguli, zwi tikedza u ṭaṭisana. Fhedziha, u pulana ha u tevhekana hu si na nungo, zwivhumbeo zwa u vhuvhusi zwo linganelaho, na mveledziso ya vhurangaphanda i songo teaho zwi fhungudza kushumele kwa muṭaṭisano. Zwithu zwa tshiimiswa, hu tshi katelwa mbekanyamaitele na mbekanyamushumo dza masipala, zwi ṭuṭuwedza u ita uri zwithu zwi vhe zwa fomala, u vha mulayoni, na u swikelela zwishumiswa. U thomiwa hu sa fani na u sa shuma zwavhuḍi ha vhubindudzi zwi fhungudza vhukoni ha thikhedzo ya zwiimiswa. vhukwamani ha vhushaka, hu tshi katelwa na u vhofha, u ṭanganya, na u ṭumanya masheleni a matshiliso, zwi khwinisa u kovhekana ṅdivho, u konḍelela, na tswikelelo ya makete. Fhedziha, vhuṭumani vhu si na nungo ha ṅḍa na tshumisano yo linganelaho zwi fhungudza zwikhala zwa muṭaṭisano wo bvelelaho.

Ngudo i ṅetshedza mvelelo dzi shumaho kha vhaṅe vha mabindu a miṭa, hu tshi katelwa na u ita uri zwi vhe zwa fomala, mveledziso ya zwikili, u ṭanganedzwa ha vhubveledzi, na u dzhenelela ha nethiweke ya tshithirathedzhi. Themendelo dza mbekanyamaitele dzi ombedzela u khwinisa tswikelelo ya mbekanyamushumo dza thikhedzo, u kwhaṭhisa sisteme dza vhuvhusi, u engedza zwikhala zwa masheleni, na u ṭanganya mabindu a miṭa kha zwiṭirathedzhi zwa mveledziso ya ikonomi yapo (LED). Nga u angaredza, u

khwinisa vhuṭaṭisani zwi ṭoda u khwaṭhisa vhukoni ha nga ngomu, u khwinisa thikhedzo ya zwiimiswa, na u fhaṭa vhukwamani ha matshiliso ho khwaṭhaho. Ngudo i shela mulenzhe kha teori nga u engedza u pfesesa ha u ṭaṭisana kha mabindu a miṭa nga ngomu ha zwiimo zwa masipala wa vhukati ha ḍorobo. I dovha ya ṅetshedza ṅdivho dzi shumaho kha vhaiti vha mbekanyamaitele na vhashumi vhane vha tikedza LED yo katelaho.

**Maipfi a ndeme:** Bindu ḷa muṭa, u ṭaṭisana, nyaluwo, u tshila, Masipala Wapo wa Makhado, mavhonele o thewaho kha zwishumiswa, ṭhiori ya tshiimiswa, ṭhiori ya masheleni a matshiliso, mveledziso ya bindu ḷa muṭa, u bveledza bindu ḷa muṭa

## TSHOBOKANYO

Thutopatlisiso eno e sekasekile mabaka a a tlhotlheletsang kgaisano ya dikgwebo tsa malapa mo Lekgotlatoropong la Selegae la Makhado, kwa Aforikaborwa. Dikgwebo tsa malapa di akgela thata mo ikonoming ya selegae, mo go tthameng ditiro le mo tlhabololong ya baagi. Le fa go le jalo, bokgoni jwa tsone jwa go tswelela go gaisana bo tlhotlhelediwa ke mabaka a mantsi a ka fa teng le a kwa ntle. Dipatlisiso tse di gona di totile thata melebo ya bosetšhaba le ya lefatshe ka bophara, mme go sa gatelelwe thata ntlha ya kgaisano mo bokaelong jwa makgotlatoropo a selegae. Ga go na bosupi jo bo lekaneng jwa maitemogelo jo bo tlhalosang ka moo bokgoni jwa ka fa gare, maemo a setheo, le dikgokagano tsa loago di tlhotlheletsang kgaisano ka gone mo makgotlatoropong a seka-metsesetoropo. Thutopatlisiso eno e samagane le tlhalelo eno ka go tlamela ka dintlha tse di totileng bokaelo jwa kgaisano mo dikgwebong tsa malapa kwa Makhado. Thutopatlisiso e ne e kaelwa ke molebo o o theilweng mo ditlamelong, tiori ya ditheo, le tiori ya letlotlo la loago. E ne e ikaeletse go aroganya dintlha tsa botlhokwa tsa kgaisano, go sekaseka dikgwetlho, le go sekaseka tlhotlheletso ya mekgatlho ya baagi, maiteko a tlhabololo ya dikgwebo, le matlhomeso a pholisi.

Go dirisitswe moralo wa patlisiso wa khwalitatifi go tihaloganya sentle maitemogelo a kgwebo le maemo a tiro a beng ba dikgwebo tsa malapa. Sampole ya maikaelelo e tlhophile beng ba dikgwebo tsa malapa tse di dirileng bonnye dingwaga tse tlhano kwa Lekgotlatoropong la Selegae la Makhado mo Aforikaborwa. Datha e ne ya kokoangwa ka dipotso-therisano tsa seka-thulaganyo tsa namana le tse di neng tsa letla dikarabo tse di obegang le tse di neelang dintlha ka botlalo. Tshedimosetso e ne ya kwalololwa le go lokololwa go dirisiwa tshekatsheko ya meono go supa dipaterone le dintlha tsa botlhokwa. Diphithlelelo di senotse gore didirisiwa tsa ka fa gare, go akarediwa go tshepana ga lelapa, dintlhatheo tse di tlhakanetsweng, le bokgoni jwa botsamaisi, di tshegetsang kgaisano. Le fa go ntse jalo, thulaganyo e e bokoa ya tatelano, ditsamaiso tse di sa lekanang tsa taolo, le tlhabololo e e sa lekanang ya boeteledipele di fokotsa tiragatso e e kgontshang kgaisano. Dintlha tsa mo setheong, go akarediwa dipholisi le mananeo a makgotlatoropo, di tlhotlheletsa go dira semmuso, go nna semolao, le phithlelelo ya didirisiwa. Go tsenngwa tirisong go go sa tlhomamang le makoa a ditsamaiso tsa ditheo go koafatsa bokgoni jwa tshegetso ya ditheo. Dikgokagano tsa dikamano, go akaretsa kgolagano, go kopanya, le go golaganya letlotlo la loago, di tokafatsa kabelano ya kitso, go itsetsepela, le phithlelelo ya mebaraka. Le fa go ntse jalo, dikgolagano tse di bokoa tsa kwa ntle le tirisano mmogo e e lekanyeditsweng di fokotsa ditšhono tsa go gaisana go go tseletsegang.

Thutopatlisiso e tlamela ka dikami tse di dirisegang tse di amang beng ba dikgwebo tsa malapa, go akaretsa le go di dira semmuso, tlhabololo ya dikgono, go amogela boitshimololeli, tirisano ya togamaano. Dikatlengiso tsa pholisi di gatelela go tokafatsa phithlelelo ya mananeo a tshegetso, go maatlafatsa ditsamaiso tsa taolo, go atolosa ditšhono tsa matlole, le go akaretsa dikgwebo tsa malapa mo maanong a tlhabololo ya ikonomi ya selegae (LED). Ka kakaretso, go tokafatsa kgaisano go tlhoka gore go nonotshiwe bokgoni jwa ka fa gare, go tokafadiwe tshegetso ya setheo, mme go agiwe dikgokagano tse di nonofileng tsa loago. Thutopatlisiso e akgela mo tioring ka go atolosa go tihaloganya ga bokgoni jwa kgaisano mo dikgwebong tsa malapa mo bokaelong jwa makgotlatoropo a seka-toropo. Gape e tlamela batlhami ba dipholisi le badiri ba ba tshegetsang LED e e akaretsang botlhe ka dintlha tse di dirang.

**Mafoko a botlhokwa:** Kgwebo ya lelapa, bokgoni jwa kgaisano, kgolo, go tswela go dira, Lekgotlatoropo la Selegae la Makhado, molebo o o ikaegileng ka didiriswa, tiori ya setheo, tiori ya letlotlo la loago, tihabololo ya kgwebo ya lelapa, go tswela ga dikgwebo tsa lelapa.

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## LIST OF ABBREVIATIONS

<b>Abbreviation</b>	<b>Meaning</b>
B-BBEE	Broad-Base Black Economic Empowerment
CAQDAS	Computer-Assisted Qualitative Data Analysis Software
COVID-19	Coronavirus Disease 2019
DSBD	Department of Small Business Development
DTI	Department of Trade and Industry
ERC	Ethics Research Committee
FABASA	Family Business Association of Southern Africa
GDP	Gross Domestic Product
IBSA	Indigenous Black South African
MLM	Makhado Local Municipality
MSMEs	Micro, Small, and Medium Enterprises
NDP	National Development Plan
NGOs	Non-Governmental Organisations
LED	Local Economic Development
RBV	Resource-Based View
RDM	Research Data Management
RSA	Republic of South Africa
SDGs	Sustainable Development Goals
SEDA	Small Business Development Agency
SEFA	Small Enterprise Finance Agency
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria

SMEs	Small and Medium Enterprises
SMMEs	Small, Medium, and Micro Enterprises
Stats SA	Statistics South Africa
TREP	Township and Rural Entrepreneurship Programme
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNISA	University of South Africa
USA	United States of America

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# CHAPTER 1: INTRODUCTION AND BACKGROUND OF THE STUDY

## 1.1 INTRODUCTION

Family-owned businesses are typically businesses that face difficulties in management, funding, and maintaining competitiveness, and family businesses are businesses owned and managed by a family, with the family at the core of operations (Harith & Samujh, 2020). These family-owned businesses hold significant and solid economic and societal roles (Tinh, Trai, Trang & Tien, 2023). Harith and Samujh (2020) indicate that family businesses are vital in several economies worldwide, making an important difference in gross domestic product (GDP) and employment creation. Mardikaningsih, Azizah, Putri, Alfian, and Rudiansyah (2022) argue that these businesses are essential to the national economy, fostering growth and employment and spreading development benefits to local communities. Phiri and Ramasimu (2025) highlight that, globally, family businesses are often referred to as small-to-medium enterprises (SMEs), micro, small, and medium enterprises (MSMEs), or small, medium, and micro enterprises (SMMEs). However, family businesses may face challenges that may significantly affect their competitiveness, such as limited funding, weak government support, heavy regulations, and competition from larger firms (Bvuma & Marnewick, 2020). The need for this study emerged from the recognition that although family businesses are pivotal to LED, they often face significant challenges that hinder their long-term success.

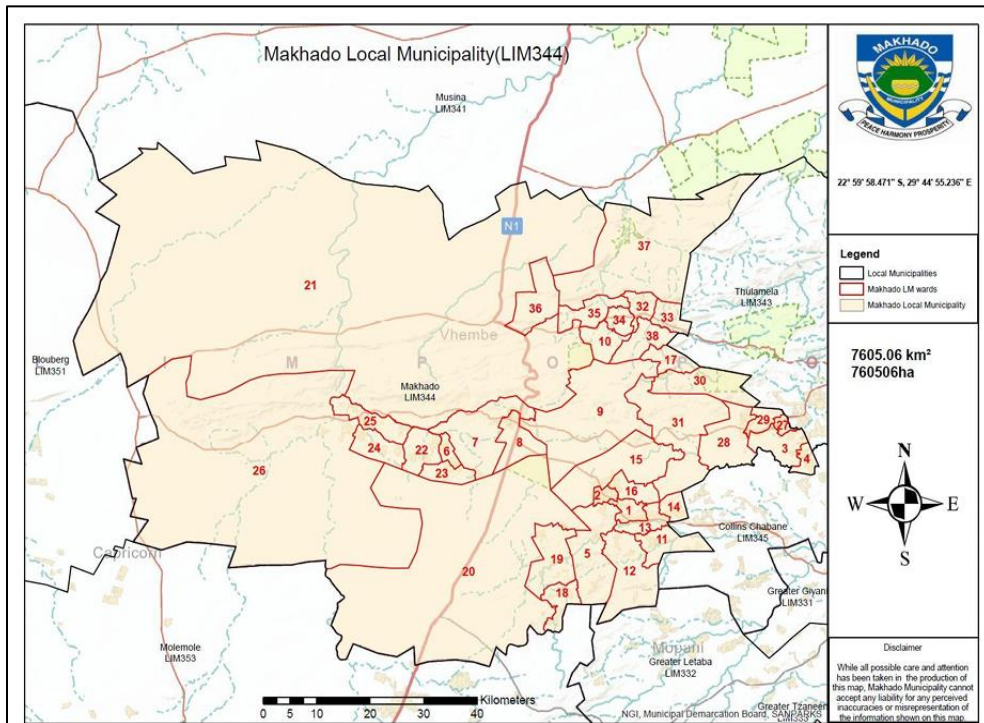
Family businesses play a significant role in economic development, yet their performance and sustainability are shaped by a complex interplay of internal and external factors. These include local competition, family dynamics, legislative frameworks, economic conditions, and cultural influences, all of which directly affect their operations and long-term viability (Morgan, Okon, Amadi, Emu & Ogar, 2021). In increasingly uncertain and challenging environments, family businesses must develop dynamic capabilities to restructure resources, adapt operations, and sustain or redefine their competitive advantage (Zapata-Cantu, Sanguino, Barroso & Nicola-Gavrilă, 2023). The ability to adapt is therefore essential, as it allows businesses to maximise their potential, effectively utilise available resources, and align internal competencies with emerging opportunities

(Morgan et al., 2021). Furthermore, understanding and implementing effective strategic adaptation is critical for survival, particularly in contexts where limited resources expose businesses to heightened competition, uncertainty, and global economic pressures (Quansah, Hartz & Salipante, 2022).

In this regard, investing in leadership development is equally important, as it strengthens business owners' sensing capabilities and enhances their ability to respond proactively to environmental changes (Razzak, Al Kharusi, Umrani & Al Riyami, 2025). Several other factors contribute to strengthening family businesses, including effective family and management systems, conflict management, strategic planning, succession, leadership transfer, professional management, and transition processes (Chirapanda, 2020). Gjergji, Brunelli, and Sciascia (2025) indicate that factors including business location, community support, knowledge accumulation, and engagement with external stakeholders shape the development of capabilities. Ahmad, Omar, and Quoquab (2021) argue that innovation capability is a key factor that strengthens a firm's capacity for long-term sustainability. These capabilities create a strong foundation for business growth, resilience, and long-term sustainability (Morgan *et al.*, 2021). Family businesses possess distinct resources and capabilities from those of family business interactions, which can provide a competitive advantage (Zapata-Cantu *et al.*, 2023). Chirapanda (2020) emphasises that successful family business strategies include innovation, building competitive advantage, effective leadership and team management, and active engagement with the local community.

This section has laid the foundation for the dissertation by presenting the study's context, rationale, and direction. It begins with an introduction, highlighting the significance of family businesses, their role in economic development, and their challenges. The background of the study delves deeper into the factors affecting these businesses, the importance of policies, and the context of the Makhado Local Municipality, providing a basis for the research focus. The problem statement identifies the research gap by addressing the underexplored dynamics of family businesses in local contexts. The research's aim and objectives articulate the research's purpose and goals, whereas the research questions frame the inquiries guiding the research. An overview of the research

methodology outlines the approach, strategy, and tools employed to understand the lived experiences of family business owners. The significance of the study underscores its theoretical, practical, and policy contributions, followed by an acknowledgement of its limitations. Key terms are clarified in the definitions of key concepts, and the structure of the dissertation provides an overview of subsequent chapters, ensuring a cohesive flow of the research narrative. Finally, the chapter summary synthesises the content of the chapter. This structure ensures a logical flow and contextual grounding for the research.



**Figure 1.1: Makhado Local Municipality Map**

Source: *Makhado.gov.za*

## 1.2 BACKGROUND OF THE STUDY

Family businesses are integral to both local and national economies, particularly in developing countries such as South Africa (Prasanna *et al.*, 2021). They are widely recognised for their role in job creation, poverty alleviation, and economic development (Bvuma & Marnewick, 2020). Family businesses are diverse and include spaza shops, salons, taverns, street vendors, childcare services, mechanics, and many others (Wiid &

Cant, 2021a). Bvuma and Marnewick (2020) indicate that these businesses contribute approximately 61% of employment and 40–41% to the national GDP. In Makhado, family businesses support livelihoods and boost the local economy through the application of indigenous knowledge, local employment, and internal wealth circulation (Maake, 2021). Despite their importance, these businesses face challenges such as limited funding, weak government support, heavy regulations, and competition from larger firms (Lethoko & Netshikundini, 2024; Bvuma & Marnewick, 2020). This study is necessary to explore the specific challenges and success factors affecting family businesses in Makhado, with a focus on understanding how they can grow, remain competitive, and achieve long-term sustainability.

A unique feature of family businesses lies in the intersection between family and business interests, which significantly influences how these enterprises are governed and managed (Morgan *et al.*, 2021; Yáñez-Araque, Hernández, Gutiérrez-Broncano & Jiménez-Estévez, 2021). Family involvement in decision-making, succession planning, and intergenerational knowledge transfer can either strengthen or hinder business continuity (Morgan *et al.*, 2021). Research indicates that early exposure of successors to business operations and gradual transfer of leadership responsibilities are essential for maintaining business stability across generations (Okoh, Worlu, Oyewunmi & Falola, 2021; Tinh *et al.*, 2023). Nonetheless, succession planning remains a weak point for many family businesses, particularly in rural areas where formal management practices are limited (Morgan *et al.*, 2021; Okoh *et al.*, 2021). If mismanaged, internal family dynamics such as conflict, unclear roles, and a lack of interest from younger generations can jeopardise the survival of the business (Ge & Campopiano, 2022). This study delves into these internal dynamics to identify strategies that promote effective succession and long-term viability.

Government intervention plays a vital role in supporting family businesses, especially in contexts where financial and institutional barriers are prominent (Deb, Mohanty, & Valeri, 2022). National initiatives such as the Economic Recovery Plan and the Township and Rural Enterprise Programme (TREP) support businesses through funding, tax breaks, and skills training (UNDP, 2020). However, scholars argue that these programmes often

fall short due to poor implementation, low awareness, and misaligned policies (Lethoko & Netshikundini, 2024; Amram, Habidin & Basri, 2023). Moreover, innovation and technology boost competitiveness, but family businesses in Makhado often lack the resources to adopt them (Surya *et al.*, 2021; Kassa, 2021). This study, therefore, investigates not only the structural and policy-level factors impacting these enterprises but also the innovative capabilities required for their adaptation in an evolving economic landscape.

The research is guided by three complementary theoretical frameworks: the resource-based view (RBV), institutional theory, and social capital theory. The RBV sheds light on how to use internal resources, such as human capital, skills, and an entrepreneurial mindset, to gain a competitive edge (Barney, 1991). Institutional theory helps explain how formal policies and informal societal norms influence the operations of family businesses within a specific municipal context (Scott, 2008). Social capital theory highlights the reputation of relationships, trust, and networks in accessing external opportunities and resources (Putnam, 2000). This study integrates various perspectives to understand the factors affecting family businesses' sustainability and performance in the Makhado Local Municipality. However, their continued growth and sustainability are threatened by internal family complexities, resource limitations, and insufficient institutional support.

### **1.3 PROBLEM STATEMENT**

Family businesses are vital to economic development; however, research specifically focused on those in the Makhado Local Municipality remains limited (Moreno-Menéndez & Casillas, 2021). Research is limited in understanding how family businesses manage knowledge flows for innovation and enhance professionalisation and succession to adapt in uncertain, turbulent times (Zapata-Cantu *et al.*, 2023). Despite their potential, many family-owned businesses fail to transition beyond the first generation due to challenges such as inadequate succession planning and limited business transfer skills (Aladejebi, 2021). Family business owners worry that their successors may lack the willingness or capability to take over the business (Okoh *et al.*, 2021). Lethoko and Netshikundini (2024)

report that in Makhado Local Municipality, these businesses exhibit low survival rates, contributing to a broader pattern of business failure.

Additionally, many of these businesses operate informally, often unregistered and uncontrolled, further complicating their sustainability (Scholtz, Cronje & Cilliers, 2023). Ahmad *et al.* (2021) reported that only about 30% of family businesses continue into the second generation, 13% reach the third, and just 3% survive beyond the fourth generation. Previous studies have also revealed inconsistencies in the discussion of family business success, underscoring the need for focused research on their unique challenges and opportunities (Miroshnychenko, De Massis, Miller & Barontini, 2021). The link between families and the organisational effectiveness and competitiveness of family businesses remains underexplored (Kurowska-Pysz, Czart & Kot, 2024). Liu, Dilanchiev, Xu, and Hajiyeva (2022) report that financial constraints pose a significant hurdle to family businesses. Support is necessary since family businesses struggle to raise the money they need to launch and operate (Majadibodu, Ramasimu, & Ladzani, 2023).

## **1.4 RESEARCH AIM AND OBJECTIVES**

### **1.4.1 Aim of the Study**

This research seeks to investigate the factors affecting the competitiveness of family businesses in the Makhado Local Municipality.

### **1.4.2 Objectives of the Study**

**The objectives of the research are as follows:**

- Classify the key factors that impact family businesses' competitiveness in the Makhado Local Municipality.
- Examine the challenges faced by family-owned businesses in the Makhado Local Municipality.
- Evaluate the effect of community associations on the competitiveness of family-owned businesses in the Makhado Local Municipality.
- Assess the effect of business development initiatives on the competitiveness of family-owned businesses in the Makhado Local Municipality.

- Evaluate the effect of government policies on the competitiveness of family-owned businesses in the Makhado Local Municipality.

## **1.5 RESEARCH QUESTIONS**

- What are the key factors that contribute to the competitiveness of family businesses in the Makhado Local Municipality?
- What are the challenges faced by family-owned businesses in the Makhado Local Municipality?
- How do community associations influence the competitiveness of family-owned businesses in the Makhado Local Municipality?
- What is the effect of business development initiatives on the competitiveness of family-owned businesses in the Makhado Local Municipality?
- How do government policies affect the competitiveness of family-owned businesses in the Makhado Local Municipality?

## **1.6 SUMMARY OF THE RESEARCH METHODOLOGY**

### **1.6.1 Research Philosophy**

A set of central concepts is known as a research philosophy, which guides research planning and execution and offers different perspectives for understanding scientific research (Tamminen & Poucher, 2020). The researcher adopted interpretivism, a research philosophy that refers to methods that highlight the significance of personality traits and their engagement with culture and society (Pervin & Mokhtar, 2022). Interpretivism philosophy provides a profound comprehension of complicated, context-specific issues by focusing on participants' personal experiences and interpretations (Bell, Bryman & Harley, 2022). With an emphasis on the individual's meaning, voice, perspective, experiences, thoughts, and feelings, it serves as the connection between the research and its subject (Junjie & Yingxin, 2022). Owing to its adaptability and flexibility, this method is good for investigating new or growing areas of research (Bell *et al.*, 2022). Interpretivism maintains that people's perceptions of reality across history and society determine what is true and what is known, using narrative data for research (Junjie &

Yingxin, 2022). Furthermore, Bell *et al.* (2022) argue that interpretivism encourages the use of qualitative techniques, which provide comprehensive views of the research problem as well as rich, in-depth insights. The researcher adopted interpretivism to enable an in-depth understanding of participants' experiences, meanings, and perspectives within their social and cultural context, aligning with the study's qualitative approach.

### **1.6.2 Research Strategy**

This study used a case study research strategy, which is a comprehensive approach to addressing a study issue; it defines data sources, outlines study goals, and considers research limitations (Al-Ababneh, 2020). Johannesson and Perjons (2021) indicate that there are various research strategies available, such as case study, experiments, surveys, ethnography, grounded theory, and phenomenology. However, the researcher made use of a case study strategy. A case study is suitable for this study as it enabled an in-depth, context-bound examination of family businesses, facilitating a detailed understanding of complex human behaviours and interactions. A case study represents a single example of a group or phenomenon, defined by specific boundaries of place and time within a particular context (Hancock, Algozzine & Lim, 2021). It provides a detailed, in-depth understanding by examining multiple factors, events, and relationships within a real-world context (Johannesson & Perjons, 2021).

It is not a data collection method but rather a research strategy used to examine a specific social unit in depth (Priya, 2021). In particular, the case study research strategy is a credible method for examining complex issues, especially when understanding human behaviour and social interactions is essential (Cleland *et al.*, 2021). A case study involves navigating between simplicity and complexity, requiring stability while embracing uncertainty throughout the inquiry (Hancock *et al.*, 2021). It provides detailed, descriptive examinations of unique situations that occur within specific time frames and are shaped by their particular context (Cleland *et al.*, 2021). The study interviews family business owners face-to-face who have experienced the phenomenon firsthand.

### **1.6.3 Research Approach**

In research, two main approaches to collecting and presenting information are qualitative and quantitative methods (Verma, Verma & Abhishek, 2024). The research applied a qualitative approach to expand in-depth understanding into non-numerical data, such as interviews and observations (Nassaji, 2020). The qualitative approach is suitable for the current study because it allows an in-depth exploration of family business owners' experiences, enabling rich, detailed insights through flexible, open-ended discussions. Gupta and Gupta (2022) cite qualitative research as the norm for researchers seeking to understand an experience in depth. The qualitative approach does not limit participants' responses; it promotes a free-flowing discussion between the participants and the researcher (Lethoko & Netshikundini, 2024). The approach emphasises an in-depth, comprehensive understanding of a phenomenon, typically using interviews, open-ended questions, or focus groups with a small number of participants (Verma *et al.*, 2024).

The researcher applied an exploratory qualitative approach to investigate family businesses without preconceived notions. An exploratory qualitative approach allows researchers to gather and analyse qualitative data simultaneously (Wallole, Alano & Endriyas, 2024). An exploratory research aims to understand "what is happening," gain fresh perspectives, and examine phenomena from a new angle (Makri & Neely, 2021). It enables the researcher to understand a phenomenon through participant observation and interaction (Wallole *et al.*, 2024). This approach is well-suited for answering questions about 'how' and 'why' (Ge, De Massis & Kotlar, 2022). It aids in understanding the detailed elements of the research questions and objectives (Wallole *et al.*, 2024). Rather than simply listing parts and procedures, it helped the researcher understand their effectiveness, impact, and potential future improvements.

### **1.6.4 Population and Sampling**

#### **1.6.4.1 Target Population**

A target population is a group of people or items to which the researcher intends to apply the study's conclusions (Pandey & Pandey, 2021). Dubey and Kothari (2022) cite that the population is an assortment of distinct individuals, things, items, or any other unit from

which measurements are made by taking samples. According to criteria that align with the goals of the study, the target population consists of particular subgroups of the overall group (Willie, 2024). The intended target population for this study was approximately 5,000 family business owners in Makhado Local Municipality, based on the 2022 Census Report (Stats SA, 2022). The researcher used the Stats SA report to accurately define the study's target population. Willie (2024) further indicated that the target population is a specific subgroup that holds the qualities or experiences relevant to the study.

#### **1.6.4.2 Sampling Techniques**

Sampling may be conducted using either probability or non-probability sampling methods (Verma *et al.*, 2024). The study took advantage of non-probability sampling techniques. Non-probability sampling involved the deliberate selection of specific participants based on their relevance, assuming the chosen sample represents the broader population (Verma *et al.*, 2024). Non-probability sampling was used to deliberately select participants with relevant experience and knowledge of family-owned businesses to ensure rich, in-depth, and context-specific insights. The researcher further applied a purposive sampling method, which is one of the methods of non-probability sampling. During purposive non-probability sampling, a sample is chosen by a researcher from the population that is purposefully or intentionally thought to be representative of the population (Dubey & Kothari, 2022). Non-probability sampling methods include purposive, quota, convenience, and snowball sampling (Verma *et al.*, 2024). The primary goal of purposive sampling is to create a sample that can reasonably be considered representative of the population (Alhazmi & Kaufmann, 2022).

In this case, the sample is the owners of family-run businesses in the Makhado Local Municipality. Experts use their understanding of the population to choose a sample that reflects different groups (Alhazmi & Kaufmann, 2022). Purposive sampling helps researchers efficiently narrow the pool of potential participants (Thomas, 2022). Purposive sampling is applied to find individuals with a wide range of experiences with the phenomenon studied (Urcia, 2021). The researcher chose businesses that were believed to have been operating throughout different generations. Researchers' prior experiences and assumptions about a situation play a key role in interpreting the current

study context (Urcia, 2021). Purposive sampling is necessary to ensure the study's generalisability and that the collected data are consistent, reliable, and valuable (Thomas, 2022). Purposive sampling allows the researcher to intentionally select information-rich participants who have relevant experience and knowledge to provide deep, meaningful, and context-specific insights into the phenomenon under study.

#### **1.6.4.3 Sample Size**

The sample size for this study was determined through data saturation, whereby interviews were conducted until no new themes or information emerged, which was achieved after 23 family business owners. The participants were selected based on their direct involvement in owning and managing family-owned businesses within the Makhado Local Municipality and operating for at least five years. They were aged between 25 and 65 years, ensuring that they possessed sufficient maturity and practical experience to provide informed perspectives on the research topic. This approach ensured that the data collected was rich, relevant, and adequate for achieving the study's objectives and generating meaningful insights into family business experiences.

#### **1.6.5 Data Collection and Analysis**

Data for this study were collected through semi-structured face-to-face interviews with family-owned business owners in the Makhado Local Municipality. The interviews were conducted using both voice recordings and written notes, with participants fully informed and consent obtained, while ensuring that all recordings and notes were securely stored to maintain confidentiality. This method was appropriate for the study as it allowed the researcher to follow a guided set of questions while remaining flexible to explore emerging issues in depth, enabling participants to provide rich and detailed accounts of their experiences. The combination of structure and flexibility supported a comprehensive understanding of both verbal and non-verbal responses during the interviews. Following data collection, the recorded interviews were transcribed and systematically analysed using coding and thematic analysis to identify recurring patterns, ideas, and relationships aligned with the research objectives.

Data analysis in this study was conducted using ATLAS.ti software to organise, code, and interpret the interview transcripts. The process involved systematically coding the qualitative data, identifying recurring patterns, and grouping similar ideas into themes aligned with the study objectives. ATLAS.ti was appropriate for this study because it provides an efficient and structured way to manage large volumes of qualitative data, ensuring that analysis is systematic, transparent, and consistent. This facilitated a more organised interpretation of participants' responses and enhanced the accuracy and clarity of the emerging findings.

## **1.7 SIGNIFICANCE OF THE STUDY**

### **1.7.1 Contribution to Theory**

This study contributes to the theoretical understanding of family businesses by exploring under-researched areas, such as family-related knowledge, cross-generational knowledge, and sustainable practices during succession. Ge and Campopiano (2022) identify "family-related knowledge," which includes skills, experience, and wisdom from education and life, as vital for family business success; however, it is an underexplored topic. Examining these businesses' ongoing challenges and successes is crucial for advancing theoretical insights, as comparing them with non-family firms offers limited theoretical originality (Neubaum & Micelotta, 2021). Research on family businesses faces unique challenges in understanding knowledge management, particularly across generations during succession (Ge & Campopiano, 2022). Contributions to theory examines relevant theoretical foundations and empirical studies focused on family businesses (Camilleri & Valeri, 2022). Examining and evaluating these businesses' ongoing challenges and successes is crucial for advancing theoretical insights.

The study addresses theoretical gaps, offering insights into family businesses' unique challenges in adapting to external conditions. Family businesses often struggle to adjust their unique resources to rapidly changing external conditions (Glyptis, Hadjielias, Christofi, Kvasova & Vrontis, 2021). Furthermore, the study offers a focused analysis of Makhado Local Municipality's family businesses, enriching local knowledge and global discourse on family business progression. More analyses are needed to address the need

for common ground on the existing level of information on family business progression (Georgiou, Papasolomou, Vrontis & Thrassou, 2023). Exploring the dynamics between families and future generations and integrating sustainable practices are essential for advancing theoretical understanding in the field (Georgiou *et al.*, 2023).

### **1.7.2 Contribution to Practice**

This research provides useful information about the challenges and successes of family businesses by identifying key factors. Family businesses in South Africa face growth barriers such as limited funding, skills, management, and infrastructure (Wiid & Cant, 2021b). Morgan *et al.* (2021) mention that rising competition and technological changes, combined with underused dynamic capabilities, threaten the survival of family businesses in Nigeria. However, it is still unclear how family businesses respond to changing circumstances (Glyptis *et al.*, 2021). These findings will enable business owners in the Makhado Local Municipality to better understand the dynamics affecting their operations.

Scholtz *et al.* (2023) mention that South Africa's family business discontinuation rate rose from 4.9% in 2019 to 13.9% in 2021, reflecting increased closures, sales, and discontinuities. Family businesses are often unaware of the services and support offered by government institutions (Wiid & Cant, 2021b). The South African government has realised how important it is to create an atmosphere that supports family businesses (Scholtz *et al.*, 2023). By raising awareness about available government and institutional support, this research can help improve resource utilisation and increase the sustainability of family-owned businesses. Wiid and Cant (2021a) indicate a notable lack of knowledge on family businesses and how to support them.

### **1.7.3 Contribution to Policy**

The findings of this study will inform policymakers about the specific needs and barriers faced by family businesses in the Makhado Local Municipality. Phiri, Ramasimu, and Maake (2025) indicate that policymakers should ensure the effective implementation of digital transformation support, targeted funding, and sustainable business continuity strategies. Maake (2021) argues that approximately 80% of family businesses fail within their first five years of operation in Makhado. By highlighting critical issues such as power

imbalances, underutilised dynamic capabilities, and insufficient support, this research can assist in crafting targeted regulations and supporting initiatives. Support is essential for these businesses to achieve sustainability and minimise financial losses within the Makhado Local Municipality (Mukuvhi, 2021). Limited support from the public and private sectors, power imbalances, and exploitation are key factors hindering family businesses' activities in KwaZulu-Natal (Ntshangase, Linda, Mabaleka & Mhlongo, 2024).

Edeh, Obodoechi, and Ramos-Hidalgo (2020) highlight the necessity of carefully crafted policies that enable and assist these businesses. This will help strengthen local economies, reduce the failure rate of family businesses, and ensure long-term sustainability, thereby fostering inclusive economic growth. Umadia and Kasztelnik (2020) highlight that the government has supported businesses with policies to restructure the economy, stabilise exchange rates, lower lending rates, and improve credit access and savings. Access to credit is vital for advancing South African family businesses, especially in improving the sustainability of their value chains (Nomonde & Mzuyanda, 2025). However, it is not clear how many businesses in the Makhado Local Municipality have received or are aware of this support from the government.

#### **1.7.4 Contribution to the Sustainable Development Goals (SDGs)**

The SDGs are 17 global goals that must be achieved by 2030 and were established by the United Nations (UN) in 2015 (UN, 2020). These goals aim to foster prosperity and environmental protection while addressing global issues such as poverty, inequality, climate change, and justice (UN, 2020). Family businesses, which make up two-thirds of global enterprises and contribute 70–90% of global GDP, play a crucial role in achieving the SDGs (Hales, 2024). They face various challenges and opportunities that align closely with several SDGs. For example, SDG 1 (No Poverty) is crucial, as these businesses provide jobs and income that help reduce poverty. Family businesses can meaningfully contribute to SDG 1 by taking specific actions that align with the SDG 1's targets (Hales, 2024). SDG 9 (Industry, Innovation, and Infrastructure) emphasises the importance of access to technology and infrastructure in enhancing business management and competitiveness. Family businesses contribute significantly to reaching this goal (Hales & Birdthistle, 2022). Shevelkova, Mattocks, and Lafortune (2023) indicated that SDG 9

intends to foster innovation, promote equitable and sustainable industrial growth, and build strong infrastructure.

Family businesses can increase market access and profitability by adopting inclusive economic policies and improving local infrastructure (UN, 2020). This can directly affect poverty reduction and financial progression. They can support SDG 1 by leveraging their resources and influence, benefiting both their success and the broader goal of ending poverty (Hales, 2024). Shevelkova *et al.* (2023) state that SDG 1 aims to eliminate poverty in all its dimensions across the globe. Hales (2024) highlight that family businesses can help eliminate extreme poverty by adopting inclusive hiring practices that offer fair wages and decent working conditions. Hales (2024) further states that family businesses' socially driven nature enables them to address multi-dimensional poverty by targeting issues such as education, healthcare, and housing. SDG 9 focuses on developing resilient infrastructure that promotes innovation within inclusive and sustainable industries (Hales & Birdthistle, 2022).

Businesses are increasingly required to pursue both economic objectives and contribute to achieving the SDGs (Baù, Block, Discua Cruz & Naldi, 2021). SDGs' focus on sustainability aligns with the sustained prosperity of family-run businesses, as sustainable practices enhance their reputation and support lasting value creation (Hanna, Xu, Wang & Hossain, 2024). The growing global emphasis on sustainability has encouraged family businesses to explore their role in advancing the SDGs (Cardella, Margaça, García & Hernández Sánchez, 2025). However, family businesses' delayed adoption of sustainable innovation practices widens the gap in achieving the SDGs (Hanna *et al.*, 2024). The technological shifts driven by the SDGs demand that family businesses adapt quickly and remain agile while still preserving their distinctive identity (Baù *et al.*, 2021). Although family businesses can support these SDGs, they often face challenges such as limited resources and insufficient expertise (Hales, 2024). Addressing these SDGs can help family businesses in Makhado Local Municipality thrive, compete, and achieve long-term success, which is what this study aims to achieve.

## 1.8 LIMITATIONS OF THE STUDY

Qualitative research has limitations such as subjectivity and limited resources. The research is qualitative, and subjectivity may be involved due to the researchers' opinions and biases, which may affect how the findings are interpreted. However, applying measures to ensure trustworthiness significantly improves its accuracy and reliability (Ahmed, 2024). The fact that the study focused only on a limited sample of family-owned businesses is one of its limitations in the Makhado Local Municipality, which was purposefully chosen. This purposeful sampling approach means that the results might not be relevant to various local municipalities because they may not represent the diversity of family businesses, especially those with differing socio-economic and cultural contexts. The reliance on self-reported data from participants also poses a limitation, as responses may be influenced by personal perceptions, selective memory, or a desire to present the business in a favourable light. Furthermore,

Language challenges and cultural differences are key limitations of this study. The researcher mitigated this by interpreting between Tshivenda and English, as most participants understand Tshivenda, while the study was conducted in English. The study's limited timeframe might overlook important long-term factors affecting business competitiveness. External factors such as economic shifts, policy changes, and technological developments were not examined in depth, and this might affect the generalisability of the findings. Additionally, practical challenges such as limited access to certain remote areas, participant reluctance or unavailability, and scheduling difficulties have affected the comprehensiveness and depth of the data collected. Moreover, the study's focus on one moment in time limits its ability to capture changes in business strategies, knowledge transfer, and succession practices over the long term. Finally, the absence of quantitative triangulation means that the findings are based solely on participants' perspectives, which, while valuable, may lack statistical representation or broader comparative insight. To minimise this limitation, the researcher ensured data credibility by using prolonged engagement, member checking, and detailed, triangulated qualitative data from multiple participants, enhancing reliability and depth of insights.

## 1.9 DEFINITIONS OF THE KEY CONCEPTS

**Competitiveness:** Implies the ability of a business to improve productivity, increase exports, and foster innovation, shaped by economic and social factors (Basco, Stough & Suwala, 2021). It describes a business's ability to innovate and enhance its performance while sustaining a competitive advantage in the market (Farida & Setiawan, 2022).

**Family Business:** This is when a business is owned by one family or an individual from generation to generation (Yáñez-Araque *et al.*, 2021). It refers to family members who, either by blood, adoption, or marriage, significantly influence business decisions (Morgan *et al.*, 2021).

**Family Business Development:** This is the process by which family-owned businesses leverage their unique family strengths to pursue growth and sustainability (Moreno-Menéndez & Casillas, 2021). This signifies the expansion of a family-owned business through innovation, sustainability, and long-term strategy based on its vision (Jamil, Stephens & Md Fadzil, 2025).

**Family Business Sustainability:** Implies a family-owned business's capacity to sustain long-term operational and financial stability for generational continuity (Aladejebi, 2020). This is when a business prospers across successive generations while promoting growth and ensuring efficient operations (Moreno-Menéndez & Casillas, 2021).

**Growth:** This is a process of evaluating a business's success by analysing key performance indicators such as financial performance, workforce size, and other factors (Meyer, Schachtebeck & Nieuwenhuizen, 2022). It refers to when a business efficiently produces and sells its products globally, leverages technology, creates jobs, and sees increasing profits (Mutalimov, Kovaleva, Mikhaylov & Stepanova, 2021).

**Small and Medium-sized Enterprises:** It is small businesses with few employees and low sales volume, often family-owned, and critical to economic growth (Aladejebi, 2021). Defined by the number of workers and yearly revenue, they play a vital role in sustaining local communities (Bvuma & Marnewick, 2020).

**Survival:** Survival involves creating the essential conditions to stabilise a business in response to various global challenges while enhancing its competitiveness (Naradda Gamage *et al.*, 2020). It is the time when an organisation increases its profitability, competitive edge, ability to endure a transition, and all other external influences (Morgan *et al.*, 2021).

## **1.10 STRUCTURE OF THE DISSERTATION**

### **Chapter 1: Introduction and Background.**

An overview and background of the planned study are covered in this chapter.

### **Chapter 2: Literature Review.**

This section thoroughly discusses the relevant literature. It explores the aspects affecting family-owned businesses' competitiveness in the Makhado Local Municipality.

### **Chapter 3: Research Methodology.**

This section outlines the study methods in detail. It also outlines the demographics, ethical concerns, and restrictions of the study, as well as the study design, method, and instrument.

### **Chapter 4: Data Analysis, Findings, and Discussion**

This section focuses on data analysis and the suggested study's findings. It discusses the validity of the information obtained, examines the descriptive statistics findings, and explains correlations.

### **Chapter 5: Conclusions and Recommendations.**

This chapter covers the conclusions of the proposed study and its additions to the available information, limitations, recommendations, and future studies.

## **1.11 CHAPTER SUMMARY**

This chapter introduces research on the competitiveness of family businesses in the Makhado Local Municipality. It highlights the significant role of these businesses in local and national economies, especially in terms of job creation and community development.

Family businesses face numerous challenges, including management issues, funding difficulties, and maintaining competitiveness amidst economic and cultural influences. The chapter discusses the vital qualities needed for these businesses to thrive, such as adaptability, strategic advantage, and succession planning. This underscores the importance of understanding the factors that affect these businesses to improve their survival and growth rates.

The background of the study explores how family dynamics, financial management, and local policies influence the operation and longevity of family businesses. This research aims to fill gaps in the literature and provide valuable insights for entrepreneurs, policymakers, and researchers. It emphasises the contribution of family businesses to the economy of South Africa, especially in the context of rising unemployment and poverty. This chapter also presents the problem statement, identifying the low survival rate of family businesses in Makhado due to poor business practices and succession planning. The research objectives include identifying the factors influencing business growth, examining the challenges faced, and evaluating the impact of community networks, development initiatives, and policies. The study employs a qualitative approach with a case study strategy to understand the lived experiences of family business owners through semi-structured face-to-face interviews. Utilising ATLAS.ti version 25 and thematic analysis, data analysis will be carried out to identify themes related to the research questions and to improve research quality and findings. In conclusion, this chapter sets the foundation for the study, outlining the key issues affecting family businesses and the research approach. The findings contribute to theoretical and practical knowledge, offering recommendations for business owners and policymakers to increase the sustainability of family businesses in the Makhado Local Municipality.

## **CHAPTER 2: LITERATURE REVIEW ON THE COMPETITIVENESS OF FAMILY BUSINESSES**

### **2.1 INTRODUCTION**

The previous chapter introduced the concept of competitiveness of the family businesses. It outlined the challenges, such as managerial inefficiencies, financial constraints, and weak succession planning, that these businesses face while emphasising their contribution to LED. The chapter also presented the research problem, objectives, and qualitative methodology adopted to explore the lived experiences of family business owners. Building on this foundation, this current chapter reviews the literature to contextualise these issues within theoretical and empirical frameworks related to family business growth, competitiveness, and sustainability.

This chapter presents a comprehensive review of existing literature on family-owned businesses, with a specific focus on their competitiveness, development, and sustainability across different contexts. It begins with an overview of family businesses, drawing on global perspectives and progressively narrowing to African, South African, and Makhado Local Municipality contexts, thereby establishing a clear contextual foundation for the study. The chapter then examines the nature and significance of competitiveness in family businesses, emphasising its role in ensuring survival, growth, and long-term value creation. Thereafter, it explores the key factors that influence competitiveness, as well as the common challenges that constrain the performance and sustainability of family-owned enterprises.

Furthermore, the chapter evaluates the role of community associations in strengthening competitiveness, alongside the effect of business development initiatives and government policies on family business performance. These discussions are essential for understanding the external support systems and institutional environments within which family businesses operate. The chapter also presents the theoretical framework underpinning the study, drawing on the resource-based view (RBV), institutional theory, and social capital theory to explain competitiveness in family firms. Finally, a synthesis of

the literature integrates the key themes, identifies gaps, and highlights areas requiring further investigation, thereby informing the conceptual direction and research focus of the study.

Overall, the literature review is structured to develop a coherent and logical understanding of the dynamics influencing family-owned businesses, with particular emphasis on competitiveness. Each section builds progressively from a broad contextual overview to more specific internal and external determinants of performance. The integration of global, regional, and local perspectives ensures contextual relevance to the Makhado Local Municipality. In addition, the combination of theoretical perspectives and empirical evidence provides a strong analytical foundation for interpreting the study's findings. The final synthesis consolidates the major insights from the literature and justifies the need for the present study, while also guiding the formulation of its research objectives.

## **2.2 OVERVIEW OF FAMILY BUSINESSES**

This section provides a global view, along with the perspectives of African, South African, and Makhado Local Municipality on family businesses.

### **2.2.1 Global View of Family Businesses**

Family businesses are essential to the world's economic expansion, particularly in developing nations (Xulu, 2025). Different countries have established robust networks that they use to distribute and acquire goods for family businesses (Gerald, Obianuju & Chukwunonso, 2020). Family businesses hold a special and valuable place in Chinese culture (Lee, Chen, Peng & Chen, 2023). However, in China, starting and operating a family business often depends on social networks and social capital due to limited entrepreneurial resources (Li, Zhang, Wu, Wall & Ying, 2022). Furthermore, these local family businesses support sustainable rural development in the country by offering unique and distinctive products and services (Li *et al.*, 2022). Morgan *et al.* (2021) reported that organisations' long-term survival and growth are crucial because they contribute to the national economy, especially family businesses. Amram *et al.* (2023) mentioned that family businesses in Malaysia reflect generational contributions, with traditional practices passed down over time. Amram *et al.* (2023) further noted that investment and business

performance are strongly linked in Malaysian family businesses. However, the growth of these businesses is hindered by limited market access, inadequate funding, skill shortages, high failure rates, outdated technology, and weak business infrastructure (Kassa, 2021). Lee *et al.* (2023) noted that there is currently a severe fault crisis that threatens the future of Taiwan's family businesses.

Amram *et al.* (2023) argued that family businesses often benefit from the support of relatives, enabling investment and growth. Shirokova, Osiyevskyy, Laskovaia, and MahdaviMazdeh (2020) reported that in Russia, government initiatives have enabled cooperation and coordination to improve the operations of family businesses with high potential. The growth of family businesses is crucial for the economic growth of Russia's national economy (Kuznetsova, Ilyina, Mironov, Korolkova & Marinchenko, 2021). Family businesses are currently among the fastest-growing segments in Russia (Mutalimov *et al.*, 2021). Statistics indicate that 90% of companies operating in Poland qualify as family businesses (Dacko-Pikiewicz, 2022), which indicates growth in the country. Family businesses have the potential to drive national economic growth in Indonesia (Surya *et al.*, 2021). These businesses constitute 50% of Romania's economy by contributing to its value (Kassa, 2021). Pakistan's business climate is dominated by family businesses, which also provide a substantial economic contribution to the country, just like they do globally (Ahmad *et al.*, 2021). Family businesses remain the primary provider of employment both nationally and globally over time (Lee *et al.*, 2023).

The importance of family businesses to Croatia's economy is widely recognised (Filipovic, 2021). Filipovic (2021) further stated that Croatia forms part of the broader context where family businesses are deemed vital to the European Union's economy. To successfully navigate numerous global challenges, family businesses in Sri Lanka must implement both tactical and survival strategies (Naradda Gamage *et al.*, 2020). Since family businesses are vital to Sri Lanka's economy, identifying their strategic position is key to tackling market challenges and gaining a competitive edge (Prasanna *et al.*, 2021). Family businesses in the United Kingdom (UK) must innovate and adapt to remain relevant and fulfil shifting customer demands in the market (Donbesuur, Ampong, Owusu-Yirenkyi & Chu, 2020). Saiz-Alvarez, Leitao, and Palma-Ruiz (2020) reported that

innovation and emotion are the driving forces behind fearless actions instinctively undertaken in Portugal by family businesses. Donbesuur *et al.* (2020) mentioned that technology and innovation strategies enable businesses to grow and compete, although both strategies come at a cost. Limited quality improvement facilities in Bangladesh hinder local businesses from innovating and competing effectively (Oridi, Uddin, Faisal-E-Alam & Husain, 2022).

A study in Sri Lanka by Rajapakshe *et al.* (2020) revealed that businesses use the triple bottom line approach to remain competitive by balancing social, environmental, and economic objectives. Prasanna *et al.* (2021) indicated that businesses can decide whether to maintain, strengthen, or exit their market positions by understanding their competitive positioning. Naradda Gamage *et al.* (2020) argued that for family businesses, the best approach is cost leadership: cutting expenses, setting competitive prices, and maintaining healthy profit margins. Shirokova *et al.* (2020) insisted that support programmes must be tailored and targeted to promote formal transitions, growth, competitiveness, and survival. Promoting family businesses is an effective strategy for fostering economic growth in the USA, especially in local areas (Umadia & Kasztelnik, 2020). Li *et al.* (2022) reported that family business owners in Australia, Canada, and Sweden prioritise family needs over profits, aiming to improve their family's well-being. Family businesses, particularly SMEs, are the most dominant business type globally and play a major role in generating wealth and employment (Maseda, Iturralde, Cooper, and Aparicio, 2022).

Several Asian family business owners run the risk of ruining their businesses and families by ignoring long-term planning (Bennedsen, Lu & Mehrotra, 2022). However, family businesses have been key drivers of entrepreneurship and Chinese capitalism, shaping Southeast and Eastern Asian economies over the past three decades (Dacko-Pikiewicz, 2022). Family businesses are quite common and significant in China, where they account for approximately 60% of GDP and 70% of technological advancements (Ren, Liu & Ding, 2023). Family businesses in Brazil are widely acknowledged as the most common businesses and significantly contribute to employment and economic output (Costa, Zen & Spindler, 2022). Family businesses help reduce poverty and favourably impact the

environment and society, making them key drivers of sustainable rural development (Li *et al.*, 2022). In support of this, economically leading countries such as Russia sustain family businesses, driving innovation, competitiveness, and a higher standard of living (Mutalimov *et al.*, 2021). The growth of family businesses aided by government programmes requires technological innovation and inventiveness (Surya *et al.*, 2021). Etim, Akpan, Augustine, and Michael (2022) indicated that nations such as Germany, Japan, Taiwan, China, and Sweden offer training programmes for aspiring entrepreneurs and provide inexpensive loans to support business financing.

### **2.2.2 African Perspective on Family Businesses**

Family businesses continue to dominate in Africa, significantly contributing to the economy through job creation and natural resource utilisation (Mayanja, Kizito, Mutebi & Zombeire, 2024). The Central Bank of Nigeria states that SMEs or family businesses promote entrepreneurship and innovation and reduce poverty, inequality, and social flaws (Olubiyi, Lawal, & Adeoye, 2022). The estimated contribution of 4–6% of family businesses to Nigeria's growth potential explains their significance (Nwuke & Adeola, 2023). The Nigerian authority established the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in 2003 to support and oversee micro, small-, and medium-sized businesses (Umadia & Kasztelnik, 2020). The act aims to establish and clarify the policies, initiatives, services, and tools required for the growth of family businesses (Umadia & Kasztelnik, 2020). Nwuke and Adeola (2023) indicated that in Nigeria, family-owned businesses are classified as SMEs. A 2013 report revealed that 52% of Nigeria's top 200 listed companies were family businesses, increasing growth and reducing poverty (Iwu, Malawu, Ndlovu, Makwara & Sibanda, 2024). Although family businesses offer growth potential for Nigeria's economy, they are often reported to lack proper governance structures and succession planning (Nwuke & Adeola, 2023).

Therefore, different countries have different perspectives on family business support and how to address social injustices (Iwu *et al.*, 2024). For instance, the Ministry of Industrialisation in Kenya created the Kenya Industrial Research and Development Institute (KIRDI) in July 2006 (Iwu *et al.*, 2024). Gribi, Amarouche, and Si Lekhal (2024) the Algerian government implemented the National Agency for the Support of Youth

Employment (ANSEJ), National Investment Development Agency (ANDI), and National Microcredit Management Agency (ANGEM). Iwu *et al.* (2024) stated that family businesses benefit from resource access, learning opportunities from stakeholders, and available funding and related information. Nevertheless, 70–75% of family businesses fail to transition to the second generation because of inadequate planning for intergenerational succession (Mayanja *et al.*, 2024). Family background contributes significantly to the development of successors' business skills, which promotes the long-term prosperity of family businesses (Cahyadi, Tan, Sugiarto, Widjaja & Pramono, 2021). Aladejebi (2021) identified two primary steps in this process: selecting a competent heir and transferring control.

