

STRATEGIC SIGNIFICANCE OF THE MEDIATING ROLE OF TRAINING TOWARDS ENHANCING EMOTIONAL INTELLIGENCE (IE) OF SMME OWNER/MANAGERS

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ABSTRACT

Orientation: *SMME success is sacrosanct to a country's economic growth, for eradication of myriad of socio-economic maladies. Sadly, research continues to show that the majority SMMEs in SA do not remain in business for more than three years on average. Despite causes for their mortality rate being documented, very little is known of the impact of training on entrepreneurs' Emotional Intelligence (EI) on business success.*

Research purpose: *This paper explores the influence of training as a mediating variable towards enhancing entrepreneurs' EI in rallying the workforce for sustainable business success.*

Motivation for the study: *There is little documented evidence regarding the relationship between entrepreneurs' EI and business success. Leaders' success is related closely to how they interact with people, and few SMME owners possess good communication skills nor do they comprehend how easily these can be learnt.*

Research design, approach and method: *A quantitative research approach employing a survey that was descriptive in nature, involving a cross-sectional research design was chosen. A purposive sample was utilized to collect data from 196 entrepreneurs in Mangaung Metropolitan Area. Data was analysed using one-way ANOVA, Pearson product-moment correlations and simple linear regression analysis.*

Main findings: *The study reveals that entrepreneurs with reasonable training are conscious of their emotions and are more successful in their business ventures than those without training. Patience and tolerance levels are higher among older entrepreneurs, while their younger counterparts are more competitive and driven by instant results, plus being more receptive and open-minded to upskilling interventions.*

Practical/managerial implications: *Success is achieved through people, and their efficient management requires a balanced approach and learned people skills, such as EI which is a critical capability towards SMME growth and profitability.*

Contribution/value-add: *The engendering of a Training and Development (T&D) culture within the SMME sector could yield far better sustained results than merely 'tossing money' at the problem.*

Keywords: Business Success, Emotional Intelligence (EI), Entrepreneurs, SMMEs, South Africa, Training

INTRODUCTION

There seems to be an agreement amongst politicians, economists and corporate analysts that Small, Medium and Micro-Sized Enterprises (SMMEs) are engines of economic development. A stable SMME sector contributes considerably to the economy by providing more

job opportunities, producing higher production rates, rising export sales, and incorporating entrepreneurship development skills. The dynamic function of SMMEs in developing countries guarantees that they are the engines through which the country's development objectives can be attained (Mahembe, 2011). When one considers the significance of SMMEs and their impact on the global economy and, more specifically in South Africa, there are still various problems and concerns that restrict growth and development. Chipunza (2014) highlights typical challenges faced by SMMEs, as depicted in Table 1 below. Linked to this phenomenon is the fact that the employment creation needed to both propel economic activities and quell a multitude of socio-economic maladies has become 'a real thorn in the flesh' for most leaders around the globe. Sustained growth and success of small businesses are commonly asserted as a remedy and, therefore, leadership qualities of entrepreneurs are critical. However, documented reports paint a gloomy picture, because most of these newly established SMMEs fail to survive beyond three years on average (Arham, Boucher & Muenjohn 2013; Global Entrepreneurship Monitor, 2014), a situation that no economy can afford. Mbonyane (2006) highlights the reasons that lead to the loss of small companies as inadequate preparation, lack of knowledge in small business control and leadership (training), absence of productivity among workers, inadequate interaction with clients, lack of project control, insufficient level of the innovation utilized, inappropriate setting (infrastructure), lack of inventory control, insufficient funds and financial assistance, lack of working capital resources and low crime prevention. Nkosi, Bounds & Goldman (2013) suggest the following as critical corporate proficiencies needed by entrepreneurs: marketing skills, financial skills, legal skills, conceptual skills, interpersonal skills and technical skills. Of these skills, this article focuses specifically on interpersonal skills, without necessarily discounting the importance of the other listed proficiencies.

Generally, SMMEs are more often than not besieged by the principal-agent problem. Success in business ventures, especially SMMEs, does not hinge solely on the entrepreneur, but also on the team's ability to execute the owner/manager's vision and plans due to various challenges that both directly and indirectly affect employees. Sometimes resulting in employees becoming dispirited, leading to rising absenteeism, low morale and below average performance, making it extremely difficult for organizations to reach a competitive edge in this dynamic global marketplace (Naidoo, 2014). It is our contention that EI becomes a perfect tonic for entrepreneurs to overcome this problem, making training for this attribute extremely essential.