Although family-owned businesses are key to many developed and emerging economies, most do not survive beyond the founding generation (Nwuke & Adeola, 2023). Before taking over the business, family business owners should raise a capable successor (Okoh *et al.*, 2021). Family mentoring increases younger generations' engagement in learning and task execution, enhancing their understanding of business operations (Tinh *et al.*, 2023). Kassa (2021) argued that the high mortality rate among family businesses is caused by fierce rivalry from major companies and the absence of government subsidies. Family businesses in sub-Saharan Africa are essential in the continent's business landscape and enhance the living standards of its people (Owusu-Acheampong *et al.*, 2024). A study by Owusu (2020) in Ghana revealed that family businesses are often seen as reliable, stable, and essential to local communities. However, these businesses face various barriers, such as limited access to technology, high transaction costs, and a greater risk of default than larger competitors do (Frimpong, Agyapong, & Agyapong, 2022).

Family businesses in Zimbabwe account for more than 60% of the workforce and contribute approximately 50% of GDP (Mashavira & Chipunza, 2021). Chundu, Njobo, and Kurebwa (2021) argued that in Zimbabwe, approximately 80% of businesses are run by families thriving under the leadership of the founding member. However, family businesses in Zimbabwe appear scattered and without a recognised representative organisation or unit (Shumbambiri, 2023). A concerning trend is the inability of family

businesses to survive after the death or exhaustion of founding owners (Chundu *et al.*, 2021). For heirs to acquire important experience in business leadership, they need to be brought in earlier (Okoh *et al.*, 2021). Cahyadi *et al.* (2021) argued that many owners prefer that successors pursue professional careers outside the family business after completing their education before eventually taking over. Transferring knowledge also entails progressively entrusting the successor with increased responsibilities in the business (Tinh *et al.*, 2023). A study by Mousa and Arslan (2023) revealed that in Egypt, many family business owners and/or managers lack adequate business training, which impacts generational succession.

According to a World Bank analysis, family businesses significantly reduce poverty in developing nations, particularly in Egypt (Kassa, 2021). Elkafrawi and Refai (2022) mentioned the shortage of skilled workers driven by the rising illiteracy rate as one of the challenges local businesses face in Egypt. A study in Algeria by Gribi *et al.* (2024) indicated that the absence of innovation harms Algerian businesses, especially family businesses, reducing their competitiveness. Furthermore, a lack of assistance and managerial training harms these businesses (Chigara and Hebri, 2021). However, in Algeria, Chigara and Hebri (2021) stated that family businesses dominate the Algerian business landscape, serving as the basis of the private sector. Salaouatchi *et al.* (2021) reported that family businesses are crucial drivers in developed economies and play a significant role in developing nations such as Algeria. Salaouatchi *et al.* (2021) further indicated that they are leveraged to maximise local resources; they play a fundamental role in boosting GDP and altering export patterns. In Ethiopia, these businesses employ a larger workforce, require minimal startup capital, and supply raw materials or inputs to larger industries (Kassa, 2021).

Iwu *et al.* (2024) stated that African countries support family businesses in line with Agenda 2063 Goals 1 and 4 of the SDGs. However, inadequate infrastructure, policy inconsistencies, a difficult regulatory environment, limited financial access, and high failure rates affect family-owned businesses (Nwuke & Adeola, 2023). AU (2021) stated that, adopted in 2013, Agenda 2063 is the 50-year plan for sustainable development and economic growth of the African Union. Shevelkova *et al.* (2023) stated that SDG 1 (No

Poverty) targets financial aid, accessible transport, social protection measures such as poverty prevention and pensions, and affordable housing solutions. SDG 4 (Quality Education) seeks to ensure that everyone has access to opportunities for lifelong learning and high-quality, inclusive, and equitable education (Shevelkova *et al.*, 2023). The SDGs are vital, as they encourage a long-term strategy for tackling global challenges that demand collaborative efforts among nations (Saikia & Das, 2023). However, Leal Filho *et al.* (2023) indicated that the SDGs have faced criticism because they are overly broad and inconsistent, which can render them vague or lacking in clear meaning.

### **2.2.3 South African Perspective on Family Businesses**

The South African government assigned organisations to support family businesses financially (Wiid & Cant, 2021b). Family businesses play a crucial role in growing South Africa's economy by driving job creation, economic progress, poverty alleviation, and wealth creation (Masenya, Livhuwani & Phathutshedzo, 2024). Iwu *et al.* (2024) stated that South Africa uses business incubation to support family businesses, serving as a model for other African nations. However, existing policies and initiatives do not meet expectations (Lethoko & Netshikundini, 2024). To encourage the expansion of family businesses in the South African market, the government should explore diverse frameworks and offer security to owners (Adesile, 2020). Iwu *et al.* (2024) stated that South Africa is committed to utilising business incubator services to support entrepreneurship, including family businesses, to pursue social and economic development goals. Malgas and Zondi (2020) highlighted that the success of any business is determined by its capacity to perform across financial, operational, marketing, and human resource dimensions. To address these challenges and advance socio-economic objectives, the National Development Plan (NDP) recognises family businesses as vital tools (Ngo Ndjama & Van Der Westhuizen, 2024). Gaglio, Kraemer-Mbula, and Lorenz (2022) stated that South Africa has prioritised digital transformation in its NDP to end poverty and lessen inequality by the year 2030.

The government of South Africa promotes wider access networks through the Small Enterprise Development Agency (SEDA), alongside private sector incubators specialising in areas such as fintech (Iwu *et al.*, 2024). Family businesses view relationships and

connections as crucial, limited, and difficult-to-replicate resources that provide them with a significant competitive edge (Kupangwa, 2024). For businesses to grow, owners must have access to information, market knowledge, and a favourable environment (Adesile, 2020). Family businesses now need to be inventive to compete and survive in highly competitive marketplaces (Mashego & Sewdass, 2023). Kupangwa, Farrington, and Venter (2023) reported that in South Africa, only 25% of family businesses last to the second generation, and only 10% reach the third generation. Succession is vital for family business continuity and intergenerational harmony (Urban & Nonkwelo, 2022). Owners should facilitate a smooth handover to successors by providing hands-on training, helping to ensure the prolonged prosperity of the business and sustainability (Okoh *et al.*, 2021). In South Africa, many recently founded family businesses have failed to make it past their initial phase of expansion (Xulu, 2025). Everyone involved in a family business should care about sustainability because these businesses often aim to stay in the family for generations (Jamil *et al.* 2025).

Embracing Ubuntu can help family business leaders cultivate a collaborative culture with a shared purpose, enhancing performance (Kupangwa, 2024). Ubuntu serves as a transformative approach that can impact the productivity and sustainability of indigenous African family businesses in current organisations (Kupangwa, 2024). Shumbambiri (2023) stated that Ubuntu symbolises humanity, emphasising how people and communities treat and support one another with hospitality, kindness, and respect. Family businesses drive South Africa's economy, yet most, especially indigenous black South African (IBSA) family businesses, face high failure rates (Kupangwa *et al.*, 2023). Government licences, permits, tariffs, and taxes can impact the survival of family businesses, especially when owners lack knowledge of relevant laws and regulations (Chindoga, Chodokufa & Ladzani, 2025). Majadibodu *et al.* (2023) highlighted that the greatest barriers to family businesses' growth and development are laws and regulations. South Africa introduced the Broad-Based Black Economic Empowerment (B-BBEE) policy to support black communities and their businesses with funding and incentives (Musabayana & Mutambara, 2022). The Township and Rural Entrepreneurship Programme (TREP) policy of 2022 supports local and rural entrepreneurship through

funding, business services, and market access (UNDP, 2021). The Small Enterprise Finance Agency (SEFA) presents fiscal aid via loan schemes and supports programmes to improve capital access. To address high unemployment, the South African government recognises the need to support family businesses (Scholtz *et al.*, 2023). The Department of Small Business Development (DSBD) and Nedbank gave 40,000 unofficial fruit and vegetable merchants R1000 incentives to assist them in restocking after COVID-19 (UNDP, 2021). Numerous family businesses have faced several difficulties as a result of COVID-19, including a decrease in income and operations (Shava, 2024). The COVID-19 pandemic has affected countries worldwide, resulting in nationwide lockdowns (Masenya *et al.*, 2024). Family businesses encounter more severe difficulties than larger firms do, often struggling with cash flow and solvency problems (Dzingirai & Ndava, 2022). Access to financing is fundamental to family businesses' growth and long-term success (Kassa, 2021). The survival of family businesses requires proper and significant financial support (Phiri *et al.*, 2025).

LED offices are set up to support businesses within local municipalities and provinces in achieving self-sufficiency (Majadibodu *et al.*, 2023). However, there is a lack of agreement on how to best support family businesses in driving LEDs post-COVID-19 (Shava, 2024). Organisations such as SEDA, SEFA, and LED, along with other government programmes, were established to support businesses financially (Wiid & Cant, 2021b). Majadibodu *et al.* (2023) stated that these government agencies provide counselling and advisory services to enhance business performance and growth. Phiri and Ramasimu (2025) argued that family businesses struggle financially, as funders hesitate due to weak business plans and a lack of security. Phiri and Ramasimu (2025) further stated that many family businesses depend on family, friends, and informal lenders for funding since they lack the necessary resources. Shibiti, Masabo, and Ladzani (2023) highlighted that family businesses require financial resources to purchase essential assets, which are typically the foundation of their operations. Aldabousi (2025) reported that numerous family businesses collapsed because of insufficient support from the government.

Most IBSA South African businesses do not have the resilience needed to endure or remain competitive and sustainable (Kupangwa *et al.*, 2023). Despite substantial

Department of Trade and Industry (DTI) funding, many South African family businesses struggle to grow and contribute to GDP (Adesile, 2020). Kupangwa *et al.* (2023) argued that these high failure rates stem from poor leadership, a lack of succession planning, and unclear values, causing internal conflicts. Many family businesses struggle to compete because of strong competition, limited funds, weak management, and inadequate infrastructure (Mashego & Sewdass, 2024). Majadibodu *et al.* (2023) argued that family businesses struggle to survive because of insufficient government support in funding, marketing, and business skills. The government should establish a conducive environment and implement supportive policies to aid in family business survival (Phiri *et al.*, 2025). Family businesses frequently fail because they do not receive adequate attention (Shibiti *et al.*, 2023). Strategic business techniques are desirable for these businesses to obtain capital from other sources rather than depending solely on government support (Shava, 2024). However, the government offered support to family businesses to prevent collapse due to the COVID-19 outbreak (Kodama, Morgan, Azhgaliyeva, Trinh & Kim, 2024).

The significant failure rate of family businesses and the low rate of new business establishments in South Africa are causes for concern (Chindoga *et al.*, 2025). These businesses face strong competition, demanding innovative strategies to stay ahead (Mashego & Sewdass, 2024). The adoption of advanced technologies by family businesses can reveal new strategies (Shibiti *et al.*, 2023). South African family businesses face strong competition from immigrant-owned and large businesses, which negatively affects their performance, existence, and success (Majadibodu *et al.*, 2023). Chindoga *et al.* (2025) reported that the rate at which family businesses cease operations in South Africa is exceptionally high. These businesses play a crucial role in economic prosperity, and if their growth is hindered, it results in economic stagnation for the country (Chindoga *et al.*, 2025). Innovation management techniques can help family businesses accomplish strategic objectives and remain competitive (Mashego & Sewdass, 2024). Chindoga *et al.* (2025) stated that family businesses need to adapt to rapid advancements in technology. New technology and equipment are key to helping family businesses grow and move forward (Jamil *et al.* 2025). South Africa recognises innovation as essential for

growth and development, resulting in policy frameworks that support innovation across the public and private sectors (Ngo Ndjama & Van Der Westhuizen, 2024).

The South African government has put policies in place to encourage family business growth (Shibiti *et al.*, 2023). South African local municipalities host government agencies that support family businesses, promote their growth, and drive initiatives to reduce unemployment and poverty (Majadibodu *et al.*, 2023). However, Majadibodu *et al.* (2023) further stated that government agencies supporting family businesses are more prevalent in metropolitan areas than in local areas. The government of South Africa has recognised the vital role that family businesses play in developing and growing the nation's economy (Adesile, 2020). Recognising the value of family businesses, South Africa established a Family Business Association of Southern Africa (FABASA) to support governance and consultancy (Shumbambiri, 2023). Family businesses are becoming more prevalent in South Africa and vital for improving income distribution, generating jobs, reducing poverty, and fostering growth (Adesile, 2020). However, family businesses continue to encounter challenges that limit their potential to contribute to GDP, leading to a weaker impact on the economy (Xulu, 2025).

Local municipalities in South Africa aim to create jobs through family businesses, but economic instability and inflation hinder their growth (Shava, 2024). Supporting and enhancing the productivity of family businesses depends on efforts to develop and safeguard the business environment (Surya *et al.*, 2021). A key element of China's rapid economic growth involved transforming the economic systems in local areas (Mulibana & Tshikovhi, 2024). Local municipalities can support and promote local markets through LED (Mashabela, 2021). Ramasimu, Ramasimu, and Nenzhelele (2023) stated that informal street vendors face numerous obstacles, including a lack of funding, government assistance, infrastructure, and managerial expertise. However, where a business is located can greatly influence its overall success (Kassa, 2021). Informal street vendors are part of family businesses that significantly boost South Africa's employment and economic growth (Ramasimu *et al.*, 2023). Informal businesses such as street vendors and spaza shops boost local economies by using local resources and creating self-employment (Rogerson & Rogerson, 2020). Street vending is an expanding source of

jobs and income for struggling households, but it still faces obstacles such as limited support from key stakeholders (Mahopo, 2023). Xulu (2025) noted that family businesses need strong support from multiple stakeholders to grow and remain sustainable.

#### **2.2.4 Makhado Local Municipality Perspective on Family Businesses**

The Makhado Local Municipality is situated in a predominantly agricultural region bordered by commercial farms and underdeveloped areas that were once designated “homelands” (Makgetla *et al.*, 2022). Makhado Local Municipality has developed eight strategic focus areas, targeting businesses, infrastructure, agriculture, forestry, investment promotion, tourism, manufacturing, and mining (Makgetla *et al.*, 2022). However, plans outlined by the municipality for various projects have not yet been implemented (Makgetla *et al.*, 2022). The responsibility for sustaining business development lies with both the municipality and business owners, who must create and apply effective strategies (Mukuvhi, 2021). Xulu (2025) argued that local municipalities are essential in formulating effective strategies and policies to care for the evolution and success of family businesses. Maake (2021) stated that a key barrier to entrepreneurship development is the limited awareness of and access to available support structures and initiatives. Majadibodu *et al.* (2023) reported that the growth, survival, and success of family businesses depend on the local government’s involvement in and support of government initiatives.

LED is a key priority for every municipality in South Africa because of its significant contribution to the national GDP (Xulu, 2025). The South African government’s efforts at assisting local businesses have not proven effective (Mulibana & Tshikovhi, 2024). The country has strong regional development policies, yet sustainable growth challenges persist in most local areas, including Makhado (Ngudo-Nthangeni, Gumbo, Ingwani & Ekelund, 2022). South Africa’s laws and policy framework require municipalities to establish an atmosphere that supports the expansion of the local economy (Mashabela, 2021). Developmentally oriented planning is a legal requirement for municipalities (Van der Waldt & Fourie, 2022). Generally, national laws and policies about LED imply that local governments have a wide range of economic authority and responsibility (Makgetla *et al.*, 2022). The overall success of family businesses can be affected by the country’s

tax policies (Kassa, 2021). Ngudo-Nthangeni *et al.* (2022) argued that a shortage of skills, limited administrative capacity, and poor implementation of development policies in the municipality hinder growth and progress.

Surrounding communities have not yet experienced economic gains or infrastructure improvements, with poverty still shaping their daily lives and living conditions (Ngudo-Nthangeni *et al.*, 2022). For economic recovery, family businesses must follow good governance to boost local economies and support LED to help South Africa reach SDG 2 (Zero Hunger) (Shava, 2024). SDG 2 aims to eradicate hunger, enhance food security and nutrition, and advance sustainable agricultural practices (Shevelkova *et al.*, 2023). LED prioritises making growth inclusive, boosting sustainable growth, and improving competitiveness (Van der Waldt & Fourie, 2022). In its pursuit of inclusive economic growth and development, the South African government incorporated LED into its development agenda (Mashabela, 2021). Shava (2024) indicated that throughout South Africa, local municipalities support family-owned businesses as the most effective means of creating jobs and raising household incomes. Through LED, the South African government supports businesses and communities to promote job creation and reduce poverty (Mashabela, 2021). Xulu (2025) reported that family business owners in rural or local areas are often unaware of available government support centres or municipal support initiatives.

The availability of government support is crucial for local family businesses' capacity to innovate and engage in entrepreneurship (Mulibana & Tshikovhi, 2024). Technology-driven development policies and improvements boost productivity in local businesses (Surya *et al.*, 2021). A notable success is the Makhado Local Municipality's support for trade growth by ensuring quick processing of trade licence applications (Makgetla *et al.*, 2022). Local councils should support entrepreneurship, boost investment, and foster the development of family businesses to uplift the informal sector and support unskilled workers (Dikgwatlhe & Mulenga, 2023). Strengthening family businesses will fuel economic growth (Surya *et al.*, 2021). Majadibodu *et al.* (2023) argued that poor resource management and weak leadership can harm a business and lead to failure. Municipal policies can positively or negatively influence the growth of family businesses (Surya *et*

*al.*, 2021). However, Kassa (2021) stated that other factors that hinder the growth of these businesses include inadequate training, policy shifts, price fluctuations, and overreliance on government support. Mabeba (2021) indicated that corruption has become a major recent challenge for South African municipalities.

Family businesses create opportunities for local communities by reducing poverty and ensuring their survival and success in larger commercial settings (Majadibodu *et al.*, 2023). Since family businesses are seen as the key to both social and economic development, the government must support them (Majadibodu *et al.*, 2023). LED creates a platform for municipalities and local businesses to join forces in boosting the local economy (Van der Waldt & Fourie, 2022). Nevertheless, unemployment and poverty remain high in local communities, with many family businesses facing difficulties in obtaining funding (Mashabela, 2021). Family businesses require support from the local government to develop infrastructure for expansion (Adesile, 2020). Corrupt practices within South African local governments often make it difficult for municipalities to deliver services effectively (Mabeba, 2021). Local family businesses are more inclined to obtain government funding that helps advance their community's development objectives (Johnson Jorgensen *et al.*, 2020). Providing sufficient infrastructure and services can help local municipalities attract and retain family businesses (Mashabela, 2021). Local municipalities must provide adequate, well-maintained infrastructure to accommodate family businesses for operational use (Xulu, 2025).

The primary function of municipalities in facilitating business operations is to encourage local investment by creating an environment that is favourable to business (Van der Waldt & Fourie, 2022). In the Makhado Local Municipality, land disputes have created friction between traditional and municipal authorities, resulting in delayed and inconsistent community development (Ngudo-Nthangeni *et al.*, 2022). Economic growth relies heavily on political stability and security (Surya *et al.*, 2021). Surya *et al.* (2021) further reported that investment, socio-economic variables, and political stability all have beneficial effects on capital flow and the expansion of family businesses. The expansion of such businesses may be hampered by rising workplace rent and declining consumer purchasing power caused by rising inflation (Kassa, 2021). A supportive environment that

enables legislation and support networks is crucial for family businesses to thrive in local areas (Mulibana & Tshikovhi, 2024). Xulu (2025) argued that support from local municipalities for family businesses should be customised to suit each business's unique needs and circumstances. However, dynamic capabilities are crucial for family firms to handle the environmental challenges that impact their success, survival, and growth (Morgan *et al.*, 2021).

Local family businesses' capacity to survive in South African municipalities relies on their capacity to generate income (Shava, 2024). Family businesses need a mindset shift to embrace technology for building business partnerships (Surya *et al.*, 2021). Local family businesses tend to avoid risk, which hinders efforts to drive local transformation through entrepreneurship and innovation (Mulibana & Tshikovhi, 2024). Xulu (2025) indicated that South African local municipalities are legally obligated to develop innovative ways to foster a supportive environment where family businesses can thrive. Entrepreneurial education is required to use new technology, demonstrate business potential, understand innovative methods, and recognise opportunities (Kassa, 2021). Despite having creation and expansion strategies for family businesses, most municipalities still invest more in attracting new industries (Malizia, Feser, Renski & Drucker, 2021). Xulu (2025) mentioned that the uMsunduzi local municipality provides customised training, market access workshops, and networking sessions for family business owners. Surya *et al.* (2021) reported that relational assets are crucial in local and regional development for enhancing the capacity of business institutions, networks, and collaborations.

This literature reveals that family businesses play an essential role in economic growth across global, continental, national, and local levels. Globally, these businesses are known for their intergenerational involvement, embedded community ties, and long-term commitment to sustainability and employment. In the African context, family businesses face notable barriers, including limited access to finance, weak institutional frameworks, insufficient training, and inconsistent policy support. Despite these challenges, their contributions to poverty reduction, job creation, and informal sector development are widely acknowledged. Family businesses are essential for boosting local economies and improving underprivileged areas in South Africa. However, structural issues such as policy

misalignment, resource constraints, and poor implementation of LED strategies continue to hinder their full potential.

### **2.3 NATURE AND SIGNIFICANCE OF COMPETITIVENESS OF FAMILY BUSINESSES**

A business can be classified as a family business when family members are involved in its ownership, management, or control (Buchanan, Martikainen & Nikkinen, 2023). Families enhance business competitiveness and achieve both economic and non-economic goals through values such as loyalty, trust, collectivism, identification, and commitment (Kurowska-Pysz *et al.*, 2024). However, understanding the relationship between resources and capabilities is essential for developing a competitive strategy that enhances family business competitiveness (Kárpáti, Ferincz & Felsmann, 2024). Family businesses are among the earliest forms of entrepreneurship, dominating global markets and shaping the competitiveness of modern economies (Kurowska-Pysz *et al.*, 2024). Kárpáti *et al.* (2024) argue that family businesses place greater emphasis on networking, including relationship capital and ties with suppliers and customers, viewing this as central to competitiveness. Amato, Basco, and Ricotta (2023) indicate that business competitiveness produces an added advantage from which family businesses benefit the most.

Family businesses are recognised as key drivers of economic growth, poverty reduction, and national development (Adesile, 2020). They are seen as a source of sustainable economic growth, creating jobs and fostering innovation (Lee *et al.*, 2023). Family businesses are prevalent business models globally; they significantly influence the economy, and their distinctiveness stems from active family participation (Li *et al.*, 2022). These businesses are crucial to the world economy since they greatly increase GDP and improve living standards (Adesile, 2020). Moreover, they are essential to economic progress, but they also face many obstacles that hamper their competitiveness. These businesses often struggle to achieve their full potential because of resource constraints and external pressures (Wiid & Cant, 2021a). Adesile (2020) argued that they struggle with economic constraints, requiring a fresh approach aligned with their challenges to

achieve growth. However, Saiz-Alvarez *et al.* (2020) stated that family-owned businesses often lack the resources necessary to recognise and adapt to external changes. Family businesses are crucial to industry development and serve as key drivers of strategic innovation (Shekhar, Gupta & Valeri, 2022).

Family businesses constitute 90% of businesses in Brazil, 96% in the United States of America (USA), and 60–80% in most European countries and Australia (Olubiyi *et al.*, 2022). Mlotshwa (2022) expressed that in the majority of African countries, family businesses are the key drivers of economic development and advancement. In Africa, family businesses are intertwined with society through personal ties with extended families (Iwu *et al.*, 2024). However, a family business's ability to thrive and endure varies with its owner's effective planning for smooth intergenerational transitions (Mayanja *et al.*, 2024). Miroshnychenko *et al.* (2021) argued that conflicting goals among family members can lead to disputes, which deplete the resources required for business growth and increase internal challenges. Business owners can foster growth by making wise investment choices and identifying expansion opportunities (Amram *et al.*, 2023). Although family businesses make significant contributions to social and economic advancement, their limited long-term survival and growth remain a concern (Ikechukwu & Enudu, 2022).

Family businesses must embrace innovation and technological advancements to increase their competitiveness and efficiency. Bvuma and Marnewick (2020) argued that embracing innovation improves operational efficiency and sustains growth. However, family businesses often encounter obstacles such as limited technological access, digital literacy gaps, and resource constraints (Bvuma & Marnewick, 2020). Lukonga (2020) underscored that adopting technology can drive productivity, innovation, access to global markets, and operational efficiency. For example, local spaza shops have started using card machines to offer greater convenience to customers. Saiz-Alvarez *et al.* (2020) noted that businesses cannot grow without innovation. Government support, innovation, networking, and strategic locations foster business growth and boost the economy (Adesile, 2020). Kupangwa *et al.*, (2023) argued that family businesses' sustainability is largely dependent on their values, but their long-term existence is at risk if these roles are

not completely understood. Family businesses must focus on building competitiveness and enhancing productivity to thrive in global, national, and local markets (Surya *et al.*, 2021).

In conclusion, the researcher asserts that the competitiveness of family businesses is shaped by a combination of internal values, resource capabilities, and external environmental factors. While family involvement, strong networks, and shared values provide a unique competitive advantage, challenges such as limited resources, succession issues, and external pressures continue to hinder their growth and sustainability. The literature highlights that for family businesses to remain competitive, they must adopt strategic approaches that integrate innovation, effective planning, and adaptability to changing market conditions. Therefore, strengthening competitiveness is essential not only for the survival and growth of family businesses but also for their continued contribution to economic development and societal well-being.

#### **2.4 FACTORS IMPACTING COMPETITIVENESS OF FAMILY BUSINESSES**

Family business longevity matters not only to owners but also to the broader economy (Lee *et al.*, 2023). Many family businesses continue to operate on a relatively small scale, although they are vital to many economies (Moreno-Menéndez & Casillas, 2021). A key goal of any business is long-term survival, which largely relies on sustained profitability alongside various other contributing factors (Ahmad *et al.*, 2021). Family businesses must undergo significant transformation to ensure their continuity and long-term survival (Zapata-Cantu *et al.*, 2023). Moreno-Menéndez and Casillas (2021) indicated that growth is typically seen as the primary goal for a business and as a sign of its effectiveness and success. Haynes *et al.* (2021) indicated that thriving family businesses commonly opt to transfer ownership to the next generation. The active involvement of the owning family creates unique characteristics that affect all areas of the business, including its long-term survival and continuity (Ahmad *et al.*, 2021). However, the longevity of a family business relies mostly on its ability to continue operating beyond the founder's tenure (Ahmad *et al.*, 2021). Planning for succession is essential to the expansion and long-term viability of family businesses (LeCounte, 2022).

Family businesses adapt quickly to market changes because of their close operational involvement, efficient decision-making, and strong internal and external social networks (Zapata-Cantu *et al.*, 2023). Family involvement influences nearly all facets of a business, including its long-term survival (Ahmad *et al.*, 2021). Zapata-Cantu *et al.* (2023) noted that family businesses have had to adopt technology and adapt to evolving consumer demands. The ability to innovate refers to a business's capacity to introduce new ideas in products, services, technologies, processes, markets, and its overall business model (Ahmad *et al.*, 2021). Tapping into the innovation of young entrepreneurs helps increase the success and expansion of family-owned businesses (Nwuke & Adeola, 2023). Involvement across generations increases innovation and strengthens the focus on business growth within family businesses (LeCounte, 2022). Family businesses must balance preserving their legacy with adapting to rapid changes driven by market shifts and technological advancements (Kumar & Ratten, 2025). Dynamic capabilities of family businesses are vital for survival and growth, helping align strengths with opportunities to innovate, adapt, and secure lasting competitive advantages (Morgan *et al.*, 2021).

The growth and survival of family businesses depend largely on their capacity to develop, adapt, or restructure their capabilities in response to changing environmental demands (Kayid, Jin, Priporas & Ramakrishnan, 2022). The longevity of business succession depends on financial stability, enabling innovation, and supporting growth for the following generation (Lee *et al.*, 2023). Moreover, Kayid *et al.* (2022) stated that family-run business sustainability is shaped by the balance between tradition and innovation, stability and proactiveness, and their ability to build dynamic capabilities. Long-lasting family businesses have demonstrated the ability to adopt particular behaviours to handle situations involving a great deal of uncertainty (Conz, Denicolai & De Massis, 2024). García-Sánchez, Martín-Moreno, Khan, and Hussain (2021) argued that family businesses tend to avoid harmful actions that could damage the family's reputation, help attract key resources and support survival during tough times. Family businesses take initiatives that put them in a better position to withstand difficult times since they typically think in terms of generations (Lee *et al.*, 2023). They require strong and resilient management due to the knowledge that is ingrained in their beliefs and decision-making

processes and that endures for generations (Zapata-Cantu *et al.*, 2023). Each family business has distinct beliefs, values, and practices that shape its identity and set it apart from others (Conz *et al.*, 2024).

Family business longevity relies on both the business's long-term survival and the continued involvement of the owner family across generations (Ahmad *et al.*, 2021). Their growth and survival rely on owners' entrepreneurial skills and effective business models that create and share value amid current challenges (Zapata-Cantu *et al.*, 2023). Moreover, their survival tactics include marketing, succession planning, and managerial skills (Etim *et al.*, 2022). Haynes *et al.* (2021) stated that the survival and success of family businesses are largely dependent on the underlying values, objectives, and business dynamics. To thrive over generations, family firms must manage their finances wisely and adapt their structure as both the family and the business evolve (King, Meglio, Gomez-Mejia, Bauer & De Massis, 2022). Unfortunately, only a small number continue to thrive after passing from founders to successors (Nwuke & Adeola, 2023). Effective succession in family businesses can reduce survival risks and help prevent inheritance-related conflicts (Lee *et al.*, 2023). To create a competitive and long-lasting edge, family-owned businesses need to improve key procedures and create flexible strategies (Zapata-Cantu *et al.*, 2023).

A family business's capacity to thrive and endure depends on how well the family and business adapt to major disruptions (Haynes *et al.*, 2021). One type of resilience that aids a family business in surviving unforeseen events is family-related adaptability (Crespo, Crespo & Calado, 2023). Firfiray and Gomez-Mejia (2021) noted that family businesses always prioritize leadership and succession planning, but during the COVID-19 crisis, their significance increased significantly. Family businesses adopt unique strategies, including long-term focus, cautious risk-taking, reliance on equity financing, and dedication to cost-effective innovation (Zapata-Cantu *et al.*, 2023). A business must build unique assets, strategies, and capabilities to gain a competitive edge and support long-term survival (Ahmad *et al.*, 2021). It is essential to craft strategies that enhance adaptability and leverage a firm's capabilities and knowledge strengths (Zapata-Cantu *et al.*, 2023). Haynes *et al.* (2021) stated that for a family business to grow, it must continue

to be competitive. Family business founders who maintained operations beyond the first generation employed innovative strategies (Nwuke & Adeola, 2023). Knowledge management offers tools to support tacit knowledge in succession and professionalisation, which is vital amid ongoing uncertainty (Zapata-Cantu *et al.*, 2023).

The secret to maintaining business is transferring business ideals and abilities from one era to another (Haynes *et al.*, 2021). Planning for progression is crucial in family businesses, as it prepares capable successors to ensure smooth leadership transition, business survival, and long-term continuity (Magasi, 2021). Family business founders should actively involve their children early on and prepare them for leadership positions in the future (LeCounte, 2022). Family businesses need to better acquire, generate, share, and apply knowledge to build and sustain a competitive edge (Zapata-Cantu *et al.*, 2023). Miroshnychenko *et al.* (2021) stated that family businesses concentrate on continuing term growth and continuity across generations. Zapata-Cantu *et al.* (2023) stated that these businesses should effectively create and share knowledge to drive innovation, improve efficiency, and respond to emerging challenges in today's environment. In today's intense global competition, innovation is essential for a business's survival (Ahmad *et al.*, 2021). Family owners aim for generational continuity, leading them to prioritise long-term investments (Zapata-Cantu *et al.*, 2023). However, effective family business succession depends on strong family interactions (Haynes *et al.*, 2021). Moreover, it is essential to educate successors, establish a proper succession plan, manage non-family employees fairly, and oversee family involvement in the business (Biel & Ślusarczyk, 2022).

In conclusion, the researcher observes that the competitiveness of family businesses is influenced by a complex interplay of internal dynamics, strategic capabilities, and external environmental factors. Key elements such as innovation, succession planning, adaptability, financial stability, and effective leadership play a critical role in ensuring long-term survival and growth. While strong family involvement, values, and intergenerational continuity provide a unique advantage, challenges such as resource constraints, succession complexities, and changing market conditions may hinder competitiveness. The literature further highlights that family businesses must continuously develop

dynamic capabilities, embrace innovation, and implement flexible strategies to remain resilient in the face of uncertainty. Therefore, enhancing these factors is essential for sustaining competitiveness and ensuring the long-term viability of family businesses across generations.

## **2.5 CHALLENGES FACED BY FAMILY BUSINESSES**

Family-run businesses usually confront distinctive obstacles that impact their long-term growth and sustainability because of the interaction between family dynamics and commercial operations (Zaidi, Waqas & Mahmood, 2024). Although family businesses make up more than 80% of all business formats globally, their greatest common issue is surviving or growing successfully (Ahmad *et al.*, 2021). The primary cause of their failure is the absence of an efficient and clear plan for succession (Lee *et al.*, 2023). Moreno-Menéndez and Casillas (2021) emphasised that growth is among the most significant problems that family businesses face. Many senior family business leaders have unexpectedly departed or plan to exit early because challenging conditions demand fresh perspectives and renewed energy (Zapata-Cantu *et al.*, 2023). Family businesses frequently face high failure rates because of various factors, including leadership transition issues that hinder their continuity (Nwuke & Adeola, 2023). Ahmad *et al.* (2021) further reported that the longevity of these businesses relies heavily on transgenerational succession, which is the most crucial phase in their lifecycle.

Because ownership, family, and business functions intersect, family businesses confront particular difficulties (Filipovic, 2021). Succession planning issues account for 30% of business failures, and nearly 50% of family businesses lack adequate succession plans (Etim *et al.*, 2022). Family businesses struggle with long-term survival because only 10–15% make it the third generation, and very few make it past the second generation (Shahzad, Akhlaq & Ghaffar, 2024). Grasping the complexities of family business dynamics is critical for families to proactively manage challenges and prevent conflicts when they arise (Zaidi *et al.*, 2024). Business failure is often caused by poor management, weak financing, limited marketing, bad locations, policy issues, competition, and a lack of planning (Etim *et al.*, 2022). Family businesses are increasingly adopting inclusive

decision-making to support growth through debt financing (Dartey, Okeniyi, Samuel, Peregrino-Dartey & Cobblah, 2024). However, family business owners face challenges such as limited access to collateral-free loans, skilled labour shortages, inadequate infrastructure, a lack of market data, and restricted land availability (Rahman *et al.*, 2022). Key challenges for family businesses include resistance to change, outdated skills, adapting to transformation, securing capital, succession, emotional dynamics, and leadership (Biel & Ślusarczyk, 2022).

A lack of proper succession planning causes coaching gaps and sustainability issues, often leading to family business closure within a year of transition (Whitman-Rector, 2024). Shahzad *et al.* (2024) argued that the major cause of the high failure rate is poor succession planning and execution. There are numerous obstacles for some prospective heirs, particularly females or women (Haynes *et al.*, 2021). Nwuke and Adeola (2023) argued that gender limitations have the greatest influence on management succession in family-owned businesses. Haynes *et al.* (2021) further reported that daughters (females) are frequently ignored or excluded in family business succession planning. Rahman, Dana, Moral, Anjum, and Rahaman (2022) indicated that in numerous countries, women are not given the same opportunities as males to manage family businesses. Chang, Mubarik, and Naghavi (2021) noted that a significant gender gap exists in family businesses, where female members are often overlooked in succession decisions by business owners.

However, Maseda *et al.* (2022) argue that family businesses offer better leadership and entrepreneurial opportunities to women than non-family firms do. Furthermore, Anand, Wieszt, and Vajda (2025) noted that female owners in family businesses help ease negative interactions and successfully minimise occurrences of business violations. Women play a key role in family businesses, often acting as unifying forces, even without holding ownership stakes (Chang *et al.*, 2021). Many family-run businesses struggle to maintain founders' success after the transition period (Nwuke & Adeola, 2023). Family business owners often encounter financial difficulties that demand effective and skilled management (Zaidi *et al.*, 2024). COVID-19 introduced uncertainty that posed major challenges for family businesses and strained the core strengths that previously

supported their longevity and stability (Firfiray & Gomez-Mejia, 2021). COVID-19 and its aftermath triggered challenges that, although they could affect any business, were particularly significant for family enterprises (Zapata-Cantu *et al.*, 2023). The failure or success of a business is dependent upon the owner's skills and experience, with owner incompetence causing approximately two-thirds of business failures (Etim *et al.*, 2022).

COVID-19 has created stressors that impact family business leaders' mental health and negatively impact business outcomes (Firfiray & Gomez-Mejia, 2021). Self-employed people were more directly impacted by COVID-19 than are those in regular employment (Belitski, Guenther, Kritikos & Thurik, 2022). Nevertheless, family businesses globally began responding to the pandemic, often showing exceptional creativity, innovation, and generosity toward their communities (Le Breton-Miller & Miller, 2022). The COVID-19 pandemic emphasised the value of innovation and resilience in family businesses, and digitalisation has proven crucial for their survival and adaptation (Kussudyarsana, Maimun, Maulana, Nugroho & Santoso, 2024). However, Ahmad *et al.* (2021) argued that current models of sustainable longevity overlook innovation capability, a key factor for business survival. The causes of family business failure include poor economic conditions, limited capital and resources, weak management, and various generational or family-related sustainability challenges (Gavrić & Braje, 2024). A common challenge for family-owned businesses is restricted access to financial resources (Setyawati, Sugangga & Restuningdiah, 2024). These businesses often struggle with limited access to funding, advanced management skills, technology, specialised expertise, and essential infrastructure (Etim *et al.*, 2022).

Ensuring business continuity is among the most difficult non-financial objectives for family businesses (Shahzad *et al.*, 2024). Nwuke and Adeola (2023) argued that while management style minimally affects family business survival, organisational structure and leadership transition strongly influence growth and performance. The unique ownership structure of family-owned businesses may also present specific challenges (Setyawati *et al.*, 2024). A lack of shared goals in family-owned businesses results in poor communication and insufficient successor preparation (Nwuke & Adeola, 2023). Zapata-Cantu *et al.* (2023) argued that jealousy among family members, often arising from a

desire for another's role, can hinder communication and weaken relationships, reducing effective knowledge transfer. Unresolved or poorly managed conflicts can cause resentment and emotional strain and hinder effective communication among family members (Gavrić & Braje, 2024). Unsettled disputes or power struggles can hinder strong leadership and negatively affect a business's overall performance (Zaidi *et al.*, 2024). Conflicts within the family may act as a trigger for negative conduct (Anand *et al.*, 2025).

Family-owned businesses are shaped by a family structure that is partly influenced by emotional ties (LeCounte, 2022). Gavrić and Braje (2024) argued that certain conflicts could enhance family unity and assist in making decisions for the family and the business. However, a clear process for choosing successors can ease transition challenges and help prepare them with the skills needed for business survival and growth (Morgan *et al.*, 2021). Emotions often have a strong influence during succession, which is considered among the most notable issues facing family-run businesses (Maseda *et al.*, 2022). Business continuity often involves aligning emotions and legacy-driven priorities with practical operational demands (Shahzad *et al.*, 2024). Rising disputes over ownership and authority in the family business are associated with the development of negative dynamics or behaviours within the business (Anand *et al.*, 2025). Shahzad *et al.* (2024) highlighted the need for a structured process to ensure continuity and growth. Conflicts stemming from differing values and goals across generations in family firms may prompt self-reflection and positively shift founders' attitudes and actions (Gavrić & Braje, 2024).

In conclusion, the researcher notes that family businesses face a wide range of interrelated challenges that significantly affect their growth, competitiveness, and long-term sustainability. Key issues such as poor succession planning, limited access to finance, leadership transition difficulties, and internal family conflicts continue to threaten their continuity across generations. Additionally, external pressures, including economic conditions, technological changes, and crises such as COVID-19, further intensify these challenges. The literature also highlights that emotional dynamics, gender disparities, and inadequate management skills can complicate decision-making and hinder effective business operations. Despite these challenges, family businesses possess the potential to overcome them through improved planning, strong governance, innovation, and

effective conflict management. Therefore, addressing these challenges is essential to enhance resilience, ensure continuity, and strengthen the long-term viability of family businesses.

## **2.6 THE ROLES OF COMMUNITY ASSOCIATIONS ON THE COMPETITIVENESS OF FAMILY-OWNED BUSINESSES**

For a business to survive, expand, and be profitable, it is important to adapt to changes in its surroundings (Skorodziyevskiy, Sherlock, Su, Chrisman & Dibrell, 2024). Family businesses are typically run and controlled by multiple family members, guided by a long-term vision aimed at sustainability across generations (Maseda *et al.*, 2022). Nevertheless, their owners must understand their external environment well and possess clear insight into their business's internal strengths (Zapata-Cantu *et al.*, 2023). Lee *et al.* (2023) noted that in local communities, various industries and environments influence the diverse ways in which business succession occurs. Family businesses play a crucial role in communities by creating jobs, generating tax revenue, and actively supporting community development (Lumpkin & Bacq, 2022). Those who actively participate in local associations tend to build stronger ties with stakeholders, enhancing customer loyalty, legitimacy, and employee dedication (Ibañez, Andrade-Valbuena & Llanos-Contreras, 2024). Ibañez *et al.* (2024) further stated that this involvement enhances the business's ability to adapt during crises and strengthens its standing in the community.

Businesses that are committed to and actively involved in their communities tend to experience greater business success (Johnson Jorgensen, Masuo, Manikowske & Lee, 2020). In addition to external market forces, such businesses are influenced by a range of internal dynamics shaped by traditions, family ties, and governance structures (Zaidi *et al.*, 2024). Such networks frequently make it easier to access common knowledge and provide chances for working together on environmental and social projects (Ibañez *et al.*, 2024). Community networks enhance business performance by facilitating easier access to funding sources and expanding customer reach (Boudreaux, Clarke, & Jha, 2021). Family businesses often show a strong commitment to preserving their local heritage and traditions (Baù *et al.*, 2021). However, Skorodziyevskiy *et al.* (2024) argued that aligning

with community collective goals can limit strategic flexibility, particularly for these businesses.

Communities with unequal power structures, such as those based on age, gender, or associations, may sideline younger or female heirs and limit their decision-making roles (Leonidou, Eteokleous, Christodoulides & Eduardsen, 2023). Al Rawaf and Alfalih (2024) highlighted that power imbalances, especially those based on gender or generation, can reduce the usefulness of these associations for certain family business members. Nevertheless, organised community associations offer support in governance, mentorship, networking, and succession planning to family businesses (Iwu *et al.*, 2024). Community associations often serve as centres of learning, fostering shared values and passing down practices between generations (McAdam, Clinton, Gartner & Hamilton, 2024). Although associations focus on the community, they often face challenges in engaging youth (Zantsi, 2021). Zantsi (2021) further highlighted that low youth involvement endangers sustainability over the long run and generational continuity of community associations in family businesses. However, shared norms in local associations can limit personal initiative and hinder youths' ability to make independent strategic decisions (Skorodziyevskiy *et al.*, 2024).

Actively participating community members and business owners will eventually ensure the longevity of the business and the community (Johnson Jorgensen *et al.*, 2020). Businesses that engage with local communities build strong social capital, which enhances their resilience and overall performance (Boudreaux *et al.*, 2021). When a business undertakes socially responsible activities in its community, it often gains increased support from customers, employees, and other stakeholders (Johnson Jorgensen *et al.*, 2020). Family businesses must reassess their core values and goals, dedicating greater effort and resources to fostering lasting internal and community relationships (Baù *et al.*, 2021). Family businesses that conduct business according to community values typically enjoy greater stakeholder trust and resilience (Ibañez *et al.*, 2024). Through mentoring and practical training, elders pass on knowledge and values to youth, supporting business continuity and long-term viability (McAdam *et al.*, 2024). Family businesses in community associations acquire bonding social capital through

internal trust and bridging capital via connections to external networks (Stasa Ouzký & Machek, 2024).

Family businesses can increase local pride and enhance quality of life, making the community more appealing for new business ventures (Johnson Jorgensen *et al.*, 2020). The connection between family-run businesses and stakeholders, including local communities, interest groups, political bodies, and governments, is crucial to understanding their success (Lumpkin & Bacq, 2022). However, many local municipalities in South Africa still struggle with challenges that hinder their ability to support family businesses effectively and stimulate the local economy (Xulu, 2024). Family businesses generate income, create jobs, and support the community through leadership and funding for local projects and civic clubs (Johnson Jorgensen *et al.*, 2020). Family businesses are more motivated and better equipped to support community well-being because of their deeper roots and stronger ties within the community (Lumpkin & Bacq, 2022). Johnson Jorgensen *et al.* (2020) suggested that family business owners tend to view their business as more successful when they show a stronger commitment to the community where it operates.

In conclusion, the researcher notes that community associations play a significant role in enhancing the competitiveness of family-owned businesses by fostering strong networks, social capital, and stakeholder relationships. Active participation in these associations enables family businesses to access resources, knowledge, and support systems that strengthen their adaptability, resilience, and overall performance. While community involvement promotes trust, legitimacy, and long-term sustainability, challenges such as power imbalances, limited youth participation, and potential constraints on strategic flexibility may hinder their effectiveness. Despite these limitations, the literature indicates that strong engagement with community structures can positively influence business success, continuity, and competitiveness. Therefore, leveraging community associations remains essential for strengthening both the sustainability of family businesses and the development of local economies.

## 2.7 EFFECT OF BUSINESS DEVELOPMENT INITIATIVES ON FAMILY-OWNED BUSINESSES

Local governments must set development goals that guide decision-making to create suitable business conditions (Trinajstić, Nižić & Denona Bogović, 2022). Family businesses are key drivers of the global economy, with culture and value systems crucial to sustaining businesses worldwide (Dartey *et al.*, 2024). They should make strategic decisions that support both survival and business development in a fast-changing, highly competitive environment (Kassa, 2021). However, worldwide, these businesses struggle to adapt to changing business environments as they become increasingly unstable (Dartey *et al.*, 2024). Business development involves the creation of enhanced products, processes, services, technologies, and artistic works (Ikechukwu & Enudu, 2022). Several factors hinder business development in Africa, including limited financing, a weak succession culture, rising insecurity, and institutional weaknesses (Dartey *et al.*, 2024). Family relationships can influence business development through innovation, as each specific succession element may produce varied outcomes (Liaqat, Haron & Bhatti, 2021). Family businesses require innovation for survival and growth; however, they are often seen as cautious, rigid, and hesitant to change (Yin, Crowley, Doran, Du, & O'Connor, 2023). Liaqat *et al.* (2021) reported that innovation is crucial for the expansion and longevity of family-owned businesses.

Rapid technological advancements and market shifts have made it difficult for businesses to anticipate future business development (Chaudhuri, Chatterjee, Kraus & Vrontis, 2023). Zhang *et al.* (2023) highlighted that a major challenge for family-owned businesses is carefully balancing the use of internal resources with the acquisition of external resources. In a male-dominated society, women's lower status hinders the development of female business ownership (Maseda *et al.*, 2022). However, family businesses must remain informed about new developments and market dynamics to adapt and respond effectively (Upadhyay, Upadhyay, Al-Debei, Baabdullah, & Dwivedi, 2023). One key area of family business development involves addressing challenges related to growth and efficiency improvement in the service sector (Mardiyevna & Anvarovna, 2022). Maseda *et al.* (2022) argued that women are instrumental in the establishment and development

of many family businesses. Furthermore, businesses look to the government for support in fostering business development (Dartey *et al.*, 2024). Trinajstić *et al.* (2022) stated that promoting business development by the government is essential for advancing the LED.

Mentoring is a component of business development focused on fostering successors' growth in key areas and assisting their business success (Ikechukwu & Enudu, 2022). Mentoring supports personalised learning, helps successors build skills and assess readiness for new roles within the family business (Tinh *et al.*, 2023). Businesses should create career and succession plans to manage transitions, ensuring that a possible successor is well qualified when handovers occur, which aligns with their career paths (Núñez-Cacho Utrilla, Grande-Torrallaja, Moreno Albarracin & Ortega-Rodríguez, 2023). By aligning family goals with business objectives, fostering trust and communication, and investing in leadership and mentorship, the next generation becomes ready for leadership positions (Dewi, 2024). Selecting a successor with the necessary skills, competencies, and vision is vital for ensuring the long-lasting growth and resilience of family businesses (Dekom, Jingak & Gontur, 2024). Family businesses should view individual development as a chance to enhance employee performance and potentially prevent conflicts (Núñez-Cacho Utrilla *et al.*, 2023). However, a larger number of family members makes choosing a successor more challenging (Liaqat *et al.*, 2021). Furthermore, excessive family involvement in business management can hinder innovation (Yin *et al.*, 2023).

Additionally, succession is a contentious issue that can lead to positive results or negative consequences, potentially hindering family business growth and development (Camilleri & Valeri, 2022). Business development is significantly impacted by the institutional environment, which varies depending on the ownership and governance circumstances of the business itself (Miroshnychenko *et al.*, 2021). Business owners can anticipate support and partnership from the municipality, which is vital for bolstering and sustaining the local economy (Trinajstić *et al.*, 2022). National and local governments support and promote family businesses because they drive economic growth (Tien, 2021). Being rooted in a local setting, strong social networks can counteract any possible harmful effects of family involvement on business development (Basco *et al.*, 2021). A business needs favourable local business conditions to progress (Trinajstić *et al.*, 2022). Family

business development is heavily constrained, especially when it lacks additional security for investments (Camilleri & Valeri, 2022). Family businesses influence not only the economy but also cultural and community development (Tien, 2021). Camilleri and Valeri (2022) indicated that some actions could hinder or impede business development.

For a business to succeed in the long run, business development is essential (Miroshnychenko *et al.*, 2021). Development strategies can be shaped from a resource perspective, maintaining a balance between leveraging existing resources and creating new ones (Zhang *et al.*, 2023). Enhancing and developing the family's role in fulfilling its core functions can also ensure the evolution of the family business (Tien, 2021). Healthy household dynamics, such as cohesion and adaptability, foster an environment that supports business development (Owusu-Acheampong, Arkaifie, Afriyie & Azu, 2024). Azizi, Bidgoli, and Taheri (2021) argued that the growth and development of family businesses are not significantly correlated with family control and governance. Furthermore, local governments, which are closest to people and local development issues, are essential for creating an atmosphere for business development (Trinajstić *et al.*, 2022). Camilleri and Valeri (2022) argue that various factors can enable or hinder family businesses of different sizes and types in generating and sustaining long-term business development. However, initiatives to promote business development might be more successful in periods of steady economic growth (Miroshnychenko *et al.*, 2021).

In conclusion, the section demonstrates that business development initiatives play a critical role in enhancing the growth, competitiveness, and long-term sustainability of family-owned businesses, particularly within dynamic and uncertain environments. The discussion highlights that while innovation, mentorship, succession planning, and access to resources are essential drivers of development, family businesses often face structural, financial, and institutional constraints that limit their ability to fully benefit from such initiatives. The role of local and national government support, as well as favourable institutional environments, emerges as a key enabler in creating conditions conducive to business development. Furthermore, the section emphasises the importance of balancing family involvement with professional management, fostering skills development, and aligning family and business goals to ensure continuity and resilience. Therefore, for

family-owned businesses to achieve sustainable development, there is a need for integrated strategies that combine internal capabilities with external support mechanisms, enabling them to adapt, innovate, and remain competitive in evolving markets.

## **2.8 THE EFFECT OF GOVERNMENT POLICIES ON THE COMPETITIVENESS OF FAMILY-OWNED BUSINESSES**

Transparency and fairness in procedures and policies are essential (Wang & Shi, 2021). The success of family businesses is more heavily influenced by governance (Nwuke & Adeola, 2023). However, family businesses often face challenges due to unfavourable government policies, regulatory hurdles, and high taxes imposed by state agencies (Morgan *et al.*, 2021). The lack of government policies, regulations, and support services has been recognised as a major obstacle for women entrepreneurs in rural Bangladesh (Rahman *et al.*, 2022). The state and municipal legal frameworks should be strengthened to support the growth of family businesses (Hushtan & Korsak, 2024). Tax implications for succession, ownership, and leadership transitions are crucial to family business continuity within any legislative framework (Lee *et al.*, 2023). Similarly, inheritance taxes might discourage families from focusing on goals that benefit the family but could hurt the business in the short term (Ortiz, Carney, Duran, Braun & Riutort, 2021). Etim *et al.* (2022) argued that the government has taken significant steps and introduced policies to encourage the expansion and long-term viability of these businesses.

Government policies are crucial for family businesses to thrive in an institutional and business context that is complicated and evolving quickly (Tien, 2021). Furthermore, government regulations can influence a business's ability to remain agile (Waty, Indrajit & Abdinagoro, 2022). The South African government implemented localised policies to address social, economic, and racial disparities, leading to robust performance among family businesses (Musabayana & Mutambara, 2022). Government policies and strategies aim to provide tailored support at various stages of a family business's development (Tien, 2021). However, laws, taxes, and legal barriers can pose significant challenges to starting and managing a family business, although their impact varies widely across countries (Rahman *et al.*, 2022). The overlap between family and business

systems creates complexity in succession planning, conflict management, and governance structures (Zaidi *et al.*, 2024). Weak internal controls and inadequate corporate governance practices can contribute to increased involvement in illicit activities (Anand *et al.*, 2025).

Effective internal control, combined with strong management, builds positive client relationships and drives innovation, helping family businesses strengthen their market position (Huacca-Incacutipa, Argandoña, Pérez & Nuñez-Vizcarra, 2022). Family influence drives owners to rely on personal decision-making instead of establishing transparent and equitable policies and procedures (Wang & Shi, 2021). For family businesses, adopting corporate governance practices is crucial to ensure continuity and longevity across generations (Huacca-Incacutipa *et al.*, 2022). At the family level, corporate governance aims to preserve family unity, align interests, reduce conflicts, and establish structured succession plans (Huacca-Incacutipa *et al.*, 2022). Moreover, legislation, policies, institutional frameworks, and public awareness strongly support gender equality and balanced gender relations (Nulleshi & Kalonaityte, 2022). Family business owners rely on legal guidance to manage ownership transitions and maintain a balanced relationship among stakeholders (Haag, Almlöf, Madsen & Neville, 2024). Family businesses often face limited legal and institutional protection due to underlying ideological issues (Wang & Shi, 2021).

However, China's ongoing transition creates opportunities for family businesses through policy, regulatory, and legal reforms that promote entrepreneurial initiatives (Wang & Shi, 2021). In Vietnam, policies and strategies are developed and adjusted as needed to increase the competitiveness of family businesses, both domestically and internationally (Tien, 2021). In South Africa, the government implemented policies such as the Act of 2000 on Preferential Procurement Policy Framework (RSA, 2000) to promote and support businesses (Musabayana & Mutambara, 2022). Similarly, the Cooperatives Amendment Act encourages family businesses to share resources and infrastructure, reducing risks and promoting sustainable growth (Fouché & Uys, 2023). Additionally, Rashad (2025) noted that a nation's regulatory and institutional framework significantly influences the level of family business ownership. Musabayana and Mutambara (2022) further noted

that to empower the native population and their businesses, many African countries implemented indigenisation policies. LED policies are increasingly focused on entrepreneurship to harness and increase local and indigenous economic potential (Madzivhandila & Musara, 2020).

Municipalities promote entrepreneurship by engaging communities, offering capacity-building workshops, and forming partnerships aligned with provincial and national policies (Madzivhandila & Musara, 2020). Ramodula and Govender (2021) argued that given municipalities' worsening distress, new or revised public policies are needed to support the vision of a developing local government. Furthermore, governments can boost family business ownership, job creation, innovation, and economic growth by fostering a supportive regulatory and institutional environment (Rashad, 2025). Family businesses face numerous challenges that must be effectively addressed to survive and thrive (Zaidi *et al.*, 2024). Identifying successors can be challenging for family businesses; thus, the government should implement legislative changes and policy reforms to support this vital economic sector (Tien, 2021).

The growing competitive market compels family businesses to sustain themselves, which can be achieved through supportive government regulations (Waty *et al.*, 2022). Family businesses grow more quickly in nations with effective regulatory frameworks and fewer administrative roadblocks (Rashad, 2025). Countries with good policies and long-term government plans are more likely to motivate families to invest in their businesses (Miroshnychenko *et al.*, 2021). Benito-Hernández, López-Cózar-Navarro, and Priede-Bergamini (2021) indicated that policymakers should safeguard family businesses by providing policies and programmes that promote innovation and enhance internal process efficiency for long-term success.

In conclusion, the literature indicates that policy environments significantly influence the competitiveness of family-owned businesses by shaping their growth, governance, and long-term sustainability. Transparent, consistent, and supportive regulatory frameworks enhance innovation, efficiency, and effective succession planning, while complex or restrictive policies hinder business performance and strategic flexibility. Key policy areas such as taxation, inheritance laws, corporate governance regulations, and administrative

procedures directly affect ownership structures and leadership transitions within family firms. In addition, government initiatives such as entrepreneurship programmes, procurement policies, and LED strategies can strengthen business capacity and market participation. However, weak institutional support, limited legal protection, and high compliance burdens often intensify governance and succession challenges, reducing competitiveness. Overall, the evidence shows that competitiveness in family businesses is not only driven by internal management practices but is also strongly shaped by the effectiveness and responsiveness of public policy frameworks.

## **2.9 THEORETICAL FRAMEWORK UNDERPINNING COMPETITIVENESS OF FAMILY BUSINESSES**

Exploring the aspects that affect the competitiveness of family businesses in the Makhado Local Municipality requires considering various theoretical perspectives.

### **2.9.1 Resource-Based View (RBV)**

The RBV emphasises that a firm's internal resources and capabilities, such as skills, innovation, knowledge, and succession planning, are critical drivers of sustainable competitive advantage (Wernerfelt, 1984). In this study, the RBV is directly linked to understanding the competitiveness of family businesses in the Makhado Local Municipality. By applying the RBV, this research examines how family-owned businesses leverage unique resources, including managerial expertise, intergenerational knowledge transfer, and family-specific capabilities, to navigate challenges such as limited access to finance, policy constraints, and market competition. This perspective allows the study to investigate the role of internal resources in determining business performance and resilience, highlighting how well-managed resources contribute to the sustainability and long-term success of family businesses in the local context.

#### ***2.9.1.1 Overview of the theory***

The model asserts that building a durable, driven edge requires a business's internal resources and competencies (Barney, 1991). The primary argument is that to maintain a competitive edge, businesses must obtain and manage uncommon, precious, unique,

and non-replaceable resources (Kraaijenbrink, Spender & Groen, 2010). Barney (1991) posits that when internal assets of a business are rare, valuable, unique, and non-replaceable (VRIN), they can provide a long-term competitive edge. Habbershon and Williams (1999) argued that unique resources, such as close relationships and trust, enhance the growth and competitiveness of family businesses, providing advantages often unmatched by non-family businesses. The RBV theorises that a business's success depends on the unique combination of its internal resources (Li *et al.*, 2022). According to RBV theory, a business's internal resources provide its competitive edge (Shibiti *et al.*, 2023). The RBV supports business performance, emphasising that family business success starts with initiatives and capital investment (Amram *et al.*, 2023). The RBV is considered an 'inside-out' perspective, highlighting that competitive advantage stems from managers' ability to acquire and develop distinctive internal resources and capabilities (Connor, 2002).

#### **2.9.1.2 Benefits of the theory**

The business will gain a competitive edge if it has and utilises resources and competencies that are both unique and valuable (Newbert, 2008). Barney (1991) highlighted that RBV creates resources that are VRIN and that help businesses gain a sustained competitive edge. Wernerfelt (1984) indicated that RBV helps businesses shape strategy by focusing on internal resources and leveraging unique strengths for competitive advantage. The RBV allows businesses to cut expenses and/or react to environmental dangers and opportunities (Barney, 1991). It helps businesses take advantage of a market opportunity and/or eliminate a threat that their rivals cannot (Newbert, 2008). Moreover, it helps managers distinguish between less valuable resources and those that can provide a competitive advantage (Peteraf, 1993). The business will improve both its short-term and long-term achievements with RBV (Barney, 1991). Grant (1991) stated that the theory promotes aligning a business's resources with its strategic objectives to enhance performance and support long-term planning. Amram *et al.* (2023) indicated that RBV helps identify the resources that a business has on hand and subtly connects them to its strengths. Peteraf (1993) highlighted that the RBV is flexible across contexts and industries by emphasising how resources create unique

advantages for each business. The RBV encourages spending on knowledge-building, innovation, and competence development as ways to improve resource uniqueness (Teece, Pisano & Shuen, 1997).

### **2.9.1.3 Limitations of the theory**

The RBV lacks substantial managerial consequences or functional reliability (Kraaijenbrink *et al.*, 2010). It is often seen as unclear and difficult to implement because it lacks precise definitions for key concepts such as "valuable," "rare," and "inimitable" (Priem & Butler, 2001). Kraaijenbrink *et al.* (2010) argued that RBV has limited chances of advancement by adhering to an unnecessarily limited formal style of economic rationality. Kraaijenbrink *et al.* (2010) further argued that it suggests endless regression and that its relevance is too constrained. Barney (2001) indicated that RBV primarily concentrates on a business's internal resources and capabilities, often overlooking external factors such as market changes and competitive pressures. The RBV has drawn criticism for being unchanging and failing to sufficiently account for the growth or change of resources over time (Peteraf & Barney, 2003). Newbert (2007) mentioned that intangible resources that are essential to the RBV, such as knowledge, culture, and reputation, are difficult to measure. The RBV is more descriptive and less predictive since it is frequently used to explain success after it has happened (Connor, 2002). Eisenhardt and Martín (2000) highlighted that RBV has drawn criticism for taking an unchanged viewpoint and failing to explain how resources change or grow over time.

Although the RBV has been criticised for its limited managerial applicability, vague definitions of key constructs, and insufficient attention to external and dynamic factors, this study mitigated these limitations by situating the RBV within a broader theoretical and empirical context. By integrating RBV with institutional and social capital theories, this research extends the analysis beyond internal resources to include the external environments and relational networks influencing family business performance. The qualitative approach captured intangible resources such as knowledge, reputation, and family-specific capabilities, addressing RBV's challenge of measurability. Additionally, by examining the lived experiences of family business owners over time, this study demonstrated how resources evolve and interact with institutional and community factors,

enhancing the explanatory power of RBV in understanding competitiveness in a local, developing-economic context.

#### **2.9.1.4 Relevance of the theory:**

The RBV theory emphasises that family businesses must skillfully manage and utilise their unique resources to thrive in a competitive market. Unique, scarce, and hard-to-copy resources fuel competitive advantage and strategic success (Barney, 1991). The primary sources of a business's profitability and competitive edge are its internal resources and competencies (Phiri *et al.*, 2025). A business with a competitive edge has produced greater financial benefits than its rivals (Newbert, 2008). Special resources such as shared values, trust, and family ties can be great assets for family businesses. However, these businesses also face difficulties, such as family dynamics conflicts and succession planning problems (Chrisman, Chua, & Sharma, 2005). In this study, the RBV examines and evaluates family businesses' resources to determine how they may grow, compete, and survive (Madhani, 2010). However, Chrisman *et al.* (2005) stated that RBV ignores the combined impact that exists between the business as a whole and the family. Connor (2002) argues that the RBV is suitable for large firms and may not fully apply to family businesses because of their unique resource structures. RBV theory provides insight into the essential contribution of family businesses to various facets of social development (Ngo Ndjama & Van Der Westhuizen, 2024). This theory can help family businesses in the Makhado Local Municipality adapt to changing environments and make informed resource allocation decisions.

#### **2.9.2 Institutional Theory**

Institutional theory focuses on how external pressures such as government policies, regulatory frameworks, social norms, and market conditions influence organisational behaviour and performance (Scott, 2008). In this study, institutional theory is directly linked to exploring how family businesses in the Makhado Local Municipality navigate institutional environments that shape their growth and competitiveness. The research examines how access to finance, municipal support, policy implementation, and compliance with regulations affect business operations. By applying institutional theory, this study highlights the role of external structures in either enabling or constraining family

business success, providing insight into how businesses adapt to institutional gaps, regulatory challenges, and socio-economic pressures in a rural, developing-economic context.

### **2.9.2.1 Overview of the theory**

A framework for examining how organisations engage with their institutional context is provided by institutional theory (DiMaggio & Powell, 1983). Institutional theory focuses primarily on examining how an organisation is influenced by institutional processes (Farisani, 2022). Institutional theory provides a framework for understanding how external elements such as norms, regulations, and culture affect business operations and outcomes (Scott, 2008). The theory suggests that business owners must align with existing institutions to gain legitimacy and resources from key stakeholders (Eijdenberg, Thompson, Verduijn & Essers, 2019). The acts of institutional theory factors and the operations of family businesses are interconnected and dependent on one another (Kurpayanidi, 2021). Institutional theory primarily comprises governments and the political trends reflected in their policies (Marinova, Child & Marinov, 2012). This theory examines the rules and processes that organisations must follow to gain support or legitimacy from sponsors and other key stakeholders (Farisani, 2022). Suchman (1995) indicated that institutional theory explains how organisations gain legitimacy by aligning their practices with the norms, values, and expectations of society. By highlighting the need to follow institutional rules, the theory guides public policy and supports organisational adaptation to institutional settings (Scott, 2013).

### **2.9.2.2 Benefits of the theory**

The framework explains how a business implements procedures that are regarded as appropriate and valid in the marketplace (Hessels & Terjesen, 2010). The trend of family business professionalisation is influenced by institutional theory (Fang, Memili, Chrisman & Welsh, 2012). Institutional theory highlights the factors influencing business behaviour (Fang *et al.*, 2012). Fang *et al.* (2012) further stated that it defines the importance, uniqueness, replicable nature, and interchangeability of professional standards, mitigating the effects of professionalisation. Institutional theory is intended to regulate widespread individual activities (Kurpayanidi, 2021). The institutional framework plays a

critical role in directing the resources necessary for family businesses to thrive (Farisani, 2022). Approaching and applying family norms is comparatively less expensive (Fang *et al.*, 2012). Institutional theory can serve as a useful framework for assessing how municipal strategies and implementing agencies affect local family businesses (Farisani, 2022). The theory emphasises the influence of external factors such as laws, cultural values, and industry standards on how organisations operate (DiMaggio & Powell, 1983). DiMaggio & Powell (1983) further stated that it assists businesses in adapting their practices in response to pressures from their external factors.

### **2.9.2.3 Limitations of the theory**

Institutional theory focuses on non-economic, family-centred objectives to maintain socio-emotional wealth (Gomez-Mejia, Larraza-Kintana & Makri, 2003). Family norms may conflict with professional business norms (Stewart & Hitt, 2012). Family-driven behaviours could include refusing to diversify, raising total business risk, and shielding family managers from compensation hazards (Gomez-Mejia *et al.*, 2003). This theory may lead to unclear rule interpretation, ineffective penalties, and the introduction of discriminatory regulations (Kurpayanidi, 2021). Eijdenberg *et al.* (2019) stated that excessive rules and procedures can deter business owners from formally registering and starting businesses. When the key institutional framework breaks down, especially during disasters, family businesses struggle to survive and support the local economy (Farisani, 2022). Gomez-Mejia *et al.* (2003) indicated that flexibility in pursuing these goals can lead to business practices that differ from professional standards. Institutional theory frequently downplays innovation and change, concentrating on how organisations follow regulations and customs (DiMaggio & Powell, 1983). Institutional theory can overlook power struggles and conflicts, which are key aspects of business dynamics (Hardy & Maguire, 2008). The theory does not adequately address how institutions adapt to rapidly changing environments or crises (Lawrence, Suddaby & Leca, 2011).

Although institutional theory has been criticised for overemphasising compliance with norms, downplaying innovation, and insufficiently accounting for power dynamics and adaptability in changing environments, this study addresses these limitations by contextualising institutional influences within the lived experiences of family business

owners in the Makhado Local Municipality. By combining institutional theory with the RBV and social capital theory, this research captured both external regulatory pressures and internal resource capabilities, providing a balanced perspective on compliance and innovation. The qualitative approach allowed participants to describe how they navigated conflicting family and professional norms, adapted to policy gaps, and responded to institutional breakdowns or crises, thereby illustrating flexibility and resilience in practice. This integration ensured that the study accounted for institutional constraints while highlighting adaptive strategies that support family business competitiveness.

#### **2.9.2.4 Relevance of the theory**

Family businesses in the Makhado Local Municipality might face challenges due to local regulations, cultural norms, or expectations. Institutional theory evaluates the impact that institutions, their policies, plans, and practices have on the sustainability of local family businesses (Farisani, 2022). The theory suggests that businesses must adapt to external influences and align with institutional norms to ensure survival and growth (DiMaggio & Powell, 1983). However, the limited information on business formation poses a significant barrier (Eijdenberg *et al.*, 2019). Family norms typically emerge from early childhood education and grow through daily family interactions (Bertrand & Schoar, 2006). Enhancing the institutional framework for family business development is a pressing issue in any country's economic progress (Kurpayanidi, 2021). Institutional theory explains how family businesses gain legitimacy and improve survival by aligning with societal norms and expectations (Scott, 2008). The theory highlights how ties with governments and stakeholders influence family business behaviour and structure (Meyer & Rowan, 1977). Institutional theory is valuable in assessing the effectiveness of policies and municipal support structures in creating an enabling environment for family businesses (Bruton, Ahlstrom & Li, 2010). In developing contexts such as rural South Africa, institutional theory helps highlight how weak institutions or poor governance can hinder family business development (Mair & Marti, 2009).

#### **2.9.3 Social Capital Theory**

Social capital theory emphasises the value of relationships, networks, and trust in facilitating collaboration, knowledge sharing, and resource mobilisation (Putnam, 2000).

In this study, social capital theory is directly linked to understanding how family businesses in the Makhado Local Municipality leverage connections with family members, local communities, and business networks to enhance competitiveness. The research explores how social ties provide mentorship, support, and business opportunities while also examining potential constraints such as exclusivity, group pressures, or family disputes. By integrating social capital theory, this study highlights the interplay between relational resources and business performance, demonstrating how social networks contribute to resilience and sustainability in the local family business ecosystem.

### **2.9.3.1 Overview of the theory**

Social capital theory explores how people interact with internal and external entities to optimise resource mobilisation and returns (Salehi, Rajaei, Khansalar & Edalati Shakib, 2024). Hibbler-Britt and Sussan (2015) stated that social capital theory looks at how important relationships are and their role in enabling purposeful action. Regions with greater social capital exhibit greater mutual trust, obligations, and stronger networks (Salehi *et al.*, 2024). Putnam (2000) suggested that social networks, shared norms, and trust among individuals help promote collaboration and collective benefit. Torres, Marshall, and Sydnor (2019) indicated that social capital consists of bonding (assistance from like-minded people, such as friends and family), bridging (support from community organisations), and linking (support from institutions). Woolcock and Narayan (2000) highlighted that social capital is commonly divided into bonding, bridging, and linking forms, each contributing uniquely to social and economic progress.

Social capital reflects the qualities and capabilities of family business owners (Fatoki, 2015). Building relationships with community leaders, the local municipality, and large enterprises offers significant advantages to family businesses (Acquaah, 2008). Social capital is an intangible asset that a family business builds through the business owner's network of relationships with people and institutions (Johnson Jorgensen *et al.*, 2020). It emphasises the importance of social networks in improving access to resources, knowledge, and assistance within communities and organisations (Coleman, 1988). Coleman (1988) further stated that one resource that is present in interpersonal connections that aids in the growth of human capital is social capital.

### **2.9.3.2 Benefits of the theory**

It is regarded as instrumental in enhancing business governance instruments, including the value of internal controls (Salehi *et al.*, 2024). The theory discourages businesses from engaging in unprincipled conduct (Salehi *et al.*, 2024). Furthermore, it enhances society and the economy (Salehi *et al.*, 2024), and it is vital for the resilience of family businesses (Torres *et al.*, 2019). The business's credibility is strengthened by social capital, which benefits the business's capacity to obtain outside funding (Fatoki, 2015). Moreover, social capital enables the exchange of knowledge, financial support, and business connections with manufacturing firms (Portes & Landolt, 2000). Kandade, Samara, Parada, and Dawson (2021) noted that social capital helps family businesses build unique goals, resources, governance, and a lasting competitive advantage.

Social capital comprises elements of societal structure, such as trust, conventions, and networks, that foster collaboration and collective advantage (Westlund & Bolton, 2003). Building social connections can open doors to information and resources that could be utilised to plan business operations strategically (Acquaah, 2008). Johnson Jorgensen *et al.* (2020) indicated that this theory goes beyond just networks or connections, as it is rooted in trust and the exchange of information. It helps local communities understand how to support family businesses by connecting them with stakeholders, such as potential markets, and utilising access to business finance (Shava, 2024).

### **2.9.3.3 Limitations of the theory**

Social capital affects business creativity, which in turn impacts business efficiency (Salehi *et al.*, 2024). Gelderblom (2018) stated that social capital is not broad; it is made up of small groups. The COVID-19 pandemic in South Africa has limited a number of social activities (Shava, 2024). According to Portes and Landolt (2000), the limitations of social capital include excluding outsiders, imposing excessive demands on group members, and limiting individual freedoms. It overlooks the drawbacks of social networks (Gelderblom, 2018). Social capital creates social norms that can negatively impact a business's decision-making quality (Pillai, Hodgkinson, Kalyanaram & Nair, 2017). Social capital may create divisions between groups, limiting creativity and problem solving (Pillai *et al.*, 2017). Family disputes may be carried into the business (De Massis, Kotlar & Frattini,

2013). Portes (2024) argued that social capital theory lacks a clear and universally accepted definition, resulting in inconsistencies in how it is applied and measured. Social capital theory is conceptually unclear and difficult to measure because of its intangible nature and the difficulty in quantifying trust, norms, and networks (Putnam, 2000). Adler and Kwon (2002) highlighted that social capital is hard to measure accurately since it is intangible. Fukuyama (2001) stated that social capital theory overlooks how individual actions or resources influence outcomes, focusing mainly on networks and relationships. Strong group ties can exclude outsiders, pressure members, limit freedom, and reinforce harmful norms (Adler & Kwon, 2002).

While social capital theory has been criticised for its narrow scope, difficulty in measurement, and potential negative effects such as exclusion, overreliance on norms, and group conflicts, this study mitigated these limitations by examining social networks within the real-life context of family businesses in the Makhado Local Municipality. The qualitative approach captured both the benefits and drawbacks of social capital, including trust, mentorship, and community collaboration, while also identifying instances where strong group ties limited innovation or created internal tensions. By integrating social capital theory with the RBV and institutional theory, this study contextualises relational resources alongside internal capabilities and institutional influences, providing a more holistic understanding of how networks, norms, and relationships contribute to competitiveness. This approach allowed the research to account for both the positive and the constraining aspects of social capital, ensuring nuanced insights into its role in family business sustainability.

#### **2.9.3.4 Relevance of the theory**

Social capital enables businesses to share knowledge and information through relationships, boosting individuals' abilities, competencies, and skills, which benefits the business (Salehi *et al.*, 2024). Strongly led communities appear to be particularly adept at distributing social capital assets from other businesses and individuals (Torres *et al.*, 2019). Social capital exists within relationships that spread beyond the business, encompassing connections with customers, suppliers, and other external entities (Hibbler-Britt & Sussan, 2015). One strategy for promoting social capital is to create

campaigns that promote communication and trust between homes, businesses, and communities (Torres *et al.*, 2019). In support of these findings, Phiri *et al.* (2025) reported that without provincial and national support, family businesses formed local social networks to survive the post-COVID-19 crisis period.

Social capital reflects the qualities and capabilities of family business owners (Fatoki, 2015). However, regular business owners are hesitant to make use of the chances presented by bridging social capital (Pillai *et al.*, 2017). The ability of family businesses to survive relies on social capital through the inclusion, engagement, and support of various stakeholders (Hibbler-Britt & Sussan, 2015). Social capital is a vital influence on family business durability (Spence, Schmidpeter & Habisch, 2003). To achieve success, a family business must leverage not only financial and human resources but also the intangible assets of social capital (Johnson Jorgensen *et al.*, 2020). In family businesses, social capital is crucial, as strong family ties influence relationships within and beyond the business (De Massis *et al.*, 2013). The theory highlights the importance of civic participation and trust in democratic societies (Putnam, 2000). Moreover, women's entrepreneurial growth is largely influenced by the link between family involvement and family social capital (Maseda *et al.*, 2022).

#### **2.9.4 Conceptual Framework for Understanding Family Business Performance**

This study adopts a multi-theoretical framework that combines the RBV, institutional theory, and social capital theory to explain the factors that influence the competitiveness of family businesses in the Makhado Local Municipality. Each theory offers a unique lens for understanding business performance. The RBV focuses on internal resources and capabilities, including skills, innovation, leadership, and succession planning, which are critical for achieving a sustainable competitive advantage. Institutional theory highlights the influence of external pressures, such as government policies, local economic conditions, and access to finance, demonstrating how the institutional environment shapes business behaviour and outcomes. Social capital theory emphasises the importance of relationships and networks within the family, the community, and the business ecosystem as sources of support, trust, and knowledge sharing. These perspectives are interdependent: the effective utilisation of internal resources (RBV) relies

on supportive external conditions (institutional theory) and strong relational networks (social capital theory).

The integration of these three theories provides a holistic framework for understanding how internal, external, and relational factors interact to affect family business performance. Internal factors, such as entrepreneurial skills, innovation, and leadership capacity, must be aligned with external mechanisms, including policies, funding opportunities, and regulatory compliance. Concurrently, social networks and community connections can either facilitate or constrain the mobilisation of these resources, influencing adaptability and resilience. By combining these perspectives, the study captures both the direct and interactive effects of resources, institutional conditions, and social ties, providing a comprehensive explanation of how family businesses navigate challenges, exploit opportunities, and achieve competitiveness.

While the RBV provides valuable insight into internal capabilities, it has been criticised for its limited managerial applicability, vague definitions of key constructs, and insufficient consideration of external and dynamic factors. This study mitigates these limitations by integrating RBV with institutional and social capital theories, contextualising internal resources within their broader environment, and exploring intangible assets such as knowledge, reputation, and family-specific capabilities through a qualitative approach. Similarly, institutional theory has limitations, including overemphasis on compliance, underestimation of innovation, and inadequate treatment of power dynamics and adaptability. These are addressed by examining how family businesses navigate policy gaps, adapt to institutional breakdowns, and reconcile family and professional norms in practice. Finally, social capital theory's limitations, such as measurement difficulties, exclusivity, and potential negative effects of group norms, are addressed by capturing both the benefits and constraints of networks and relationships, showing how trust, mentorship, and community engagement contribute to, but sometimes constrain, business performance. By integrating these three perspectives, the framework provides a nuanced, realistic, and practical understanding of the factors shaping family business performance in a developing rural context.

## 2.10 SYNTHESIS OF LITERATURE

Integrating the five research objectives, the literature shows that the competitiveness of family businesses is shaped by a combination of internal resources and capabilities (succession, innovation, and knowledge transfer), external support mechanisms (community associations, business development initiatives, and social capital), and institutional frameworks (policies, governance, and regulations). At the global level, successful family businesses balance legacy preservation with adaptability, whereas in Africa and South Africa, challenges such as financing, skills shortages, and policy gaps remain pressing. In rural contexts such as the Makhado Local Municipality, family businesses are further shaped by infrastructural constraints, land issues, inflation, and weak LED implementation.

Focusing on the Makhado Local Municipality, the literature reveals a complex socio-economic context marked by both opportunities and challenges. Makhado is situated in a predominantly rural region with strategic priorities that include infrastructure, agriculture, business development, and investment promotion. However, despite the existence of policy frameworks and LED plans, actual implementation remains weak. Researchers argue that local governments play a vital role in enabling family business growth through infrastructure provision, streamlined licensing, capacity building, and financial support. However, the municipality's limited administrative capacity, poor stakeholder coordination, and corruption undermine these efforts. Moreover, land disputes, inflation, and limited awareness of available support services further restrict entrepreneurial progress. Nevertheless, evidence shows that where strong local partnerships exist, such as with cooperatives, business chambers, or municipal support centres, family businesses have greater chances of success, innovation, and resilience.

In summary, the literature highlights that family business growth and survival depend on the interplay of internal resources and capabilities, external enablers, and institutional frameworks. Globally, successful family businesses balance legacy preservation with adaptability, whereas in Africa and South Africa, challenges such as financial constraints, skills shortages, and policy misalignment remain critical. In rural contexts such as the Makhado Local Municipality, additional barriers, such as weak infrastructure, land

disputes, inflation, and ineffective LED implementation, further shape business outcomes. These realities affirm the importance of investigating family businesses in Makhado through the lenses of the RBV, institutional theory, and social capital theory. Together, these frameworks offer a holistic understanding of internal business capabilities (RBV), institutional influences (institutional theory), and the value of relational networks (social capital theory). This theoretical foundation aids in classifying key variables, identifying barriers and enablers, and evaluating both policy- and community-driven support systems, providing a robust basis for the empirical phase of this study.

## **2.11 CHAPTER SUMMARY**

This chapter provided a comprehensive literature review on family-owned businesses, focusing on their competitiveness, development, and sustainability across global, African, South African, and local contexts. At the global level, family businesses are widely recognised for their resilience, innovation, and intergenerational continuity; however, they face persistent challenges such as succession planning difficulties, governance weaknesses, and pressures associated with digital transformation. In the African and South African contexts, family businesses play a critical role in job creation and socio-economic development, yet their performance is often constrained by weak institutional frameworks, limited access to finance, skills shortages, and broader socio-economic inequalities. At the local level, particularly within the Makhado Local Municipality, family businesses operate in a rural environment characterised by infrastructural limitations, unemployment, inflationary pressures, land-related challenges, and inadequate municipal support, all of which negatively affect their growth and competitiveness.

The literature was further organised around the study's five research objectives. Firstly, it identified key factors influencing the competitiveness of family businesses, including succession planning, innovation, financial stability, and adaptability to dynamic market conditions. Secondly, it outlined the major challenges faced by family businesses, such as weak succession preparedness, managerial inefficiencies, gender disparities, internal conflicts, and financial constraints, which contribute to high failure rates, particularly during generational transitions. Thirdly, the review examined the role of community

associations in strengthening trust, mentorship, networking, and social capital, thereby enhancing resilience and overall business performance despite limitations such as low youth participation and power imbalances. Fourthly, it assessed the effect of business development initiatives, highlighting the importance of mentoring, skills development, succession planning, and innovation in aligning family and business goals to improve efficiency and sustainability. Fifthly, it analysed policies demonstrating how government regulations and municipal economic development initiatives can either enable or constrain family business growth, with particular concern regarding weak implementation at the local government level in South Africa.

The chapter adopted an integrated theoretical framework combining RBV, institutional theory, and social capital theory. The RBV explains competitiveness through internal capabilities such as leadership, knowledge transfer, and succession systems, while Institutional theory focuses on the influence of external structures such as policies, regulations, and infrastructure. Social capital theory complements these perspectives by emphasising the role of trust, relationships, and community networks in strengthening resilience within resource-constrained environments. Collectively, these theories provide a multi-dimensional lens for understanding how internal resources, institutional environments, and social relationships interact to shape the competitiveness and sustainability of family-owned businesses in the Makhado Local Municipality.

Overall, this chapter establishes a strong theoretical and empirical foundation for the study. It highlights the complex interplay of internal, external, and contextual factors that influence family business performance and sets the stage for the empirical investigation. The next phase of the study will explore how these identified factors, challenges, support mechanisms, and policy environments interact in practice to influence the competitiveness of family-owned businesses within the Makhado Local Municipality.

## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1 INTRODUCTION**

The preceding chapter thoroughly examined the literature on the characteristics, significance, and challenges of family businesses from global, regional, and local perspectives. It explored key factors influencing competitiveness, including succession planning, innovation, financial stability, and community networks, while highlighting the position of institutional and policy frameworks in determining business results. The chapter also introduced the theoretical foundation, combining the resource-based view, institutional theory, and social capital theory to guide the study. Building on these insights, this current chapter details the methodology applied to conduct the empirical study of these factors within family businesses in the Makhado Local Municipality.

This chapter outlines the research methodology adopted to explore the factors affecting the competitiveness of family-owned businesses in the Makhado Local Municipality. These challenges include limited succession planning, financial constraints, informal operations, and inadequate business transfer skills. As highlighted in the literature, these issues contribute to low survival rates among family businesses in Makhado Local Municipality, making it imperative to understand their experiences and contexts in depth. To address the research aim, namely, to explore the factors affecting the competitiveness of family businesses in the Makhado Local Municipality, a qualitative research approach was adopted. This approach is most appropriate for generating in-depth insight into the lived experiences of participants. It enables the collection of rich, non-numerical data through flexible methods such as interviews. An exploratory qualitative design was applied to facilitate open-ended investigation without pre-imposed hypotheses, thereby capturing the unique dynamics at play in these businesses.

The study was further guided by interpretive philosophy, which supports qualitative inquiry by emphasising the importance of comprehending behaviour in people and common contexts through the viewpoints of the individuals being researched. Interpretivism encourages a subjective understanding of reality, acknowledging the value of individual

interpretations and cultural influences on behaviour. This paradigm is well-suited for present learning, as it permits a nuanced examination of the personal, social, and environmental factors that shape the sustainability of family businesses. A case study research strategy was employed to further deepen the understanding of participants' lived experiences in Makhado Local Municipality. This strategy focuses on how individuals perceive and make sense of their everyday realities and is appropriate for capturing the challenges, motivations, and perceptions of family business owners. Through comprehensive interviews and theme-based analysis, the researcher sought to uncover the essence of participants' viewpoints in navigating business growth and survival.

The chapter outlines the full research process, beginning with the research objectives and questions, and then explains the philosophical assumptions, research approach, and methodological choices that informed the design. It also details the selected research strategy, time horizon, and target population, along with sampling techniques used to identify participants. The methods and processes for gathering and analysing data are outlined through a specific focus on semi-structured consultations and the use of ATLAS.ti version 25 for coding and thematic analysis. Additionally, pilot research that was carried out prior to extensive data collection is covered. To safeguard the trustworthiness of the findings, the study applied metrics for reliability, confirmability, transferability, and credibility. Additional sections address the research's limitations and delimitations, efforts toward the elimination of bias, and processes for data storage and ethical compliance. Finally, the chapter discusses the approved ethical clearance and a summary of the methodology.

### **3.2 RESEARCH PHILOSOPHIES**

A research philosophy refers to the underlying perspectives a researcher holds regarding reality, understanding, and conducting research (Asmawi & Alam, 2024). Mbanaso, Abrahams, and Okafor (2023) indicate that reality can be understood through four main philosophical perspectives: positivism, interpretivism, pragmatism, and realism. Research philosophy is a core element of the research process that shapes how researchers understand, design, and carry out their studies (Sun & Zuo, 2024). Positivism emphasises

objective, generalisable knowledge, focusing on factual data and evidence while avoiding interpretation or human bias (Alharahsheh & Pius, 2020). Interpretivism philosophy provides a profound understanding of complex, context-specific issues by focusing on participants' personal experiences and interpretations (Bell, Bryman & Harley, 2022). Pragmatism is a problem-focused research philosophy in which the researcher selects the most suitable methods, often combining approaches to effectively understand the issue (Mbanaso *et al.*, 2023). Realism is a research approach that seeks to closely understand the true nature of reality as it relates to the research problem (Mbanaso *et al.*, 2023).

The researcher employed interpretivism, a research philosophy that emphasises the significance of personality traits and their interaction with culture and society (Pervin & Mokhtar, 2022). This is achieved to understand how participants interpret their surroundings on their own terms rather than identifying broad patterns (Lim, 2023). Interpretivism is a logical approach that recognises the subjective reality and the significance of grasping individual experiences and their surrounding context (Swaleh & Wabwoba, 2025). Lim (2023) stated that interpretivism prioritises the understanding of people's personal experiences and how they interpret them. It is used mainly in qualitative research, which involves data collection through interviews, observations, document analysis, or case studies (Swaleh & Wabwoba, 2025). Lim (2023) indicated that participants are essential in interpreting and giving meaning to their experiences. Omodan (2022) stated that research needs to take place in a natural setting to obtain comprehensive insight into the complexities of human behaviour.

Interpretivism is subject to an individual's lived experiences, with truth shaped by their culture, experiences, and personal ideas (Mbhiza, 2024). In interpretivist research, the researcher interacts with participants in a way that recognises and respects their viewpoints, creating a cooperative research atmosphere. It ensures the validity of the results by acknowledging the participants' voices and reflecting on their reality and values (Lim, 2025). This viewpoint is crucial for exploring how people, such as family business owners in Makhado, shape their realities and understand their experiences. Interpretivism is ideally suited for research approaches that aim to delve into human experiences and

comprehend the social world through the eyes of participants (Swaleh & Wabwoba, 2025). Interpretivism helps capture the complex experiences of Makhado's family business owners and how their social and personal environments impact their growth and survival.

The interpretivist research philosophy was selected for this study because it enables a deep, context-specific understanding of the lived experiences and subjective meanings that shape the competitiveness of family-owned businesses in the Makhado Local Municipality. Family businesses operate as complex social systems influenced by intergenerational relationships, cultural values, informal decision-making, and community networks, all of which are socially constructed and cannot be adequately captured through positivist, quantitative approaches. Interpretivism, therefore, allows the researcher to explore how business owners interpret and make sense of issues such as succession, growth, policy influence, and business survival within their unique socio-economic context. It is particularly appropriate for this study as it prioritises meaning and context over generalisation, enabling rich insights into how internal family dynamics, institutional environments, and community relationships interact to influence competitiveness. This approach ensures that findings are grounded in participants' real-world experiences and supports an inductive process where themes emerge naturally from the data.

### **3.3 RESEARCH APPROACHES**

Research primarily relies on two approaches for collecting and presenting information: qualitative and quantitative methods (Verma *et al.*, 2024). The qualitative research approach focuses on unstructured or semi-structured, non-numerical data, aiming to understand a population's experiences through the individual perspectives of its members (Mbanaso *et al.*, 2023). The qualitative research approach focuses on gaining a deeper, close-up understanding of a phenomenon (Verma *et al.*, 2024). The quantitative approach examines phenomena across large groups, typically using survey methods (Verma *et al.*, 2024). Sun and Zuo (2024) indicate that quantitative research methods are inherently suited for testing hypotheses. However, a mixed-methods approach is applied when

neither qualitative nor quantitative methods alone are adequate to fully investigate the research problem (Mbanaso *et al.*, 2023). Furthermore, it involves the systematic integration of both quantitative and qualitative methods within a single study (Mbanaso *et al.*, 2023).

The study used a qualitative approach to collect and present the data. The researcher adopted a qualitative approach to gain an in-depth understanding of the experiences, perceptions, and behaviours of family business owners within their real-life context. This approach was appropriate as it allowed rich, detailed, and context-specific data to be collected through direct engagement with participants, which could not be adequately captured through numerical methods. Furthermore, the qualitative approach provided the flexibility to explore complex social dynamics, such as family relationships, decision-making processes, and business challenges, thereby enabling a comprehensive interpretation of factors influencing the competitiveness of family-owned businesses.

The qualitative research approach includes data analysis methods such as iterative, inductive, and researcher-centered approaches (Johannesson & Perjons, 2021). Iterative data analysis occurs concurrently with data collection, where emerging findings continuously inform and shape the ongoing data collection process (Johannesson & Perjons, 2021). An inductive approach allows researchers to identify meaningful text segments on a specific topic and organise them into appropriate categories (Wendl, Doan & Sassen, 2023). In a researcher-centered approach, the researcher's background, values, and experiences play a significant role in shaping the data analysis process. (Johannesson & Perjons, 2021).

The study applied a qualitative inductive approach, which enables the discovery of potentially overlooked aspects in the literature (Merkx & Nawijn, 2021). Wendl *et al.* (2023) indicated that an inductive approach should be used to analyse and synthesise the literature. An inductive approach is employed to generate concepts that reflect the focus of the study (Rodríguez-López, 2021). Kumar and Ujire (2024) mentioned that the inductive approach focuses on developing new theories derived from the collected data. To obtain valid and rich qualitative data, semi-structured interviews are conducted and analysed inductively using qualitative data analysis methods (Xiong, Chang, Scuotto, Shi

& Paoloni, 2021). Merx and Nawijn (2021) indicated that using an inductive method supports the generation of concepts from the collected data and the identification of new themes. Wendl *et al.* (2023) emphasised that an inductive approach can be used to analyse findings and group them into themes. An inductive researcher designs the study broadly, allowing the research topic to guide its direction and set general boundaries for data collection (McKercher, 2024).

The researcher adopted an inductive approach to allow patterns, themes, and insights to emerge directly from the data rather than being imposed by pre-existing theories. This approach was suitable for the study as it focused on exploring the lived experiences and perspectives of family business owners, enabling a deeper and more context-specific understanding of the factors influencing their competitiveness. Furthermore, the inductive approach provided the flexibility to capture new and unexpected findings, ensuring that the analysis remained grounded in participants' realities.

### **3.4 RESEARCH STRATEGIES**

A research strategy is a comprehensive approach to addressing a study issue, involving the definition of data sources, outlining study goals, and considering research limitations (Al-Ababneh, 2020). Research strategy is a structured approach that directs the researcher through the study's design, implementation, and oversight (Johannesson & Perjons, 2021). Qualitative research includes several strategies, such as case studies, ethnography, grounded theory, and phenomenology (Muzari, Shava & Shonhiwa, 2022). A case study focuses on specific human experiences and actions, capturing a problem or issue as it naturally presents itself (Kekeya, 2021). Ethnography involves studying people within their natural environments to gain a deeper understanding of their way of life (Muzari *et al.*, 2022). Grounded theory is a research approach aimed at generating theories through the systematic analysis of empirical data (Johannesson & Perjons, 2021). Phenomenology is a research approach that explores people's lived experiences, including their perceptions, feelings, and emotions (Johannesson & Perjons, 2021).

This study used a case study research strategy. A case study represents a single example of a group or phenomenon, defined by specific boundaries of place and time within a

particular context (Hancock, Algozzine & Lim, 2021). A case study is not a data collection method but rather a research strategy used to examine a specific social unit in depth (Priya, 2021). It is a credible method for examining complex issues, especially when understanding human behaviour and social interactions is essential (Cleland *et al.* 2021). Conducting a case study involves navigating between simplicity and complexity, requiring stability while embracing uncertainty throughout the inquiry (Hancock *et al.*, 2021). It provides detailed, descriptive examinations of unique situations that occur within specific time frames and are shaped by their particular context (Cleland *et al.* 2021). Moreover, researchers can choose and shape case study methods in ways that align with their own beliefs about reality and how knowledge is understood (Cleland *et al.* 2021). The findings of case studies can help policymakers, such as government departments, revisit their policies, while practitioners can apply the resulting recommendations in practice (Kekeya, 2021).

The case study design was chosen because it enabled an in-depth, contextualised examination of family-owned businesses within clearly defined boundaries in the Makhado Local Municipality. It was appropriate for exploring a specific social unit in detail, allowing the researcher to understand complex behaviours, interactions, and decision-making processes related to competitiveness, succession, and family dynamics. The design also allowed for the identification of patterns across cases while maintaining depth of analysis, aligning well with the interpretivist stance that reality is socially constructed and best understood through participants' experiences. Additionally, the case study approach provided practically relevant insights that can inform policymakers and practitioners in developing targeted strategies to support the growth and competitiveness of family-owned businesses.

### **3.5 METHODOLOGICAL CHOICES**

Methodological contributions are vital for deeper analysis, as they help scholars explore new behavioural questions and revisit existing ones with greater accuracy (Bergh, Boyd, Byron, Gove, & Ketchen Jr, 2022). This study adopted a qualitative approach to explore the experiences, challenges, and strategies of family-owned businesses in the Makhado

Local Municipality. A case study design was used to gain an in-depth understanding of participants' lived experiences within their real-life context. An inductive approach guided the analysis, allowing themes and patterns to emerge from the data. Data was collected through semi-structured face-to-face interviews, providing both consistency and flexibility for participants to share detailed insights. Purposive sampling was employed to select experienced family business owners, ensuring that the data collected was relevant and aligned with the study objectives.

While these methodological choices enabled a rich, context-specific understanding of the phenomenon, certain limitations were acknowledged. The qualitative design and non-probability sampling limit the generalisability of the findings. Additionally, reliance on participants' perspectives may introduce subjectivity; however, this was mitigated through systematic data collection and analysis procedures. Overall, the chosen methodology ensured a rigorous and contextually grounded examination of factors influencing the competitiveness of family-owned businesses. Bergh *et al.* (2022) indicated that methodological contributions to qualitative studies might accomplish a variety of goals.

### **3.6 TIME HORIZON**

The cross-sectional design assesses differences between people, subjects, or phenomena rather than tracking changes over time (Hunziker & Blankenagel, 2024). Maier, Thatcher, Grover, and Dwivedi's (2023) cross-sectional study looks at the attitudes, actions, or other characteristics of study participants at a specific moment. Cvetkovic-Vega, Maguiña, Soto, Lama-Valdivia, and Correa López (2021) indicated that cross-sectional designs are thought to help determine how common a problem is. Cross-sectional research designs commonly gather data through interviews, with human respondents serving as the primary units of analysis (Hunziker & Blankenagel, 2024). Cross-sectional studies are valued for their streamlined approach to collecting and analysing data (Chirico, 2023). In a cross-sectional design, questions are posed, but the main objective is to describe the population of interest (Hunziker & Blankenagel, 2024). Chirico (2023) emphasised that a key advantage of cross-sectional studies is their cost-effectiveness.

Longitudinal research involves repeatedly collecting data from the same individuals across time (Hunziker & Blankenagel, 2024). Furthermore, since longitudinal studies rely on observations taken at different times, the element of time itself can present challenges (Hunziker & Blankenagel, 2024). In longitudinal studies, data are collected from the same research units on two or more occasions, enabling comparisons within individuals over time (Taris, Kessler & Kelloway, 2021). Longitudinal research places significant demands on participants, as observations often need to be conducted multiple times over an extended period (Hunziker & Blankenagel, 2024). Longitudinal studies, which follow participants over time, are better suited to uncovering the temporal sequence of events (Chirico, 2023). Moreover, many challenges of longitudinal studies, such as high costs, lengthy durations, and participant attrition, are associated with the use of primary data (Hunziker & Blankenagel, 2024). However, a cross-sectional design makes data collection relatively straightforward and eliminates concerns about attrition, allowing the complete dataset to be gathered quickly (Maier *et al.*, 2023). A longitudinal research design seeks to enhance the validity of inferences drawn from the study (Hunziker & Blankenagel, 2024).

The researcher employed a cross-sectional design for this study to examine family-owned businesses in the Makhado Local Municipality at a specific point in time. This approach fits the study, as it allows the researcher to capture the attitudes, actions, and experiences of business owners without tracking changes over time, providing a clear snapshot of their operations, growth, challenges, and succession processes. The cross-sectional approach was also practical, cost-effective, and enabled the researcher to gather a complete dataset efficiently, avoiding issues such as participant attrition that are common in longitudinal studies. Data collection was conducted from 4<sup>th</sup> August 2025 to 15<sup>th</sup> August 2025, during which semi-structured face-to-face interviews were used to obtain detailed insights from purposively selected participants. This design provided thorough insight into the phenomenon, allowing the researcher to probe complex, detailed questions and providing information that can guide future research and practical interventions.

## **3.7 TECHNIQUES AND PROCEDURES**

The techniques and procedures used in this study are covered in this section.

### **3.7.1 Target Population**

Research methodology requires clearly distinguishing the study population from the target population, as these concepts form the foundation of any research (Willie, 2024). Berndt (2020) mentioned that in research, the population includes all people, events, or objects that show the behaviours or characteristics the researcher aims to study. A target population is a group of people or items to which the researcher intends to apply the study's conclusions (Pandey & Pandey, 2021). The target population for this study comprises approximately 5,000 family business owners in Makhado Local Municipality, South Africa, as per the 2022 Census Report (Stats SA, 2022). Furthermore, the study's target population comprised family business owners with relevant qualities and experience applicable to the research questions. Willie (2024) stated that defining the target population helps researchers sharpen their objectives and choose suitable sampling methods that match the study's purpose.

The target population for this study comprised formally registered family-owned businesses operating within the Makhado Local Municipality in South Africa. To ensure clarity and relevance in participant selection, specific inclusion and exclusion criteria were applied. The inclusion criteria consisted of family business owners or managers who were actively involved in the day-to-day operations of the business, had a minimum of five years' operational experience, and were aged between 25 and 65 years. Only businesses that were formally registered and recognised as family-owned, where ownership and/or management was shared among family members, were considered eligible to participate.

Conversely, the exclusion criteria eliminated informal or unregistered businesses, as well as enterprises that were not family-owned in structure or management. Individuals who were not directly involved in business operations, such as external employees or consultants without ownership or managerial responsibilities, were also excluded. In addition, newly established family businesses with less than five years of operation were not included, as they were unlikely to provide sufficiently experienced insights into long-

term competitiveness, survival, and sustainability. These criteria ensured that the study focused on information-rich participants capable of providing relevant and credible data aligned with the research objectives.

### **3.7.2 Sampling Techniques**

Sampling involves choosing specific individuals from a larger population (Johannesson & Perjons, 2021). The sampling method must be accurate to reduce mistakes and favouritism while ensuring the highest possible representativeness (Berndt, 2020). Sampling is crucial in case studies because it is impossible to study every individual, location, or activity comprehensively (Priya, 2021). Sampling techniques are generally categorised into probability sampling and non-probability sampling (Verma *et al.*, 2024). Muzari *et al.* (2022) indicate that non-probability sampling is also known as non-random sampling, while probability sampling is referred to as random sampling. Probability sampling ensures that every element in the population has an equal chance of being selected, and each selection occurs independently of the others (Verma *et al.*, 2024). Non-probability sampling is a method in which the researcher relies on personal judgment, knowledge, and experience to determine the composition of the sample (Mbanaso *et al.*, 2023).

The study took advantage of non-probability sampling techniques. The non-probability method is easy and cost-efficient for researchers who need a sample without requiring population representativeness (Nayak & Singh, 2021). Non-probability sampling has various types: purposive, quota, convenience, and snowball sampling (Stratton, 2021). In purposive sampling, the researcher deliberately selects the participants who are most suitable for the study to ensure valid findings that directly address the research questions (Nyimbili & Nyimbili, 2024). In quota sampling, the target population is divided into relevant strata based on predefined subgroups such as gender, level of education, or company size (Verma *et al.*, 2024). Convenience sampling refers to selecting participants who are readily accessible or easiest for the researcher to reach (Muzari *et al.*, 2022). Snowball sampling is a technique where existing participants refer other individuals who may be willing to take part, and the process continues until the desired sample size is reached (Verma *et al.*, 2024).

However, the most common being purposive sampling, where the researcher directly selects participants (Stratton, 2021). During purposive sampling, a sample is chosen by a researcher from a population that is purposefully or intentionally thought to be representative of the population (Dubey & Kothari, 2022). The primary goal of purposive sampling is to create a sample that can reasonably be considered representative of the population (Alhazmi & Kaufmann, 2022). In this case, it was the 23 owners of family-run businesses in Makhado Local Municipality. The participants were identified and selected according to the researcher's assessment to meet the research goals. However, purposive sampling is vulnerable to researcher bias, especially when judgment criteria are inadequately defined or insufficiently explained (Berndt, 2020). However, this sampling method allows the researcher to handpick participants with the most applicable expertise and understanding for the study (Nyimbili & Nyimbili, 2024).

Purposive sampling was chosen because the study required participants who had direct ownership and operational experience in family-owned businesses within the Makhado Local Municipality, making them best suited to provide rich, relevant insights aligned with the research objectives. This method enabled the researcher to intentionally select information-rich cases from the target population, ensuring depth and relevance in understanding business competitiveness, growth, and survival. It also allowed for the inclusion of participants with varied experiences within the sector. Although purposive sampling may introduce researcher bias and limit statistical representativeness, these concerns were addressed through clear inclusion criteria and careful participant selection. Overall, it was considered appropriate for generating context-specific, meaningful findings rather than broad generalisations.

### **3.7.3 Sample Size**

The sample size for this study was determined from the eligible population of formally registered family-owned businesses in the Makhado Local Municipality, guided by purposive sampling. Participants were deliberately selected based on specific inclusion criteria, focusing on experienced family business owners who were actively involved in daily operations and had a minimum of five years' experience. This ensured the inclusion of information-rich participants capable of providing relevant and in-depth insights aligned

with the study objectives. Data collection proceeded repeatedly, with the sample size ultimately determined by data saturation, which was reached at participant 23, indicating that no new themes were emerging. Although purposive sampling may introduce potential researcher bias and limit generalisability, these limitations were mitigated through clearly defined selection criteria and careful participant identification, thereby ensuring the credibility and relevance of the findings within the study context.

A preliminary sample size is typically estimated before data collection, guided by findings from similar previous studies (Aguboshim, 2021). A single case study generally involves a minimum of 15 interviews, with data saturation commonly occurring between 20 and 30 participants (Aguboshim, 2021). However, saturation was not achieved after 15 responses; therefore, data collection continued until saturation was reached. Qualitative researchers rarely agree on an exact sample size or single procedure for reaching saturation, as study designs vary and are not standardised. (Aguboshim, 2021). In qualitative research, data saturation is commonly reached after approximately twelve to thirteen participants (Laja, 2024). Aguboshim (2021) mentioned that failure to achieve data saturation compromises the quality of the research and weakens its validity. The accomplishment of targeted research aims is determined by data saturation (Mwita, 2022). The study reached saturation after twenty-three (23) face-to-face interviews. Aguboshim (2021) noted that 16 or fewer interviews can reveal common themes, although larger samples of 20-40 participants may be needed to reach saturation.

### **3.8 RESEARCH INSTRUMENT USED IN THE STUDY**

The data collection instrument used was a semi-structured, face-to-face interview aligned with the research objectives and designed to capture the experiences of family business owners. Semi-structured interviews allow researchers to stay on track while remaining flexible and adaptable in questioning participants (Ruslin *et al.*, 2022). One of the primary research instruments in qualitative research is semi-structured interviews (Ruslin, Mashuri, Rasak, Alhabsyi, & Syam, 2022). A semi-structured interview is guided by a set of questions, which are explored in a flexible sequence, allowing participants to respond openly in their own words (Johannesson & Perjons, 2021). Bhalla *et al.* (2023) stated that

one way to conduct qualitative research is through a case study strategy, where semi-structured interviews serve as the principal data collection method. Audio recordings were used, with participants' consent, to capture responses accurately for transcription and analysis, preserving participants' voices and minimising errors.

The researcher utilised semi-structured face-to-face interviews as the primary data collection instrument to capture the complex and context-specific experiences of family business owners in the Makhado Local Municipality. This approach ensured a balance between structure and flexibility, allowing key themes to be consistently explored while enabling participants to provide in-depth and nuanced responses. The interview guide was aligned with the research objectives and refined where necessary to improve clarity and relevance. The face-to-face format facilitated rapport and observation of non-verbal cues, enhancing data depth, while audio recordings and field notes ensured accuracy and completeness. Overall, these measures strengthened the rigour, credibility, and richness of the data collected.