Table 1: Challenges faced by small businesses

No.	Challenges	Explanation
1	Unfavourable regulatory framework	The SMMEs regulatory framework is designed for large businesses and imposes additional hassles to small businesses (Christianson, 2003). It consists of complex and multiple bureaucratic constraints. For example, high taxes, lengthy process of registration and centralization of registering processes and high borrowing rates (Financial Gazette, 2011).
2	Lack of access to and high cost of finance	Most small business lack equity to finance their enterprises and invariably resort to borrowing (Brush, Carter, Gatewood; Greene and Hart, 2006). Access to financing either for start- up or as working capital remains a challenge as financial institution demand collateral while the cost of debt is high. The average cost of debt in Zimbabwe is 24% per annum (Financial Gazette, 2011).
3	Lack of awareness of support organizations.	Small businesses are unaware of support organizations that they could turn to for assistance in terms of professional advice, financial services, legal and labour disputes. For example, lack of support from mainly financial contribute to high small business failure rate in South Africa (DTI, 2008).
4	Limited access to markets	Small businesses lack marketing information and networking skills essential for growing both domestic and foreign markets (Van Scheers, 2011). In addition, lack of marketing skills is positively correlated with business failure (Rogerson, 2007).
5	Poor and limited access to infrastructure	More often small businesses are negatively affected by security of tenure as landlords charge exorbitant rentals forcing them to be nomadic thereby losing some loyal customers and supply chains. Since local authorities enforce regulations that are very strict in terms of SMMEs designated operating sites, these put pressure on small businesses to operate from sites which may not be the best locations for their businesses and hence end up occupying unauthorised areas. Unauthorized working areas attract heavy fine which most SMMEs are not able to pay thereby forcing some of business to cease operating.
6	Lack of entrepreneurial skill	Despite being regarded as the bedrock of an economy and key drivers of economic growth, small businesses suffer skills deficiencies that often endanger their sustainability (Urban and Naidoo, 2012). Critical areas with deficiencies include financial and marketing skills

Source: Chipunza (2014)

The recent global economic downturn has not helped the financial sustainability of SMMEs, and South Africa has not been spared from its devastating effects. Entrepreneurship, the role and optimal operation of SMMEs, has never been more important, especially for developing economies such as that of South Africa. As mentioned above, SMMEs are significant drivers of economic activity and ensuring efficiency, profitability and sustainability are requirements for an intelligent leader/manager or entrepreneur. There is a plethora of documented reasons why small businesses tend to fail. For example, Arham, et al., (2013) mentioned that numerous scholars such as Beaver (2003); Ihua (2009) suggest that small enterprise loss is synonymous with incompetent leadership. Beaver's (2003) study of various observational and analytical studies on the achievements and shortcomings of small firms demonstrated that a significant percentage of such entities fail due to internal aspects of the business, such as the poor leadership and incompetent managerial skills of prominent stakeholders within the company. Arham, et al., (2013) documented that empirical results by Ihua (2009), comparing crucial causes of failure for SMMEs in the United Kingdom and Nigeria, identified poor management and lack of

competence as the major factors affecting business growth in the United Kingdom, while adverse fiscal circumstances and inadequate infrastructure development were the essential aspects of poor business performance in Nigeria.

For a country such as South Africa, Van Aardt & Bezuidenhout (2002) recognized eight main causes of failure for SMMEs. Such factors include ineffective leadership abilities, bad record control, poor financial control, very little promotional initiative, poor management and planning, poor sales strategies, insufficient human resource development, and the failure of the corporate owner to respond to changing customer needs. Mboniyane (2006) cited McGregor (2004), who found that many corporate owners have no means of explaining why their hard-earned money and funds have disappeared, let alone forecast their company's long-term position, and, thus, training interactions that will improve both their business knowledge and vision have become imperative. Undoubtedly, entrepreneurship and economic growth are sides of the same coin. The growth of entrepreneurship through societies, markets and regions is a core aspect of global transition, as is demonstrated by Wright & Marlow (2012). For modern organizations to be meaningfully competitive, enterprising qualities and attitudes are prime prerequisites for both managers and leaders, both traits of Emotional Intelligence (EI), normally associated with leadership. Arham, et al., (2013) noted that several researchers such as (Bryant, 2004; Cogliser & Brigham, 2004) established that leadership has acquired considerable focus in the context of entrepreneur innovation, because it has been recognized that entrepreneurs cannot effectively create new projects without the existence of appropriate leadership behaviour. Similarly, in the last decade or so, greater emphases has been placed on studies outlining the importance of EI for successful leadership (Carmeli, 2003). Most of this research has focused on studies conducted within large well-established businesses. Very little research has concentrated on the connection between SMMEs' success and the EI of entrepreneurs within the South African context, and the role of training as a mediating variable to enhance this relationship and improve business performance, thus, motivating the need for further investigation – hence this paper.