### **3.9 DATA COLLECTION**

Semi-structured face-to-face interviews were used as the primary data collection method because they aligned with the study's objective of exploring factors influencing the competitiveness of family-owned businesses in the Makhado Local Municipality. This approach enabled the collection of rich, in-depth insights into participants' lived experiences while allowing flexibility to probe and clarify emerging issues. Interviews facilitated a two-way exchange of ideas, ensuring participants could freely express their perspectives, while still addressing key research themes. Data were gathered using audio recordings and field notes with informed consent, ensuring ethical compliance and data accuracy. Collection continued until saturation was reached at participant 23, where no new themes emerged, thereby ensuring depth, credibility, and contextual relevance of the findings.

Semi-structured face-to-face interviews were conducted with family-run business owners, using notes and voice recordings to collect data. The participants were informed about the voice recordings. The researcher ensured that all data collection materials were

protected and securely stored. Pandey and Pandey (2021) indicated that an interview occurs within a two-way exchange of ideas and information. These interviews are primarily used to explore the life experiences of an individual or a group (Ruslin *et al.*, 2022). Semi-structured interviews enable a mutual exchange of ideas between the interviewer and the respondent (Naz, Gulab & Aslam, 2022). The study used semi-structured face-to-face interviews as its main data collection method, with participants signing the consent form (refer to Appendix C for the participants' consent form). Ethical considerations were prioritised: questions avoided overly sensitive areas, and participants could decline to answer anything they were uncomfortable with.

The interview guide with key questions provided detailed insights into the factors affecting family business competitiveness in the Makhado Local Municipality (see Appendix B for the interview guide). When creating a qualitative semi-structured interview guide, the researcher should ensure that prerequisites are met, apply prior knowledge, draft a guide, pilot it, and finalise it (Naz *et al.*, 2022). With a semi-structured interview, a researcher tracks the research while remaining flexible and adaptable in the questions they pose to their interviewees (Ruslin *et al.*, 2022). Naz *et al.* (2022) mention that semi-structured interviews are standardised, adaptable, distinctive, and intimate and are based on questions with no finality. The results from semi-structured interviews are influenced by the interviewer's capacity to adapt and make effective judgements (Naz *et al.*, 2022). An interview is an extensively used and well-established technique in qualitative studies (Ruslin *et al.*, 2022).

Data was collected through face-to-face interviews with family business owners in the Makhado Local Municipality, reaching saturation at participant 23, with no new themes emerging. This approach allowed the researcher to follow a flexible yet structured interview guide (refer to Appendix B for the interview guide) that enabled participants to describe their experiences, perspectives, and challenges without restriction. The semi-structured format enabled the researcher to seek further clarification, probe for clarity, and explore issues that naturally arose during the conversation, ensuring richer and more nuanced data. Voice recordings and detailed field notes were used with full informed consent (refer to Appendix C for the participants' consent form) from all participants to

capture both verbal responses and important non-verbal cues such as tone, emphasis, and emotional expression. To maintain confidentiality and uphold ethical standards, all audio files were securely stored during and after transcription.

### **3.10 PILOT STUDY**

A pilot study involves a minor trial run used to test and refine the data collection tool for the full study (Sundram & Romli, 2023). This phase ensures that the content is relevant, properly covered, and identifies whether questions need to be revised and tested (Naz *et al.*, 2022). However, semi-structured interviews allow qualitative researchers to adjust their questions during the study while still remaining aligned with their research focus (Ruslin *et al.*, 2022). This is a minimal-scale experiment that assesses the research project's acceptance and viability before larger implementation (Winger, Kelleher, Fisher, Somers & Samsa, 2022). The pilot study seeks to evaluate the viability and efficiency of research instruments and procedures for investigating the study (Sundram & Romli, 2023). It enables the researcher to revise or modify the interview questions as needed (Naz *et al.*, 2022). Two (2) family-owned businesses were intentionally selected and interviewed to identify issues and improve data-gathering procedures. Feedback from the pilot was used to refine the instrument.

Two family-owned businesses were used for the pilot study to allow for a focused and manageable test of the research instrument without compromising the main study sample. The purpose of the pilot was not to generate generalisable findings but to assess the clarity, relevance, and effectiveness of the interview questions within a real-world context. A small sample is appropriate in qualitative research as it prioritises depth and refinement over breadth, enabling the researcher to identify ambiguities, improve question flow, and enhance probing techniques. Using two cases also provided sufficient variation in responses to evaluate whether the instrument effectively captured key concepts such as competitiveness, succession, and business development, while remaining efficient in terms of time and resources. Additionally, limiting the pilot study to two participants ensured that they were excluded from the main study, thereby preventing

any potential bias or contamination of the final data set and strengthening the overall rigour of the research instrument.

The study used semi-structured face-to-face interviews as the primary data collection method to explore factors influencing the competitiveness of family-owned businesses in the Makhado Local Municipality. This approach enabled in-depth engagement with participants' experiences while ensuring alignment with the research objectives. Data were collected through audio recordings and field notes with informed consent, and continued until saturation was reached at participant 23, where no new themes emerged. A pilot study was conducted to refine the interview guide, revealing that some questions were too broad, certain key terms were inconsistently interpreted, and the sequencing of questions required improvement. These issues were addressed by revising the guide to enhance clarity, logical flow, and focus, thereby strengthening the validity and rigour of the data collection process.

### **3.11 ELEMENTS OF TRUSTWORTHINESS**

The most important factor influencing the integrity of qualitative investigations is trustworthiness, which reflects the researcher's abilities and efforts (Kakar, Rasheed, Rashid & Akhter, 2023). Arslan (2025) emphasised that establishing a study's trustworthiness is vital for researchers. To ensure trustworthiness during analysis, researchers need to have a strong understanding of inductive qualitative analysis methods (Chakma & Li, 2025). Willie (2024) indicated that an inadequately defined population and target population can weaken the credibility and robustness of the research methodology. Nassaji (2020) noted that qualitative researchers have established criteria to assess the rigour and quality of qualitative studies. The trustworthiness and quality of a study depend on how rigorously the data collection methods are applied (Naz *et al.*, 2022). The components of trustworthiness include credibility, transferability, dependability, and confirmability, which guarantee the truthfulness of study findings (Kasirye, 2021).

Trustworthiness in this study was ensured through the application of credibility, transferability, dependability, and confirmability. Credibility was enhanced through

prolonged engagement, appropriate data collection methods, and member checking to verify participants' responses. Transferability was achieved by providing detailed descriptions of the research context and participants, allowing for applicability to similar settings. Dependability was ensured through a consistent research process supported by an audit trail documenting all procedures and decisions. Confirmability was strengthened through reflexivity, ensuring that findings were grounded in participants' perspectives rather than researcher bias.

### **3.11.1 Credibility**

Credibility is the measure of how dependable and convincing research outcomes appear in qualitative studies (Nassaji, 2020). The strategy helps manage biases and reveal participants' backgrounds, values, and hidden facts (Kakar *et al.*, 2023). It relates to the accuracy of the findings and how well they represent the actual nature of the phenomenon being studied (Nassaji, 2020). To ensure this, the researcher must accurately and thoroughly capture participants' perspectives, context, and processes while providing inclusive interpretations (Nassaji, 2020). Credibility is key to trustworthiness, making sure that the findings truthfully capture and communicate what participants experienced (Chakma & Li, 2025).

Credibility in this study was ensured through prolonged engagement with participants, which allowed the researcher to build trust, reduce bias, and gain a deep understanding of their lived experiences. The researcher also ensured accurate and comprehensive capture of participants' perspectives by carefully documenting responses within their contextual settings. In addition, member checking was used to allow participants to review, verify, and clarify the interpreted data, ensuring that the findings accurately reflected their intended meanings

### **3.11.2 Transferability**

Transferability refers to how well the researcher's interpretations or conclusions can be applied to other, similar settings or contexts (Nassaji, 2020). For viewers to determine whether conclusions apply to their situation, the researcher should provide extensive background information (Johnson *et al.*, 2020). Nassaji (2020) stated that this involves

providing detailed and in-depth descriptions of the research processes and underlying assumptions. The research used thick descriptions to provide a detailed context, allowing readers to comprehend and utilise the results in their circumstances (Kakar *et al.*, 2023). Transferability means providing enough detail so that readers can decide if findings apply to other contexts, not making generalisable claims (Nassaji, 2020).

Transferability was ensured by providing rich, thick descriptions of the research context, participants, and data collection processes within the Makhado Local Municipality. As the researcher, I included detailed information on participant characteristics, selection criteria, and the business environment to enable a clear understanding of how the findings were generated. Rather than making generalisations, the study presented context-specific findings that allow readers to assess their applicability to similar settings. This detailed reporting supports transferability by enabling informed judgment on the relevance of the results to other contexts.

### **3.11.3 Dependability**

Dependability is essential for ensuring both accuracy and consistency (Arslan, 2025). Nassaji (2020) further stated that this can be achieved by thoroughly recording all research steps, findings, and any changes during the study's progression. Additionally, the researcher uses coding records to reduce bias by coding and reanalysing data after a few weeks for comparison (Kakar *et al.*, 2023). Dependability requires that results align with data from different sources and accurately reflect the meanings shared by participants (Arslan, 2025). The audit trail is recognised as a key criterion for establishing dependability (Arslan, 2025). It is often used to address reliability in qualitative research, demonstrating that the study could be repeated in the same context, with the same participants and methods (Chakma & Li, 2025).

Dependability was ensured through the systematic documentation of all research procedures, decisions, and changes made throughout the study, thereby creating a clear audit trail of the research process. As the researcher, I maintained detailed records of data collection, transcription, and analysis to ensure transparency and consistency. Coding was conducted and later revisited after a period of time to compare interpretations and reduce potential bias, strengthening the stability of the findings. The consistency of

results was further supported by aligning emerging themes with participants' accounts across the dataset. These measures ensured that the study's processes were clearly traceable and that the findings accurately reflected participants' meanings, thereby enhancing the reliability and repeatability of the research within a similar context.

#### **3.11.4 Confirmability**

Confirmability refers to how much others can validate the researcher's interpretations and assumptions (Nassaji, 2020). This refers to how the research results are based on the study's focus, not the researcher's biases or personal views (Arslan, 2025). This is a feature of research neutrality, meaning that interpretations must be supported by statistics, not the researcher's opinions (Kasirye, 2021). To ensure confirmability, the researcher must present findings that are directly based on the data rather than influenced by personal biases, motivations, or interests (Chakma & Li, 2025). Confirmability is necessary to establish both credibility and transferability (Arslan, 2025). It indicates how objective the study is and the extent to which different researchers agree on the meaning, accuracy, or significance of the findings (Chakma & Li, 2025). An audit trail supports both dependability and confirmability, enhancing the overall trustworthiness of the research (Arslan, 2025).

Confirmability was ensured by maintaining a strong focus on data-driven findings and minimizing the influence of personal bias throughout the research process. As the researcher, I ensured that all interpretations and conclusions were directly grounded in participants' responses rather than personal views or assumptions. This was achieved through the systematic use of audio recordings, verbatim transcription, and detailed field notes, which preserved the authenticity of the original data. An audit trail was maintained, documenting all stages of data collection, coding decisions, and thematic development to enable external verification of the analytical process. Furthermore, reflexive practices were applied during data analysis to critically assess and bracket potential researcher bias. These measures ensured that the findings accurately reflected the participants' perspectives, thereby strengthening the objectivity, transparency, and trustworthiness of the study.

### 3.12 DATA ANALYSIS

Data analysis is the process of transforming, reorganising, and refining data in order to draw meaningful conclusions about a specific situation or problem (Verma *et al.*, 2024). Data analysis involves interpreting information from the data to understand or explain what is being researched (Johannesson & Perjons, 2021). Mbanaso *et al.* (2023) emphasised that data analysis entails interpreting and assigning meaning to data in relation to the research problem. Pham (2024) indicated that qualitative data analysis includes approaches such as thematic analysis, content analysis, grounded theory, narrative analysis, and discourse analysis. Thematic analysis is a flexible yet structured approach to identifying and examining patterns of meaning, or themes, within qualitative data, such as interview transcripts (Pham, 2024). Content analysis involves examining communicated messages such as words, images, or symbols, including visual or spoken text used as a medium of communication (Muzari *et al.*, 2022). Grounded theory primarily supports data analysis by positioning participants as key informants whose perspectives are highly valued in the study (Muzari *et al.*, 2022). Narrative analysis involves examining data such as interviews, diaries, or reflective journals to construct a coherent and developmental account of experiences (Pham, 2024). Discourse analysis examines the context in which language is used and uses this understanding to develop interpretations of its meaning and function (Gee, 2025).

The research applied thematic analysis to analyse the semi-structured interviews. Thematic analysis is widely regarded as an effective tool for experienced qualitative researchers to understand participants' experiences, beliefs, and behaviours across a dataset (Pham, 2024). In qualitative research, data analysis often employs thematic analysis, where participants' voices within the text contribute to establishing credibility (Muzari *et al.*, 2022). Interviews are conducted with ten or more participants, and the responses are analysed using thematic analysis (Johannesson & Perjons, 2021). Thematic analysis was used because it provides a flexible and systematic way to identify and interpret patterns in qualitative data, allowing findings to emerge from participants' experiences while ensuring clear, credible, and context-specific insights.

The analysis began with the preparation of raw data, where the researcher transcribed all semi-structured interviews verbatim to ensure accuracy and completeness. Each transcript was carefully reviewed against the original audio recordings and supplemented with field notes to verify consistency and enhance familiarity with the data. During this process, participant information was anonymised to maintain confidentiality, and all transcripts were organised into a structured system to facilitate efficient coding. The cleaned and systematically arranged data were then imported into ATLAS.ti for subsequent coding and thematic analysis.

The researcher used ATLAS.ti version 25 to analyse qualitative data by organising, coding, and identifying patterns in the interview transcripts for a thorough analysis. ATLAS.ti 25 is a computer-assisted qualitative data analysis software (CAQDAS) used for processing text, audio, and other data from primary and secondary sources (Gupta, 2024). ATLAS.ti enhances qualitative data analysis, improving research quality and findings (Mastrobattista, Rico & García, 2024). The researcher must convert extensive data into organised and meaningful information (Johannesson & Perjons, 2021). Qualitative data analysis is often time-consuming and prone to human error and bias (Siiman, Rannastu-Avalos, Pöysä-Tarhonen, Häkkinen & Pedaste, 2023). Using ATLAS.ti allows for quicker, more efficient analysis, ensuring coherent results that would have taken much longer if performed manually (Adelowotan, 2021). ATLAS.ti has helped researchers store, organise, annotate, code, search, and visualise relationships within large textual, audio, or visual datasets (Siiman *et al.*, 2023).

The analytical process followed a systematic thematic analysis approach, where the researcher began by familiarising with the data through repeated reading of the transcripts to gain a comprehensive understanding of participants' responses. Initial codes were then generated using ATLAS.ti by identifying and labelling meaningful segments of the data. These codes were subsequently grouped into broader categories based on emerging patterns and similarities, which were further refined into coherent themes aligned with the research objectives. The researcher continuously reviewed and compared the themes against the original data to ensure accuracy, consistency, and alignment with participants' perspectives. Finally, the themes were clearly defined and

interpreted to provide a structured and meaningful understanding of the factors influencing the competitiveness of family-owned businesses.

### **3.13 DATA STORAGE**

Handling qualitative data necessitates organised systems that protect participants' discretion, confidentiality, and anonymity while ensuring that data are systematically stored for simple access and efficient retrieval (Berkovic, 2023). Securing stored data is crucial in any research, with numerous resources available to support this in semi-structured interviews (Adeoye-Olatunde & Olenik, 2021). In accordance with the University of South Africa (UNISA) Research Data Management (RDM) policy (UNISA, 2021), the researcher adopted a structured, ethical, and institutionally compliant approach to data storage, preservation, and access. Policy emphasises that research data must be securely stored, properly documented, preserved for future use, and managed in line with legal, ethical, and funding requirements (UNISA, 2021). Guided by this framework, the researcher anonymised all collected data by allocating codes and removing any identifying information prior to analysis to ensure confidentiality and privacy.

Digital data, including interview transcripts, audio files, and coded documents are safely saved on a password-secured computer for 15 years as per ethical clearance requirements. Additionally, encrypted cloud storage is used, which is consistent with UNISA's requirement that data be safeguarded and protected against unauthorised access. Physical documents, such as consent forms and field notes, are stored in a locked cabinet accessible solely by the researcher. This ensures compliance with the policy's protection of sensitive and personal information. In alignment with this, the researcher will deposit all anonymised data in the UNISA institutional data repository, accompanied by the required provenance and contextual metadata. This ensures that the data are discoverable, accessible, reusable, and interoperable according to recognised quality standards. All data should be safely maintained for at least fifteen years in compliance with the National Archives of South Africa Act 43 of 1996 (UNISA, 2021). After this period, the data may be considered for disposal in line with UNISA's retention requirements.

## **3.14 LIMITATIONS AND DELIMITATIONS OF THE STUDY**

### **3.14.1. Limitations of the Study**

Qualitative research has limitations such as subjectivity and limited resources but applying measures to ensure trustworthiness significantly improves its accuracy and reliability (Ahmed, 2024). Moreover, all research studies inherently have limitations that can affect the scope, generalisability, and interpretation of their findings (Hess, 2023). The fact that the study focused only on a limited sample of family-owned businesses is one of its limitations in the Makhado Local Municipality, which was purposefully chosen. This implies that the results might not be relevant to various local municipalities because they may not represent the diversity of family businesses. Only businesses that had been operating for at least five years were included, which excludes newer family businesses that might face unique challenges. Furthermore, because the research is qualitative, subjectivity may be involved due to the researchers' opinions and biases, which may affect how the findings are interpreted.

Despite efforts to mitigate these differences through interpretation between Tshivenda and English, language challenges and cultural differences may still impact data accuracy and depth. However, the interviewer may rephrase or translate questions but must maintain their original meaning, as words can be interpreted differently by various respondents (Naz *et al.*, 2022). The study's limited timeframe might overlook important long-term factors affecting business competitiveness. Finally, practical issues such as accessibility and participant availability could impact how thorough and reliable the data collection procedure is. A researcher should recognise and openly acknowledge the limitations of their study (Hess, 2023).

### **3.14.2 Delimitations of the Study**

To keep a study manageable and concentrated on the research subject, a researcher creates delimitations by deciding what to include and leave out (Coker, 2022). This study was delimited to formally registered family-owned businesses operating within the Makhado Local Municipality in South Africa, thereby excluding informal enterprises and non-family-owned businesses. Participation was restricted to owners or managers

directly involved in daily operations, as they possess first-hand knowledge of decision-making, strategic processes, and operational challenges. To ensure depth of experience, only businesses with a minimum of five years of operation were included, while newly established enterprises were excluded due to limited exposure to long-term business dynamics. In addition, the study focused on participants aged between 25 and 65 years to ensure engagement with economically active and experienced business owners.

These delimitations ensured that the study captured rich, credible, and contextually relevant insights into the competitiveness, growth, and sustainability of family-owned businesses. Common challenges in data collection stem from unclear limitations in the chosen methods and inadequate documentation (Martinsuo & Huemann, 2021). However, a main feature of delimitations is that the researcher determines the boundary set (Coker, 2022). Delimitations are the boundaries a researcher sets, controlling what will and will not be studied (Akanle, Ademuson & Shittu, 2020). Finally, the study is delimited to examining factors that influence competitiveness, without attempting to cover every aspect of family business management, ensuring that the research remains focused, manageable, and aligned with its objectives.

### **3.15 ELIMINATION OF BIAS**

Minimising bias requires strong research methods and maintaining transparency throughout the research process (Jabarov, 2023). This study applied reflexivity, triangulation, and member checking strategies to reduce bias, ensuring that the findings are credible, trustworthy, and accurately reflect participants' true experiences. Reflexivity is the researcher's awareness of how their values, assumptions, and biases may influence the research process and findings (Bang, 2024). Triangulation refers to combining multiple data sources or methods to cross-verify findings, thereby increasing the credibility and trustworthiness of the results (Ahmed, 2024). Member checking, where participants review and verify the accuracy of the findings, strengthens the confirmability of the study (Ahmed, 2024). Various measures were implemented to reduce potential researcher bias. Bias is seen as a type of prejudice, reflecting an unfair preference for a position based on personal views rather than objective truth (Florczak, 2022).

Furthermore, the use of a semi-structured interview guide ensures that all participants are asked similar open-ended questions, providing consistency while still allowing flexibility for unique insights. This helps prevent the researcher from steering the discussion toward preconceived ideas or expected outcomes. All interviews were recorded using audio devices after participants' consent was obtained and transcribed word-for-word to avoid misrepresentation or selective interpretation of responses.

This study used reflexivity, triangulation, and member checking to enhance the credibility, trustworthiness, and confirmability of the findings. Reflexivity was applied to ensure the researcher remained critically aware of personal values, assumptions, and biases that could influence data collection and interpretation, thereby promoting objective analysis. Triangulation strengthened the study by comparing and integrating multiple data sources or methods to cross-verify findings and ensure consistency across evidence. Member checking further enhanced accuracy by allowing participants to review transcripts and preliminary findings to confirm that their responses were correctly interpreted and faithfully represented. These strategies collectively reduced bias, improved the dependability of interpretations, and ensured that the findings accurately reflected participants' lived experiences. Overall, they strengthened the rigor and trustworthiness of the qualitative research process.

### **3.16 ETHICAL CLEARANCE**

#### **3.16.1 Ethical Clearance Certificate**

An ethical clearance certificate is an official document issued by the Ethics Research Committee (ERC) confirming that the study complies with ethical standards and safeguards the rights and well-being of participants (UNISA, 2024). Adhering to ethical principles is a core requirement of responsible academic research, particularly when human participants are involved. In this study, UNISA's ethical guidelines were strictly observed to protect participants' rights, dignity, and welfare. The researcher obtained formal ethical approval from the Research Ethics Committee of the College of Economics and Management Sciences. An ethical clearance certificate, reference number 6574, was granted on 26 June 2025, authorising the researcher to conduct the study until 26 June

2028 (see Appendix F for the approved ethical clearance letter). This approval confirms that the study adheres to UNISA's ethical requirements, as specified in the Research Ethics Policy and the Standard Operating Procedure for Research Ethics Risk Assessment. In order to further ensure compliance with ethical and institutional protocols, the researcher formally sought permission from the Makhado Local Municipality to undertake the study prior to starting data collection (see Appendix D for the permission request letter). The municipality granted approval for the research, thereby permitting access to participants within its jurisdiction (see Appendix E for the approved gatekeeper's letter).

The ethical clearance procedure required the submission of a comprehensive research proposal, which included the target population, consent procedures, data protection strategies, and risk mitigation measures. As part of this process, the researcher submitted the full proposal to the Colloquium Committee, presented it for academic review, and received approval to proceed with the study (see Appendix A for the approved research colloquium report). This ensured that the research design, methods, and ethical considerations met institutional standards before data collection commenced. Inaccurately defining the population and target population creates ethical risks regarding participant treatment and possible harm (Willie, 2024). The participants' rights were safeguarded by obtaining informed consent before data collection and informing them that they could withdraw at any time without penalty. Confidentiality was upheld by anonymising participants' identities and safely keeping data in password-protected digital files. Moreover, the researcher ensured that no physical, emotional, or psychological harm would result from participation in the study. Ethical considerations were particularly important in this context, as participants were family business owners who may have been sharing sensitive or personal business information. The researcher also maintained transparency about the purpose of the study, how the findings would be used, and the voluntary nature of participation.

By securing ethical clearance and following institutional and national research ethics guidelines, this prioritised participant welfare, respected individual autonomy, and guaranteed the trustworthiness and integrity of the research process.

### 3.16.2 Ethical Principles Guiding the Study

- **Sincerity and truthfulness:**

The research ensured that participants were not misled. They were informed of all the research objectives at every stage. Likewise, no participant response was altered to support the researcher's assumption. The researcher did everything possible to ensure that the study was conducted honestly and ethically.

- **Informed consent:**

The researcher guaranteed that no subjects were included in the study without permission. As such, the study provided the researcher, participants, and society with all necessary details, including the study's costs and benefits (refer to Appendix C for the participants' consent form). This ensured that the participants were well informed and capable of making informed decisions about their participation in the survey when providing their consent.

- **Secrecy and Discretion**

This study's data collection was only used for that purpose. Nothing outside the study's limits was revealed. The researcher restricted the number of participants who accessed or interacted with raw data during the study. Additionally, the researcher guaranteed that participant roles and names within the organisation remained anonymous for the research period. Every respondent received a secret code from the researcher, such as B01P01, representing business one (01) and participant one (01), rather than their actual identity.

- **Intentional involvement and withdrawal:**

Providing participants with all necessary information ensured that they could make an informed decision and prevented them from feeling pressured to participate. As a result, the researcher anticipated that people would decide to participate freely if they had enough knowledge. Furthermore, there were no consequences if someone ended the study process because they were unsatisfied.

- **Neutrality:**  
The investigator guaranteed that the study's findings fairly well represented the participants' opinions and were free from researcher bias. All investigations and interpretations were conducted objectively.
- **Equality and fairness:**  
Research participants were not permitted to show partiality. The researcher impartially selected participants from Makhado Local Municipality who met the criteria, regardless of social position, cultural background, gender, race, or belief.
- **Safety of participants from injury:**  
The researcher did everything within their power to ensure that no participant sustained harm from taking part in the study. This encompassed physical, psychological, and financial harm, including jeopardising one's business.

### 3.17 CHAPTER SUMMARY

This chapter outlined the research methodology used to investigate the factors influencing the competitiveness of family-owned businesses in the Makhado Local Municipality. A qualitative research design was adopted to enable an in-depth exploration of participants' lived experiences, perceptions, and practices. This approach was appropriate for understanding complex social and business dynamics without manipulating variables, focusing instead on generating rich, contextual insights. The study targeted approximately 5,000 family business owners, from which 23 participants were selected using purposive sampling. Inclusion was limited to individuals aged 25–65 years who were directly involved in managing formally registered family businesses with at least five years of operation. Data saturation was achieved at the 23rd interview, ensuring adequate depth and diversity of responses aligned with the study objectives.

Data were collected through semi-structured interviews guided by open-ended questions covering business growth, succession, challenges, and sustainability strategies. Interviews were audio-recorded, supported by field notes, and refined through a pilot study to improve clarity and relevance. The data were transcribed and analysed using ATLAS.ti (version 25) through coding and thematic analysis to identify emerging themes. To ensure rigour, the study applied credibility and trustworthiness strategies, including

triangulation, reflexivity, member checking, and detailed contextual description. Ethical clearance was obtained from the UNISA Research Ethics Committee, and informed consent, confidentiality, and voluntary participation were maintained throughout. Overall, the methodological framework ensured that the findings were credible, ethically sound, and grounded in participants' authentic experiences.

## **CHAPTER 4: DATA ANALYSIS, FINDINGS, AND DISCUSSION**

### **4.1 INTRODUCTION**

The previous chapter detailed the research methodology adopted to explore the factors influencing the competitiveness of family businesses in the Makhado Local Municipality. It explained the use of a qualitative approach supported by purposive sampling and semi-structured face-to-face interviews to capture the lived experiences of 23 family business owners. The chapter also described data collection, analysis, and ethical considerations that ensure the credibility and trustworthiness of the findings. Building on this methodological foundation, this current chapter presents and discusses the analysed data, highlighting key themes emerging from participants' experiences and linking them to the literature.

This chapter presents the analysis, findings, and discusses the factors influencing the competitiveness of family businesses. Its purpose is to interpret and present the collected data in a structured manner, linking the findings to the research objectives, research questions, and theoretical framework adopted. In doing so, the chapter provides an evidence-based understanding of the dynamics shaping family businesses within the local context. The analysis is organised around five research objectives: classifying the factors influencing family business performance, examining the challenges faced by family-owned businesses, evaluating the effect of community associations, assessing the impact of business development initiatives, and evaluating the effect of policies on family business performance. This alignment ensures that the findings directly address the aims of the study and contribute to an integrated understanding of the phenomenon.

The study employed thematic analysis to interpret the qualitative data collected through semi-structured face-to-face interviews with family business owners in the Makhado Local Municipality. Given the qualitative nature of the research, the analysis required careful preparation, interpretation, and categorisation of the data to extract meaningful insights. Thematic analysis, supported by ATLAS.ti version 25 software, was particularly suitable, as it enabled systematic organisation and examination of textual data, allowing recurring

patterns, ideas, and categories to be identified rigorously and transparently. ATLAS.ti 25 facilitated coding, annotation, and organisation of the interview transcripts, enabling the researcher to identify recurring concepts and relationships. Importantly, the findings are participant-driven and are critically interpreted in relation to the following conceptual frameworks: RBV, institutional theory, and social capital theory. These perspectives offer a theoretical lens for understanding how internal resources, institutional conditions, and social relations impact the sustainability of family-owned businesses.

In addition to theoretical engagement, the discussion critically compares the empirical findings with the literature reviewed in Chapter 2. This process highlights consistencies with global, African, and South African studies while drawing attention to divergences specific to the Makhado Local Municipality context. In this way, the chapter contributes both to academic discourse on family businesses and to a practical understanding of local business dynamics. The remainder of the chapter is divided into five major sections, each corresponding to a research objective.

## **4.2 REPRESENTATIVES OF DEMOGRAPHICS**

### **4.2.1 Participants Information**

The researcher conducted semi-structured face-to-face interviews with 23 participants aged 25–65 years who had run businesses for at least five years in Makhado Local Municipality. The face-to-face interviews were conducted at locations where the family-run business owners operate their businesses. Data were collected through note-taking and voice recordings to ensure accuracy, with participants fully informed about the process. The researcher ensured that all data collection materials were protected and securely stored. Most interviews were held in Tshivenda, with the interviewer translating questions to maintain their original meaning (Naz *et al.*, 2022). Through purposive sampling, 14 male and 9 female business owners were selected; however, this does not reflect the actual gender ratio of business owners. To ensure anonymity, each participant and business was assigned a confidential code, such as B01P01, where “B01” denotes business one and “P01” represents participant one. This coding system ensured anonymity while maintaining clarity and traceability during data analysis.

**Table 4.1: Participant information sheet**

<b>Participants</b>	<b>Age group</b>	<b>Gender</b>	<b>Nationality</b>
Participant 01	30–35	Female	South African
Participant 02	35–40	Male	South African
Participant 03	50–55	Male	South African
Participant 04	40–45	Female	South African
Participant 05	50–55	Female	South African
Participant 06	60–65	Male	South African
Participant 07	30–35	Female	South African
Participant 08	35–40	Male	South African
Participant 09	40–45	Male	South African
Participant 10	25–30	Male	South African
Participant 11	40–45	Male	South African
Participant 12	35–40	Male	South African
Participant 13	45–50	Male	South African
Participant 14	50–55	Male	South African
Participant 15	35–40	Male	South African
Participant 16	60–65	Female	South African
Participant 17	55–60	Female	South African

Participant 18	60–65	Female	South African
Participant 19	55–60	Male	South African
Participant 20	55–60	Female	South African
Participant 21	40–45	Female	South African
Participant 22	60–65	Male	South African
Participant 23	35–40	Male	South African

Source: Researcher

Table 4.1 provides a detailed overview of the participants who took part in the study. It outlines the total number of individuals interviewed, categorising them according to their respective age groups, which range between 25 and 65 years. In addition, the table highlights the gender composition of the participants who participated in the face-to-face interviews. It also confirms that all participants are South African citizens, ensuring that the data reflect local business owners’ perspectives in the Makhado Local Municipality.

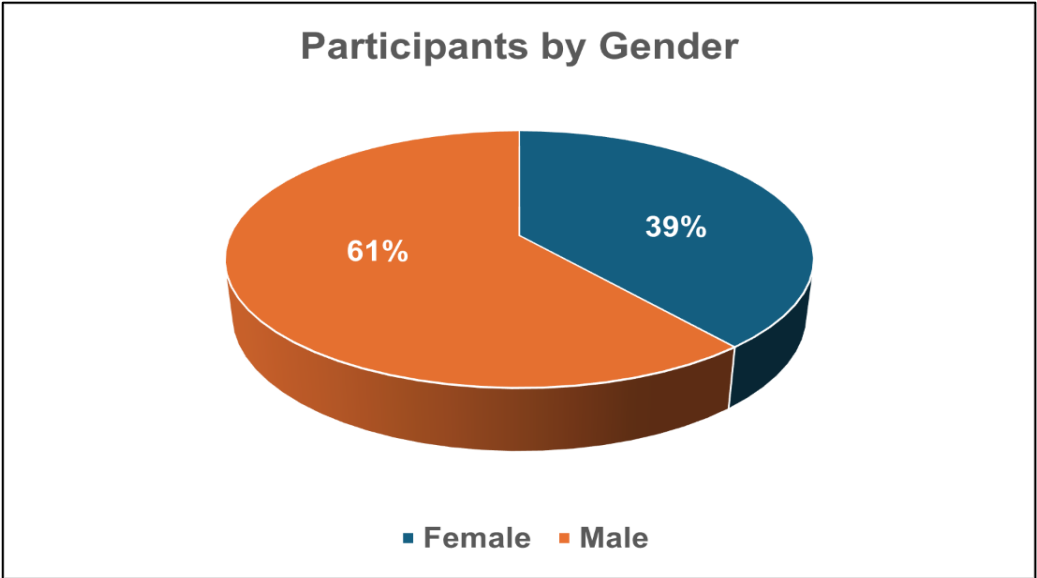


Figure 4.1: Gender composition

Source: Researcher

Figure 4.1 illustrates the gender composition of the participants who were purposively selected for the study. The representation indicates that 61% are male and 39% are female. However, these percentages do not reflect the actual gender distribution of family business ownership within the Makhado Local Municipality.

#### 4.2.2 Family Businesses Information

The researcher conducted face-to-face interviews with 23 formally registered family businesses operating within the Makhado Local Municipality. These businesses were selected for operating for at least five years, demonstrating stability and experience relevant to the study's objectives. The selection process did not discriminate against any business based on its business activities. The research intended to capture a broad understanding of family businesses across different economic sectors within the municipality. To uphold ethical research standards and protect participant identities, the researcher assigned each business and participant a unique confidential code. For example, B01P01 indicates business one and participant one.

**Table 4.2: Family businesses information sheet**

<b>Business</b>	<b>Business activity</b>	<b>Years in operation</b>	<b>Owner</b>
Business 01	Cosmetics and beauty	6 years	Female
Business 02	Restaurant	15 years	Male
Business 03	Water supply	12 years	Male
Business 04	Retail	5 years	Female
Business 05	Retail	8 years	Female
Business 06	Farming	15 years	Male
Business 07	Farming	25 years	Female
Business 08	Facilities maintenance	9 years	Male

Business 09	Farming	7 years	Male
Business 10	Facilities maintenance	6 years	Male
Business 11	Transportation	20 years	Male
Business 12	Water drilling	12 years	Male
Business 13	Computer and IT	23 years	Male
Business 14	Restaurant	17 years	Male
Business 15	Transportation	11 years	Male
Business 16	Street traders	45 years	Female
Business 17	Beverage	35 years	Female
Business 18	Farming and husbandry	45 years	Female
Business 19	Facilities maintenance	15 years	Male
Business 20	Beverage	30 years	Female
Business 21	Farming	56 years	Female
Business 22	Farming and husbandry	17 years	Male
Business 23	Law and order	10 years	Male

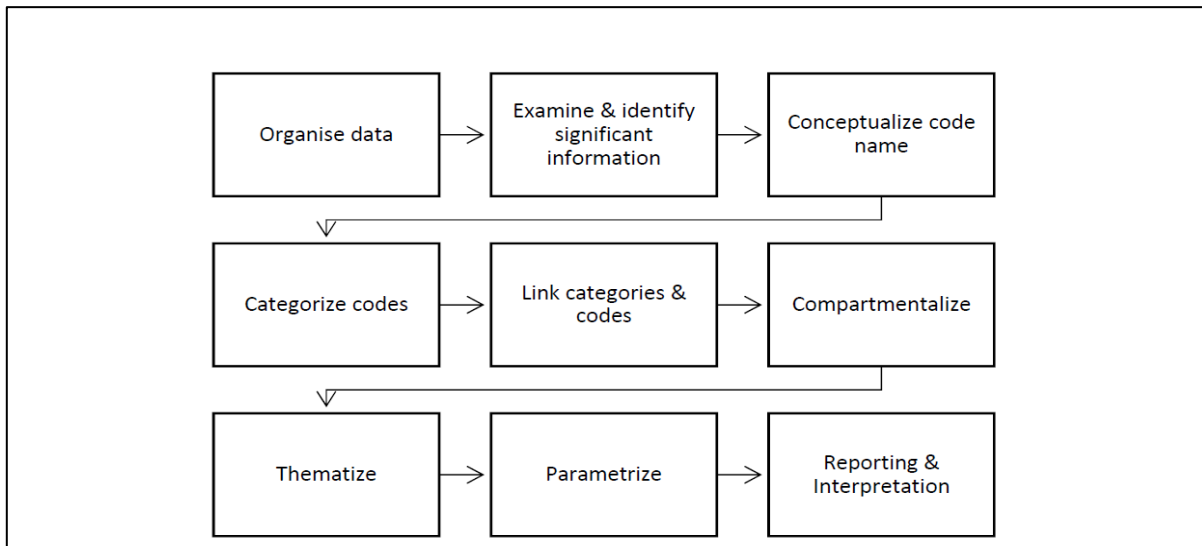
*Source: Researcher*

Table 4.2 presents a comprehensive summary of the family businesses that participated in the study. It lists the total number of businesses, their industry or activity, and the number of years they have operated. Furthermore, the table provides information on the

gender distribution of the business owners, offering insight into the demographic composition of the participants.

### 4.3 DATA ANALYSIS APPROACH

To provide a clear foundation for the findings, this section outlines the data analysis process, detailing how thematic analysis and ATLAS.ti version 25 were applied to interpret the interview data.



**Figure 4.2: Data analysis steps**

*Source: Gupta (2024)*

Figure 4.2, as indicated by Gupta (2024), provides a detailed illustration of the steps undertaken during the data analysis process, showing the systematic approach followed by the researcher to ensure accuracy and consistency. The data analysis followed a systematic process to ensure rigorous interpretation of the qualitative data. The researcher began by organising the data through transcription, verification, and structured storage of interview materials. The transcripts were then carefully examined to identify relevant and significant information aligned with the research objectives. Meaningful segments were assigned conceptual code names, which were subsequently grouped into categories based on similarities and patterns. These categories and codes were then linked to establish relationships and deeper connections within the data, before being

further refined through compartmentalisation to structure the emerging analytical framework. From these organised units, broader themes were developed and refined by defining their scope in relation to the research aims. Finally, the themes were synthesised, interpreted, and reported in a coherent narrative supported by participants' responses.

#### **4.3.1 Analytical Framework and Methods**

The study employed thematic analysis to examine qualitative data collected through semi-structured face-to-face interviews with family business owners in the Makhado Local Municipality. Thematic analysis employs a “code-and-retrieve” approach in which data are systematically coded and organised, allowing information to be grouped and retrieved according to the assigned codes (Mahmood, 2024). This approach allowed the researcher to extract meaningful insights, categorise responses, and interpret the underlying phenomena influencing the growth, competitiveness, and survival of family-owned businesses (Johannesson & Perjons, 2021).

To enhance the rigour and efficiency of the analysis, the researcher utilised ATLAS.ti, which was designed to organise, code, and visualise complex datasets (Gupta, 2024; Mastrobattista, Rico & García, 2024). ATLAS.ti 25 facilitated the systematic coding of interview transcripts, annotation of key concepts, and visual mapping of relationships between categories. This software enables quicker, more reliable data processing, reducing potential human errors or biases that can arise in manual qualitative analysis (Adelowotan, 2021; Siiman, Rannastu-Avalos, Pöysä-Tarhonen, Häkkinen & Pedaste, 2023). The researcher was able to produce coherent, transparent, and well-organised results, providing a robust foundation for interpreting patterns related to family business performance.

#### **4.3.2 Trustworthiness**

Ensuring the trustworthiness of qualitative findings is a critical component of the analysis process, incorporating four established criteria: credibility, transferability, dependability, and confirmability (Arslan, 2025; Kasirye, 2021; Nassaji, 2020). Credibility is strengthened through prolonged engagement with participants, member checking, and careful capture of participants' perspectives, ensuring that findings accurately reflect their experiences

(Johnson, Adkins & Chauvin, 2020; Kakar *et al.*, 2023). Transferability was achieved by providing rich, thick descriptions of the research context and sampling strategies, enabling readers to assess the applicability of findings to similar settings (Nassaji, 2020; Ahmed, 2024). Dependability was ensured through detailed record-keeping, audit trails, and reanalysis of coding to confirm the consistency of results across similar data (Arslan, 2025; Kakar *et al.*, 2023).

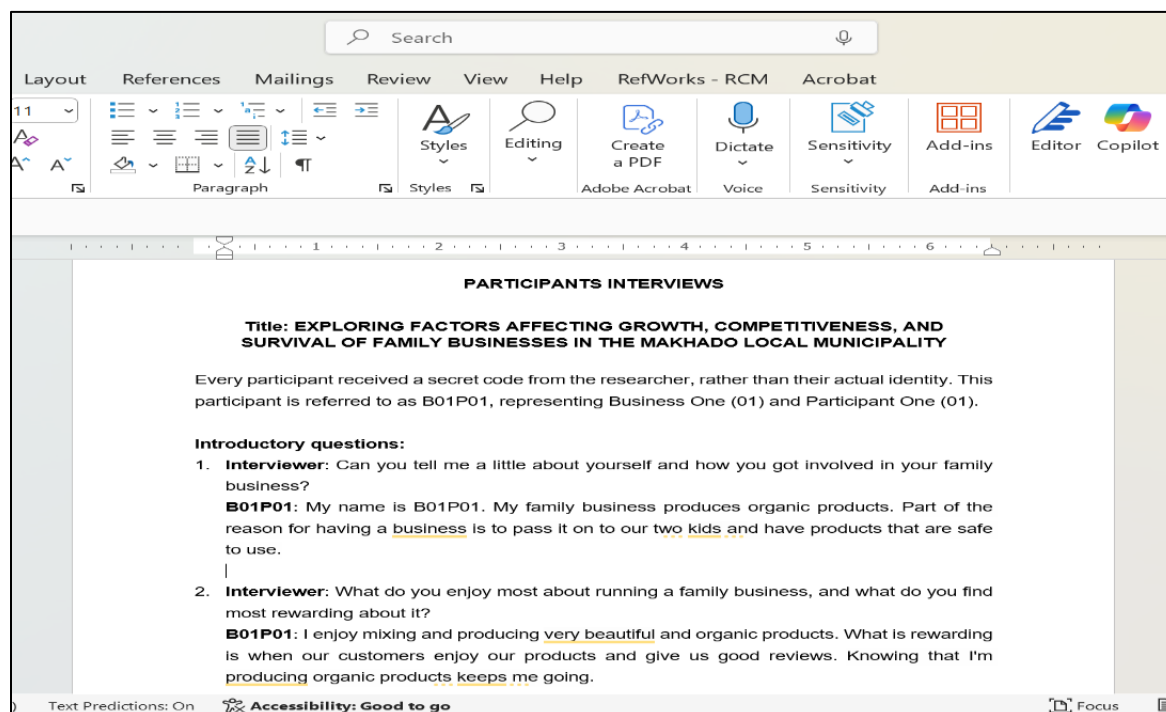
Lastly, confirmability was maintained through triangulation, reflexive journaling, and transparent documentation of coding and analytical decisions (Nassaji, 2020; Ahmed, 2024). These measures ensured that the findings reflected participants' inputs rather than the researcher's bias. By integrating thematic analysis, ATLAS.ti 25, and trustworthiness strategies, the study applied a rigorous and systematic approach to analysing qualitative data. This approach enables a credible and meaningful interpretation of the factors influencing family business competitiveness in the Makhado Local Municipality.

#### **4.3.3 Data Preparation and Familiarisation**

During the data preparation stage, the researcher transcribed all the audio recordings from the face-to-face interviews with family business owners into Microsoft Word documents (refer to Appendix G for the transcribed interviews). Data preparation involves converting data from its original format into a form suitable for analysis (Fernandes *et al.*, 2023). This process ensured that the data were accurately captured and preserved for analysis. Transcribing the recordings verbatim allowed the researcher to maintain the authenticity of the participants' voices and minimise data loss. Microsoft Word provided flexibility for editing, formatting, and organising the transcripts systematically. This step also facilitated easier importing of the data into ATLAS.ti 25 for qualitative analysis. The transcription process allowed the researcher to engage deeply with the data, gaining an initial understanding of emerging meanings. It also ensured that the materials were well-organised and prepared for coding and further analysis.

Once the data were prepared, the researcher engaged in a thorough familiarisation process using ATLAS.ti 25 software. This process entails reviewing audio recordings and reading verbatim transcripts while respecting each participant's intended meaning (Tumiran, 2025). ATLAS.ti 25 efficiently organised and managed qualitative data, enabling

the researcher to highlight key statements, record initial impressions, and identify recurring themes. This is crucial since interview data often contain deep, complex personal experiences that cannot be fully understood through surface-level reading (Tumiran, 2025). Familiarisation techniques are essential in research for ethical reasons to ensure best practices and are also valuable in practical applications (Wallbridge, McGregor, Drozd, Von Dem Hagen & Jones, 2024). This stage enabled the researcher to immerse themselves in the data and review transcripts and notes to understand participants' perspectives, experiences, and responses in depth. It laid the foundation for identifying key concepts, patterns, and potential themes for coding and analysis. This step is important for researchers who will later perform the coding and theming processes (Saunders *et al.*, 2023).

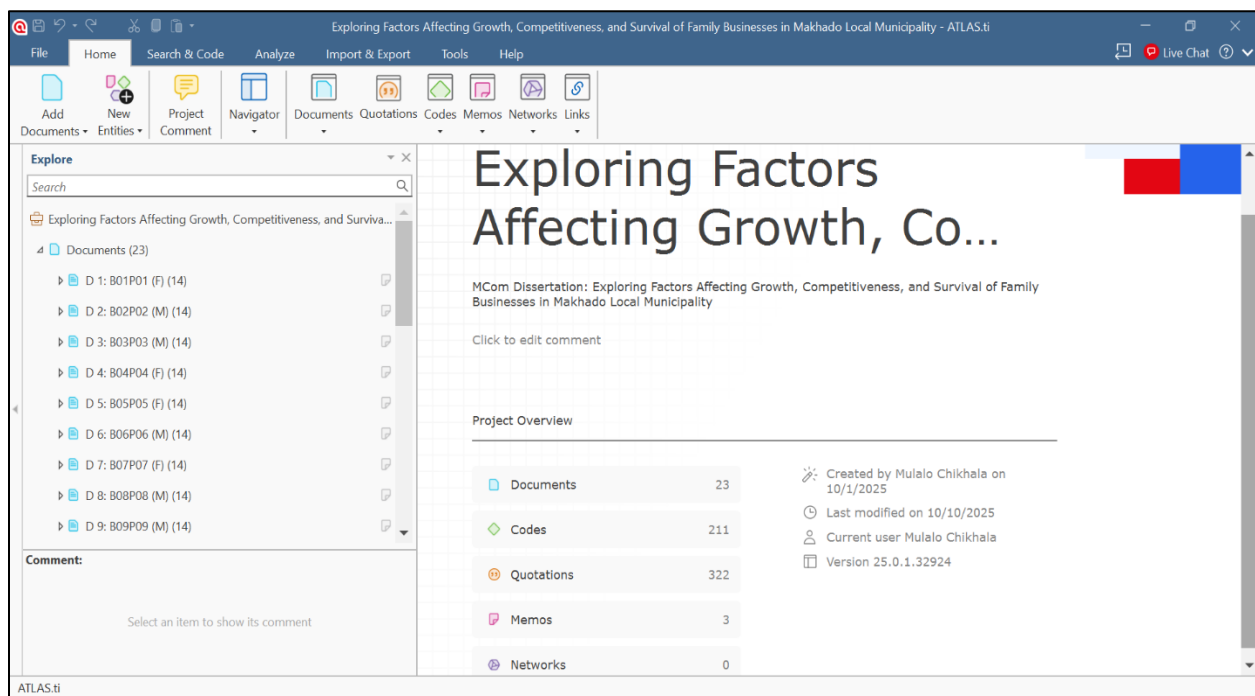


**Figure 4.3: Transcribed interviews**

*Source: Researcher*

Figure 4.3 shows an example of one of the interviews conducted with the participants, in which the researcher transcribed in Microsoft Word from the original audio recordings (also refer to Appendix G for the transcribed interview). This transcription process was carefully carried out to ensure that all the responses were accurately captured and reflected the participants' intended meanings. The transcribed documents were then prepared and formatted for upload to ATLAS.ti 25.

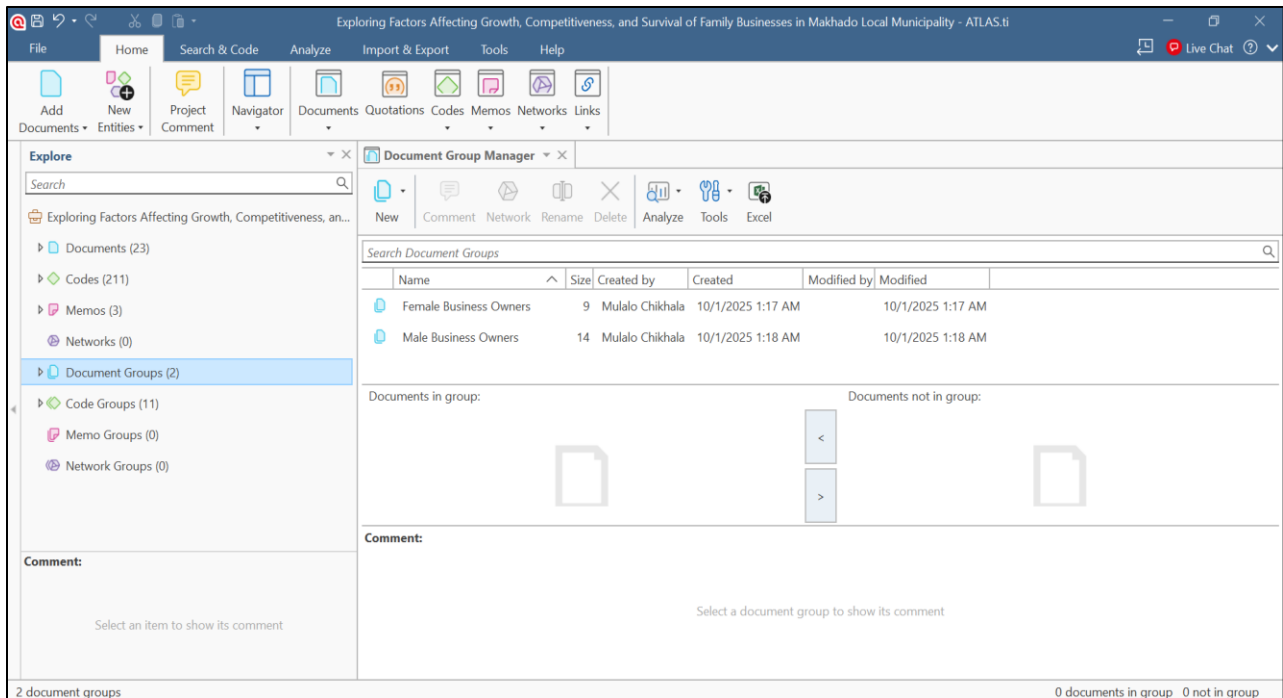
The researcher used ATLAS.ti 25 to manage and analyse the qualitative data collected from the interviews. Using ATLAS.ti for thematic analysis of textual data can significantly reduce the time and resources required (Adelowotan, 2021). ATLAS.ti 25 allowed the researcher to create quotations, memos, and visual networks that supported a deeper understanding and interpretation of the participants' responses. The use of this software ensured that the data analysis process was rigorous, transparent, and aligned with qualitative research standards. ATLAS.ti is effective software for qualitative data analysis, with its usefulness relying entirely on the quality of the data input (Gupta, 2024).



**Figure 4.4: ATLAS.ti version 25 project**

*Source: ATLAS.ti 25*

Figure 4.4 displays an ATLAS.ti 25 project created under the title of the research: Exploring Factors Affecting Competitiveness of Family Businesses in Makhado Local Municipality, to facilitate data analysis. All 23 transcribed interviews were uploaded into the project, accompanied by the corresponding codes, quotations, and memos. This setup enabled a comprehensive and organised examination of the qualitative data.



**Figure 4.5: Document group manager**

*Source: ATLAS.ti 25*

Figure 4.5 presents the Document Group Manager, which shows the transcribed interview documents organised by gender, which supports Figure 4.1 (gender composition). There are 9 documents in the female business owners group and 14 in the male business owners group.

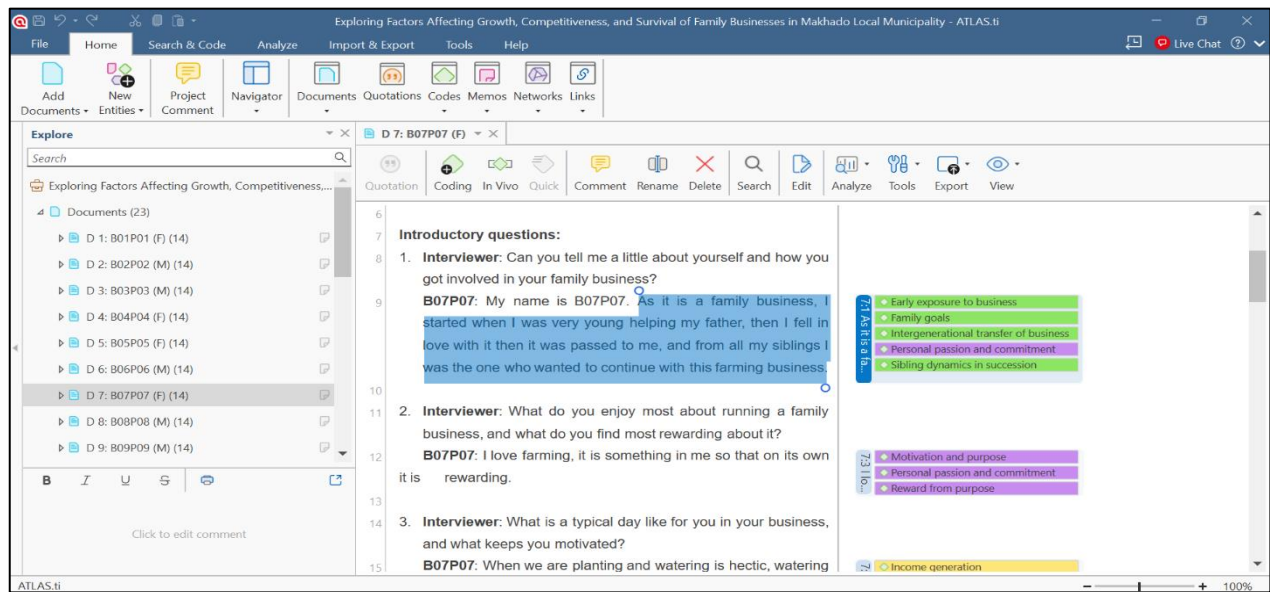


unity, shared responsibility, and collaboration, highlighting the crucial role of family support in managing, sustaining, and growing the business. Together, these terms illustrate that family members view their business as a collaborative effort. This effort is rooted in cooperation, trust, and a long-term commitment to business success and continuity. Saunders *et al.* (2023) indicated that researchers should carefully review and analyse the codes that occur most frequently. The recurring codes provided valuable insights into key patterns, themes, and trends within the data.

#### **4.3.4 Themes and Codes Generation**

Once fully familiar with the interview transcripts, the researcher starts open coding manually (Tumiran, 2025). A code refers to a word or brief phrase used to label a specific portion of text or data (Adelowotan, 2021). A key aspect of qualitative analysis involves creating codes through deep interaction with primary data to establish links between information, concepts, and labels (Locke, Feldman & Golden-Biddle, 2022). This involves carefully identifying words, phrases, or sentences that align with the research objectives or revealing important participant viewpoints (Tumiran, 2025). Campbell *et al.* (2021) indicated that in the coding phase, the researcher should re-examine the research question based on insights emerging from the dataset. Tumiran (2025) emphasises that codes can be viewed as labels attached to significant data segments, which may be associated with events, behaviours, sentiments, or opinions. According to Saunders *et al.* (2023), coding aims to organise large amounts of data into related groups to help identify key themes.

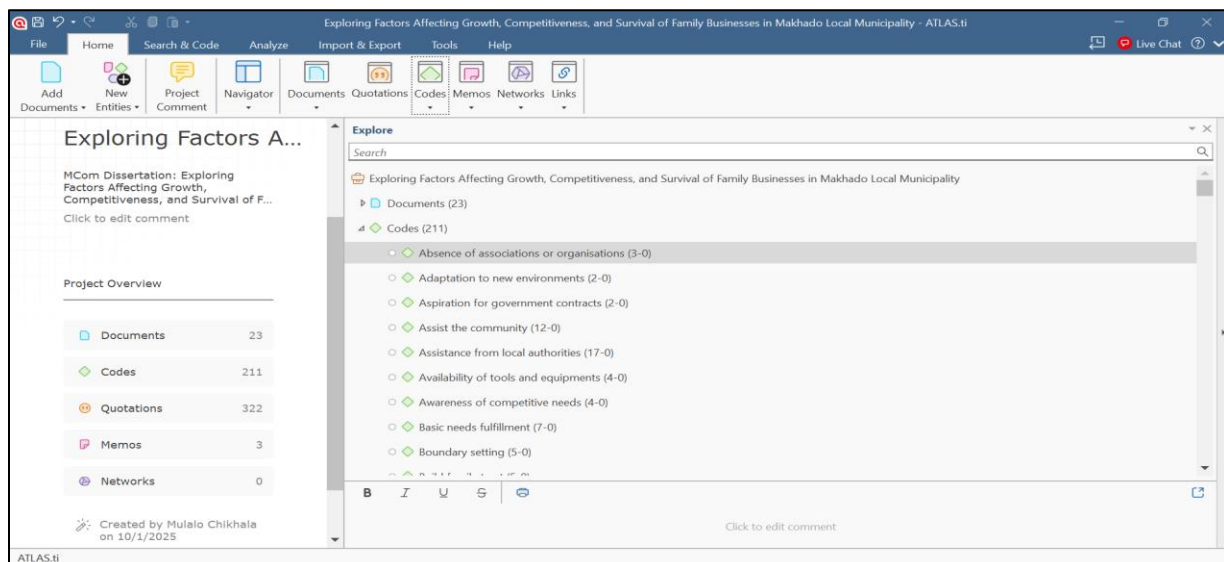
ATLAS.ti provides multiple coding options, allowing the researcher to choose the one that best fits their objectives, data type, and coding preferences (Gupta, 2024). The qualitative analysis software helps with coding and handling large datasets, but does not carry out the actual analysis (Saunders *et al.*, 2023). The researcher must review the coded text to identify patterns and group related codes into broader categories (Tumiran, 2025). This categorisation helps organise the data into manageable parts and enables systematic comparison between and across participant responses (Campbell *et al.*, 2021). Coding supports the entire analysis process and is particularly useful for transitioning from individual codes to broader themes (Saunders *et al.*, 2023).



**Figure 4.7: Coding transcribed interviews**

*Source: ATLAS.ti 25*

Figure 4.7 illustrates the process of coding a participant's transcribed interview in ATLAS.ti 25. The researcher creates a suitable code and attaches it to the relevant data segment, ensuring that concepts are accurately captured. This process is repeated for all the data segments, allowing for a comprehensive and organised analysis of the entire dataset.



**Figure 4.8: Codes**

*Source: ATLAS.ti 25*

Figure 4.8 displays all initial codes generated by the researcher, with the numbers in brackets in each code indicating how many times the code was used in the project. A total of 211 codes were generated.

#### **4.3.5 Searching for Themes**

Themes form the core of every qualitative research approach (Mishra & Dey, 2022). Themes are discovered through a process where the underlying concepts are embedded within the data (Gupta, 2024). Themes are not directly observable, as they represent participants' perceptions, experiences, feelings, values, and emotions (Mishra & Dey, 2022). Gupta (2024) indicated that themes are essential for identifying and representing the key aspects of qualitative data. Identifying themes that align with the theory defines the research's overall contribution (Mishra & Dey, 2022). Nevertheless, the researcher must consider what qualifies as a theme and whether it can be measured numerically (Christou, 2022). The themes are reviewed and compared to ensure that they are complete, encompass all codes, and determine if they should be combined or further divided (Jnanathapaswi, 2021). The development of clear themes is crucial for building a valid framework that accurately represents the observed phenomenon (Tumiran, 2025). However, themes are determined not solely by the data but also primarily by the researcher's interpretation of them (Gupta, 2024).

After coding the interview data in ATLAS.ti 25, the researcher grouped related codes into categories to identify patterns and develop broader themes grounded in participants' experiences. Through an inductive process and continuous comparison with the literature, six key themes emerged: economic contribution, government policy support, succession and governance challenges, access to finance, innovation and competitiveness, and local economic development. These codes were systematically organised in tables to ensure clarity and traceability from raw data to final themes. Trustworthiness was ensured through credibility, dependability, and confirmability measures, including repeated transcript review, a detailed audit trail of coding decisions, and grounding all interpretations in participants' direct quotations to minimise bias.

**Table 4.3: Code groups aligned with key themes**

<b>Theme</b>	<b>Code Group (Sub-theme)</b>
<b>1. Economic contribution of family businesses</b>	Business performance and sustainability
	Family motivation and rewards
	Operational practices
<b>2. Government policies and legislative support</b>	Policy influence and compliance
	Institutional support and challenges
	Administrative and infrastructural facilitation
<b>3. Challenges in succession planning and governance</b>	Family dynamics and decision-making
	Intergenerational issues
	Governance and role balance
<b>4. Access to finance and resource constraints</b>	Financial limitations
	Resource and infrastructure barriers
	Environmental and operational challenges
<b>5. Innovation, technology, and competitiveness</b>	Market positioning and competition
	Product and marketing innovation
	Skills and adaptability
<b>6. Local economic development and community impact</b>	Community relations and social value
	Local collaboration and inclusion

Ethics, motivation, and contribution

Source: Researcher.

Table 4.3 presents the alignment between the generated codes, their respective code groups from the interview data, and the six key themes that guided the study. It outlines 18 code group categories, which together reveal broader patterns related to family business operations, challenges, and overall contributions.

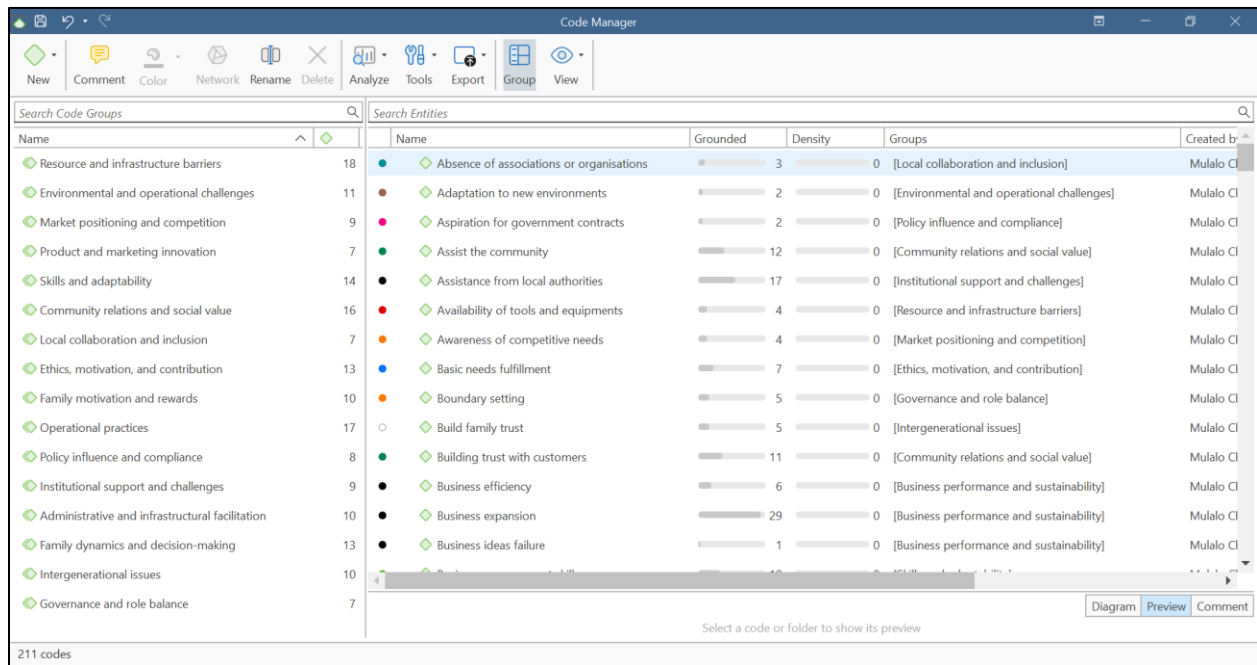
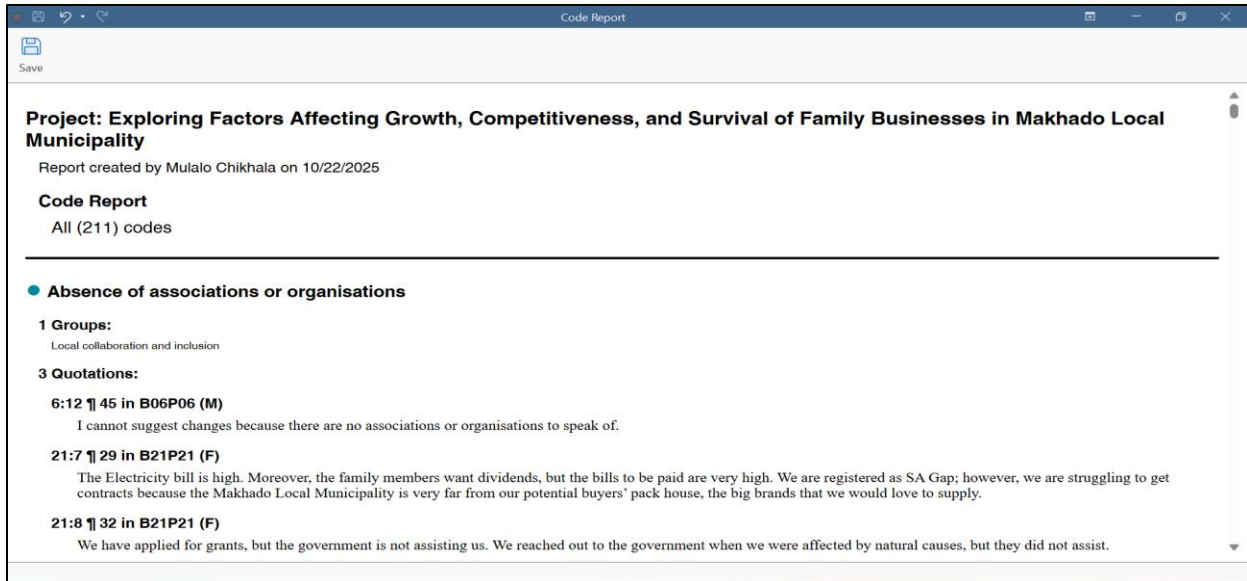


Figure 4.9: Code groups

Source: ATLAS.ti 25

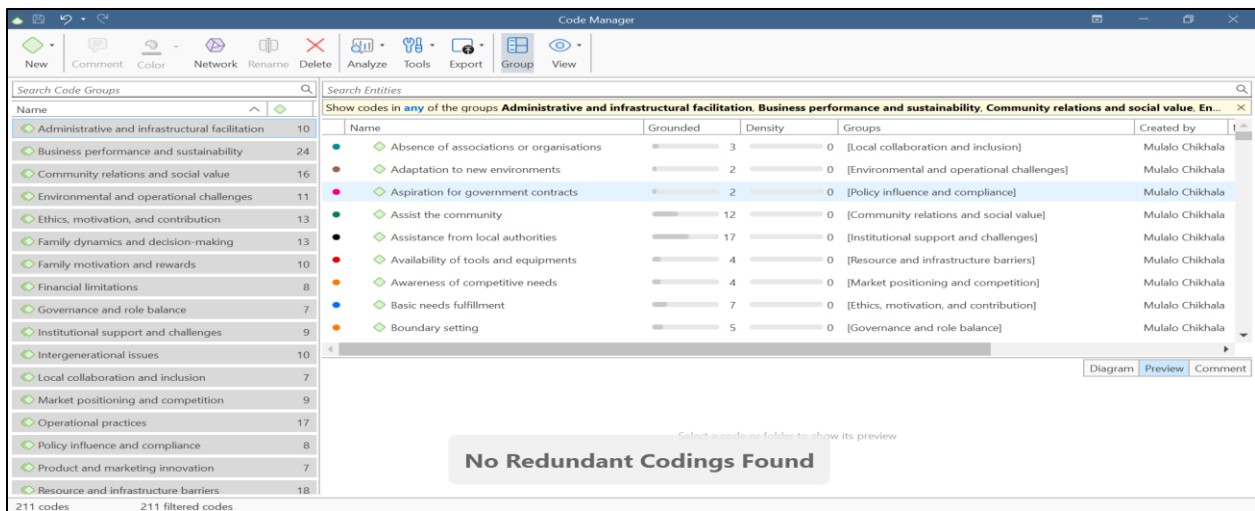
Figure 4.9 illustrates the code groups, showing the codes created for analysis organised into 18 groups on the basis of their relevance and relationships. Each group is displayed in a different colour to facilitate data analysis.



**Figure 4.10: Code report**

Source: ATLAS.ti 25

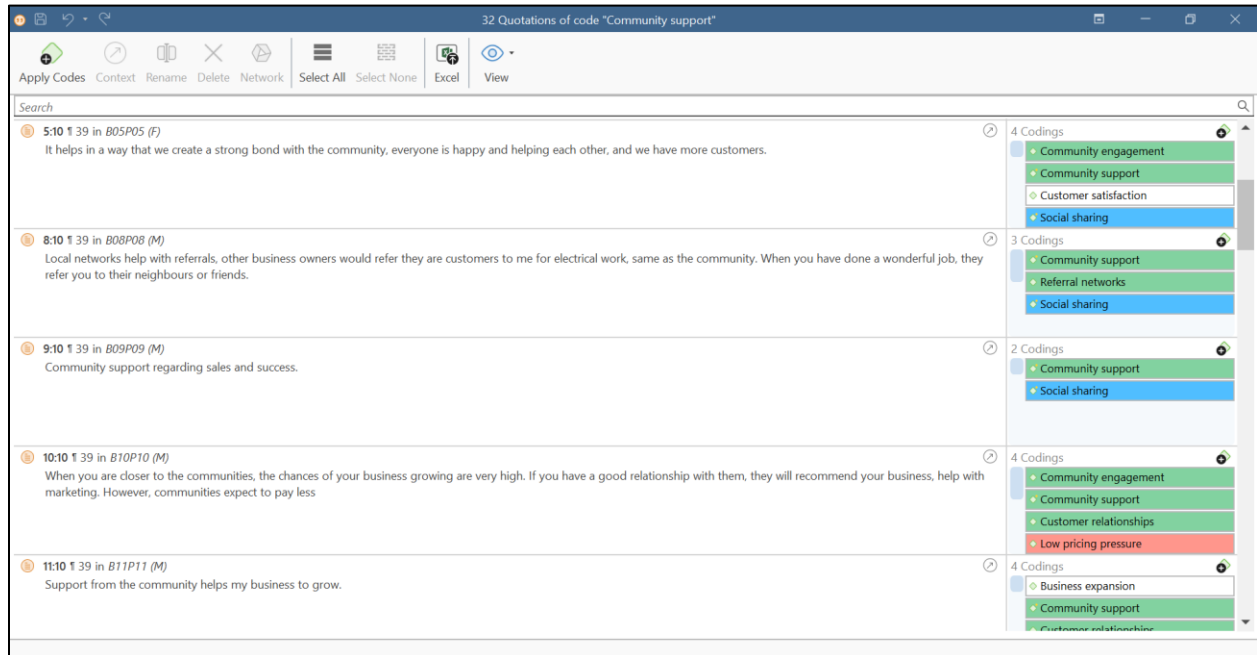
Figure 4.10 presents the Code Report, which illustrates a detailed summary of all the codes applied during the data analysis. It presents each code, its frequency, and associated data segments, enabling the researcher to identify patterns, recurring themes, and key concepts across the dataset for structured qualitative analysis.



**Figure 4.11: Searching for redundant coding**

Source: ATLAS.ti 25

Figure 4.11 illustrates the researcher’s use of the “find redundant coding” option in ATLAS.ti 24 to ensure accuracy and consistency. This function identifies overlapping or duplicate codes assigned to the same data segments; no redundant codes were found.



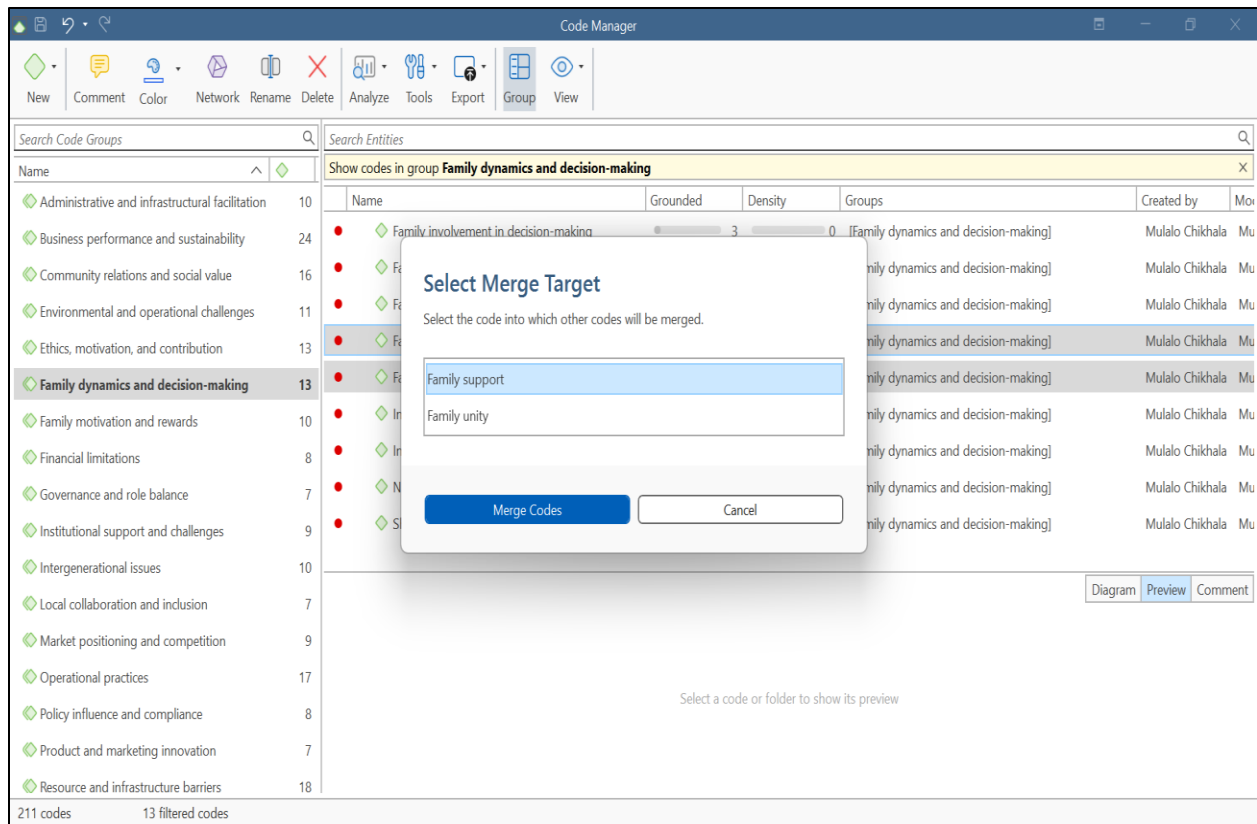
**Figure 4.12: Quotation of the code “Community Support”**

*Source: ATLAS.ti 25*

Figure 4.12 presents a quotation view of the codes, showing a total of 32 quotations under the “Community Support” code, which represents the highest number of quotations within a single code.

### 4.3.6 Refining Themes

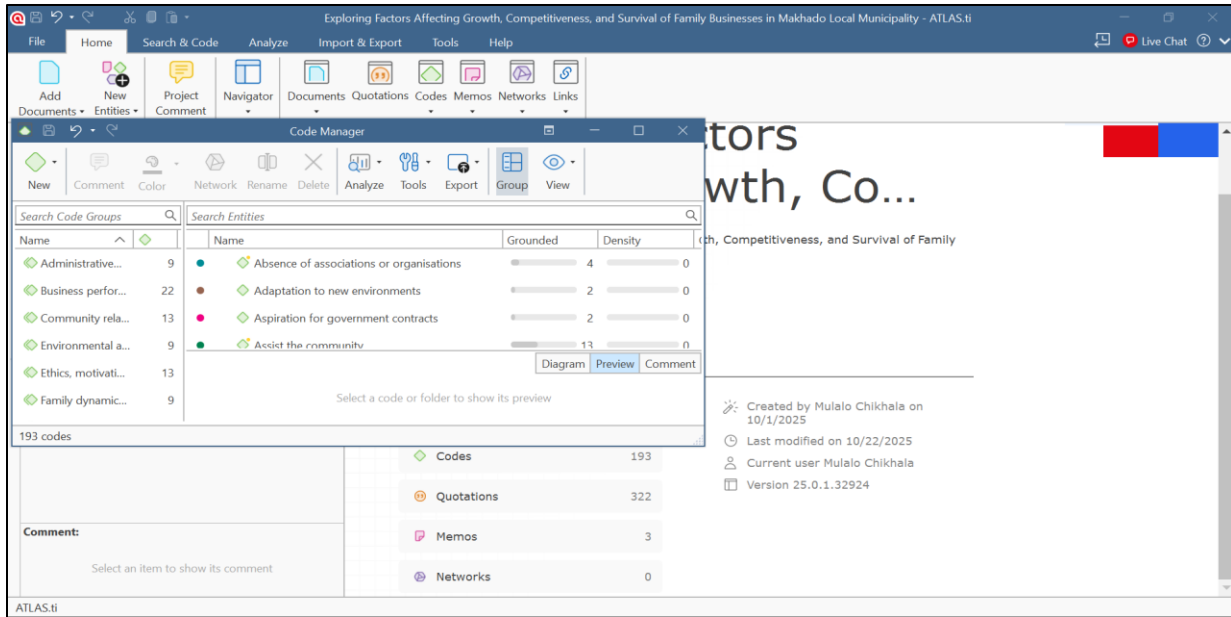
At this stage, the researcher refines the themes by assessing whether they pose any issues and if the extracted data appropriately align with each theme (Christou, 2022). The researcher examined all codes to assess their relevance to the research questions and removed those considered irrelevant and renamed some codes. The researcher grouped the codes by analysing them for relationships, patterns, and overarching ideas. This process helps identify which codes should be merged for conceptual alignment. Thoroughly immersing oneself in the data ensured that the grouped codes formed a strong basis for constructing meaningful themes.



**Figure 4.13: Merging codes**

*Source: ATLAS.ti 25*

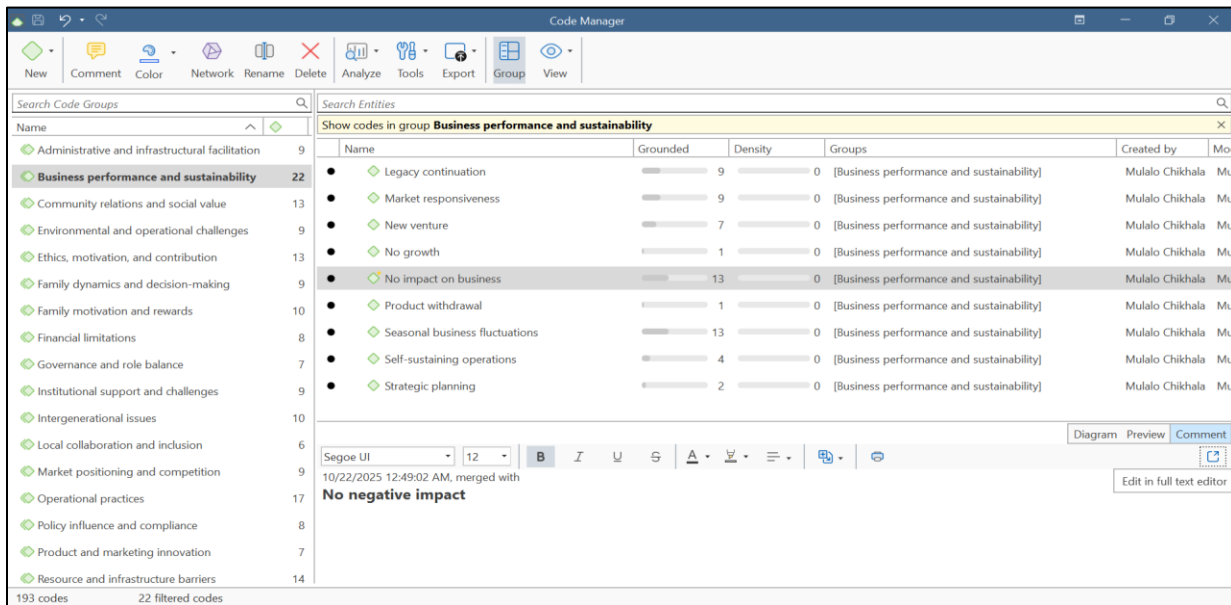
Figure 4.13 illustrates the process of the researcher merging similar or overlapping codes into a single, more comprehensive code. This step was taken to refine the coding structure, reduce redundancy, and ensure that related ideas were grouped for clearer and more meaningful data interpretation.



**Figure 4.14: Final number of codes after merging similar codes**

Source: ATLAS.ti 25

Figure 4.14 displays the total number of codes remaining after the researcher merged similar or overlapping codes. Following this process, 193 codes remained in the project.



**Figure 4.15: Record of merged codes with date and time**

Source: ATLAS.ti 25

Figure 4.15 illustrates the merging process, showing which codes were combined and displaying the date and time of each merger recorded in the comment section.

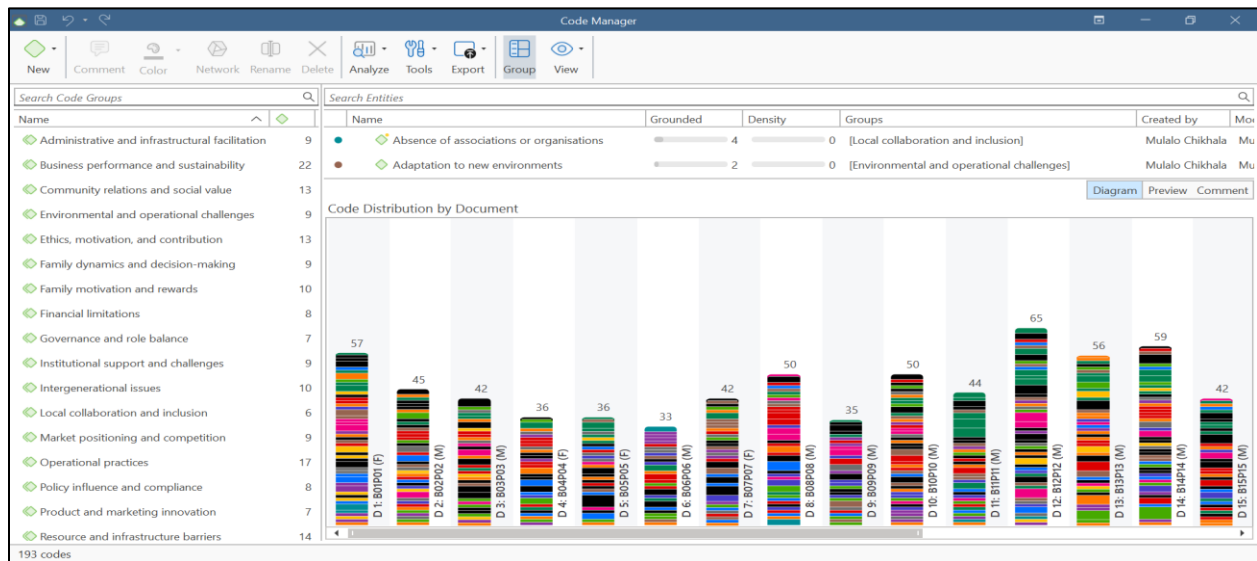


Figure 4.16: Code distribution by document

Source: ATLAS.ti 25

Figure 4.16 illustrates the Code Distribution by Document, highlighting the number of codes assigned to each transcribed interview document uploaded into ATLAS.ti 25.

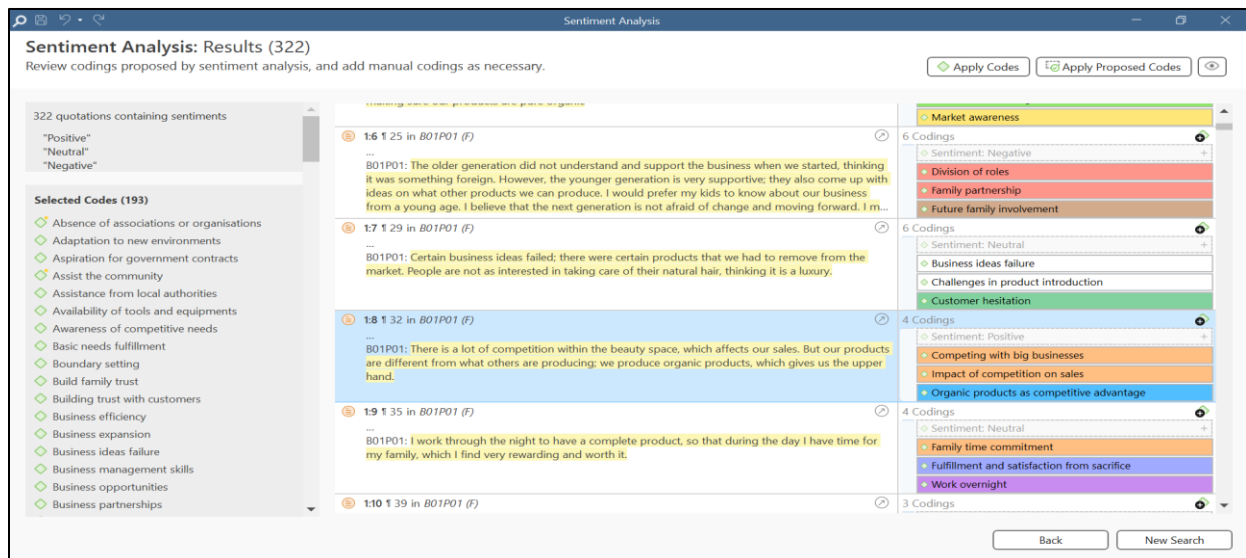
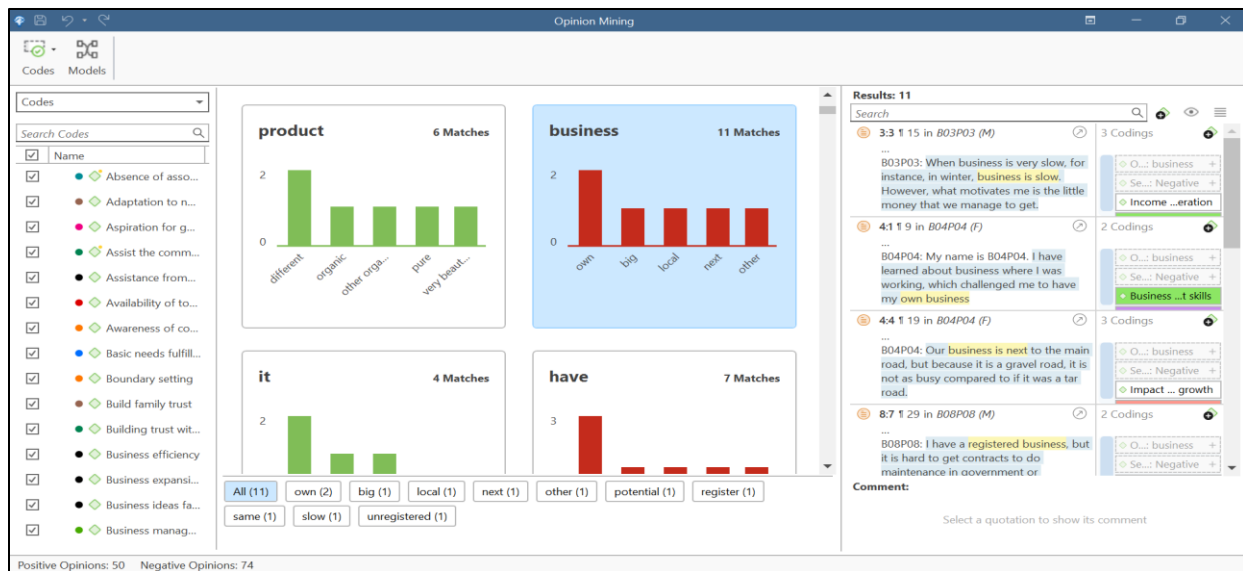


Figure 4.17: Results for sentiment analysis

Source: ATLAS.ti 25

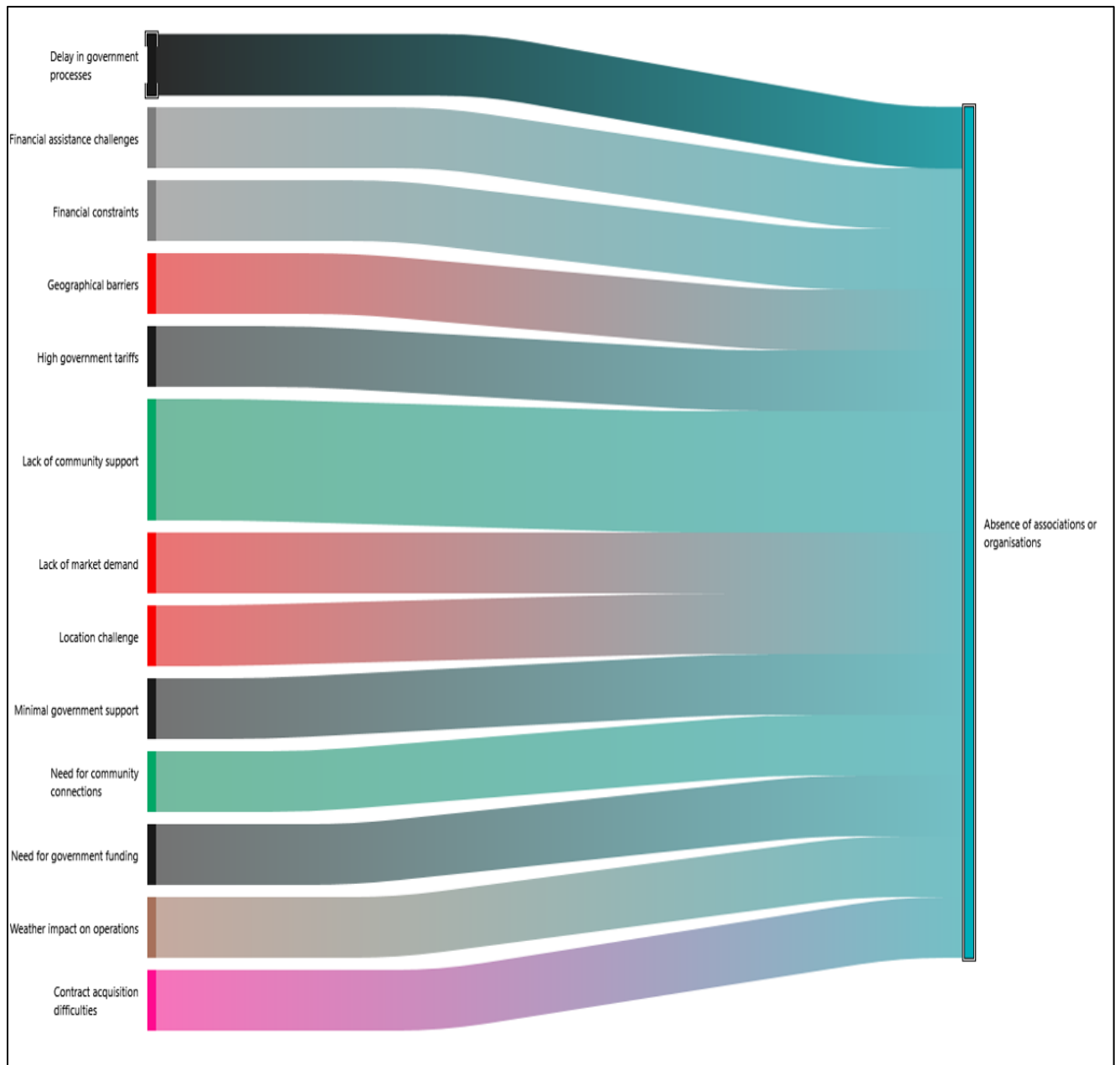
Figure 4.17 presents the sentiment analysis results of all 322 quotations, categorising them as “Positive,” “Neutral,” or “Negative.” Sentiment analysis assisted the researcher in understanding participants’ attitudes, emotions, and perceptions toward key issues, providing deeper insight into how family business owners express positive, neutral, or negative sentiments about their experiences.



**Figure 4.18: Opinion mining on “business”**

*Source: ATLAS.ti 25*

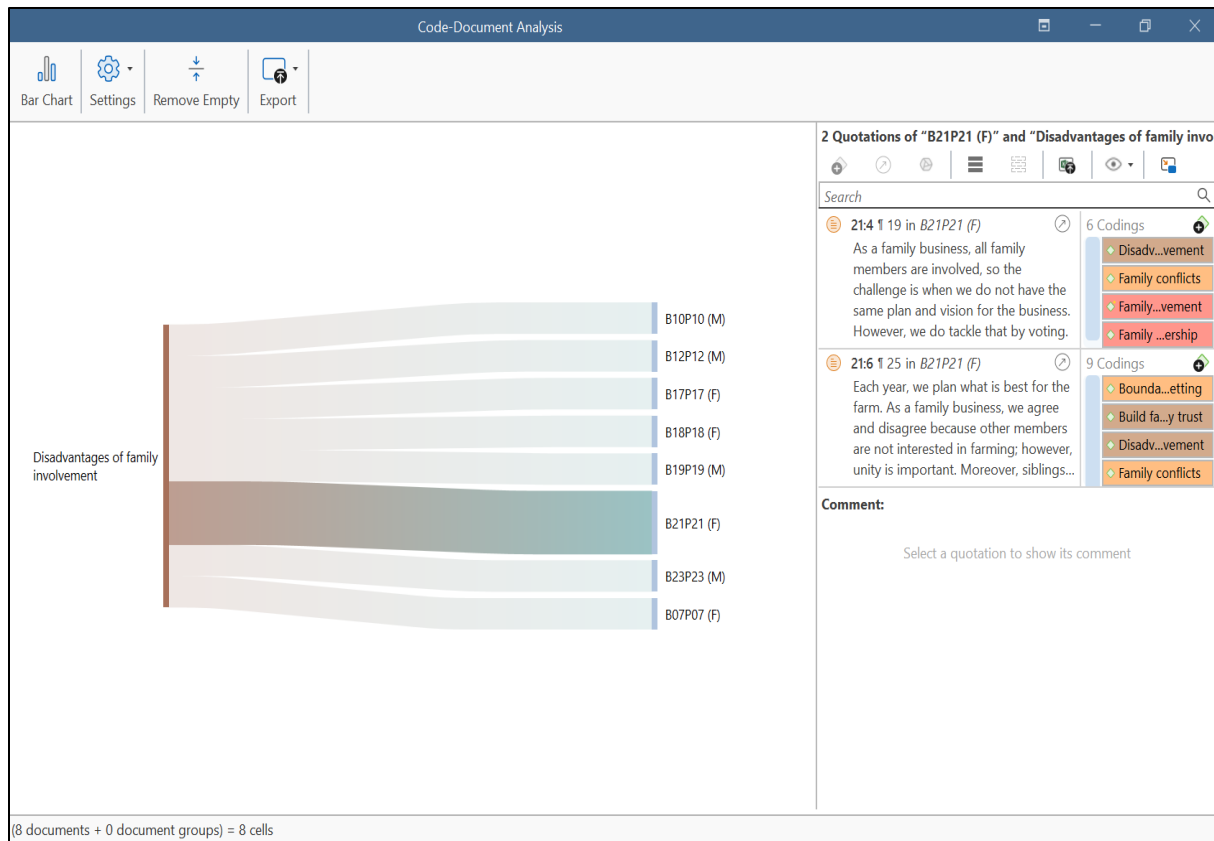
Figure 4.18 illustrates the opinion mining results for the word “business,” showing 11 identified opinions across all codes, with 50 positive and 74 negative opinion sentiments overall. Opinion mining revealed participants’ underlying attitudes and emotions toward their business experiences, offering valuable insights into the factors influencing family business growth, competitiveness, and sustainability.



**Figure 4.19: Code co-occurrence Sankey diagram “absence of associations or organisations”**

*Source: ATLAS.ti 25*

Figure 4.19 shows a Sankey diagram illustrating the relationship between “Absence of associations or organisations” and related codes, highlighting a strong link with “Lack of community support.”



**Figure 4.20: Code-document analysis – “Disadvantages of family involvement”**

*Source: ATLAS.ti 25*

Figure 4.20 illustrates the Code-Document Analysis for the code “Disadvantages of family involvement.” The analysis shows that participant B21P21 discussed this issue more frequently than other participants did, indicating a stronger emphasis on the challenges associated with family participation in business operations.

### 4.3.7 Themes Analysis

#### 4.3.7.1 Theme 1: Economic Contribution of Family Businesses

Family businesses in the Makhado Local Municipality play a significant role in local economic growth. They contribute to employment creation, income generation, and market participation, often through innovative ventures and niche offerings. Operational practices such as inventory management, daily agricultural routines, and self-sustaining operations demonstrate their ability to maintain continuity and efficiency. Many owners

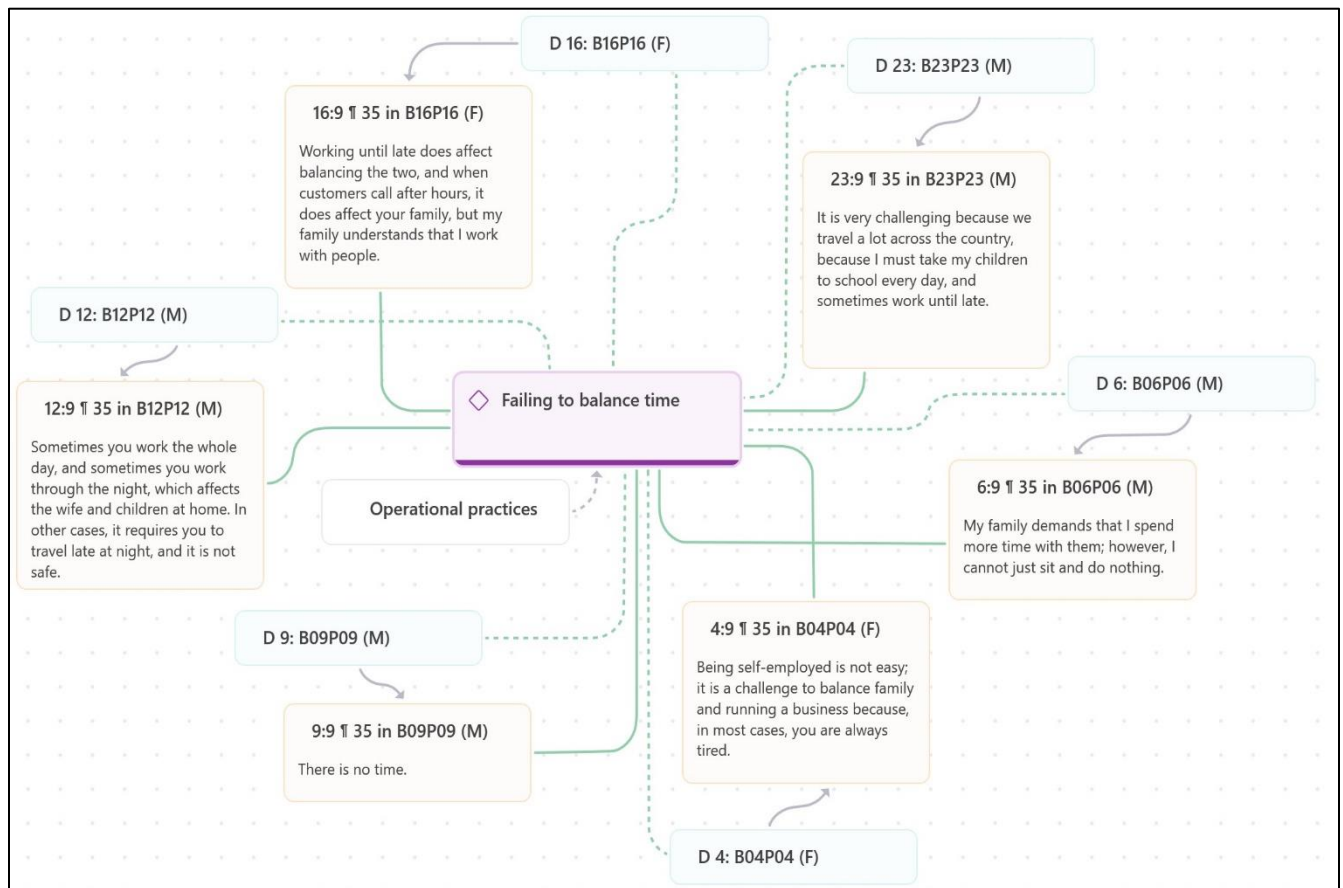
experience personal growth and satisfaction from their business activities, reflecting the intertwined nature of economic and non-financial contributions. Despite challenges these businesses remain resilient and adaptive, highlighting their essential role in sustaining local economies.

**Sub-themes:**

- Business performance and sustainability
- Family motivation and rewards
- Operational practices

**Aligned Objective:** Objective One – Classify the key factors that impact family businesses' competitiveness in the Makhado Local Municipality.

**Implication:** Family businesses are key drivers of economic activity and stability but require support to navigate operational challenges and market competition.



**Figure 4.21: Network diagram of “failing to balance time”**

Source: ATLAS.ti 25

“Failing to balance time” emerged as a critical factor influencing the competitiveness of family businesses in the Makhado Local Municipality, aligning with key theme 1: economic contribution of family businesses and objective one – classify the key factors that impact family businesses’ competitiveness. As shown in Figure 4.21, this code under the operational practices sub-theme (group) highlights how participants struggle to balance business and family responsibilities. Many owners prioritised business operations over personal and family time, resulting in exhaustion and strained relationships.

This imbalance has a negative impact on both business performance and family well-being. Limited time management and overlapping roles often lead to poor decision-making, reduced innovation, and emotional fatigue. Over time, these pressures threaten the sustainability of family enterprises. Promoting effective time management, delegation, and structured support systems could strengthen both business success and family harmony.

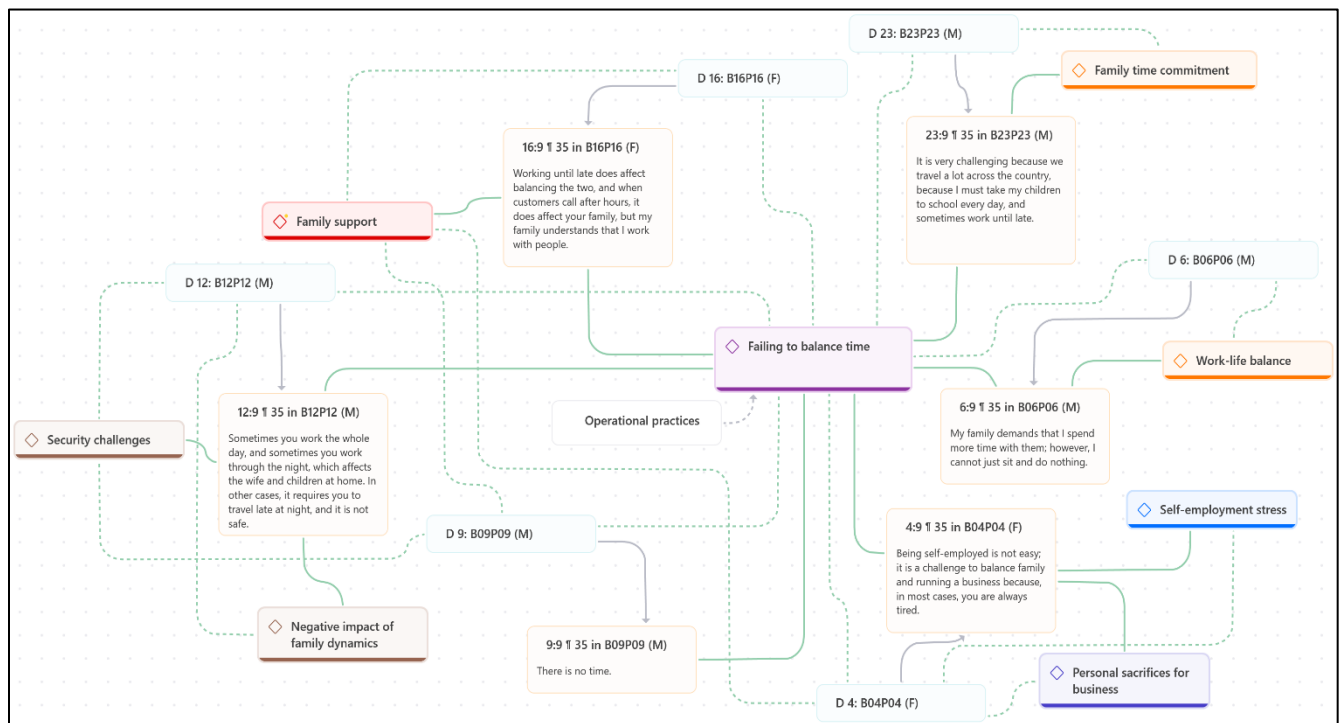
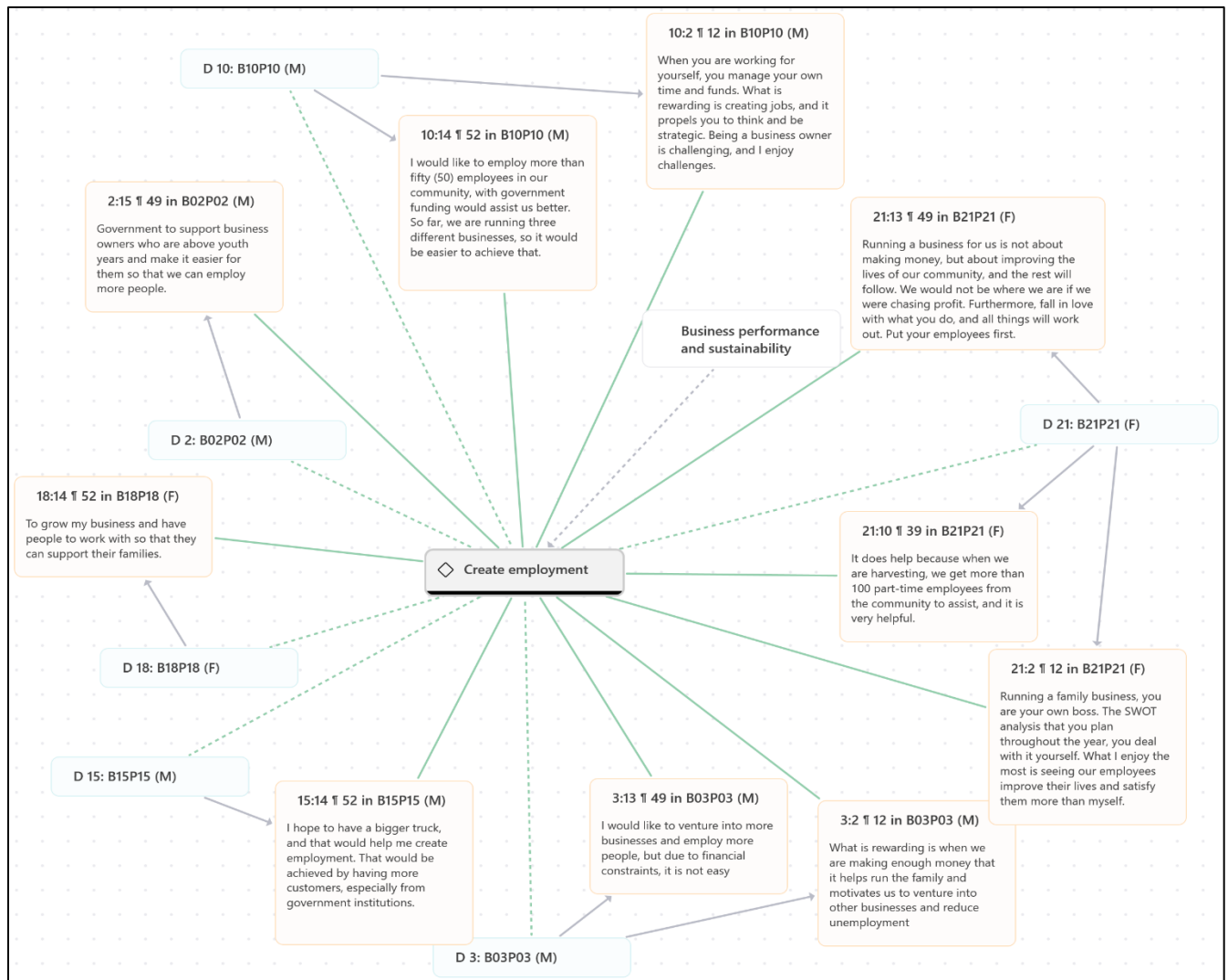


Figure 4.22: Network diagram of “failing to balance time” showing its co-occurring codes

Source: ATLAS.ti 25

Figure 4.22 presents a detailed network diagram illustrating the relationships between the code “Failing to balance time” and several co-occurring codes, namely, “family support,” “family time commitment,” “work–life balance,” “self-employment stress,” “personal sacrifice for business,” “negative impact on family dynamics,” and “security challenges.” These interconnections reveal that the challenge of balancing time is not an isolated issue but a multi-dimensional one that influences both business operations and family well-being. The presence of “work–life balance” and “family time commitment” highlights how the demands of managing a family business often blur the boundaries between personal and professional life. “Self-employment stress” and “personal sacrifice for business” indicate the emotional and physical strain that owners experience when business responsibilities dominate their time, frequently resulting in “negative impacts on family dynamics.” Moreover, the association with “security challenges” suggests that long working hours and personal fatigue may even affect the safety and vigilance of business owners.

Understanding these relationships through co-occurrence analysis is crucial because it helps identify underlying patterns and dependencies that might not be evident when codes are examined individually. By mapping these associations, the researcher gains a holistic understanding of how time management issues intersect with personal, social, and operational aspects of family business life. This analytical insight supports key theme 1: economic contribution of family businesses, aligning with objective one – classify the key factors that impact family businesses' competitiveness in the Makhado Local Municipality by demonstrating how time management directly affects productivity, sustainability, and family harmony within these enterprises.



**Figure 4.23: Network diagram of “Create employment”**

*Source: ATLAS.ti 25*

Figure 4.23 presents the network diagram for the code “Create employment,” under the business performance and sustainability sub-theme within key theme 1: economic contribution of family businesses. The diagram highlights how quotations from different participants are linked to the “Create employment” code, showing the various perspectives and experiences related to how family businesses contribute to job creation. This illustrates the recurring emphasis of participants on the role of their businesses in generating employment and supporting their livelihoods, reflecting their contributions to local economic stability and community development.

However, by linking this to Figure 4.21, which focuses on “Failing to balance time,” a deeper analysis reveals an interconnected dynamic between business sustainability and family responsibilities. While family businesses contribute to employment and economic activity, the demands of creating jobs often exacerbate challenges in balancing time between business and family life. Owners face operational pressures, including staff management, market competition, and the need to maintain productivity, which can increase stress and impact personal and family well-being. The network diagram emphasises that although family businesses are key drivers of economic growth, their sustainability depends on addressing operational challenges and finding strategies to balance internal capabilities with external demands. This insight underscores the importance of targeted support, such as capacity building, advisory services, and resource provision, to help family businesses navigate these complexities while continuing to generate employment and contribute to the local economy.

#### **4.3.7.2 Theme 2: Government Policies and Legislative Support**

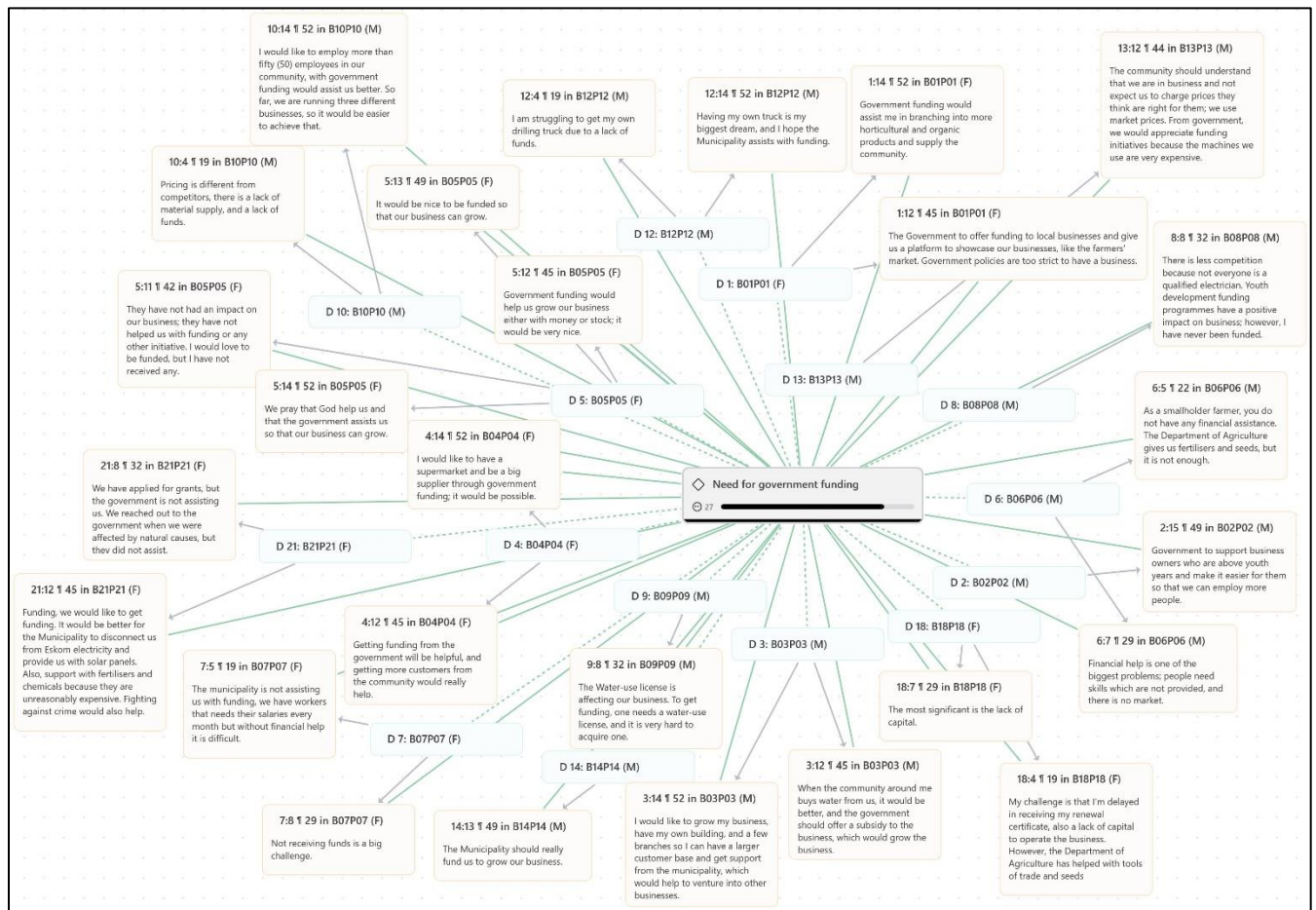
The data reveal that government policies and support mechanisms significantly impact family businesses. Participant B17P17 indicated that “there are a lot of policies and licenses to adhere to when owning a bottle store”. While some business owners benefit from government support programmes and funding initiatives, others face policy restrictiveness, delays in government processes, high tariffs, and regulatory barriers. Limited institutional guidance and inconsistent support were identified as obstacles to growth, particularly regarding contract acquisition and compliance. Business owners also reported minimal government support in certain areas, highlighting a need for more accessible and responsive public sector interventions.

##### ***Sub-themes:***

- Policy influence and compliance
- Institutional support and challenges
- Administrative and infrastructural facilitation

***Aligned Objective:*** Objective Five – Evaluate the effects of government policies on the competitiveness of family-owned businesses in the Makhado Local Municipality.

**Implication:** Effective and consistent government policies, along with streamlined administrative support, are critical for enabling family businesses to grow and compete.



**Figure 4.24: Network diagram of “Need for government funding”**

Source: ATLAS.ti 25

Figure 4.24 presents a network diagram showing that the code “need for government funding” is grounded 27 times, highlighting its strong relevance within the theme of government policies and legislative support. The findings indicate that limited access to funding is a persistent challenge, restricting business expansion, innovation, and overall competitiveness among family businesses in the Makhado Local Municipality. The participants expressed that inadequate financial assistance and limited access to government funding hinder their capacity to expand operations, adopt new technologies, and compete effectively in the market.

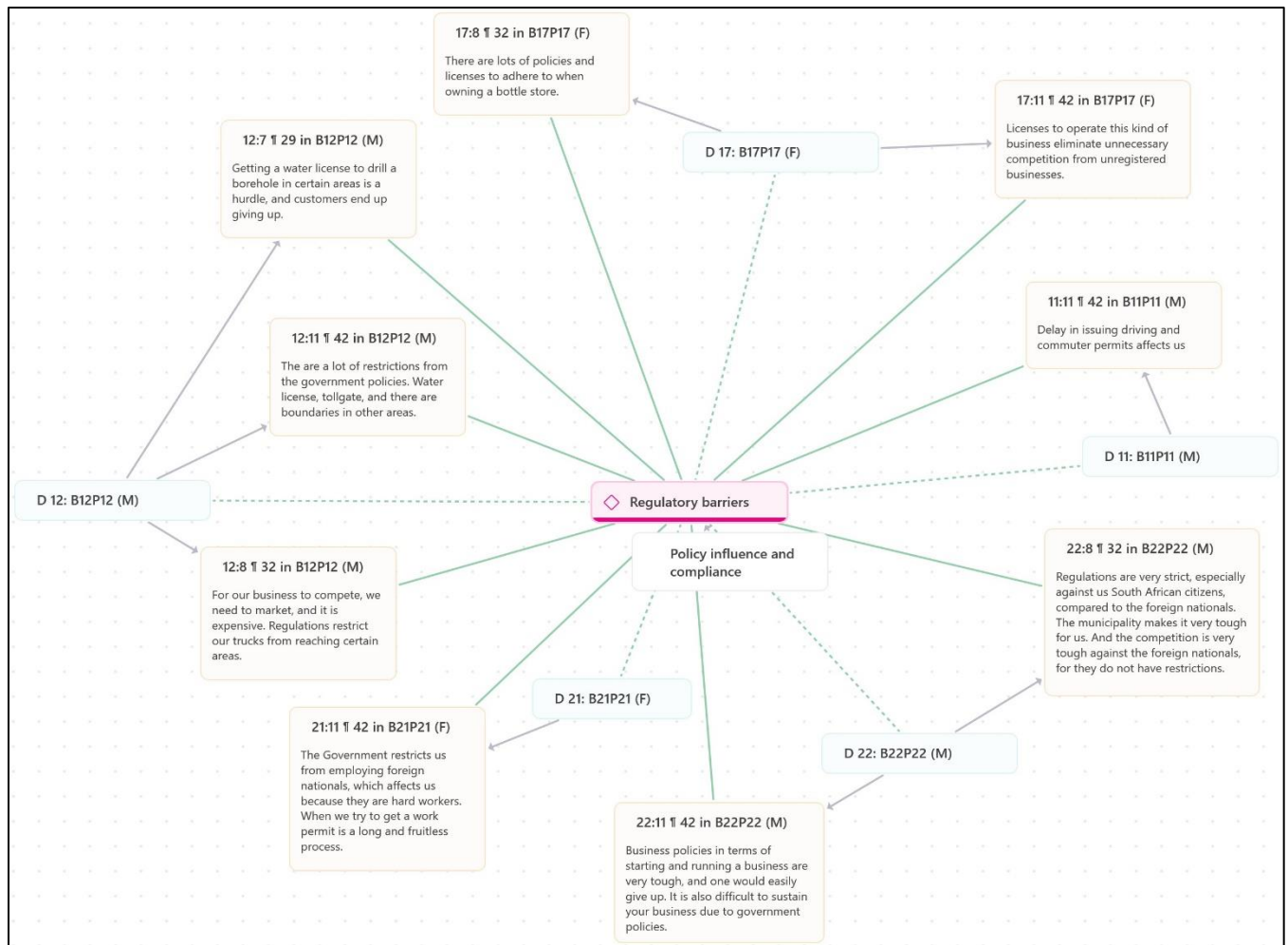
A		B	C
ID	Quotation Content		Codes
1:12	The Government to offer funding to local businesses and give us a platform to showcase our businesses, like the farmers' market. Government policies are too strict to have a business.		Need for government funding
1:14	Government funding would assist me in branching into more horticultural and organic products and supply the community.		Need for government funding
2:15	Government to support business owners who are above youth years and make it easier for them so that we can employ more people.		Need for government funding
3:12	When the community around me buys water from us, it would be better, and the government should offer a subsidy to the business, which would grow the business.		Need for government funding
3:14	I would like to grow my business, have my own building, and a few branches so I can have a larger customer base and get support from the municipality, which would help to venture into other businesses.		Need for government funding
4:12	Getting funding from the government will be helpful, and getting more customers from the community would really help.		Need for government funding
4:14	I would like to have a supermarket and be a big supplier through government funding; it would be possible.		Need for government funding
5:11	They have not had an impact on our business; they have not helped us with funding or any other initiative. I would love to be funded, but I have not received any.		Need for government funding
5:12	Government funding would help us grow our business either with money or stock; it would be very nice.		Need for government funding
5:13	It would be nice to be funded so that our business can grow.		Need for government funding
5:14	We pray that God help us and that the government assists us so that our business can grow.		Need for government funding
6:5	As a smallholder farmer, you do not have any financial assistance. The Department of Agriculture gives us fertilisers and seeds, but it is not enough.		Need for government funding
6:7	Financial help is one of the biggest problems; people need skills which are not provided, and there is no market.		Need for government funding
7:5	The municipality is not assisting us with funding, we have workers that needs their salaries every month but without financial help it is difficult.		Need for government funding
7:8	Not receiving funds is a big challenge.		Need for government funding
8:8	There is less competition because not everyone is a qualified electrician. Youth development funding programmes have a positive impact on business; however, I have never been funded.		Need for government funding
9:8	The Water-use license is affecting our business. To get funding, one needs a water-use license, and it is very hard to acquire one.		Need for government funding
10:4	Pricing is different from competitors, there is a lack of material supply, and a lack of funds.		Need for government funding
10:14	I would like to employ more than fifty (50) employees in our community, with government funding would assist us better. So far, we are running three different businesses, so it would be easier to achieve that.		Need for government funding
12:4	I am struggling to get my own drilling truck due to a lack of funds.		Need for government funding
12:14	Having my own truck is my biggest dream, and I hope the Municipality assists with funding.		Need for government funding
13:12	The community should understand that we are in business and not expect us to charge prices they think are right for them; we use market prices. From government, we would appreciate funding initiatives because the machines we use are very expensive.		Need for government funding
14:13	The Municipality should really fund us to grow our business.		Need for government funding
18:4	My challenge is that I'm delayed in receiving my renewal certificate, also a lack of capital to operate the business. However, the Department of Agriculture has helped with tools of trade and seeds		Need for government funding
18:7	The most significant is the lack of capital.		Need for government funding
21:8	We have applied for grants, but the government is not assisting us. We reached out to the government when we were affected by natural causes, but they did not assist.		Need for government funding
21:12	Funding, we would like to get funding. It would be better for the Municipality to disconnect us from Eskom electricity and provide us with solar panels. Also, support with fertilisers and chemicals because they are unreasonably expensive. Fighting against crime would also help.		Need for government funding

**Figure 4.25: Quotation report “Need for funding”**

*Source: Researcher*

Figure 4.25 presents the quotation report for the “need for funding” code, which was exported into Microsoft Excel to provide a clearer reference of participants’ responses related to funding challenges. The report includes details such as the participant ID with the interview question number (Participant 1, Question 12), the quotation content, and the corresponding code.

This finding aligns closely with the broader theme description, which highlights how inconsistent support, policy delays, and complex administrative processes restrict entrepreneurial growth. The repeated emphasis on government funding suggests that while family businesses contribute significantly to LED, their sustainability and competitiveness rely heavily on more inclusive and efficient institutional support systems. Thus, Figures 4.24 and 4.25 visually underscore the urgent need for responsive government interventions to strengthen family businesses through accessible funding mechanisms and simplified regulatory frameworks.



**Figure 4.26: Network diagram of “Regulatory barriers”**

Source: *ATLAS.ti 25*

Figure 4.26 illustrates the network diagram for “regulatory barriers,” showing how policy and administrative constraints, such as licensing delays and complex compliance, hinder business operations. Together with the need for government funding, these findings highlight that both financial and regulatory challenges limit competitiveness, emphasizing the need for effective, streamlined, and well-coordinated government policies to support sustainable business growth.

#### **4.3.7.3 Theme 3: Challenges in Succession Planning and Governance**

Succession and governance emerged as complex challenges, with family dynamics, intergenerational conflicts, and unclear role division affecting business continuity. Codes

related to family criticism, shared goals, and involvement in operations indicate that decision-making processes are often influenced by multiple stakeholders, sometimes resulting in delays or conflicts. The transfer of knowledge and skills to younger generations is inconsistent, and some family businesses struggle with intergenerational gaps in support and leadership readiness.

**Sub-themes:**

- Family dynamics and decision-making
- Intergenerational issues
- Governance and role balance

**Aligned Objective:** Objective Two – Examine the challenges faced by family-owned businesses in the Makhado Local Municipality.

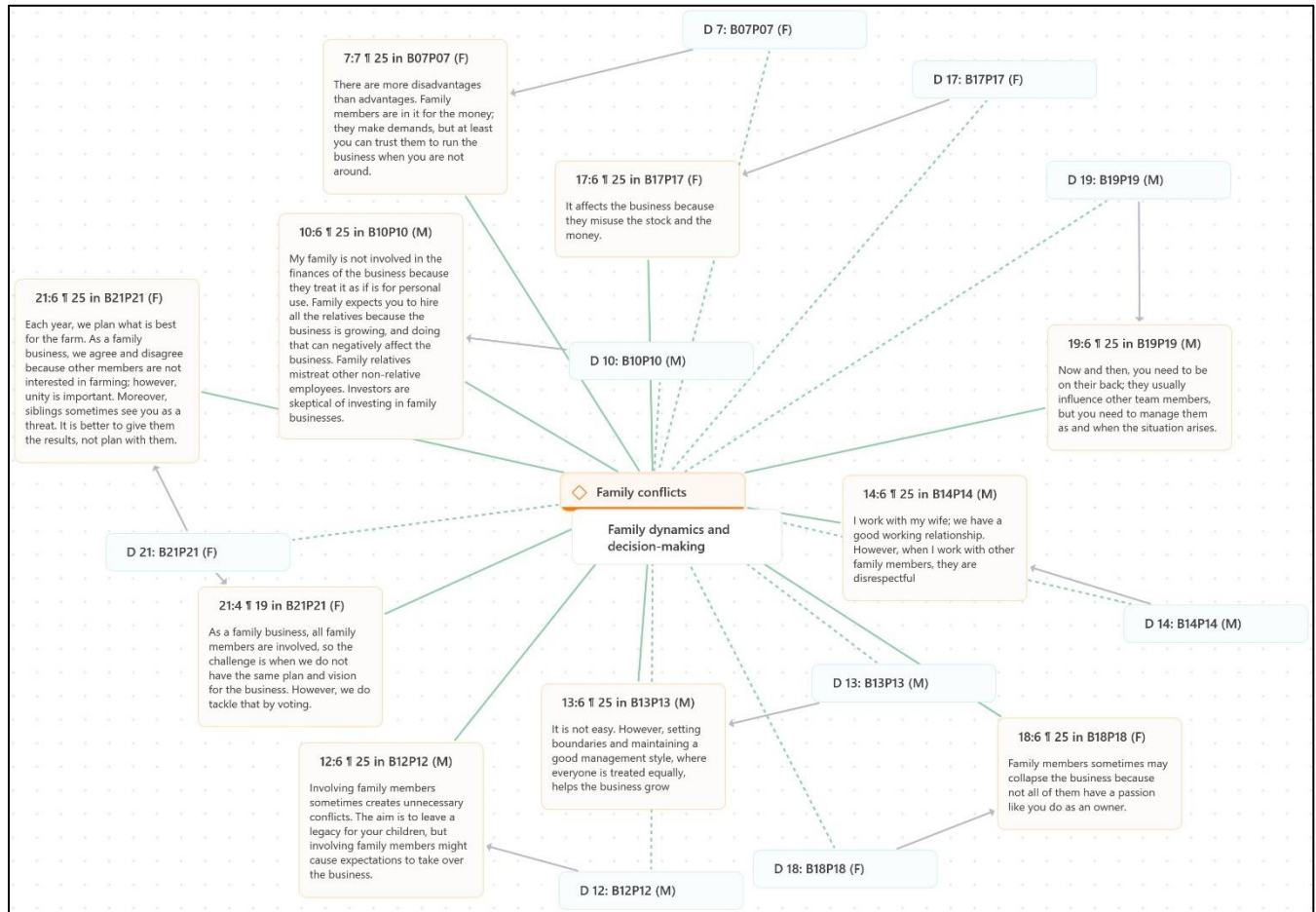
**Implication:** Structured governance practices, clear succession planning, and knowledge transfer mechanisms are essential to ensure long-term business sustainability.



**Figure 4.27: Code-document bar chart “Family conflicts”**

Source: ATLAS.ti 25

Figure 4.27 displays a Code-Document Bar Chart for “Family conflicts,” indicating how often each participant was coded under this category, an essential tool for visualising the prevalence and distribution of conflicts among family members within the business context.



**Figure 4.28: Network diagram of “family conflicts”**

Source: ATLAS.ti 25

Figure 4.28 presents the Network Diagram of “Family conflicts,” positioned under the sub-theme family dynamics and decision-making within theme 3: challenges in succession planning and governance. The diagram links this code with relevant quotations from participants, visually illustrating how family conflicts intersect with other relational and managerial factors that influence governance and succession processes.

The in-depth analysis of Figure 4.28 reveals that family conflicts play a critical role in shaping the decision-making environment within family businesses. Consistent with theme 3, these tensions often stem from intergenerational differences, power struggles, and unclear role divisions, which hinder smooth transitions and continuity planning. The findings indicate that disagreements over authority, shared goals, and operational involvement delay decision-making and sometimes weaken family unity. This aligns with objective two – examine the challenges faced by family-owned businesses in the Makhado Local Municipality, highlighting that unresolved family disputes undermine leadership development and the transfer of knowledge to younger generations. Therefore, managing family relationships and establishing transparent governance structures are essential for the sustainability and growth of family businesses in the municipality.

#### **4.3.7.4 Theme 4: Access to Finance and Resource Constraints**

Financial and resource limitations are prominent barriers for many family businesses. Business owners face a lack of capital, funding challenges, and financial losses, which affect expansion and operational stability. Resource-related issues such as market access limitations, supply shortages, high rental costs, and infrastructure challenges further constrain growth. Environmental and operational factors, including security risks, geographical barriers, and seasonal fluctuations, exacerbate these difficulties.

##### ***Sub-themes:***

- Financial limitations
- Resource and infrastructure barriers
- Environmental and operational challenges

***Aligned Objective:*** Objective Four – Assess the effect of business development initiatives on the competitiveness of family-owned businesses in the Makhado Local Municipality.

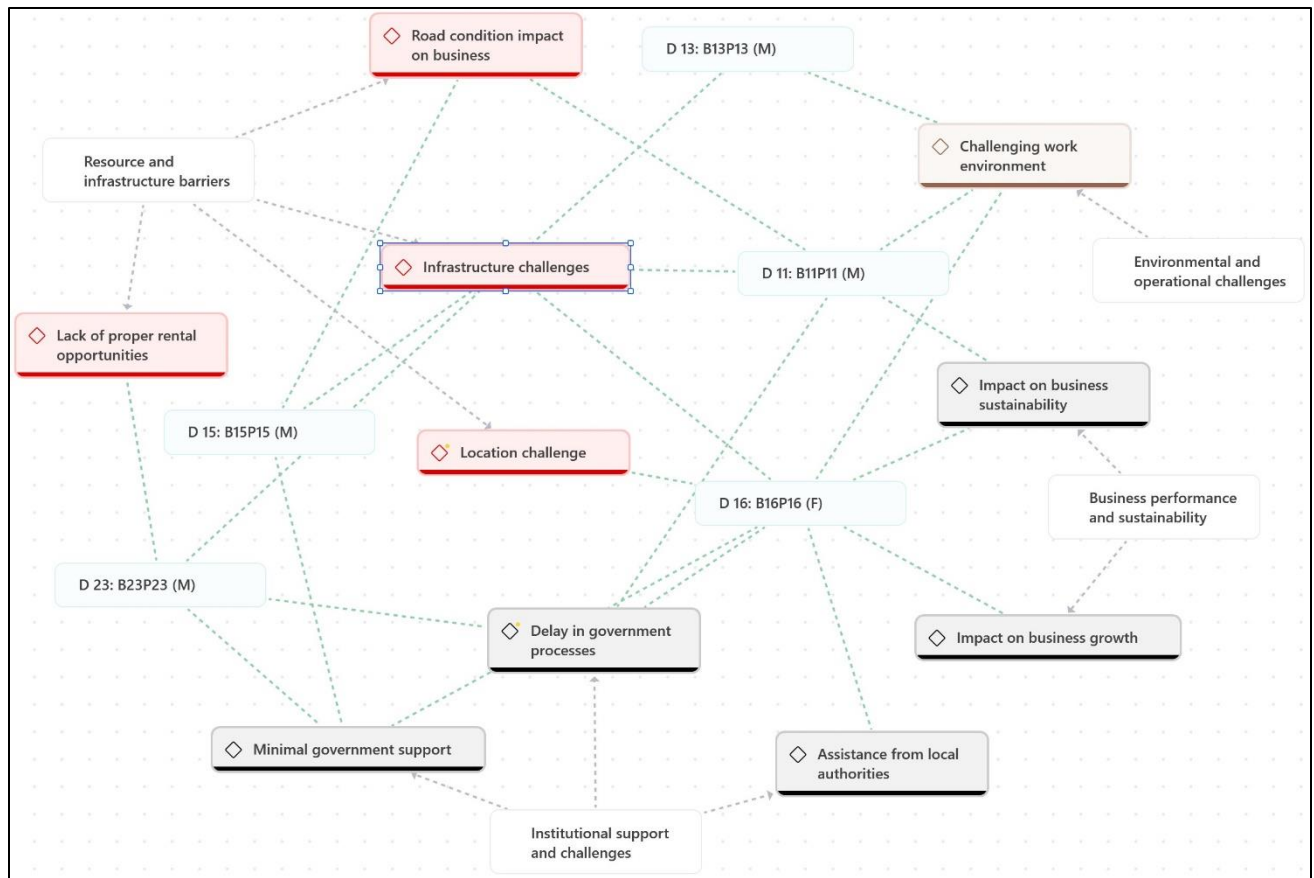
***Implication:*** Addressing financial, resource, and infrastructure constraints through targeted support and accessible funding opportunities can significantly enhance business resilience and growth potential.

Search		
13:4 ¶ 19 in B13P13 (M) Poor town development affects our business.	2 Codings	<ul style="list-style-type: none"> <li>Challenging work environment</li> <li>Infrastructure challenges</li> </ul>
15:7 ¶ 29 in B15P15 (M) Poor road infrastructure.	2 Codings	<ul style="list-style-type: none"> <li>Infrastructure challenges</li> <li>Road condition...ct on business</li> </ul>
16:4 ¶ 19 in B16P16 (F) Poor infrastructure and the delayed rebuilding of the existing infrastructure. It has been two years since they started rebuilding the taxi rank, and that is where we are situated, and now we have no place to conduct our business.	5 Codings	<ul style="list-style-type: none"> <li>Assistance from...al authorities</li> <li>Challenging work environment</li> <li>Impact on business growth</li> <li>Impact on busin...ustainability</li> </ul>
16:7 ¶ 29 in B16P16 (F) Currently, we are not operating due to the delayed taxi rank revamp here in Nzhelele	5 Codings	<ul style="list-style-type: none"> <li>Challenging work environment</li> <li>Delay in gover...ent processes</li> <li>Infrastructure challenges</li> <li>Location challenge</li> </ul>
23:7 ¶ 29 in B23P23 (M) Lack of proper rental opportunities from the municipality	3 Codings	<ul style="list-style-type: none"> <li>Infrastructure challenges</li> <li>Lack of proper ... opportunities</li> <li>Minimal government support</li> </ul>

**Figure 4.29: Quotations of the code “Infrastructure challenges”**

*Source: ATLAS.ti 25*

Figure 4.29 presents the quotations associated with the code “Infrastructure challenges,” reflecting participants’ responses related to this issue. The code is categorised under the Resource and Infrastructure Barriers sub-theme within theme 4: access to finance and resource constraints.



**Figure 4.30: Network diagram of “Infrastructure Challenges”**

*Source: ATLAS.ti 25*

Figure 4.30 displays the network diagram for “infrastructure challenges,” illustrating its connected co-occurring codes, corresponding sub-themes, and the participants associated with these interrelated concepts.

The issue of infrastructure challenges, as illustrated in Figure 4.30, aligns with theme 4: access to finance and resource constraints, highlighting how limited infrastructure directly affects the growth and sustainability of family businesses in the Makhado Local Municipality. The participants frequently reported difficulties related to inadequate road networks, a challenging working environment, and limited access to reliable water and poor infrastructure. These shortcomings hinder business operations, increase operational costs, and reduce competitiveness, especially for businesses located in local or underdeveloped areas. Such challenges compound existing financial barriers, as

businesses often require additional resources to compensate for poor infrastructure, further straining their limited budgets.

In line with objective four – assess the effect of business development initiatives on the competitiveness of family-owned businesses, these findings demonstrate that infrastructure inadequacies weaken the effectiveness of development efforts. Without adequate infrastructural support, even well-designed business initiatives struggle to yield sustainable outcomes. The implication is that addressing these infrastructure and resource constraints through targeted government interventions, improved local development planning, and accessible funding mechanisms can substantially enhance business resilience, promote equitable growth, and strengthen the overall competitiveness of family enterprises within the municipality.

#### **4.3.7.5 Theme 5: Innovation, technology, and competitiveness**

Family businesses adopt various strategies to maintain competitiveness and market relevance, including product differentiation, partnerships for growth, and leveraging local market knowledge. Skill development, continuous learning, and knowledge transfer are critical for innovation and adaptability. The data also highlight the importance of resilience, the willingness to understand new processes, and strategic planning in response to competition, particularly from larger and foreign-owned businesses.

##### **Sub-themes:**

- Market positioning and competition
- Product and marketing innovation
- Skills and adaptability

**Aligned Objective:** Objective One – Classify the key factors that impact family businesses' competitiveness in the Makhado Local Municipality.

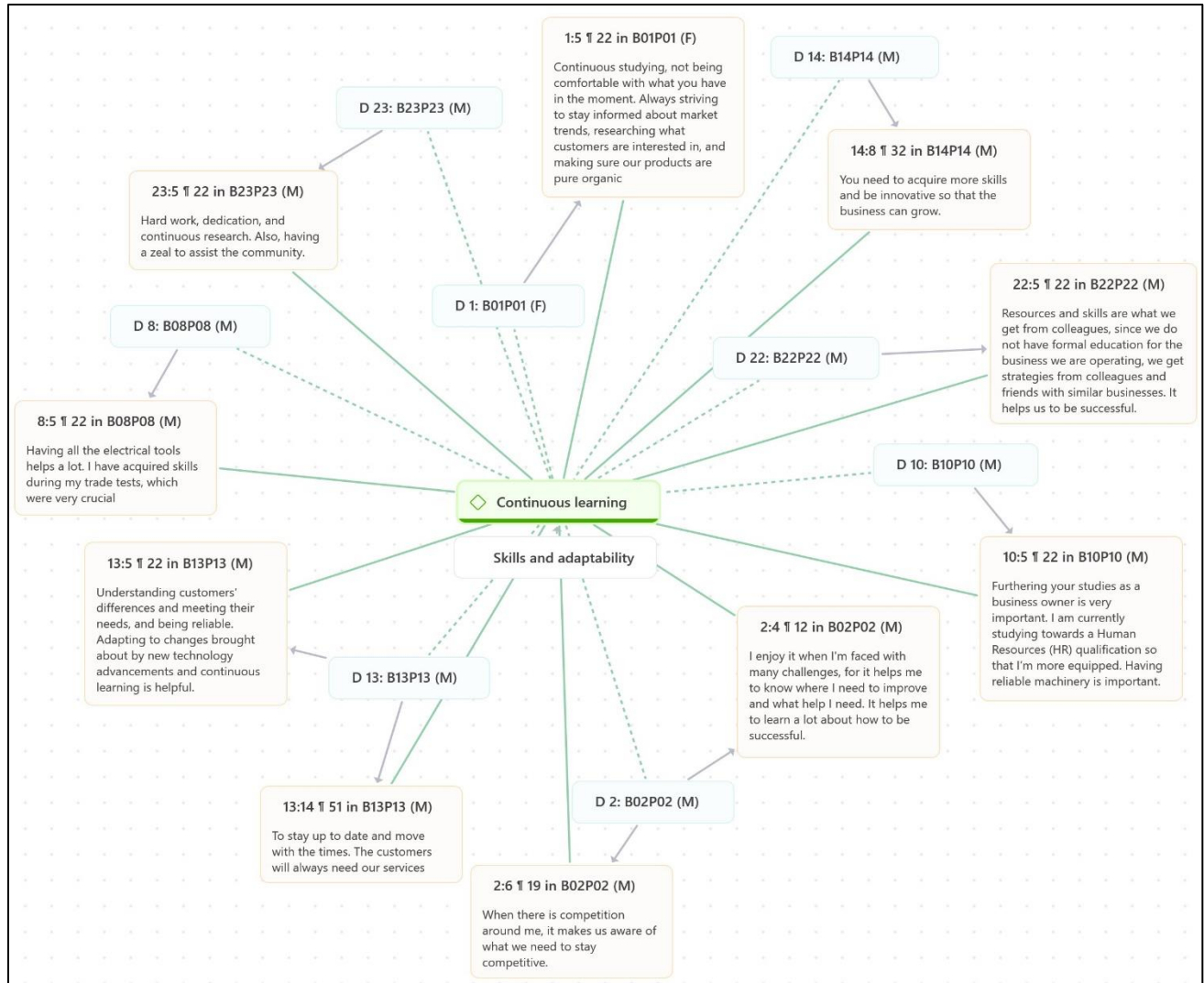
**Implication:** Innovation and technological adoption are crucial for sustaining competitiveness, requiring both skill development and access to market intelligence.

	1: B01P01 (F) 14	2: B02P02 (M) 14	8: B08P08 (M) 14	10: B10P10 (M) 14	13: B13P13 (M) 14	14: B14P14 (M) 14	22: B22P22 (M) 14	23: B23P23 (M) 14	Totals
Continuous learning 10	1	2	1	1	2	1	1	1	10
Totals	1	2	1	1	2	1	1	1	10

**Figure 4.31: Code-analysis document “Continuous learning”**

*Source: ATLAS.ti 25*

Figure 4.31 presents the Code-Analysis Document for “Continuous Learning” in a table format generated from ATLAS.ti 25. It identifies the participants coded under this category and shows the total frequency of the code’s occurrence, with a cumulative count of 10 quotations related to “Continuous learning.”



**Figure 4.32: Network diagram of “continuous learning”**

*Source: ATLAS.ti 25*

Figure 4.32 presents a network diagram for “continuous learning” under the sub-theme Skills and Adaptability, illustrating the participants linked to this code along with their corresponding quotations.

The continuous learning code, as depicted in Figure 4.32, is closely linked to theme 5: innovation, technology, and competitiveness, highlighting its critical role in enhancing the adaptability and long-term sustainability of family businesses in the Makhado Local Municipality. The participants emphasised the importance of regularly updating their skills, acquiring new knowledge, and embracing emerging technologies to stay competitive in a

rapidly changing market. Continuous learning enables business owners and family members to innovate, improve operational efficiency, and respond effectively to shifts in customer preferences and market dynamics. This process not only strengthens business performance but also fosters a culture of innovation, where learning becomes an ongoing practice that supports creativity and resilience.

In alignment with objective one – classify the key factors that impact family businesses' competitiveness, the findings indicate that learning and skill development are foundational elements that drive competitiveness and sustainability. Businesses that invest in continuous education and capacity building are better positioned to adapt to economic challenges and leverage new opportunities. The implication drawn from this analysis is that innovation and technological adoption are vital for maintaining competitiveness. Therefore, initiatives that promote skill development, provide access to training, and enhance market intelligence can empower family businesses to thrive in both local and broader economic contexts.

#### ***4.3.7.6 Theme 6: Local Economic Development and Community Impact***

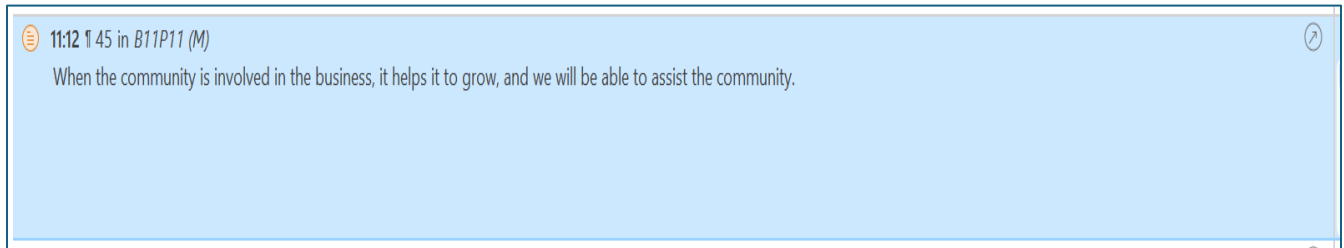
Family businesses play a vital role in strengthening local economies and community cohesion. Activities such as community engagement, the supply of local products, and ethical business practices foster trust and inclusiveness. Business owners often demonstrate a commitment to social responsibility, contributing to youth development, local employment, and community safety. However, a lack of community support or recognition can limit these impacts, indicating the need for stronger collaboration between businesses and local stakeholders.

##### ***Sub-themes:***

- Community relations and social value
- Local collaboration and inclusion
- Ethics, motivation, and contribution

***Aligned Objective:*** Objective Three – Evaluate the effect of community associations on the competitiveness of family-owned businesses in the Makhado Local Municipality.

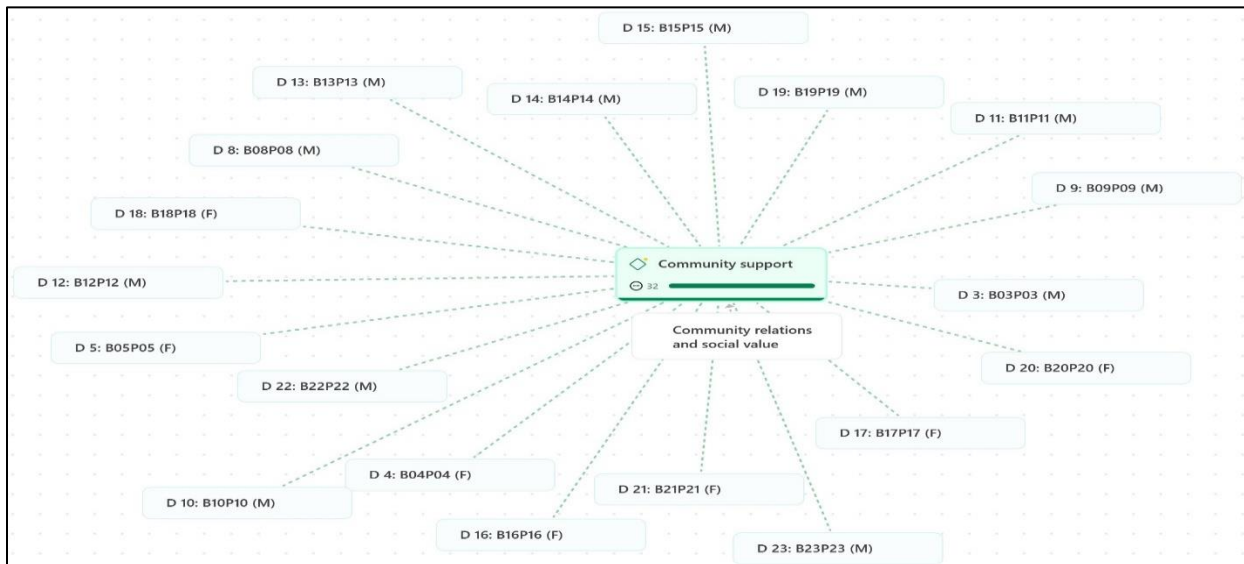
**Implication:** Beyond economic performance, family businesses contribute to social and developmental goals, reinforcing the value of integrating community-oriented strategies into business practices.



**Figure 4.33: Participant B11P11 quotation code of “Community Support”**

Source: ATLAS.ti 25

Figure 4.33 presents a quotation from Participant B11P11 on the code of “Community Support,” highlighting the view that community backing plays a crucial role in fostering business growth.



**Figure 4.34: Network diagram of “community support”**

Source: ATLAS.ti 25

Figure 4.34 presents a network diagram for the code “Community Support,” which is grounded 32 times, indicating a total of 32 quotations associated with this code, as

mentioned in Figure 4.12. Figure 4.33 also highlights the sub-theme Community Relations and Social Value to which the code belongs, along with the participants linked to it.

ID	Quotation Content	Codes
3:12	When the community around me buys water from us, it would be better, and the government should offer a subsidy to the business, which would grow the business.	Community support
4:10	The community is very supportive, in a way, some customers buy on credit and pay at month end.	Community support
4:12	Getting funding from the government will be helpful, and getting more customers from the community would really help.	Community support
5:10	It helps in a way that we create a strong bond with the community, everyone is happy and helping each other, and we have more customers.	Community support
8:10	Local networks help with referrals, other business owners would refer they are customers to me for electrical work, same as the community. When you have done a wonderful job, they refer you to their neighbours or friends.	Community support
9:10	Community support regarding sales and success.	Community support
10:10	When you are closer to the communities, the chances of your business growing are very high. If you have a good relationship with them, they will recommend your business, help with marketing. However, communities expect to pay less	Community support
9:110	Support from the community helps my business to grow.	Community support
11:12	When the community is involved in the business, it helps it to grow, and we will be able to assist the community.	Community support
11:14	I dream that the community can rely on us to help them with our business.	Community support
12:10	Having a good relationship with communities helps the business to grow and stay competitive. Communities will refer your services to other community members, and the business will expand.	Community support
13:10	Whenever the community needs the service you render, you become the first preference due to having a good relationship with the community.	Community support
13:12	The community should understand that we are in business and not expect us to charge prices they think are right for them; we use market prices. From government, we would appreciate funding initiatives because the machines we use are very expensive.	Community support
14:10	It is good to work with the community; having a good relationship with them helps the business to grow. Your business will be their first preference.	Community support
14:12	Having more customers would help our business.	Community support
15:10	Community is what makes our business grow. Our business is delivering services to the community.	Community support
16:10	It helps a lot because it is the same community that supports our business.	Community support
17:10	When you treat your community right, they can support you.	Community support
17:12	Having more customers is the support we need.	Community support
18:5	My strategy is to satisfy my customers and to sell on credit.	Community support
18:10	It is good to work with the community, because you hardly run to a loss, because you can even do door-to-door selling.	Community support
18:12	More support from communities and initiatives.	Community support
19:12	When working from one village to the other, communities should not talk about locality because we are all locals; they must accept us, and we work together with them.	Community support
20:10	I used to sell traditional beer at my home, then I was advised by the South African Police Service (SAPS) to register my business with the Municipality for compliance, and then I opened a tavern.	Community support
20:10	We have a good relationship with the community.	Community support
20:12	None, as long as we have customers that is support enough.	Community support
21:10	It does help because when we are harvesting, we get more than 100 part-time employees from the community to assist, and it is very helpful.	Community support
21:12	Funding, we would like to get funding. It would be better for the Municipality to disconnect us from Eskom electricity and provide us with solar panels. Also, support with fertilisers and chemicals because they are unreasonably expensive. Fighting against crime would also	Community support
22:5	Resources and skills are what we get from colleagues, since we do not have formal education for the business we are operating, we get strategies from colleagues and friends with similar businesses. It helps us to be successful.	Community support
22:10	The community tries to support us as far as they can, even the local networks, and we try to network with other businesses. However, the competition is very tough and has an impact on running our family business.	Community support
22:12	We expect community associations to be more involved and come up with initiatives that would help to prosper in our business. And policies to be more favourable and not make it difficult to operate a business.	Community support
23:12	The Community should change its perception about our business and trust us. Additionally, the Government should have business hubs for potential businesses to rent offices.	Community support

**Figure 4.35: Quotation report “Community Support”**

*Source: Researcher*

Figure 4.35 presents the quotation report for “community support,” containing 32 quotations exported into Microsoft Excel to provide a comprehensive view of all the responses linked to this code. The report includes details such as the participant ID with the question number, the quotation content, and the corresponding code, allowing for a clearer understanding of how different participants expressed their perspectives on community support.

The community support code, as illustrated in Figure 4.34, reflects the strong interdependence between family businesses and their surrounding communities within the Makhado Local Municipality. The participants frequently emphasised how community engagement, local sourcing, and social participation are integral to the success and sustainability of their enterprises. Family businesses often operate within close-knit communities, where their reputation and growth depend heavily on maintaining positive

relationships with customers, local suppliers, and residents. Through acts such as contributing to youth development, supporting local employment, and promoting community safety, these businesses not only strengthen the local economy but also enhance social cohesion and collective well-being.

In relation to the LED and community impact theme, the findings underscore that when family businesses receive sufficient community support and recognition, they are more likely to thrive and expand their contributions to local development. However, participants also noted that limited collaboration or a lack of community appreciation can undermine motivation and restrict growth potential. This aligns with objective three – evaluate the effect of community associations on the competitiveness of family-owned businesses in the Makhado Local Municipality, as it demonstrates that community engagement is both an economic and social catalyst. This analysis implies that beyond economic performance, family businesses play a critical developmental role, reinforcing the importance of integrating community-oriented strategies and partnerships into business practices to achieve sustainable, inclusive growth.

In conclusion, the analysis of themes revealed that the competitiveness of family businesses in the Makhado Local Municipality are shaped by multiple interconnected factors, including operational practices, government policies, succession planning, access to resources, innovation, and community support. Each theme highlighted specific challenges and opportunities faced by family-owned enterprises, emphasising the importance of continuous learning, effective governance, institutional alignment, and strong community relations. Collectively, these insights underscore that sustainable family business development requires a balanced approach that integrates economic, social, and institutional dimensions to foster resilience and long-term success.

#### **4.4 PRESENTATION OF FINDINGS**

The following subsections present the findings structured around the five research objectives, with each objective analysed in turn to highlight key factors shaping family business performance.

#### **4.4.1 Objective 1: Classify the Key Factors That Impact Family Businesses' Competitiveness in the Makhado Local Municipality**

The findings indicate that the competitiveness of family-owned businesses in the Makhado Local Municipality is shaped by a combination of internal capabilities, external environmental conditions, and relational dynamics. Internally, key drivers included entrepreneurial skills, operational efficiency, continuous learning, and strong family commitment. However, participants noted that weaknesses such as limited managerial capacity, poor time management, and inadequate succession planning constrained performance. One participant stated that, *“we work hard as a family, but we do not plan properly for who will take over or how to grow the business.”* Externally, access to finance, infrastructure, and institutional support significantly influenced competitiveness, with many participants highlighting funding barriers and poor rural infrastructure. Relational factors, particularly community trust and customer loyalty, were also identified as critical enablers, with one participant noting that *“our customers are from the community, they support us because they know us.”* Overall, competitiveness was found to depend on the interaction between internal resources, external systems, and social networks.

#### **4.4.2 Objective 2: Examine the Challenges Faced by Family-owned Businesses in the Makhado Local Municipality**

The study revealed that family businesses face interconnected internal and external challenges that limit sustainability and growth. Internally, issues such as weak succession planning, role ambiguity, and family conflicts negatively affected decision-making and continuity. Financial constraints, including limited access to funding, lack of collateral, and weak financial management, further restricted expansion. A participant explained that *“getting funding is very difficult because we do not have the required collateral.”* Externally, participants reported regulatory barriers, administrative delays, and inconsistent government support. Increasing competition from larger and foreign-owned businesses further reduced market share, while limited technological adoption constrained innovation. These findings demonstrate that structural, financial, and institutional challenges collectively undermine the competitiveness of family-owned businesses.

#### **4.4.3 Objective 3: Evaluate the Effect of Community Associations on the Competitiveness of Family-owned Businesses in the Makhado Local Municipality**

The findings show that community associations and social networks play an important role in strengthening the competitiveness of family businesses. Strong relationships with customers, suppliers, and local residents were found to enhance trust, loyalty, and informal resource sharing. One participant remarked, *“people in the community prefer buying from us because we are part of them.”* However, the study also found that most associations are informal and limited to immediate community networks, with minimal participation in structured business associations or cooperatives. This limits opportunities for collective learning, market expansion, and access to external resources. Weak collaboration between community structures and local government further reduces the potential impact of these networks on long-term competitiveness.

#### **4.4.4 Objective 4: Assess the Effect of Business Development Initiatives on the Competitiveness of Family-owned Businesses in the Makhado Local Municipality**

The study found that business development initiatives have potential to enhance competitiveness but remain inconsistently effective. Participants acknowledged benefits such as training, advisory services, and support for business formalisation. One participant noted that *“the training helped us understand how to manage the business better.”* However, limited awareness, complex application processes, and weak follow-up support significantly reduced participation. Local businesses were particularly affected by poor accessibility and infrastructure constraints. As a result, many family businesses remain excluded from available opportunities, limiting the overall impact of these initiatives on competitiveness and sustainability.

#### **4.4.5 Objective 5: Evaluate the Effect of Government Policies on the Competitiveness of Family-owned Businesses in the Makhado Local Municipality**

The findings indicate that government policies can support competitiveness through business registration processes, LED initiatives, and funding frameworks. In some cases, participants reported improved access to formal markets and institutional support. However, the effectiveness of these policies is undermined by regulatory complexity,

administrative inefficiencies, and inconsistent enforcement. A participant stated that *“the process is too slow and sometimes you give up before getting help.”* Limited awareness of policy frameworks further restricts access to support programmes. Overall, while policies are essential for enabling competitiveness, their impact is weakened by implementation gaps, poor coordination, and limited institutional responsiveness.

## **4.5 THEMATIC ANALYSIS**

This section synthesises patterns and relationships emerging from the findings, highlighting recurring themes and the interconnections that span across the various areas of investigation.

### **4.5.1 Patterns and Linkages Across Findings**

The findings of this study revealed six core themes: the economic contribution of family businesses; government policies and legislative support; challenges in succession planning and governance; access to finance and resource constraints; innovation, technology, and competitiveness; and LED and community impact. Together, these themes present an interwoven picture of the realities shaping the competitiveness of family businesses in the Makhado Local Municipality. When viewed through the analytical lenses of government and policy environments, family dynamics and succession; entrepreneurial competence and business management; financial and resource constraints; market, community, and competitive environments; and entrepreneurial motivation, resilience, and adaptation, complex patterns and linkages become evident across multiple areas of inquiry.

#### ***4.5.1.1 Government and policy environment as the foundation for business growth***

The findings underscore that the government and policy environment form the foundation for family business growth and competitiveness. Legislative and policy frameworks such as the Preferential Procurement Policy Framework Act of 2000 (RSA, 2000) and the Cooperatives Amendment Act (Fouché & Uys, 2023) were designed to promote inclusivity and economic participation. However, their implementation at the municipal level remains

inconsistent. In Makhado, poor coordination, limited municipal capacity, and corruption undermine effective LED (Ngudo-Nthangeni *et al.*, 2022; Mabeba, 2021). This aligns with broader findings that weak institutional structures and regulatory inefficiencies limit family business sustainability globally (Wang & Shi, 2021; Rashad, 2025).

The interplay between government policies, legislative support, and LED demonstrates that local governance is a crucial determinant of business survival. Municipalities that strengthen policy execution and maintain transparent procedures foster trust and enable family businesses to thrive (Hushtan & Korsak, 2024; Ramodula & Govender, 2021). Conversely, poor governance and administrative bottlenecks hinder investment and weaken entrepreneurial confidence (Musabayana & Mutambara, 2022). Thus, the policy environment acts simultaneously as an enabler and constraint, influencing how family businesses adapt, invest, and compete in dynamic local markets.

#### **4.5.1.2 Family dynamics and succession as determinants of continuity**

Family dynamics and succession emerged as major determinants of business continuity and intergenerational survival. The findings revealed that unclear succession plans, internal disputes, and limited leadership grooming threaten long-term stability (Zaidi *et al.*, 2024; Huacca-Incacutipa *et al.*, 2022). This resonates with the theme challenges in succession planning and governance, showing that family cohesion and trust significantly influence economic performance and local contributions. Where succession is well structured, businesses demonstrate stronger leadership continuity, improved decision-making, and increased innovation capacity (Huacca-Incacutipa *et al.*, 2022). However, cultural and generational differences often constrained governance, particularly where leadership remained centralised in the founding generation (Wang & Shi, 2021). In the Makhado context, limited managerial skills and inadequate exposure to business management practices further exacerbated this issue (Majadibodu *et al.*, 2023). Hence, family governance practices are not merely internal dynamics; they directly affect competitiveness, adaptability, and economic contribution within the municipality.

#### **4.5.1.3 Entrepreneurial competence and business management as drivers of competitiveness**

Across multiple themes, entrepreneurial competence and business management capacity were central to business survival and competitiveness. Family businesses that displayed strategic planning, innovation, and effective management practices were more resilient to economic instability and policy uncertainty (Huacca-Incacutipa *et al.*, 2022; Tien, 2021). These competencies allowed firms to take advantage of municipal programmes, financing opportunities, and LED partnerships (Madzivhandila & Musara, 2020; Xulu, 2025). The relationship among innovation, technology, competitiveness, and economic contribution highlights how managerial capability determines adaptability and efficiency. In Makhado, however, a lack of entrepreneurial education, inadequate training, and limited exposure to technology inhibited innovation (Kassa, 2021). This reinforces the need for capacity-building initiatives to equip family business owners with management and innovation skills that promote sustainability within a rapidly evolving economic landscape.

#### **4.5.1.4 Financial and resource constraints as a persistent barrier**

Financial and resource limitations were identified as persistent barriers cutting across nearly all themes. Access to credit, collateral requirements, and inconsistent municipal support were reported as key impediments to expansion (Mulibana & Tshikovhi, 2024; Surya *et al.*, 2021). These constraints directly influence innovation and competitiveness, as limited capital reduces the ability to adopt technology or diversify products. The findings indicate that inadequate funding is closely linked to weaknesses in the government and policy environment, suggesting that structural constraints, rather than individual inefficiencies, often restrict financing access. Similar patterns have been observed across developing economies, where underdeveloped financial markets and bureaucratic loan processes hinder small business growth (Rahman *et al.*, 2022; Rashad, 2025). For Makhado, financial barriers are compounded by insufficient infrastructure and administrative delays, preventing family businesses from scaling operations or normalising their enterprises. Consequently, financial and resource challenges have ripple effects on competitiveness, innovation, and economic contributions.

#### **4.5.1.5 market, community, and competitive environment as the context of survival**

The market and community environment lens revealed that family businesses operate within complex socio-economic networks where business success is closely tied to community well-being. The findings align with the economic contribution and LED themes, illustrating that family businesses play a pivotal role in creating employment, generating income, and supporting informal markets (Ramasimu *et al.*, 2023; Rogerson & Rogerson, 2020). However, the same local markets are constrained by inflation, limited purchasing power, and competition from larger firms (Kassa, 2021). These factors limit family business expansion and undermine competitiveness. The mutual dependency between business growth and community development reinforces the LED principle that local governments must promote entrepreneurship and create conducive environments for small businesses (Mashabela, 2021; Van der Waldt & Fourie, 2022). Hence, strengthening market structures and building partnerships between municipalities and family businesses can foster inclusive local economic growth.

#### **4.5.1.6 Entrepreneurial motivation, resilience, and adaptation as the thread of sustainability**

Finally, entrepreneurial motivation, resilience, and adaptability emerged as the underlying thread connecting all the themes. Despite limited institutional support, policy inconsistencies, and financial hardship, many family business owners have demonstrated strong commitment, perseverance, and purpose-driven resilience (Morgan *et al.*, 2021; Shava, 2024). Their motivation stemmed from personal legacy, family pride, and community uplift, factors that align with broader findings in emerging economies where business owners prioritise social value alongside profit (Majadibodu *et al.*, 2023). This resilience enables businesses to adapt to changing regulatory environments and economic pressures, linking directly to innovation and competitiveness and indirectly to economic contributions. The capacity to remain flexible under adverse conditions represents a critical determinant of survival. As noted by Surya *et al.* (2021), adaptive family firms can withstand market shocks and maintain relevance by integrating relational assets, technology, and strategic learning. Therefore, entrepreneurial resilience functions

as an invisible yet vital mechanism sustaining family businesses within volatile municipal contexts.

In summary, six analytical lenses were used to provide a comprehensive understanding of factors influencing family business performance, including policy environment, family dynamics, managerial competence, financial constraints, market and community conditions, and entrepreneurial resilience. Together, these lenses highlight the interconnected internal and external factors shaping competitiveness, sustainability, and long-term success.



**Figure 4.36: Interconnected Factors Influencing Family Business Performance**

*Source: Researcher*

Figure 4.36 shows that family business performance is not determined by a single factor but by the dynamic interplay between the six analytical lenses, which provides a comprehensive framework to interpret the interconnected social, economic, and structural dynamics influencing family business competitiveness.

## **4.6 CONNECTING FINDINGS TO LITERATURE**

This section interprets the findings in relation to the RBV, institutional theory, and social capital theory, while aligning them with the study's research objectives and critically engaging with existing scholarly literature

### **4.6.1 Literature Implications Linked with Themes**

Family businesses play a pivotal role in sustaining economic growth, creating employment, and fostering social development across global, continental, national, and local contexts. This study examined family businesses through six key themes: economic contribution, government policies and legislative support, succession planning and governance, access to finance and resources, innovation and competitiveness, and LED and community impact. The analysis integrates findings from global studies, African contexts, South African policies, and the Makhado Local Municipality perspective.

#### **4.6.1.1 Theme 1: Economic Contribution of Family Businesses**

Family businesses are widely recognised as engines of economic growth and wealth creation globally. They contribute significantly to GDP, employment, and technological advancement. In China, family businesses account for approximately 60% of GDP and 70% of technological innovations, reflecting their central role in economic development (Ren *et al.*, 2023). Similarly, in Brazil and Malaysia, family enterprises support employment and intergenerational investment, preserving traditional practices while contributing to national economic resilience (Amram *et al.*, 2023; Costa *et al.*, 2022). In Africa, family businesses enhance local economies by utilising natural resources and reducing poverty, particularly in Nigeria, Ghana, and Zimbabwe (Mashavira & Chipunza, 2021; Olubiyi *et al.*, 2022; Owusu-Acheampong *et al.*, 2024). South African family businesses similarly drive GDP growth, job creation, and poverty alleviation, demonstrating their socio-economic significance (Masenya *et al.*, 2024; Adesile, 2020). At the municipal level, family businesses in Makhado Local Municipality contribute to informal employment, stimulate local agricultural activities, and support broader economic objectives such as SDG 2 (Zero Hunger) (Shava, 2024; Xulu, 2025). Collectively, these

findings illustrate that family businesses, regardless of context, are essential for both economic development and social stability.

#### **4.6.1.2 Theme 2: Government Policies and Legislative Support**

Government intervention and legislative frameworks significantly shape the growth and sustainability of family businesses. Globally, countries such as Germany, Japan, Taiwan, and Sweden provide structured training programmes, affordable loans, and policy incentives to increase entrepreneurial growth (Etim *et al.*, 2022; Surya *et al.*, 2021). In Africa, agencies such as SMEDAN in Nigeria, KIRDI in Kenya, and ANSEJ in Algeria facilitate access to resources, funding, and stakeholder networks (Umadia & Kasztelnik, 2020; Gribi *et al.*, 2024). South Africa has implemented programmes such as SEDA, SEFA, TREP, B-BBEE, and FABASA to support family businesses, although challenges persist in terms of policy implementation and effectiveness (Musabayana & Mutambara, 2022; Shumbambiri, 2023). At the local level, the Makhado Local Municipality promotes trade by expediting licence applications and supporting local business owners, yet limited infrastructure, policy shifts, and low awareness hinder the full impact of these initiatives (Makgetla *et al.*, 2022; Mulibana & Tshikovhi, 2024). These observations align with the literature emphasising the necessity of tailored, context-specific policy interventions and active government engagement for family business success (Hushtan & Korsak, 2024; Rashad, 2025).

#### **4.6.1.3 Theme 3: Challenges in Succession Planning and Governance**

Succession planning and governance remain critical challenges affecting family business continuity worldwide. Globally, overlapping family and business dynamics complicate leadership transitions, often undermining long-term sustainability (Zaidi *et al.*, 2024; Huacca-Incacutipa *et al.*, 2022). In Africa, the failure to prepare successors and establish structured governance results in high business mortality rates (Mayanja *et al.*, 2024; Cahyadi *et al.*, 2021). In South Africa, only 25% of family businesses survive into the second generation, and a mere 10% reach the third generation, with poor leadership, unclear values, and internal conflicts further jeopardising continuity (Kupangwa *et al.*, 2023; Urban & Nonkwelo, 2022). Similarly, in the Makhado Local Municipality, governance challenges, corruption, and land disputes impede succession and strategic decision-

making (Ngudo-Nthangeni *et al.*, 2022; Majadibodu *et al.*, 2023). These findings reinforce the literature that underscores the importance of hands-on mentoring, structured governance systems, and proactive succession planning to safeguard family business longevity (Okoh *et al.*, 2021; Tien, 2021).

#### **4.6.1.4 Theme 4: Access to Finance and Resource Constraints**

Financial and resource access remain a universal determinant of family business growth and sustainability. Globally, limited funding constrains expansion, innovation, and competitiveness (Kassa, 2021; Amram *et al.*, 2023). African family businesses face similar difficulties, exacerbated by high transaction costs, reliance on informal lenders, and limited access to credit facilities (Frimpong *et al.*, 2022; Phiri & Ramasimu, 2025). In South Africa, despite support from SEFA and other initiatives, many family businesses struggle with securing capital, often depending on family or informal networks due to weak business plans or inadequate collateral (Shibiti *et al.*, 2023). In Makhado, financial constraints, inflation, and economic instability further limit growth potential, highlighting the importance of both formal financial support and resource management in fostering business resilience (Shava, 2024; Mulibana & Tshikovhi, 2024). The literature consistently demonstrates that access to adequate funding and resources is pivotal for family businesses to innovate, compete, and sustain operations (Benito-Hernández, López-Cózar-Navarro & Priede-Bergamini, 2021; Rashad, 2025).

#### **4.6.1.5 Theme 5: Innovation, technology, and competitiveness**

Innovation and technological adoption are essential for family businesses to remain competitive and adapt to changing markets. Globally, technology-driven strategies enable growth and market responsiveness, although costs and expertise present barriers (Donbesuur *et al.*, 2020; Saiz-Alvarez *et al.*, 2020). In Africa, insufficient innovation and outdated technology impede competitiveness (Gribi *et al.*, 2024; Chigara & Hebri, 2021). In South Africa, national policy frameworks emphasise digital transformation and innovation, yet many indigenous Black South African businesses struggle to adopt these strategies effectively (Gaglio *et al.*, 2022; Shibiti *et al.*, 2023). At the local level in Makhado, entrepreneurial education, relational networks, and technology adoption are critical for improving productivity and sustaining market competitiveness (Kassa, 2021;

Surya *et al.*, 2021; Xulu, 2025). These findings corroborate the literature highlighting that innovation management, strategic technology use, and continuous learning are indispensable for family business success (Mashego & Sewdass, 2024; Ngo Ndjama & Van Der Westhuizen, 2024).

#### **4.6.1.6 Theme 6: Local Economic Development and Community Impact**

Family businesses act as vital instruments for LED and community well-being. Globally, they foster employment, community stability, and regional growth (Maseda *et al.*, 2022; Umadia & Kasztelnik, 2020). In Africa, family businesses contribute to poverty alleviation, local development, and the achievement of Agenda 2063 and the SDGs, particularly in education and financial inclusion (Iwu *et al.*, 2024; Shevelkova *et al.*, 2023). South African municipalities leverage family businesses to drive LED, enhance income distribution, and reduce unemployment, although the impact is uneven due to resource limitations and uneven policy implementation (Mashabela, 2021; Majadibodu *et al.*, 2023). Within the Makhado Local Municipality, family businesses contribute to informal employment, stimulate local markets, and support household livelihoods. Nevertheless, barriers such as corruption, infrastructure deficits, and insufficient stakeholder support hinder their full potential (Shava, 2024; Mulibana & Tshikovhi, 2024). These insights align with the literature, emphasising that enabling environments, multi-stakeholder engagement, and targeted municipal support are critical for maximising the socio-economic benefits of family businesses (Van der Waldt & Fourie, 2022; Xulu, 2025).

#### **4.6.1.7 Synthesis of family businesses across contexts**

Across all the themes, it is evident that family businesses are central to economic growth, employment generation, and community development. Their survival and competitiveness are influenced by a combination of governance, succession planning, access to finance, innovation, and supportive policies. While global and national policies provide enabling frameworks, local implementation, especially in municipalities such as Makhado, remains inconsistent, highlighting the importance of tailored interventions, education, and multi-stakeholder engagement to fully realise their socio-economic potential.

**Table 4.4: Key themes influencing family business growth and sustainability**

Theme	Key Insights	Supporting Literature
<b>1. Economic contribution of family businesses</b>	Family businesses drive GDP growth, create jobs, support technological advancement, and enhance social and economic development globally, in Africa, South Africa, and the Makhado Local Municipality	Ren <i>et al.</i> (2023); Amram <i>et al.</i> (2023); Costa <i>et al.</i> (2022); Mashavira and Chipunza (2021); Masenya <i>et al.</i> (2024); Shava (2024); Xulu (2025)
<b>2. Government policies and legislative support</b>	Structured policies, training programmes, funding initiatives, and business incubators facilitate family business growth, yet challenges remain in implementation and awareness.	Etim <i>et al.</i> (2022); Surya <i>et al.</i> (2021); Umadia and Kasztelnik (2020); Gribi <i>et al.</i> (2024); Musabayana and Mutambara (2022); Shumbambiri (2023); Makgetla <i>et al.</i> (2022); Mulibana and Tshikovhi (2024)
<b>3. Challenges in succession planning and governance</b>	Poor succession planning, unclear governance structures, and a lack of leadership skills jeopardise business continuity across generations.	Zaidi <i>et al.</i> (2024); Huacca-Incacutipa <i>et al.</i> (2022); Mayanja <i>et al.</i> (2024); Cahyadi <i>et al.</i> (2021); Kupangwa <i>et al.</i> (2023); Urban and Nonkwelo (2022); Okoh <i>et al.</i> (2021); Ngudo-Nthangeni <i>et al.</i> (2022); Majadibodu <i>et al.</i> (2023)
<b>4. Access to finance and resource constraints</b>	Limited funding, reliance on informal loans, high transaction costs, and insufficient government support impede growth and sustainability.	Kassa (2021); Amram <i>et al.</i> (2023); Frimpong <i>et al.</i> (2022); Phiri and Ramasimu (2025); Shibiti <i>et al.</i> (2023); Mulibana and Tshikovhi (2024)
<b>5. Innovation, technology, and competitiveness</b>	Adoption of new technologies, innovation management, and strategic learning are essential for competitiveness, although financial and skill barriers persist.	Donbesuur <i>et al.</i> (2020); Saiz-Alvarez <i>et al.</i> (2020); Gribi <i>et al.</i> (2024); Chigara and Hebri (2021); Gaglio <i>et al.</i> (2022); Shibiti <i>et al.</i> (2023); Kassa (2021); Surya <i>et al.</i> (2021); Mashego and Sewdass (2024); Ngo Ndjama and Van Der Westhuizen (2024); Xulu (2025)

<b>6. Local economic development and community impact</b>	Family businesses contribute to poverty alleviation, informal employment, local markets, and community development, but require enabling environments and multi-stakeholder support.	Maseda <i>et al.</i> (2022); Umadia and Kasztelnik (2020); Iwu <i>et al.</i> (2024); Shevelkova <i>et al.</i> (2023); Mashabela (2021); Majadibodu <i>et al.</i> (2023); Shava (2024); Mulibana and Tshikovhi (2024); Van der Waldt and Fourie (2022); Xulu (2025)
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Source: Researcher

Table 4.4 presents the key themes influencing family business growth and sustainability, along with corresponding insights from the study and supporting literature.

**Table 4.5: Comparative perspectives on key themes affecting family business**

<b>Theme</b>	<b>Global Perspective</b>	<b>African Perspective</b>	<b>South African Perspective</b>	<b>Makhado Local Municipality Perspective</b>
<b>1. Economic contribution of family businesses</b>	Family businesses drive GDP growth, create jobs, and enhance innovation (Ren <i>et al.</i> , 2023; Amram <i>et al.</i> , 2023; Costa <i>et al.</i> , 2022).	Contribute to employment, poverty alleviation, and resource utilisation (Mashavira & Chipunza, 2021; Mayanja <i>et al.</i> , 2024; Olubiyi <i>et al.</i> , 2022).	Drive job creation, wealth generation, and socio-economic development (Masenya <i>et al.</i> (2024); Xulu, 2025; Shava, 2024).	Family businesses promote local economic activity and reduce poverty (Makgetla <i>et al.</i> , 2022; Xulu, 2025; Shava, 2024).
<b>2. Government policies and legislative support</b>	Policies, training, and financial programmes promote growth (Etim <i>et al.</i> , 2022; Surya <i>et al.</i> , 2021;	Governments provide support programmes, agencies, and funding for family businesses (Gribi <i>et al.</i> ,	Policies like B-BBEE, TREP, SEFA, and incubators aid growth, although challenges remain in	Municipal support is crucial, including trade licence facilitation and policy frameworks,

	Umadia & Kasztelnik, 2020).	2024; Iwu <i>et al.</i> , 2024).	implementation (Musabayana & Mutambara, 2022; Majadibodu <i>et al.</i> , 2023).	but awareness is low (Makgetla <i>et al.</i> , 2022; Mulibana & Tshikovhi, 2024; Xulu, 2025).
<b>3. Challenges in succession planning and governance</b>	Weak governance structures, unclear succession, and family conflicts hinder continuity (Zaidi <i>et al.</i> , 2024; Huacca-Incacutipa <i>et al.</i> , 2022; Bennedsen, Lu & Mehrotra, 2022).	High failure rates in intergenerational transition; mentoring and heir preparation are crucial (Mayanja <i>et al.</i> , 2024; Cahyadi <i>et al.</i> , 2021; Okoh <i>et al.</i> , 2021).	Only a small fraction survives to the second/third generation; succession planning is critical (Kupangwa <i>et al.</i> , 2023; Urban & Nonkwelo, 2022; Okoh <i>et al.</i> , 2021).	Governance and succession challenges affect business growth; municipal support can strengthen structures (Ngudo-Nthangeni <i>et al.</i> , 2022; Majadibodu <i>et al.</i> , 2023).
<b>4. Access to finance and resource constraints</b>	Funding limitations and resource access impact competitiveness (Amram <i>et al.</i> , 2023; Kassa, 2021).	Limited access to finance, higher risk, and reliance on informal loans hinder expansion (Frimpong <i>et al.</i> , 2022; Phiri & Ramasimu, 2025).	Limited access to loans, weak business plans, and dependence on family/friends (Shibiti <i>et al.</i> , 2023; Kassa, 2021).	Funding constraints hinder infrastructure development, market growth, and innovation (Mashabela, 2021; Adesile, 2020; Xulu, 2025).
<b>5. Innovation, technology, and competitiveness</b>	Innovation, technology adoption, and strategic	Lack of innovation reduces competitiveness;	Digital transformation, technology adoption, and	Adoption of technology and innovation is limited; local

	management are critical for competitiveness (Donbesuur <i>et al.</i> , 2020; Saiz-Alvarez <i>et al.</i> , 2020; Shibiti <i>et al.</i> , 2023).	technological support is needed (Gribi <i>et al.</i> , 2024; Chigara & Hebri, 2021).	innovative strategies are essential, but barriers exist (Mashego & Sewdass, 2024; Ngo Ndjama & Van Der Westhuizen, 2024; Kassa, 2021).	businesses need capacity building and entrepreneurial education (Mulibana & Tshikovhi, 2024; Surya <i>et al.</i> , 2021; Xulu, 2025).
<b>6. Local economic development and community impact</b>	Family businesses enhance local economies, reduce poverty, and improve social outcomes (Maseda <i>et al.</i> , 2022; Umadia & Kasztelnik, 2020).	Support inclusive growth, reduce poverty, and align with Agenda 2063 and SDGs (Iwu <i>et al.</i> , 2024; Shevelkova <i>et al.</i> , 2023).	Drive LED initiatives, informal employment, and community development, although support is urban-centric (Majadibodu <i>et al.</i> , 2023; Shava, 2024; Mashabela, 2021).	Family businesses boost local communities, informal employment, and LED, but require infrastructure and stakeholder support (Van der Waldt & Fourie, 2022; Xulu, 2025; Majadibodu <i>et al.</i> , 2023).

Source: Researcher

Table 4.5 summarises six major themes that influence the competitiveness of family businesses, integrating the literature from the global, African, South African, and Makhado Local Municipality contexts.

## **4.6.2 Theoretical Implications Linked with Research Objectives**

### ***4.6.2.1 Objective 1: Classify the key factors that impact family businesses' competitiveness in the Makhado Local Municipality***

The competitiveness of family businesses in the Makhado Local Municipality is influenced by the availability and utilisation of internal resources, which aligns with the principles of the RBV. According to Barney (1991), VRIN resources form the foundation of sustainable competitive advantage. In this context, the unique social ties, trust, and shared family values within Makhado's family enterprises act as distinctive resources that promote business longevity (Habbershon & Williams, 1999). However, the findings reveal that many local family businesses struggle to leverage these internal strengths effectively due to limited managerial capacity, outdated technology, and weak succession structures, limiting their competitiveness. This finding supports that of Amram *et al.* (2023), who emphasised that strategic internal resource development through investment and innovation drives competitiveness in family businesses.

Institutional theory provides further insight by illustrating how external regulatory and policy environments shape business operations (Scott, 2008). Family businesses in Makhado must navigate municipal and national policies, licensing procedures, and compliance requirements that can either enable or constrain their growth. As DiMaggio and Powell (1983) explained, aligning with institutional norms and gaining legitimacy from stakeholders are critical to business survival. However, weak enforcement of supportive policies and inconsistent implementation of local business incentives undermine the sustainability of these enterprises. This suggests that institutional support must be strengthened to create an enabling environment that promotes growth and formalisation.

Lastly, social capital theory reinforces that network relationships are vital for family business survival. Family businesses in Makhado often rely on bonding social capital and trust-based support within families and local communities to sustain operations during difficult periods (Putnam, 2000; Torres *et al.*, 2019). However, limited bridging and linking social capital, such as weak connections with municipal structures, financial institutions, and suppliers, constrains access to external resources and knowledge (Fatoki, 2015). Therefore, growth and competitiveness depend not only on internal resources (RBV) but

also on institutional legitimacy and the strength of social networks that connect businesses to wider economic systems.

#### ***4.6.2.2 Objective 2: Examine the challenges faced by family-owned businesses in the Makhado Local Municipality***

Family businesses in Makhado face several challenges that threaten their continuity, including poor succession planning, limited access to finance, and weak governance structures. From the RBV perspective, such challenges signify a failure to fully exploit internal resources that can sustain competitiveness (Barney, 1991). Chrisman *et al.* (2005) noted that while family unity, trust, and a shared vision can be strengths, they may also create conflicts in leadership transitions and hinder innovation. The findings reveal that many Makhado family businesses lack formal succession strategies, which affect decision-making continuity and business longevity. These internal governance weaknesses reflect a gap in managerial competence and resource utilisation (Habbershon & Williams, 1999).

Institutional theory highlights that many of these challenges stem from weak institutional environments, where inadequate policy enforcement and bureaucratic inefficiencies constrain business operations (Scott, 2008). Local government support programmes, such as funding or training initiatives, are often inaccessible or poorly communicated, leaving many businesses unable to capitalise on them (Mair & Marti, 2009). Consequently, the external environment fails to reinforce the formalisation and professionalisation of family businesses, perpetuating informality and vulnerability.

From the perspective of social capital theory, limited networking and collaboration exacerbate these internal and external challenges. Many family businesses operate in isolation, relying primarily on immediate family relationships (bonding capital), with minimal engagement in broader community associations or partnerships (bridging capital) (Torres *et al.*, 2019). This isolation limits learning, resource sharing, and innovation, making them less resilient to market shocks. Therefore, addressing these challenges requires strengthening social networks, improving access to institutional resources, and promoting knowledge sharing to enhance governance and sustainability.

#### **4.6.2.3 Objective 3: Evaluate the effect of community associations on the competitiveness of family-owned businesses**

Community associations play a pivotal role in fostering collective resilience and collaboration among family businesses. Social capital theory is particularly relevant here, as it emphasises the importance of networks, trust, and shared norms in enhancing collective action (Putnam, 2000; Woolcock & Narayan, 2000). In Makhado, community associations provide platforms for information sharing, mentorship, and collective marketing, which contribute to the growth and survival of family businesses. These associations enhance bridging social capital by connecting businesses across different social and economic groups, allowing them to share resources and knowledge (Torres *et al.*, 2019).

However, the impact of these associations is limited by inadequate institutional support and coordination. Institutional theory explains that effective associations require an enabling environment supported by local government structures and policies (Scott, 2008). The absence of consistent engagement between community organisations and municipal authorities undermines the sustainability of collaborative initiatives. Strengthening these partnerships would allow family businesses to gain legitimacy and resources from broader institutional systems (Suchman, 1995).

From an RBV perspective, community associations can also enhance internal business capabilities through training, shared innovation, and collective investment. When family businesses pool resources and expertise, they create valuable and hard-to-imitate competencies (Barney, 1991). Therefore, community associations not only build social cohesion but also reinforce competitive advantage through shared learning and cooperative resource mobilisation, promoting long-term sustainability.

#### **4.6.2.4 Objective 4: Assess the effect of business development initiatives on the competitiveness of family-owned businesses**

Business development initiatives such as skills training, funding programmes, and entrepreneurial support are vital for improving the competitiveness of family businesses. According to the RBV, such initiatives enhance internal competencies, enabling

businesses to transform their resources into sustainable advantages (Kraaijenbrink *et al.*, 2010). In Makhado, however, findings suggest that these initiatives are often underutilised or poorly coordinated, limiting their impact. The lack of awareness and follow-up support means that many family businesses fail to benefit from these opportunities. This reflects a gap in institutional communication and resource alignment (Connor, 2002).

Institutional theory underscores that the success of business development initiatives depends on the strength and legitimacy of institutional frameworks (Scott, 2008). Municipal programmes must align with national economic policies and local realities to be effective (Farisani, 2022). Weak coordination between policy design and implementation leads to duplication of efforts and limited outcomes. Institutional collaboration, therefore, is critical for enabling sustainable entrepreneurship.

From the perspective of social capital theory, business development initiatives succeed when they are embedded in strong community networks. Programmes that promote networking, peer mentoring, and partnership-building foster bridging and linking social capital (Coleman, 1988; Torres *et al.*, 2019). Family businesses that actively engage with such initiatives develop broader networks that facilitate access to markets, suppliers, and knowledge. Thus, the interplay of institutional efficiency, social capital, and internal resource development determines the effectiveness of business development initiatives in enhancing family business performance.

#### ***4.6.2.5 Objective 5: Evaluate the effect of government policies on the competitiveness of family-owned businesses in the Makhado Local Municipality***

Policies and legislative frameworks profoundly influence family business growth and sustainability. Institutional theory provides the foundation for understanding how government policies shape business legitimacy and behaviour (DiMaggio & Powell, 1983). In Makhado, inconsistent policy implementation, bureaucratic barriers, and limited enforcement capacity hinder family businesses' ability to comply with and benefit from available support (Scott, 2013). A weak policy environment leads to uncertainty, discouraging investment and innovation among small family enterprises (Marinova *et al.*, 2012). Strengthening institutional frameworks and ensuring clear policy communication

can thus enhance legitimacy and enable family businesses to thrive within formal structures.

From the RBV perspective, policies that promote innovation, infrastructure, and human capital development contribute to building internal capabilities that drive competitiveness (Barney, 1991). Conversely, the absence of supportive policies limits the ability of family businesses to develop VRIN resources such as skills, technology, and managerial expertise. Therefore, government incentives and regulatory frameworks must focus on building the resource base of family businesses to ensure long-term sustainability (Madhani, 2010).

Social capital theory complements this by suggesting that effective policies should strengthen the relational networks between businesses, the government, and communities (Putnam, 2000). Policies that encourage participation in cooperatives, business chambers, and community-based programmes enhance linking social capital, which provides access to institutional resources and legitimacy (Hibbler-Britt & Sussan, 2015). Therefore, the integration of strong institutional frameworks, resource development, and social connectivity is critical for improving the impact of policy on family business growth and survival.

#### ***4.6.2.6 Synthesis of theoretical implications across themes and frameworks***

The collective analysis of the six themes, economic contribution of family businesses, government policies and legislative support, challenges in succession planning and governance, access to finance and resource constraints, innovation, technology, and competitiveness, and LED and community impact through the lenses of the RBV, institutional theory, and social capital theory, reveals a comprehensive understanding of the dynamics shaping family business performance in the Makhado Local Municipality.

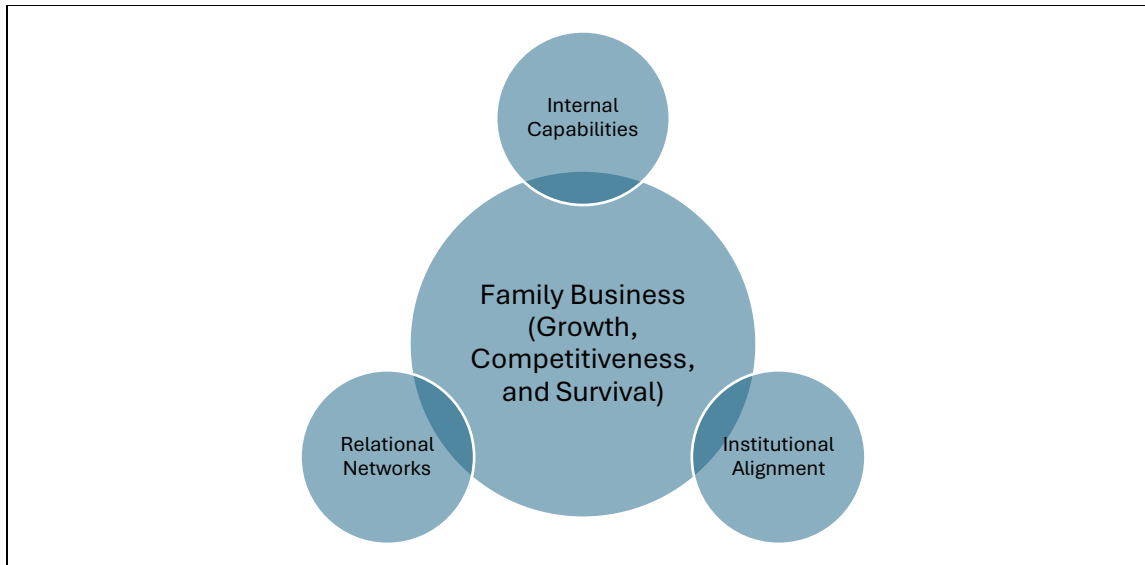
The RBV highlights that family businesses derive their competitive advantage primarily from internal resources such as family trust, shared values, and entrepreneurial competence (Barney, 1991; Habbershon & Williams, 1999). However, the findings show that these internal strengths must be continuously developed through innovation, capacity building, and effective governance structures to sustain competitiveness. Weak

management and succession systems limit the transformation of these resources into strategic advantages, underscoring the need for continuous skill enhancement and investment in technological adaptation.

Institutional theory expands this internal view by situating family businesses within a broader socio-political and regulatory context (DiMaggio & Powell, 1983; Scott, 2008). The findings indicate that policy inconsistencies, bureaucratic barriers, and weak enforcement mechanisms constrain family business growth. The institutional environment, therefore, plays a dual role; it can either facilitate or hinder competitiveness depending on how policies and regulations are designed and implemented. Strong institutional alignment and municipal support are essential for legitimising family businesses and fostering a more enabling business climate.

Finally, social capital theory complements both perspectives by emphasising the relational and network-based dimensions of business success (Putnam, 2000; Torres *et al.*, 2019). In Makhado, bonding social capital, trust, and support within families serve as a foundation for business resilience. However, the limited presence of bridging and linking social capital weakens external collaboration, access to markets, and engagement with institutional support. This reveals the importance of developing cooperative networks, business associations, and trust-based partnerships to enhance collective learning and resource sharing.

Overall, the integration of these three theories and six themes underscores that family business competitiveness depends on a balanced interplay between internal capabilities (RBV), institutional alignment (institutional theory), and relational networks (social capital theory). The findings suggest that the sustainable development of family businesses in Makhado requires a multi-dimensional strategy that strengthens internal competencies, improves institutional support systems, and fosters social networks that enhance innovation, legitimacy, and resilience.



**Figure 4.37: Interplay of Key Themes Influencing Family Businesses**

*Source: Researcher*

Figure 4.37 illustrates that the identified themes emphasise how family business competitiveness rely on a balanced interplay between internal capabilities, institutional alignment, and relational networks to achieve sustainable development.

#### **4.6.3 Practical and Policy Implications**

The findings of this study provide a comprehensive understanding of the multifaceted dynamics shaping the competitiveness of family businesses in the Makhado Local Municipality. The six identified themes, economic contribution of family businesses; government policies and legislative support; challenges in succession planning and governance; access to finance and resource constraints; innovation, technology, and competitiveness; and LED and community impact, collectively inform both practical interventions for business owners and policy directions for local and national authorities.

From a practical standpoint, the theme of economic contribution of family businesses underscores the vital role these enterprises play in sustaining livelihoods, creating employment, and stimulating the local economy. However, as Wiid and Cant (2021b) and Scholtz *et al.* (2023) observed, family businesses often lack awareness of their collective impact and the institutional resources available to them. By understanding their

contribution to economic growth, family business owners in Makhado can recognise the need to formalise operations, adopt structured management practices, and leverage local value chains for sustainability. This awareness will also encourage collaboration among businesses, enhancing productivity and shared learning.

The theme of government policies and legislative support carries critical policy implications. Findings reveal that despite government efforts to support family businesses, limited awareness and accessibility of available programmes persist (Wiid & Cant, 2021b; Ntshangase *et al.*, 2024). Policymakers in the Makhado Local Municipality should prioritise communication and outreach programmes that raise awareness about available funding, mentorship, and business development initiatives. In alignment with Phiri *et al.* (2025), targeted digital transformation support and continuity strategies can help bridge this gap. The development of localised family business support frameworks integrated within municipal LED strategies will ensure that policies are responsive to contextual needs rather than generic national mandates.

The challenges in succession planning and governance theme points to a critical area for both business continuity and policy intervention. Many family businesses struggle with generational transitions, resulting in high discontinuity rates (Scholtz *et al.*, 2023). Practically, this calls for the introduction of mentorship and succession training programmes to preserve institutional knowledge and intergenerational trust. Policy interventions should promote governance guidelines for family businesses and encourage documentation, transparency, and leadership transfer mechanisms. These policies could be embedded in small business development frameworks and supported by municipal entrepreneurship hubs.

Access to finance and resource constraints remain a persistent barrier to growth (Nomonde & Mzuyanda, 2025). Practically, family businesses should be encouraged to improve their financial literacy and record-keeping to increase their eligibility for credit and funding schemes. Policymakers, in turn, should collaborate with financial institutions to establish inclusive financing models such as community-based microcredit systems and family enterprise grants targeted specifically at small and informal family businesses.

Such mechanisms will address the inequities that limit access to resources for local business owners (Edeh *et al.*, 2020).

The theme of innovation, technology, and competitiveness presents both opportunities and imperatives for transformation. In practice, family businesses must adopt technological tools to improve efficiency, marketing, and competitiveness in a rapidly digitalising economy (Morgan *et al.*, 2021). On the policy front, local government agencies should provide digital literacy and innovation training programmes as part of municipal business development initiatives. As Phiri *et al.* (2025) highlighted, implementing digital transformation support strategies will strengthen competitiveness and ensure long-term sustainability.

Finally, LED and Community Impact reflect the interconnectedness between family businesses and their surrounding communities. In practice, family businesses should cultivate local partnerships and corporate social responsibility initiatives to build goodwill and trust, which is consistent with the social capital perspective. From a policy angle, municipalities should integrate family businesses into their LED frameworks by promoting community-based value chains and encouraging public–private partnerships. This alignment will reinforce inclusive growth, reduce unemployment, and strengthen the resilience of the local economy (Mukuvhi, 2021; Umadia & Kasztelnik, 2020).

Overall, these practical and policy implications demonstrate that the sustainable growth of family businesses in Makhado requires a coordinated approach, one that strengthens internal capacities, enhances institutional support, promotes innovation, and deepens community linkages. By aligning these themes with local and national development priorities, policymakers and practitioners can jointly cultivate an enabling environment for family business sustainability and inclusive economic development.

#### **4.7 CHAPTER SUMMARY**

Chapter 4 presented a comprehensive analysis, interpretation, and discussion of the qualitative findings derived from the study of the factors affecting the competitiveness of family businesses in the Makhado Local Municipality. The chapter commenced with an overview of the demographic characteristics of the participants, which included business

owners and family business representatives across different sectors. The demographic profile provided insight into the diversity of participants in terms of business type, ownership structure, years in operation, and generational involvement, thereby setting the foundation for understanding the contextual realities of family enterprises in the municipality.

The data analysis process was guided by a thematic analysis framework, encompassing the stages of familiarisation, coding, theme development, and interpretation. Data preparation involved the transcription of audio-recorded interviews into Microsoft Word and subsequent coding and analysis using ATLAS.ti version 25 software. This approach enabled systematic organisation, identification of recurrent patterns, and generation of themes. Six main themes emerged from the analysis: economic contribution of family businesses; government policies and legislative support; challenges in succession planning and governance; access to finance and resource constraints; innovation, technology, and competitiveness; and LED and community impact. These themes encapsulated the multifaceted nature of family businesses, reflecting their contributions, challenges, and interactions with the broader economic and policy environment.

The findings were aligned with the five research objectives, exploring the factors that impact family business performance, the challenges faced, and the role of policies, business development initiatives, and community associations. The results revealed that while family businesses contribute significantly to local employment and economic activity, their growth is constrained by inadequate financial access, succession planning difficulties, and limited institutional support. The thematic analysis highlighted interrelationships among the themes, particularly how policy gaps, financial constraints, and weak governance mechanisms collectively hinder competitiveness and survival.

The discussion integrated empirical findings with the study's theoretical frameworks: the RBV, institutional theory, and social capital theory. The RBV provided insights into how internal resources such as skills, innovation, and family-specific capabilities enhance competitive advantage and long-term sustainability. Institutional theory contextualises how external environments, including regulatory frameworks, local policies, and governance structures, shape family business operations and adaptation. Meanwhile,

social capital theory illuminated the role of relationships, trust, and community networks in strengthening resilience, knowledge sharing, and collaboration within the family business ecosystem. Together, these frameworks underscore that the growth and survival of family businesses depend on the interplay between internal resource capabilities, institutional alignment, and the relational capital embedded within social networks.

Finally, the chapter concluded with practical and policy implications. It recommended strengthening institutional frameworks to support family businesses through accessible financing, succession planning assistance, and targeted entrepreneurial development programmes. The study further suggested enhancing collaboration between local governments, private institutions, and community organisations to create an enabling environment for family business growth. Overall, Chapter 4 provided empirical findings, theoretical perspectives, and practical insights, offering a comprehensive understanding of the dynamics shaping family business sustainability in the Makhado Local Municipality.

## **CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 INTRODUCTION**

The previous chapter presented and discussed the empirical findings of the study, highlighting the key themes influencing the competitiveness of family businesses in the Makhado Local Municipality. While these businesses contribute significantly to LED, their progress is hindered by limited access to finance, weak succession planning, and insufficient institutional support. The discussion further integrated insights from the RBV, institutional theory, and social capital theory to explain the interplay between internal resources, the external environment, and social networks. Building on these findings, this current chapter presents the study's conclusions and recommendations, focusing on practical, theoretical, and policy interventions to enhance the sustainability of family businesses in the municipality.

This chapter presents the final synthesis of the study, drawing together the key findings, theoretical insights, and practical implications derived from the research on family businesses in the Makhado Local Municipality. The chapter highlights the overarching conclusions regarding the factors that influence the competitiveness of these businesses, linking the findings to the research objectives, the six thematic areas identified through thematic analysis, and the theoretical frameworks underpinning the study, namely, RBV, institutional theory, and social capital theory. Furthermore, the chapter provides actionable recommendations for multiple stakeholders, including family business owners, policymakers, and researchers, designed to address the challenges identified throughout the study and to enhance the sustainability, innovation, and socio-economic impact of family businesses.

The recommendations are grounded in empirical evidence and thematic analysis, offering strategies to strengthen internal capabilities, leverage institutional support, and cultivate relational networks that underpin business resilience and competitiveness. Additionally, the chapter outlines the limitations of the study, reflecting on the scope, methodology, and context-specific constraints that may influence the generalisability of the findings.

Furthermore, areas for future research are proposed, including identifying opportunities to expand the understanding of family business dynamics across different contexts, evaluating policy effectiveness, and exploring the evolving role of technology and social networks in enhancing business sustainability. Overall, this chapter serves as a culmination of the study, providing a comprehensive framework to inform practice, policy, and further scholarly inquiry in the domain of family business development.

## **5.2 SUMMARY OF THE RESULTS**

### **Objective 1: Classify the key factors that impact family businesses' competitiveness in the Makhado Local Municipality**

The study identified six interrelated themes as critical factors shaping the performance and sustainability of family businesses in the Makhado Local Municipality: economic contribution, government policies and legislative support, succession planning and governance, access to finance and resources, innovation and competitiveness, and LED and community impact. Internal capabilities, including entrepreneurial skills, family cohesion, shared values, and managerial competence, have emerged as pivotal determinants of competitiveness and long-term survival. The findings highlight that family businesses with strong internal resources, such as effective leadership, strategic planning, and technological capability, are better positioned to adapt to market changes and exploit growth opportunities. External factors, such as municipal and national policy frameworks, regulatory compliance requirements, and economic conditions, significantly influence business operations, legitimacy, and access to resources. Moreover, relational networks within communities and business associations were found to provide essential social capital, including trust, mentorship, knowledge sharing, and access to markets, which collectively enhanced business resilience, innovation, and competitiveness. The integration of internal capabilities, institutional support, and social networks has emerged as a comprehensive framework for understanding the multifaceted factors influencing family business performance.

## **Objective 2: Examine the challenges faced by family-owned businesses in the Makhado Local Municipality**

The study revealed a range of internal, external, and relational challenges affecting the competitiveness of family businesses. Internally, poor succession planning, a lack of clear governance structures, and limited managerial expertise were found to undermine intergenerational leadership transitions and continuity. Many businesses struggle with defining roles, responsibilities, and decision-making processes, which creates conflicts and operational inefficiencies. Financial constraints were also significant, with limited access to formal credit, reliance on informal lending networks, and inadequate financial literacy restricting capital investment and business expansion. Externally, challenges included inconsistent policy implementation, bureaucratic inefficiencies, limited municipal support, and inadequate infrastructure, all of which hindered formalisation, compliance, and business growth. Relationally, insufficient engagement with broader networks and limited participation in community associations reduced opportunities for collaboration, shared learning, and market access. These combined challenges highlight the need for integrated interventions targeting internal capabilities, institutional support, and social capital development to address the vulnerabilities of family businesses.

## **Objective 3: Evaluate the effect of community associations on the competitiveness of family-owned businesses in the Makhado Local Municipality.**

Community associations were identified as important mechanisms for enhancing the resilience, growth, and competitiveness of family businesses. Participation in local networks, cooperatives, and business forums facilitated access to mentorship, collective problem-solving, knowledge exchange, and collaborative marketing opportunities. These associations strengthened bonding, bridging, and linking social capital, allowing businesses to leverage relationships both within family units and with external stakeholders, including suppliers, clients, and local government entities. The study revealed that family businesses involved in active community associations experienced improved operational efficiency, access to resources, and enhanced competitiveness. However, the effectiveness of these networks was constrained by limited coordination, inconsistent engagement with municipal authorities, and inadequate support in terms of

training, funding, and infrastructure. These findings underscore the need to strengthen institutional collaboration and support mechanisms to maximise the impact of community associations on family business growth and sustainability.

**Objective 4: Assess the effect of business development initiatives on the competitiveness of family-owned businesses in the Makhado Local Municipality.**

Business development initiatives, including entrepreneurship training, skills development programmes, access to funding, and advisory services, were found to be essential for enhancing the internal capabilities of family businesses. These initiatives contributed to improved managerial competence, financial planning, strategic decision-making, and innovation adoption. Where effectively accessed, family businesses reported increased operational efficiency, competitiveness, and long-term resilience. Nevertheless, the study revealed that many family businesses struggled to benefit fully from these programmes because of low awareness, inadequate follow-up support, and poorly coordinated implementation at the municipal level. Limited tailoring of programmes to the specific needs of family businesses further reduces their effectiveness. The findings highlight the importance of designing contextually relevant, well-coordinated, and accessible business development initiatives that integrate skill-building, resource mobilisation, and technological adoption to support sustainable growth.

**Objective 5: Evaluate the effect of government policies on the competitiveness of family-owned businesses in the Makhado Local Municipality.**

Policies and legislative frameworks play critical roles in shaping family business operations, competitiveness, and sustainability. The study revealed that national and municipal policies, including funding schemes, regulatory compliance requirements, and entrepreneurship support programmes, influence legitimacy, access to resources, and investment decisions. Effective policy interventions facilitated skill development, innovation, and technological adoption, enhancing internal capabilities and business performance. Conversely, inconsistent policy implementation, bureaucratic bottlenecks, and limited enforcement reduce trust, discourage formalisation, and constrain growth opportunities. Family businesses often lack awareness of available support programmes, limiting their ability to leverage policy provisions effectively. The study emphasises that

coordinated, locally tailored, and well-communicated policies are necessary to support formalisation, governance, succession planning, and access to finance, thereby strengthening the long-term competitiveness and survival of family businesses in the Makhado Local Municipality.

### **5.3 RESEARCH RECOMMENDATIONS**

This section provides actionable guidance to enhance family business growth, competitiveness, and sustainability, targeting business owners, policymakers, and future researchers.

#### **5.3.1 Recommendations for Family Business Owners**

Family business owners in the Makhado Local Municipality face complex internal, external, and relational challenges that influence growth, competitiveness, and long-term sustainability. Drawing on the study's findings and theoretical insights from RBV, institutional theory, and social capital theory, the following recommendations provide actionable strategies to strengthen business performance and ensure resilience:

##### ***5.3.1.1 Formalise business operations and structures***

Family business owners in the Makhado Local Municipality are encouraged to transition from informal practices to formal business registration and structured management systems. Formalisation enhances credibility, access to funding, and eligibility for municipal and national support programmes. Establishing formal operational processes, policies, and compliance mechanisms not only improves administrative efficiency but also integrates businesses into local value chains, enabling sustainable growth and participation in economic development initiatives. Structured management ensures accountability, clear reporting lines, and effective monitoring of performance, supporting long-term stability and competitiveness.

##### ***5.3.1.2 Strengthen Succession Planning and Governance***

Structured succession planning and governance mechanisms are critical to ensuring intergenerational continuity. Family business owners should develop leadership transfer strategies that clearly define roles, responsibilities, and timelines for decision-making

authority. Embedding governance structures that promote transparency, accountability, and regular communication reduces conflicts arising from overlapping family and business interests. Formal documentation, mentorship programmes, and conflict resolution frameworks can preserve institutional knowledge, foster trust, and maintain operational stability. These interventions are essential for safeguarding long-term sustainability and facilitating smooth leadership transitions across generations.

#### ***5.3.1.3 Invest in entrepreneurial and managerial competence***

Enhancing managerial and entrepreneurial skills is crucial for operational efficiency and competitiveness. Family business owners should actively pursue continuous education, training, and mentorship in areas such as strategic planning, financial management, human resource management, marketing, and operational processes. Professional management practices allow for the delegation of responsibilities based on competence rather than family hierarchy, improving productivity, adaptability, and resilience. Regular assessment of managerial capabilities against industry benchmarks ensures that businesses can respond effectively to policy changes, market fluctuations, and competitive pressures, transforming internal resources into sustainable advantages.

#### ***5.3.1.4 Adopt innovation and technology***

The adoption of innovation and technology is essential for improving efficiency, market reach, and competitive positioning. Family businesses should implement digital tools for accounting, inventory management, customer relationship management, and marketing to streamline operations. Investing in innovative products or services tailored to local market needs can enhance differentiation and growth. Continuous monitoring and integration of relevant technological advancements, such as e-commerce platforms, digital payments, and automation, will enable businesses to respond proactively to market changes, enhance productivity, and strengthen long-term competitiveness in an increasingly digital economy.

#### ***5.3.1.5 Leverage social capital and community networks***

Family businesses should actively engage with local communities, cooperative networks, business associations, and professional forums to strengthen social capital. Building

strong bonding, bridging, and linking networks facilitates knowledge sharing, collective learning, resource access, and mentorship opportunities. Collaboration with community and business networks enhances legitimacy, strengthens market positioning, and improves resilience against economic shocks. By leveraging these networks strategically, family businesses can access institutional support, attract new customers, and participate in cooperative initiatives, which ultimately contribute to both business and community development.

#### ***5.3.1.6 Enhance financial management and access to resources***

Effective financial management is a critical enabler of growth and sustainability. Family business owners are encouraged to improve financial literacy, maintain accurate records, and implement sound budgeting and planning practices to increase eligibility for funding and credit opportunities. Exploring community-based microfinance, grants, and partnerships with local financial institutions can mitigate capital constraints. Access to resources facilitates investment in innovation, technology, and capacity-building initiatives, enabling businesses to scale operations, enhance productivity, and remain competitive in local and regional markets.

#### ***5.3.1.7 Ensure strategic market engagement and adaptation***

Family businesses should continuously monitor market trends, customer preferences, and competitor activities to identify opportunities for growth and differentiation. The development of innovative marketing strategies, the leveraging of digital platforms, and the engagement in cooperative marketing initiatives can enhance visibility, market penetration, and collective bargaining power. In addition, cultivating a culture of continuous learning and adaptability allows businesses to respond effectively to regulatory changes, economic fluctuations, and technological advancements. By strategically engaging with the market and fostering resilience, family businesses can secure long-term sustainability, strengthen competitiveness, and maintain relevance in evolving local and regional economies.

### **5.3.2 Recommendations for Policy Makers**

The findings of this study underscore the critical role of policy and institutional frameworks in shaping the competitiveness of family businesses in the Makhado Local Municipality. Effective policy interventions must go beyond generic support to address the unique challenges faced by family-owned businesses, particularly in local and semi-urban contexts. The following recommendations are proposed and structured to guide policymakers in enhancing the entrepreneurial ecosystem:

#### ***5.3.2.1 Improve awareness and accessibility of support programmes***

Many family businesses are unaware of existing government support initiatives, funding opportunities, and business development programmes. To address this gap, policymakers should implement targeted outreach campaigns that communicate opportunities clearly and consistently. Workshops, seminars, and digital platforms can be used to educate family businesses on available funding, mentorship, and training programmes. Materials should be locally relevant, delivered in accessible languages, and disseminated through multiple channels, including community centres, local radio, social media, and municipal websites. Regular follow-up mechanisms should be instituted to ensure that businesses not only receive information but are also guided through the application and engagement processes. By enhancing awareness and accessibility, policymakers can improve uptake and enable family businesses to leverage available institutional support fully.

#### ***5.3.2.2 Strengthen local institutional support and governance***

Policy implementation often falters due to weak coordination between municipal, provincial, and national government entities, coupled with administrative bottlenecks and corruption. To enhance effectiveness, municipal authorities should establish clear, transparent coordination mechanisms that align local programmes with national economic strategies. Standard operating procedures, monitoring, and evaluation frameworks should be developed to track programme performance and ensure accountability. Additionally, training municipal staff in service delivery and compliance management will improve responsiveness and reduce procedural delays. Strong

institutional support fosters trust among business owners and creates an enabling environment that encourages formalisation, investment, and sustainable entrepreneurship.

#### ***5.3.2.3 Promote succession and governance frameworks***

Succession planning and governance remain critical challenges for family business continuity. Policymakers should develop structured guidelines to support family business governance, succession, and leadership development. These policies could include recommendations for formalising decision-making processes, documenting succession plans, and establishing internal accountability mechanisms. Embedding mentorship programmes, legal advisory services, and management training within municipal entrepreneurship hubs can equip family business owners and future leaders with the necessary skills to navigate intergenerational transitions. By fostering transparent governance structures, policymakers can reduce internal conflicts, improve strategic decision-making, and enhance the long-term sustainability of family businesses.

#### ***5.3.2.4 Facilitate inclusive and accessible financing***

Access to finance remains a persistent barrier for family businesses, particularly informal and local businesses. Policymakers should collaborate with financial institutions, cooperatives, and microfinance organisations to design family business-specific financial products, including low-interest loans, microcredit schemes, grants, and credit guarantee programmes. Mechanisms should be introduced to reduce collateral requirements, simplify application procedures, and accommodate entrepreneurs with limited credit history. Additionally, financial literacy and record-keeping programmes should be integrated into support initiatives to increase business readiness for formal financing. Inclusive financing strategies will enable family businesses to invest in infrastructure, technology, and skills development, ultimately improving competitiveness and growth potential.

#### ***5.3.2.5 Support innovation, technology, and capacity building***

To remain competitive in rapidly evolving markets, family businesses must embrace technological innovation and continuous capacity development. Policymakers should

provide structured digital literacy programmes, technical training, and access to local innovation hubs. These programmes can include workshops on e-commerce, digital marketing, supply chain management, and the adoption of financial technology. The integration of technology and entrepreneurship training into municipal LED initiatives ensures that businesses are prepared to leverage innovation for operational efficiency, market expansion, and product diversification. By fostering a culture of innovation and continuous learning, policymakers can strengthen the adaptability and resilience of family businesses.

#### ***5.3.2.6 Integrate family businesses into LED strategies***

Family businesses are critical actors in promoting inclusive local economic growth, yet their integration into LED strategies is often limited. Policymakers should design frameworks that connect family businesses with municipal development priorities, including public–private partnerships, community-based value chains, and local supplier networks. Policies should incentivise collaboration among businesses, encourage participation in local procurement, and promote community-oriented initiatives that create employment and improve livelihoods. Regular monitoring of family business contributions to LED objectives can inform evidence-based adjustments to programmes and resource allocation. By positioning family businesses as active participants in municipal development, policymakers can enhance both economic performance and social cohesion.

#### ***5.3.2.7 Encourage Multi-Stakeholder Collaboration***

Effective support for family businesses requires coordinated action across government agencies, financial institutions, business associations, and community organisations. Policymakers should facilitate forums for stakeholder engagement to identify priority areas, share resources, and co-design interventions tailored to local contexts. Such collaboration can improve policy relevance, ensure practical applicability, and strengthen networks that family businesses rely on for mentorship, market access, and technical guidance. Multi-stakeholder approaches also promote transparency and accountability, increasing the legitimacy and sustainability of municipal initiatives.

### ***5.3.2.8 Monitor and evaluate policy impact***

Finally, it is essential to establish robust monitoring and evaluation frameworks to assess the effectiveness of policies and support programmes for family businesses. Regular evaluation enables policymakers to identify gaps, measure outcomes, and adapt interventions in response to changing economic conditions. Indicators could include business survival rates, employment creation, formalisation levels, innovation adoption, and revenue growth. Evidence-based policy adjustments ensure that interventions remain targeted, contextually relevant, and effective in enhancing the growth and sustainability of family businesses.

### **5.3.3 Recommendations for Future Research**

While this study has provided valuable insights into the factors affecting the competitiveness of family businesses in the Makhado Local Municipality, several areas require further investigation to deepen understanding, inform policy, and enhance practical interventions. Future research should build on the current findings and address limitations related to context, scope, and methodology. The following recommendations are proposed:

#### ***5.3.3.1 Longitudinal studies on family business performance***

Future research should adopt longitudinal designs to track family businesses over extended periods. Such studies would allow researchers to observe how businesses evolve across generations, particularly with respect to succession planning, governance transitions, and resilience to economic shocks. The key research questions could include the following: How do internal resources, leadership succession strategies, and governance practices influence long-term business survival? What strategies enable family businesses to remain competitive during market disruptions or economic instability? Longitudinal studies would also provide insights into the dynamic interplay between internal competencies, external support, and community networks, offering a more nuanced understanding of sustainability in local and semi-urban contexts.

### **5.3.3.2 Comparative Municipal Studies**

Expanding research beyond Makhado to include multiple municipalities would help identify contextual factors that influence family business performance. Comparative studies could examine variations in LED strategies, policy implementation, access to finance, and infrastructure quality, revealing patterns that either facilitate or hinder growth. Research could address questions such as the following: How do municipal governance structures and policy frameworks impact the competitiveness of family businesses across different regions? What role do local cultural and socio-economic factors play in shaping entrepreneurial practices? Comparative analyses would allow policymakers to tailor interventions to specific local realities, thereby enhancing policy effectiveness and business support initiatives.

### **5.3.3.3 Digital transformation and technology adoption**

Given the growing importance of technology in business competitiveness, future research should examine how digital adoption affects operational efficiency, market reach, innovation, and resilience in family businesses. Studies could focus on local and informal businesses and explore barriers to technology uptake, such as financial constraints, lack of digital literacy, and infrastructural limitations. The key research questions may include the following: How do family businesses integrate digital solutions into core business operations? What impact does technology adoption have on productivity, competitiveness, and access to broader markets? Research in this area would provide evidence-based guidance for digital capacity-building initiatives and technology-focused policy interventions.

### **5.3.3.4 Community, network, and social capital influence**

Future studies should explore the role of social networks, community associations, and cooperative structures in enhancing family business resilience, knowledge sharing, and resource access. Investigations could examine how bonding, bridging, and linking social capital contribute to business innovation, market expansion, and collective problem solving. Research questions might include the following: How do family businesses leverage local networks and community associations for growth and survival? What types

of social capital most effectively support intergenerational succession and continuity? Understanding these relational dynamics can inform strategies for fostering stronger community–business linkages and facilitating cooperative development initiatives.

#### **5.3.3.5 Policy Effectiveness Evaluation**

There is a critical need to evaluate the effectiveness of local and national policies and support programmes designed for family businesses. Future research should assess the impact of government interventions, funding schemes, training programmes, and regulatory frameworks on business growth, formalisation, and sustainability. Key questions may include the following: To what extent do policy measures enhance competitiveness, access to finance, and innovation? What factors hinder the practical implementation of policies at the municipal level? Such studies could adopt mixed-method approaches, combining policy analysis, case studies, and surveys to generate actionable recommendations for policymakers and municipal authorities.

#### **5.3.3.6 Sector-specific and industry-focused studies**

Future research should also consider sector-specific analyses of family businesses, particularly in agriculture, retail, services, and manufacturing. Understanding how industry-specific challenges, market dynamics, and technological trends affect competitiveness can provide tailored guidance for sectoral development strategies. Potential questions include the following: How do sector-specific constraints impact access to finance, innovation adoption, and business continuity? What best practices exist within specific industries that can be replicated across the municipality or region?

#### **5.3.3.7 Interdisciplinary and multi-theoretical approaches**

Lastly, future studies could adopt interdisciplinary approaches that integrate economics, sociology, and management sciences. Applying multiple theoretical lenses, such as RBV, institutional theory, social capital theory, and stakeholder theory, could provide a more holistic understanding of the factors influencing family business growth and sustainability. Research could explore questions such as the following: How do internal capabilities, policy environments, and social networks interact to shape business outcomes? Which

theoretical frameworks best explain the survival and resilience of family businesses in local and semi-urban settings?

By pursuing these research avenues, scholars and practitioners can deepen the understanding of family business dynamics, strengthen policy design, and provide actionable guidance for supporting sustainable entrepreneurship within municipalities such as Makhado.

#### **5.4 LIMITATIONS OF THE STUDY**

This study acknowledges several limitations that may influence the scope, generalisability, and interpretation of the findings, despite efforts to ensure rigour and trustworthiness throughout the research process.

##### **5.4.1 Geographical Limitation**

The study focused exclusively on family businesses operating within the Makhado Local Municipality. While this enabled an in-depth exploration of local dynamics, governance, and challenges specific to this context, it limits the generalisability of the findings to other municipalities or regions. The economic, social, and institutional conditions in Makhado may differ significantly from those in other localities, both within South Africa and across Africa. Variations in market structure, policy implementation, cultural norms, and community engagement elsewhere may result in different patterns of competitiveness. Future research could employ comparative studies across multiple municipalities to validate and expand upon these insights.

##### **5.4.2 Sample Size Constraints**

The purposive sampling strategy, while ensuring rich qualitative insights, resulted in a relatively small number of participants. Consequently, the sample may not fully reflect the diversity of family businesses in terms of sector, generational stage, and size. Certain nuances, including variations in management approaches, business maturity, or intra-family dynamics, may have been underrepresented. Additionally, the inclusion criterion of a minimum of five years in operation excluded newer family businesses that may encounter unique challenges, potentially limiting the breadth of findings.

### **5.4.3 Time-Bound Data Collection**

Data collection occurred within a specific timeframe, providing a cross-sectional snapshot of family business operations rather than a longitudinal perspective. Seasonal variations, economic fluctuations, municipal programme changes, and emerging market trends may not have been captured. As a result, certain temporal factors influencing competitiveness may have been overlooked. Longitudinal studies would be useful for capturing changes in succession practices, innovation adoption, and business adaptation over time.

### **5.4.4 Reliance on Self-Reported Data**

The study primarily drew on face-to-face interviews with family business owners, which may reflect subjective perceptions and experiences. Although qualitative insights provide valuable context and depth, self-reported data can be affected by selective memory, social desirability, or personal biases. The participants may have emphasised particular challenges, downplayed weaknesses, or presented their business practices more positively than reality did. This subjectivity is inherent to qualitative research but was mitigated through measures such as careful transcription, iterative coding, and cross-validation of emerging themes.

### **5.4.5 Language and Cultural Interpretation**

Given that the interviews were conducted in both Tshivenda and English, interpretation and translation challenges could have affected the accuracy of the data. While questions were rephrased or translated while retaining their original meaning, subtle linguistic nuances or culturally specific expressions may have been interpreted differently by participants or the researcher. This could influence the depth and richness of the qualitative data.

### **5.4.6 Contextual and Environmental Factors**

External factors beyond the control of business owners, such as local economic volatility, infrastructure deficits, policy inconsistencies, and socio-economic dynamics, may influence responses and outcomes. Although the study accounted for these factors in its thematic analysis, their complex interactions may not have been fully captured.

#### **5.4.7 Methodological Considerations**

As with all qualitative research, inherent limitations include subjectivity and the influence of researcher bias. Despite efforts to ensure trustworthiness, rigour, and reliability, such as detailed transcription, thematic coding, and methodological reflexivity, the interpretation of data may still reflect the researcher's perspective. Practical constraints, including participant availability, accessibility, and the study's limited timeframe, may have further influenced the depth and comprehensiveness of data collection.

In summary, while these limitations may affect the generalisability and scope of the findings, acknowledging them provides transparency and contextualises the insights. The study's design, sampling, and qualitative approach offered an in-depth understanding of the dynamics shaping family business competitiveness within the Makhado Local Municipality, providing a foundation for future research to build upon.

#### **5.5 CONCLUSION OF THE STUDY**

The study concludes that the competitiveness of family businesses in the Makhado Local Municipality is shaped by the dynamic interplay of internal capabilities, institutional support, and relational networks, highlighting the complexity of factors influencing business performance at the local level. Through the lens of the RBV, the research confirms that family businesses derive their competitive advantage from internal resources, including family trust, shared values, entrepreneurial skills, and managerial competence, which serve as essential foundations for sustainability and resilience. However, the findings indicate that weaknesses in succession planning, limited leadership development, and inadequate governance structures undermine the effective utilisation of these resources, restricting growth potential and intergenerational continuity. These internal dynamics directly correspond to objective dynamics, which aim to classify key factors impacting family business performance, demonstrating that the strategic management of internal capabilities is critical for competitiveness and long-term survival.

From the perspective of institutional theory, this study underscores the significant influence of policy frameworks, regulatory enforcement, and municipal support on family business legitimacy, investment behaviour, and formalisation. While national and local

policies, including LED programmes, licensing support, and entrepreneurial incentives, provide a framework for growth, inconsistent implementation, bureaucratic inefficiencies, and limited local capacity constrain the potential benefits of these institutional mechanisms. This aligns with objective five, which examined the effect of government policies on family business growth, highlighting that robust and context-sensitive policy interventions are necessary to enable compliance, access to resources, and sustained competitiveness. Research has demonstrated that institutional support functions not only as a facilitator but also as a potential barrier when coordination and transparency are insufficient.

Through the lens of social capital theory, the findings reveal that relational networks, comprising bonding, bridging, and linking social capital, play crucial roles in fostering resilience, knowledge exchange, market access, and collective problem solving. Family businesses with strong internal and community networks can leverage social ties for mentorship, shared resources, and collaborative opportunities, thereby enhancing survival and competitiveness. Conversely, limited engagement with wider networks, weak linkages to financial institutions, and inadequate community participation restrict access to valuable information, resources, and markets. These insights speak directly to the third objective, which evaluates the effect of community associations and further reinforces the importance of relational connectivity in promoting adaptive capacity and long-term sustainability.

The study also confirms that family businesses are pivotal contributors to LED, community cohesion, and employment creation, which is consistent with the themes of economic contribution and LED identified in the thematic analysis. However, challenges related to governance, access to finance, technological adoption, and infrastructure constraints continue to limit their potential impact. In relation to the first and second objectives, the findings highlight that addressing these internal and external challenges through capacity-building initiatives, targeted business development programmes, and community-oriented strategies is essential for enhancing competitiveness, innovation, and overall sustainability.

By integrating these three theoretical frameworks, the study concludes that the sustainable growth of family businesses in the Makhado Local Municipality requires a multi-dimensional approach that simultaneously strengthens internal resources, ensures effective policy and institutional support, and cultivates robust relational networks. This comprehensive strategy fosters an enabling ecosystem in which family businesses can innovate, adapt to economic and regulatory changes, and contribute meaningfully to inclusive local development. Ultimately, the long-term resilience, competitiveness, and socio-economic impact of family businesses depend on coordinated interventions that align internal capabilities, external institutional structures, and social capital, thereby positioning these businesses as critical engines of sustainable economic growth and community well-being within the Makhado Local Municipality context.

## **5.6 CHAPTER SUMMARY**

Chapter 5 synthesised the findings of the study on family businesses in the Makhado Local Municipality and translated these insights into actionable recommendations for multiple stakeholders. The chapter opened with an introduction situating the conclusions within the research objectives, thematic findings, and theoretical frameworks, namely, RBV, institutional theory, and social capital theory. It provided detailed recommendations for family business owners, emphasising formalisation, succession planning, governance, entrepreneurial competence, innovation, technology adoption, financial management, and leveraging social and community networks. Recommendations for policymakers focused on enhancing institutional support, improving the accessibility of funding and training programmes, facilitating governance frameworks, promoting inclusive financing, supporting innovation and digital transformation, and integrating family businesses into LED strategies. Recommendations for future research highlighted longitudinal studies, comparative municipal analyses, digital transformation impacts, community and network influences, and evaluations of policy effectiveness.

Furthermore, the chapter reflected on the limitations of the study, including geographic specificity, sample size constraints, reliance on self-reported data, and time-bound data collection, which may affect the generalisability and comprehensiveness of the findings.

Finally, the chapter integrated a discussion of the key insights, emphasising that family business competitiveness is shaped by the interplay between internal capabilities, institutional support, and relational networks. The findings underscored the importance of coordinated strategies that build managerial and technical capacity, strengthen policy and institutional frameworks, foster innovation, and enhance social capital to ensure the long-term sustainability and socio-economic impact of family businesses in the municipality.

As the final chapter of this study, Chapter 5 concludes the research by linking insights from all preceding chapters. Chapter 1 introduced the study's background, significance, problem statement, and objectives, setting the foundation for understanding the challenges faced by family businesses in Makhado. Chapter 2 reviewed the literature and theoretical frameworks underpinning the study, offering context for the empirical investigation. Chapter 3 detailed the qualitative methodology employed to explore participants' lived experiences, while Chapter 4 presented and discussed the findings, revealing the key factors influencing family business performance. Collectively, these chapters provided a comprehensive understanding of the dynamics shaping family business sustainability. This final chapter, therefore, consolidates these insights into conclusions and practical recommendations aimed at fostering the competitiveness of family businesses within the Makhado Local Municipality and beyond.

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# APPENDICES

## APPENDIX A: APPROVED RESEARCH COLLOQUIUM REPORT



RESEARCH COLLOQUIUM REPORT  
COLLOQUIUM DATE: 13 NOVEMBER 2024  
DEPARTMENT OF BUSINESS MANAGEMENT  
COLLOQUIUM COMMITTEE

To: Mr. Mulalo Chikhala  
Master's Student of the Department of Business Management  
From: Department of Business Management Colloquium Committee  
Date: 13 November 2024

**STUDENT: Mr. Mulalo Chikhala**

**STUDENT NUMBER: 57368724**

**TITLE: EXPLORING FACTORS AFFECTING GROWTH, COMPETITIVENESS, AND SURVIVAL OF SMALL FAMILY BUSINESS IN THE MAKHADO LOCAL MUNICIPALITY**

**SUPERVISOR: Prof. N. RAMASIMU**

**CO-SUPERVISOR: Ms. L. MOTSEI**

Dear Mr. M. Chikhala

As detailed in the Standard Operating Procedures of the Colloquium Committee, you presented at the colloquium held on MS-Teams at 09H00 on the 13 November 2024. Your proposal was reviewed by a review panel and has been accepted, subject to the implementation of the suggestions contained in the document, as suggested by the review panel.

To that extent, the following concerns raised by the panel should be addressed in the reworked proposal.

- **Title of the dissertation:** The title is clear and a true reflection of what the study is all about.
- **Problem Statement:** The problem to be resolved by this study has been identified. However, the problem should be refined and unnecessary information about township businesses should be removed. The study focuses on small family businesses not township businesses.
- **Research objectives:** The purpose and objectives of the study are well-defined and are aligned to the research problem. The objectives are clear and indicates that the study will research what hinders and helps family businesses. The discussion of the background and problem focusses more on the hindering aspects, however, so it is suggested to add some information on the 'help' aspects as well.

**Background to the study:** The student provided a clear background leading to the identification of the problem. A discussion on the context of the study is lacking. Why the specific municipality was chosen is not addressed. Within the problem statement what has been done (and where) was



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not clearly demarcated. More depth is needed within the background/problem, but the current discussion is a good start. The importance of context of SMME and rural SMME studies should be included and stressed as part of the motivation for the study.

- **Literature Study:** The literature review is adequate at this level. Family-owned business definition can be refined to have a clear meaning. The theories to be used can be reduced to the first three since other theories like the agency theory might not be applicable to this study. However, the literature study was enjoyable to read and provided a good understanding of the state of SMME family businesses in RSA and globally. Some sections require more depth; however, it is sufficient to give the reader a glance at the context of the study and why the study is important.
- **Research Methodology:** The methodological choices for this study are correct and adequately explained except for the research strategy. The survey strategy is not aligned with the selected research approach. Some information is lacking regarding data collection. How will the student start to gather data? Although non-probability sampling do, they have a contact list to start with, will they visit the municipality and walk into businesses and enquire which is family owned? Will fieldworkers be used to assist in conducting the interviews?
- **Technical presentation:** The language use is appropriate for this level. The referencing is consistent although minor issues were identified and highlighted. The student is able to clearly convey the purpose of the study and the intensions through good academic writing. Some technical issues with referencing but easily corrected. The student's timeline is a bit tight and the student should know not to be discouraged if delays occur. Overall, a well thought out proposal and should make for an interesting study. Well done to the student!
- **Ethical requirements:** The study will adhere to ethical standards of the university and will pose little risk to participants.




#### FINAL DECISION

The committee confirms that the research proposal is acceptable, and that the student may continue with the dissertation registration. However, before starting registration, the student should address the issues raised by the panel to the satisfaction of the supervisor. The colloquium committee requires a Letter of Confirmation from the supervisor, indicating that the proposed recommendations were considered. Once received, a letter of support will be sent.

We would like to thank you for your hard work and wish you wisdom for the road ahead.

Kind regards,

The Research Colloquium Committee

Secretary: 	Chair: 	COD: PP 
Date: 18 Nov 2024	Date: 18/11/2024	Date: 19/11/2024



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## APPENDIX B: INTERVIEW GUIDE



MULALO CHIKHALA (57368724)

### INTERVIEW GUIDE

The semi-structured interview schedule consists of an initial stage in which the participant is prepared for the interview as well as the interview itself:

#### 1. PREPARING THE INTERVIEWER TO CONDUCT THE INTERVIEWS

- Ensure that the semi-structured interview questions are clear, relevant to the research objectives, and open-ended to allow participants to share detailed insights.
- Secure permission from relevant authorities, including the gatekeeper of the Makhado Local Municipality, and ensure participants provide informed consent before participating.
- Contact participants, confirm their availability, and set up a convenient date, time, and location for the interviews.
- Ensure that audio recording devices and notebooks are ready and functional while adhering to ethical guidelines for data protection.
- Conduct a test interview to refine the approach and ensure the questions are well-structured and understandable.
- Ensure a relaxed and confidential setting, making participants feel at ease and emphasizing that their responses will be kept confidential.
- Reiterate to participants that their participation is voluntary, their identities will remain confidential, and they have the right to withdraw at any time.

#### 2. INITIAL STAGE OF PREPARING THE PARTICIPANT

Inform the participants of the following:

- 2.1. Their rights as participants in the research.
- 2.2. The purpose of the interview.
- 2.3. The reason for their selection.



- 2.4. The anticipated duration of the interview.
- 2.5. That consent must be of their own free will.
- 2.6. Should the participant feel uncomfortable at any point in the interview, they should please notify the researcher so that the cause of the uncomfortableness can be addressed.
  - 2.6.1. The researcher will have a counsellor on standby should the participant need support services (If applicable);
  - 2.6.2. The interview location, if in person, will be the choice of the participant;
  - 2.6.3. The researcher will be very sensitive and will ensure the participants video is on whilst conducting the interviews so that the researcher can observe their behaviour and detect any possible signs of discomfort or distress. The researcher will also frequently check in with the participants if they are still fine and ready to continue with the interviews;
  - 2.6.4. The researcher will have their supervisor on standby should any instance occur, for an additional source to refer to, to ascertain the best course of action to protect the participant, the researcher and to ensure data is collected ethically;
  - 2.6.5. If the interview is done in person, the researcher will always have refreshments such as water and tissues available;
  - 2.6.6. The researcher will make it clear that the participant may take a break when needed and if the participant prefers that the interview be sectioned in shorter sessions;
  - 2.6.7. The researcher will strive to develop a positive regard throughout the interview.

### 3. INTERVIEW ITSELF

In this section the open-ended questions I intend to ask the participants:

#### Introductory questions:

- 3.1 Can you tell me a little about yourself and how you got involved in your family business?
- 3.2 What do you enjoy most about running a family business, and what do you find most rewarding about it?
- 3.3 What is a typical day like for you in your business, and what keeps you motivated?



**Objective 1: Classify the key factors that impact small family businesses' growth, competitiveness, and survival in the Makhado Local Municipality.**

3.4 What challenges do you face in running your family business, particularly in terms of growth and staying competitive in the Makhado Local Municipality?

3.5 What resources, skills, or strategies have you found most helpful in ensuring the survival and success of your family business?

3.6 How does the involvement of family members, including across generations, impact your business's operations and decision-making processes?

**Objective 2: Examine the challenges faced by small family-owned businesses in the Makhado Local Municipality.**

3.7 What are the most significant challenges your family business has faced in operating within the Makhado Local Municipality?

3.8 How have local factors, such as regulations, market access, or competition impacted your ability to grow or sustain your business?

3.9 What challenges do you experience in balancing family dynamics with the demands of running your business?

**Objective 3: Evaluate the effect of community associations, business development initiatives, and policies on the growth, competitiveness, and survival of small family-owned businesses in Makhado Local Municipality.**

3.10 How have community associations or local networks influenced the growth and competitiveness of your family business?

3.11 What impact have government policies or business development initiatives had on your business operations and sustainability?

3.12 What support or changes in community associations, initiatives, or policies would you recommend to support family businesses like yours better?

**Concluding questions:**

3.13 Would you like to add anything that was not part of the questions?

3.14 What are your hopes and aspirations for your family business, and what support do you think would help you achieve them?



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The following guidelines are recommended by UNISA to ensure the safety of the researcher and participant(s):

- Do not proceed with the intended contact data collection visit or meeting if the researcher and/or participant is feeling unwell.
- Telephonic pre-screening before the visit is advised, as well as keeping a register of participants that were involved in face-to-face data collection activities.
- The researcher and members of the research team must also be screened before any human participant contact. Keep evidence of the screening data signed by a witness.

#### 4. FINAL STAGE

In the final stage the interview is concluded by asking the participants if they would like to add anything (if applicable)

The participant will also be asked if they feel they need to speak to a professional counsellor as a result of perhaps reliving certain experiences that might have been discussed during the interviews. Participants will be referred to

.....  
..... should they feel they need counselling or further support.



## APPENDIX C: PARTICIPANTS' CONSENT FORM

### APPENDIX A: Human participant information sheet and consent template



#### PARTICIPANT INFORMATION SHEET

Ethics clearance reference number: 6574

Research permission reference number: 5/3/1 & 5/4/2

20/01/2025

**Title: EXPLORING FACTORS AFFECTING GROWTH, COMPETITIVENESS, AND SURVIVAL OF SMALL FAMILY BUSINESSES IN THE MAKHADO LOCAL MUNICIPALITY**

Dear Prospective Participant

My Name is Mulalo Chikhala, and I am doing research with Prof. NF. Ramasimu, a professor, in the Department of Business Management towards an MCom degree at the University of South Africa. We invite you to participate in a study titled: Exploring Factors Affecting Growth, Competitiveness, and Survival of Small Family Businesses in the *Makhado Local Municipality*.

#### WHAT IS THE PURPOSE OF THE STUDY?

The purpose of the study is to explore factors affecting the growth, competitiveness, and survival of small family businesses in the Makhado Local Municipality. It seeks to understand the internal and external challenges these businesses face, including succession planning, resource limitations, and market conditions, while identifying improvement opportunities.

By exploring these aspects, the study aims to provide insights that can guide business owners, policymakers, and stakeholders in developing strategies and interventions to support the sustainability of small family businesses. Additionally, the research seeks to contribute to the body of knowledge on family business dynamics in local contexts, helping to address gaps in understanding and fostering economic development in the Makhado Local Municipality.

### **WHY AM I BEING INVITED TO PARTICIPATE?**

As a participant and/or business owner, you were chosen to participate in the study because you represent the lived experiences and realities of running a small family business in the Makhado Local Municipality. Your experience in running a business, handling challenges, and making key decisions provides valuable insights into business operations, succession planning, and external pressures like competition and regulations.

Your participation is important in understanding the realities of family businesses and identifying ways to support their growth and survival. Real-life experiences like yours help uncover practical solutions that theory alone may not reveal. Your contact details were obtained from local business directories, municipal records, and referrals from the Makhado Local Municipality's Small Business Development Office. You were chosen because your business fits the study's focus on small, family-owned enterprises in the area.

The study will include around 15 participants to allow for in-depth discussions while ensuring privacy. Strict measures will protect your identity, including removing identifiable details, securely storing data, and handling responses carefully to maintain confidentiality.

### **WHAT IS THE NATURE OF MY PARTICIPATION IN THIS STUDY?**

As a business owner in this study, your role will be to share your experiences and insights through an interview. You will be asked open-ended questions about your business, including topics like growth, challenges, family involvement, and succession planning. With your permission, the interview will be audio-recorded to ensure accurate documentation. These recordings will only be used for transcription and will be deleted afterward to protect your privacy. Your responses will help provide a better understanding of the challenges and opportunities family businesses face in Makhado Local Municipality, contributing to valuable insights for the study.

### **CAN I WITHDRAW FROM THIS STUDY EVEN AFTER HAVING AGREED TO PARTICIPATE?**

Participating in this study is voluntary and you are under no obligation to consent to participation. If you decide to participate, you will be given this information sheet to keep and asked to sign a written consent form. You are free to withdraw at any time and without giving a reason. Your decision to participate or not will not affect any current or future interactions

with the researcher or any other related services or support. You may also choose to skip any question or part of the interview if you feel uncomfortable, which will not affect your involvement in the study.

#### **WHAT ARE THE POTENTIAL BENEFITS OF TAKING PART IN THIS STUDY?**

By taking part in this study, you will gain a better understanding of the challenges and opportunities family businesses face, especially when it comes to things like succession planning, growth, and handling outside pressures. The study's findings might offer helpful strategies and best practices to improve your business's success and sustainability. On a bigger scale, your involvement helps create a clearer picture of the issues small family businesses face in the Makhado Local Municipality.

The research aims to provide insights that can guide local leaders, policymakers, and other key figures in creating better support for family businesses. This could lead to improved resources and business development in the area. The findings could also inspire targeted policies to help family businesses grow and thrive, benefiting you and other business owners in the long run. Overall, your participation can help bring positive changes not only to your business but also to the larger business community and society.

#### **ARE THERE ANY NEGATIVE CONSEQUENCES FOR ME IF I PARTICIPATE IN THE RESEARCH PROJECT?**

While participating in this study, the potential level of inconvenience or discomfort is expected to be minimal. The interview process will involve open-ended questions and audio recording, which may require a small amount of time and effort on your part. Some participants may feel slightly uncomfortable sharing personal or business-related experiences, particularly when discussing challenges or difficulties. However, all questions will be respectful and focused on your experiences rather than requiring you to disclose sensitive or private information that you are uncomfortable sharing.

In terms of risks, there are a few reasonably foreseeable concerns:

##### **1. Confidentiality Risks:**

There is a minimal risk that others could identify your participation in the study, particularly if the information shared during the interview is too specific or detailed. To mitigate this, all personal identifiers (such as your name or business details) will be removed from the final research findings, and only aggregated data or anonymized responses will be shared.

2. Emotional Discomfort:

Some questions about business challenges or personal family dynamics may evoke emotional responses. While the research aims to explore these issues respectfully, some participants may feel vulnerable when discussing topics like succession planning or business struggles.

3. Time Commitment:

The interview may take 45 to 60 minutes, which could inconvenience participants with busy schedules. However, efforts will be made to schedule interviews at times that are most convenient for participants.

To address any potential discomfort or risks, you will be informed beforehand that your participation is voluntary and that you can withdraw at any time without consequence. If any injury or harm occurs due to the study, such as emotional distress, the researcher will refer you to appropriate support services or counseling. Additionally, any recordings or data will be securely stored, and your privacy will be protected throughout the study.

**WILL THE INFORMATION THAT I CONVEY TO THE RESEARCHER AND MY IDENTITY BE KEPT CONFIDENTIAL?**

Confidentiality will be strictly maintained throughout the research process to protect the identities and information of all participants. All data collected, including interview transcripts and audio recordings, will be securely stored and accessible only to the researcher and supervisors. Personal identifiers will be replaced with a code number during data analysis and reporting to ensure anonymity. Your name will not be recorded anywhere, and no one will be able to connect you to the answers you give. Your answers will be given a code number, and you will be referred to in this way in the data, any publications, or other research reporting methods, such as conference proceedings.

Your answers will be reviewed by the people responsible for making sure that research is done properly, which are the researcher, supervisors, and members of the Research Ethics Review Committee. Otherwise, records that identify you will be available only to people working on the study, unless you give permission for other people to see the records. Your responses will be de-identified and used solely for research-related purposes, including a research report, journal articles, and conference proceedings. All published findings will be presented in a way that ensures your privacy and confidentiality, with no personally identifiable information disclosed. Any transcribed data will be stored securely and permanently deleted once the research is complete.

### **HOW WILL THE RESEARCHER(S) PROTECT THE SECURITY OF DATA?**

The researcher will store hard copies of your answers for a maximum period of fifteen (15) years in a locked cupboard/filing cabinet; this time frame allows for future reference, verification, or secondary analysis if needed. The data collected during the study, including audio recordings and interview transcripts, will be securely stored in a password-protected digital format. The storage location will be on a secure, encrypted device (such as an external hard drive or cloud storage platform), ensuring that only authorised personnel can access it. For future research or academic purposes, electronic information will be stored on a password-protected computer. Future use of the stored data will be subject to further Research Ethics Review and approval if applicable.

To ensure confidentiality and protect participants' privacy, all data will be securely destroyed after the retention period of 15 years. This will involve the following procedures:

1. **Electronic Data:** All digital files, including audio recordings, interview transcripts, and any related documents, will be permanently deleted from the storage system. The files will be erased using data-wiping software that ensures the data cannot be recovered.
2. **Physical Documents:** Any printed materials related to the research, such as consent forms or notes, will be securely shredded to prevent any unauthorised access to the information.

The researcher will carry out these procedures, and a record of data destruction will be kept to confirm the secure disposal of all study materials.

### **WILL I RECEIVE PAYMENT OR ANY INCENTIVES FOR PARTICIPATING IN THIS STUDY?**

There will be no payment or financial reward offered to participants for their involvement in this study. Participation is voluntary, and no compensation will be provided for the time spent or the information shared during the interviews. However, as a gesture of appreciation for their time and input, participants will be offered a thank-you note after the study. There are no direct costs for participants. All costs related to the study, including interview scheduling, data collection, and analysis, will be covered by the researcher. Participants will not incur any expenses related to travel, accommodation, or participation in the study. If any participant requires assistance with travel to and from the interview location, reasonable arrangements will be made to ensure that the participation process remains accessible and does not pose a financial burden. The study adheres to the principle of justice, ensuring that participants are not unfairly burdened or

inconvenienced and that no group is disproportionately asked to bear the costs or risks of participation.

#### **HAS THE STUDY RECEIVED ETHICS APPROVAL?**

This study has received written approval from the Research Ethics Review Committee of the Business Management ERC, Unisa. If you wish, you can obtain a copy of the approval letter from the researcher.

#### **HOW WILL I BE INFORMED OF THE FINDINGS/RESULTS OF THE RESEARCH?**

If you would like to be informed of the final research findings, please contact Mulalo Chikhala on 072 709 9218 or email [57368724@mylife.unisa.ac.za](mailto:57368724@mylife.unisa.ac.za). The findings of the study will be accessible for 15 years following the completion of the research. During this time, the results may be shared with stakeholders, such as business owners, policymakers, and academic institutions, as well as published in academic journals or presented at conferences. After this period, the data and findings will no longer be accessible, and all related materials will be securely destroyed.

Should you have concerns about the way in which the research has been conducted, you may contact Prof. NF. Ramasimu, by email: [ramasnf@unisa.ac.za](mailto:ramasnf@unisa.ac.za) and Tel: (012) 429 6518. Contact the research ethics chairperson of the Department of Business Management Ethics Research Committee (ERC), Dr. P. Bester, by email: [Besterp1@unisa.ac.za](mailto:Besterp1@unisa.ac.za) and Tel: (012) 429 3103 if you have any ethical concerns.

Thank you for taking the time to read this information sheet and for participating in this study.

Yours sincerely.



Mulalo Chikhala  
(072) 709 9218

### CONSENT TO PARTICIPATE IN THIS STUDY

I, \_\_\_\_\_ (participant name), confirm that the person asking my consent to take part in this research has told me about the nature, procedure, potential benefits and anticipated inconvenience of participation.

I have read (or had explained to me) and understood the study as explained in the information sheet.

I have had sufficient opportunity to ask questions and am prepared to participate in the study.

I understand that my participation is voluntary and that I am free to withdraw at any time without penalty (if applicable).

I am aware that the findings of this study will be processed into a research report, journal publications and/or conference proceedings, but that my participation will be kept confidential unless otherwise specified.

I agree to the recording of the semi-structured interview.

I have received a signed copy of the informed consent agreement.

Participant Name & Surname..... (please print)

Participant Signature.....Date.....

Researcher's Name & Surname.....(please print)

Researcher's signature.....Date.....

## APPENDIX D: REQUEST FOR PERMISSION LETTER

### GATEKEEPER PERMISSION LETTER



Request for permission to conduct research at the Makhado Local Municipality.

**Title: EXPLORING FACTORS AFFECTING GROWTH, COMPETITIVENESS, AND SURVIVAL OF SMALL FAMILY BUSINESSES IN THE MAKHADO LOCAL MUNICIPALITY**

20/01/2025

Mr. EM. Nangambi  
Civic Centre Building, 83 Krogh Street  
Makhado Local Municipality: Corporate Services Department  
Tel: 015 519 3000 / Email: [EsromM@makhado.gov.za](mailto:EsromM@makhado.gov.za)

Dear Mr. EM. Nangambi,

I, Mulalo Chikhala, am doing research with Prof. NF. Ramasimu, a professor in the Department of Business Management, towards an MCom degree at the University of South Africa. We are inviting you to participate in a study entitled: Exploring Factors Affecting Growth, Competitiveness, and Survival of Small Family Businesses in the Makhado Local Municipality.

The study aims to explore factors affecting the growth, competitiveness, and survival of small family businesses in the Makhado Local Municipality. By identifying challenges such as succession planning, resource limitations, and external market pressures, the study seeks to gain a deeper understanding of the unique dynamics faced by these businesses. The research also aims to provide actionable insights and recommendations for stakeholders, including business owners, policymakers, and community leaders, to support the long-term sustainability and success of small family businesses in the municipality.

The municipality has been chosen because it provides a unique and underexplored context for understanding the growth and survival of small family-owned businesses. Makhado is a region with a significant number of small family businesses, many of which face challenges such as limited resources, low survival rates, and difficulties in transitioning across generations. These

challenges align with the focus of the research, making the municipality an ideal study for addressing critical gaps in knowledge about family business dynamics in a local context.

Additionally, the municipality's socio-economic environment offers valuable insights into how external factors, such as market conditions, regulatory frameworks, and access to resources, impact small family businesses. The municipality's local business ecosystem also presents opportunities to explore how cultural and societal factors influence small family-owned businesses.

The study will use qualitative methods to explore the experiences and challenges faced by small family-owned businesses in the Makhado Local Municipality. Semi-structured interviews will be conducted with selected business owners to gain in-depth insight into their perspectives, challenges, and strategies for growth and sustainability. These interviews will be audio-recorded with participants' consent and supported by notetaking to ensure accurate data capture. Additionally, the researcher requests access to the municipality's database of registered small businesses in the Makhado Local Municipality to support the participant selection process, the researcher will then select 20 family businesses that have been operating for at least five years to conduct interviews, providing flexibility in case some owners choose not to participate. The findings from this research will be used to identify key factors that influence the success and longevity of small family businesses and to provide actionable recommendations for improving their sustainability.

The benefits of this study are that it will provide actionable insights into the key challenges and opportunities that affect the growth and survival of small family-owned businesses. Business owners can use these findings to develop strategies for sustainability, improve succession planning, and adapt to changing market conditions. The research will also offer valuable recommendations to local policymakers and government institutions on how to support small family businesses effectively. This includes guidance on creating supportive regulations, enhancing access to resources, and addressing specific barriers businesses face in the Makhado Local Municipality.

By identifying and addressing factors that hinder the growth of small family businesses, the study can contribute to reducing the failure rate of these businesses, thereby boosting local economic development and job creation in the region. It will also strengthen family-owned businesses and enhance their role as drivers of economic activity, creating a ripple effect of benefits for communities through improved livelihoods and economic stability. Finally, the research will fill a gap in the literature by focusing on small family businesses in a local South

African context, providing a foundation for future studies and expanding theoretical knowledge in the field.

Potential risks in this study include the possibility of a loss of confidentiality if sensitive business information shared during interviews is not adequately protected. To address this, all data will be anonymised, and identifying details will not be included in reports or publications. Discussing business challenges may cause emotional discomfort for some participants; however, the researcher will provide a supportive environment and allow participants to pause or withdraw at any point. Time commitment may also be an inconvenience, as interviews will require participants to dedicate 45-60 minutes away from their business activities, but this will be minimised by scheduling at their convenience. Additionally, in small communities like Makhado, there is a risk of unintentional identification despite efforts to anonymise data. The researcher will take extra care to generalise descriptions to protect identities. If any issues of harm or distress arise, participants will have the option to withdraw, and support resources will be made available if needed.

The feedback procedure will entail multiple channels to ensure participants can share their thoughts and concerns throughout the research process. At the start of the study, participants will be informed about the feedback mechanisms available to them. These include direct communication with the researcher via email and/or phone, allowing participants to confidentially express any issues or suggestions. After each interview, participants can provide immediate feedback regarding their experience and the questions asked. If required, a follow-up session may be arranged to address any specific concerns or clarify issues raised during feedback. Participants will also be given the contact details of UNISA's ethics committee chairperson should they wish to raise concerns about the research conduct. This approach ensures that participants feel valued, heard, and respected throughout the study.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mulalo Chikhala', with a stylized flourish above the name.

Mulalo Chikhala  
(072) 709 9218  
Researcher

## APPENDIX E: APPROVED LETTER FROM GATEKEEPERS



# MAKHADO MUNICIPALITY

*Vision: A dynamic hub for socio-economic development by 2050*  
*Mission: To ensure effective utilization of economic resources to address socio-economic imperatives through mining, agriculture and tourism*

Ref.: 5/3/1 & 5/4/2  
Enq.: N Dagada  
Cell: 0829279219  
Date: 15 May 2025

Chikhala M  
607 UNISON Flats  
89 Vlok Street  
PRETORIA  
0002

Sir

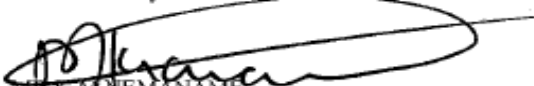
**REQUEST TO ALLOW MR M CHIKHALA PERMISSION TO CONDUCT RESEARCH UNDER THE TITLE "EXPLORING FACTORS AFFECTING GROWTH, COMPETITIVENESS AND SURVIVAL OF SMALL FAMILY BUSINESS IN MAKHADO LOCAL MUNICIPALITY"**

We are writing this letter in order to confirm that Mr M Chikhala has been given permission to conduct research on the above-mentioned topic in Makhado Municipality including in Council records provided:

1. Research activities will not disturb the normal operation of the Municipality.
2. Prompt and timeous arrangements must be made with the Departmental Head concern when assistance is required.
3. Copy of the research findings / thesis must be submitted to the Municipality.
4. The Municipality has no power over research conducted with community members and this part will be performed with the community at their own free will.
5. Research will be for a period of six months which can be extended for a further period determined by the Municipal Manager.
6. Confidential records / information must not be reflected in thesis documents.
7. The collection of data for research will be conducted based on prior arrangements to be made before the meeting with the Department of Development Planning.
8. The Municipality is indemnified against any claims for damages by the applicant which may result directly or indirectly from the research activity.
9. Research information may not be used for any form of publication media other than the applicant's studies expect with permission of the Municipality.
10. The Authorization is granted in line with provisions of the Municipality Access to Information Manual read with the Promotion to Access to Information Act, and the National Archives Act and approved by the relevant Head of the Department (HOD) with regards to the classification of information.

Hope you find this in order.

Yours faithfully

  
M. K. M. NEMANAME  
MUNICIPAL MANAGER

## APPENDIX F: APPROVED ETHICAL CLEARANCE CERTIFICATE



College of Economic and Management Sciences\_ERC Business Management

Date: 26/06/2025

Dear: Mr Mulalo Chikhala

**Decision: Ethics Approval from 26 June 2025 to 26 June 2028**

NHREC Registration # : (if applicable)

Ref #: 6574

Name: Mr Mulalo Chikhala

Student #: 57368724

Staff #:

**Researcher:** Mr Mulalo Chikhala  
607 Unison Flats, 89 Vlok Street, Sunnyside, Pretoria, 0002  
Pretoria  
57368724@mylife.unisa.ac.za 0727099218

**Supervisor:** Prof Ntsieni Ramasimu ramasnf@unisa.ac.za

**Co-Supervisor:** Miss Lerato Motsei motsell1@unisa.ac.za

### **EXPLORING FACTORS AFFECTING GROWTH, COMPETITIVENESS, AND SURVIVAL OF SMALL FAMILY BUSINESSES IN THE MAKHADO LOCAL MUNICIPALITY**

**Qualification:** Master of Commerce in Business Management

Thank you for the application for research ethics approval by the College of Economic and Management Sciences\_ERC Business Management for the above-mentioned research study. Ethics approval is granted for **three years**.

The **low-risk application** was **reviewed** by the College of Economic and Management Sciences\_ERC Business Management on **26 June 2025** in compliance with the Unisa Policy on Research Ethics and the Standard Operating Procedure on Research Ethics Risk Assessment.

The proposed research may now commence with the provisions that:

1. The researcher(s) will ensure that the research project adheres to the values and principles expressed in the UNISA Policy on Research Ethics.
2. Any adverse circumstance arising during the undertaking of the research study that may affect the ethical integrity of the study, including those involving research participants, third parties, or juristic persons, must be reported in writing to the College of Economic and Management Sciences\_ERC Business Management without delay.
3. The researcher(s) will conduct the study according to the methods and procedures set out in the approved application.
4. Any changes that may affect study-related risks to research participants, juristic or third persons, must be reported in writing to the College of Economic and Management Sciences\_ERC Business Management, accompanied by a progress report.
5. The researcher will ensure that the research study complies with all applicable national legislation, professional codes of conduct, institutional guidelines, and scientific standards relevant to the specific field of study. Where applicable, adherence to the following South African legislation is essential: the Protection of Personal Information Act (No. 4 of 2013), the Children's Act (No. 38 of 2005), and the National Health Act (No. 61 of 2003)

6. Future use of this research data is permitted only in de-identified form and only for secondary research with objectives similar to those of the original study. Any secondary use involving identifiable human data will require additional ethics clearance.
7. No fieldwork activities may continue beyond the stated expiry date **26 June 2028**. A completed Research Ethics Progress Report must be submitted as an application for renewal and is subject to approval by the Research Ethics Committee. A Close-Out Report must be submitted upon completion of the research study.
8. The College of Economic and Management Sciences\_ERC Business Management may require the submission of regular progress reports on an **annual** basis, in alignment with Section 7.2 of the Unisa Policy on Research Ethics (2024).

**Additional Conditions**

1. Disclosure of data to third parties is prohibited without explicit consent from the research participants and Unisa.
2. Research data must be stored in compliance with the university's research data management policy for a period of up to 15 years.
3. When publishing the results, the researcher must take appropriate precautions to safeguard the confidentiality and privacy of the research participants, juristic persons, third parties, and the university, in accordance with institutional policies and ethical standards.
4. Adherence to the National Statement on Ethical Research and Publication Practices, specifically Principle 7 on Social Awareness, must be ensured. This principle states: 'Researchers and institutions must be sensitive to the potential impact of their research on society, marginal groups, or individuals, and must consider these when weighing the benefits of the research against any harmful effects, with a view to minimising or avoiding the latter where possible.' The University of South Africa (Unisa) accepts no liability for any failure to comply with this principle.

**Note**

The reference number 6574 should be clearly indicated on all forms of communication with the intended research participants, as well as with the Committee.

Kind regards,



Dr Nadia van Huyssteen  
Chair of College of Economic and Management Sciences\_ERC Business Management  
E-mail: marxn@unisa.ac.za



Prof Maelekanyo Christopher Mulaudzi  
Executive Dean / By delegation from the Executive Dean of College of Economic and Management Sciences\_ERC Business Management  
E-mail: tshilmc@unisa.ac.za

## APPENDIX G: TRANSCRIBED INTERVIEW

### PARTICIPANTS INTERVIEWS

#### Title: EXPLORING FACTORS AFFECTING GROWTH, COMPETITIVENESS, AND SURVIVAL OF FAMILY BUSINESSES IN THE MAKHADO LOCAL MUNICIPALITY

Every participant received a secret code from the researcher, rather than their actual identity. This participant is referred to as B21P21, representing Business Twenty-one (21) and Participant Twenty-one (21).

#### Introductory questions:

1. **Interviewer:** Can you tell me a little about yourself and how you got involved in your family business?

**B21P21:** My name is B21P21. I got involved in the business to support my husband in continuing the legacy of the generational wealth that my father-in-law started.

2. **Interviewer:** What do you enjoy most about running a family business, and what do you find most rewarding about it?

**B21P21:** Running a family business, you are your own boss. The SWOT analysis that you plan throughout the year, you deal with it yourself. What I enjoy the most is seeing our employees improve their lives and satisfy them more than myself.

3. **Interviewer:** What is a typical day like for you in your business, and what keeps you motivated?

**B21P21:** We deal with plant production, so every day we scout all the plants for any diseases and plan if things are not going well. There is no time to rest; every day is a typical day. What keeps me motivated is the plans that I have put down coming together.

**Objective 1: Classify the key factors that impact family businesses' growth, competitiveness, and survival in the Makhado Local Municipality.**

4. **Interviewer:** What challenges do you face in running your family business, particularly in terms of growth and staying competitive in the Makhado Local Municipality?

**B21P21:** As a family business, all family members are involved, so the challenge is when we do not have the same plan and vision for the business. However, we do tackle that by voting.

|t

5. **Interviewer:** What resources, skills, or strategies have you found most helpful in ensuring the survival and success of your family business?

**B21P21:** Proper planning. We plan our calendar for when to plant and harvest. So each crop that we plant takes up to 3 months to harvest, we have 37 hectares, so we plan on when to harvest. We make sure we harvest every month. Again, we make sure we keep weeds away.

6. **Interviewer:** How does the involvement of family members, including across generations, impact your business's operations and decision-making processes?

**B21P21:** Each year, we plan what is best for the farm. As a family business, we agree and disagree because other members are not interested in farming; however, unity is important. Moreover, siblings sometimes see you as a threat. It is better to give them the results, not plan with them.

**Objective 2: Examine the challenges faced by family-owned businesses in the Makhado Local Municipality.**

7. **Interviewer:** What are the most significant challenges your family business has faced in operating within the Makhado Local Municipality?

**B21P21:** The Electricity bill is high. Moreover, the family members want dividends, but the bills to be paid are very high. We are registered as SA Gap; however, we are struggling to get contracts because the Makhado Local Municipality is very far from our potential buyers' pack house, the big brands that we would love to supply.

8. **Interviewer:** How have local factors, such as regulations, market access, or competition impacted your ability to grow or sustain your business?

**B21P21:** We have applied for grants, but the government is not assisting us. We reached out to the government when we were affected by natural causes, but they did not assist.

9. **Interviewer:** What challenges do you experience in balancing family dynamics with the demands of running your business?

**B21P21:** Since working with my husband, it has brought us closer and improved our relationship. As for the children, we make time for them; the only challenge is when it is harvesting season, when we knock off late.

**Objective 3, 4, and 5: Evaluate and assess the effect of community associations, business development initiatives, and policies on the growth, competitiveness, and survival of family-owned businesses in Makhado Local Municipality.**

10. **Interviewer:** How have community associations or local networks influenced the growth and competitiveness of your family business?

**B21P21:** It does help because when we are harvesting, we get more than 100 part-time employees from the community to assist, and it is very helpful.

11. **Interviewer:** What impact have government policies or business development initiatives had on your business operations and sustainability?

**B21P21:** The Government restricts us from employing foreign nationals, which affects us because they are hard workers. When we try to get a work permit is a long and fruitless process.

12. **Interviewer:** What support or changes in community associations, initiatives, or policies would you recommend to support family businesses like yours better?

**B21P21:** Funding, we would like to get funding. It would be better for the Municipality to disconnect us from Eskom electricity and provide us with solar panels. Also, support with fertilisers and chemicals because they are unreasonably expensive. Fighting against crime would also help.

**Concluding questions:**

13. **Interviewer:** Would you like to add anything that was not part of the questions?

**B21P21:** Running a business for us is not about making money, but about improving the lives of our community, and the rest will follow. We would not be where we are if we were chasing profit. Furthermore, fall in love with what you do, and all things will work out. Put your employees first.

14. **Interviewer:** What are your hopes and aspirations for your family business, and what support do you think would help you achieve them?

**B21P21:** My dream is to get more contracts from big brands. We would love to supply more products around the country to big brand companies and wholesalers, but we are limited due to that we are in the Makhado Local Municipality.

## APPENDIX H: LANGUAGE & TECHNICAL EDITING CERTIFICATE

### LANGUAGE & TECHNICAL EDITING CERTIFICATE

BK EDITORIAL AND PUBLISHING (PTY) LTD [REG: 2020157767/07] [WWW.BKEDITORIALS.COM]

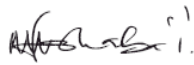
certifies that the work titled

**"EXPLORING FACTORS AFFECTING GROWTH,  
COMPETITIVENESS AND SURVIVAL OF SMALL  
FAMILY BUSINESSES IN THE  
MAKHADO LOCAL MUNICIPALITY"**

**authored by Mulalo Chikhala**

has been edited and proofread to improve grammar, consistency,  
readability, flow, and logic.

29 DECEMBER 2025



Mr KM Leshaba, Managing Editor  
[bkeditorials@gmail.com](mailto:bkeditorials@gmail.com)



European Association of Science  
Editors Membership 5471