Emotional Intelligence (EI) in Perspective

The seminal work in answering why some people are better at reading emotions than others is arguably the research study of Mayer, DiPaolo & Salovey (1990). Their follow-up study suggested the first concept of EI and brought this concept to the attention of the scientific community (Olakitan, 2014:263; Salovey & Mayer, 1990). According to Serrat (2017), EI is commonly characterized as the potential to be mindful of, monitor and communicate an individual's feelings and to maintain personal interactions judiciously and empathically. In realistic terms, these practices may be defined as 'emotional literacy' and imply being conscious that feelings can influence one's actions both positively and negatively and understanding how to handle these feelings – both our own and those of others. Instances of high-pressure circumstances that allow us to control our feelings cleverly involve:

- Providing and receiving constructive criticism,
- Honouring strict timelines,
- Coping with complicated partnerships,
- Coping with inadequate capital and resources,
- Coping up with change, and
- Coping up with limitations and challenges.

An investigation into the connection between EI and work performance demonstrates varying findings: some research papers have identified positive relationships, while other

researchers have not managed to identify either a positive or an unreliable correlation. These findings prompted authors Côté & Miners (2006) to suggest a countervailing hypothesis regarding EI and IQ, which suggests that the correlation of EI and work success becomes more favourable as cognitive intelligence increases, a concept first suggested in the sense of educational attainment (Petrides, Frederickson & Furnham 2004). The findings of the overall research into this phenomenon indicate the countervailing framework: workers with low cognitive ability have higher employee performance and operational citizenship behaviour targeted at the organization, the higher their EI. It is interesting to note that the meta-analytical analysis by Joseph & Newman (2010) have shown that both 'Skill EI' and 'Trait EI' appear to forecast job results much stronger in positions that involve a high level of interpersonal work ('emotional work' is described as occupations that involve an efficient demonstration of positive emotions). On the other hand, EI has no connection to work efficiency in occupations that do not need emotional labour. In addition, intellectual ability appears to forecast position performance for emotional occupations, as suggested by Nazari & Madani (2013). In the case of entrepreneurs, enhancing their skills through training will eliminate the 'agency problem' and ensure sustainable growth through employee commitment. One of the current research studies indicates that the EI is not inherently a consistently positive function. A negative association among both EI and organizational job responsibilities has been identified. In contrast, while a negative correlation between EI and teamwork efficiency has been identified at low levels of managerial tasks. The reason for these results may be that there are sexual disparities for EI, because women appear to perform better than men for EI. This fact emphasizes the notion that the perspective of task plays an impact on the link between EI, team cohesion, efficiency and work engagement rating. Further research examined the potential correlation between EI and economic development and performance in keeping with several other study results with respect to IT and employee productivity. The EI rates only forecasted a tiny proportion of entrepreneurial behaviour. It is for this reason that the authors' of this article chose to introduce training as a mediating variable to this relationship between EI and economic development and performance within the context of South African SMMEs.

Strategic Effects of Training on SMME Success

Ingrained training culture is a critical factor and necessary investment to turn the fortunes of individuals, organizations and the economy as well as guaranteeing competitive advantage, more so for developing countries such as South Africa (Naong, 2014) that rely on SMMEs to drive economic growth. Appropriate skill, knowledge and attitude for optimal performance and efficiency can be acquired through appropriate training interventions. T&D is an enlightening process whereby employees can acquire new information and re-learn and reinforce existing knowledge and skills within an organisation (Long, Kowang, Chin & Hee, 2016).

Daniel (2018) opined that effective training is beneficial for the firm in variety of ways because it plays a vital role in building and maintaining capabilities, both on an individual and organizational level and, thus participates in the process of organizational change (Ezigbo, 2011). Moreover, it enhances the retention capacity of a talented workforce, hence, decreasing the unintentional job rotation of the workers (Jones & Wright, 1992; Shaw, Delery, Jenkins & Gupta, 1998). Furthermore, training interventions indicate the firm's long-term commitment towards its workers and increases the employees' motivational level (Pfeiffer, 1994). For owner/managers of SMMEs not to offer relevant superior quality training to their new and current employees damages not only the progress of individual employees but also the organisation's development and growth (Andries, 2016). Entrepreneurs with a high level of EI

are not only aware of their own strengths and weakness but also are empathetic towards their co-workers, thus, influencing their work behaviours towards achieving organizational goals.

The Significance of Small and Medium Enterprises in Perspective

The importance of the SMMEs across markets around the world is known, regardless of the level of economic growth (Mahembe 2011). The significant aspects of small corporates in many African nations, including Burkina Faso, Côte d'Ivoire, Ghana, Kenya, Malawi, Nigeria, Togo and Uganda, among others, are equally acknowledged by Smit & Watkins (2012). Research by Rwigema & Karungu (1999) indicates that for most economies, SMMEs lead in statistics. In economically developed nations, including the USA and the UK, SMMEs hold an essential role in the country's economy, responsible for approximately one-third of employment growth and a smaller proportion of production. In developing nations, in which SMMEs influence economically productive businesses, the wealth of such enterprises is regarded as far more essential than in advanced nations (Rwigema & Karungu, 1999). The role of SMMEs in providing the proven model for attaining economic development is highly prized and, thus, such businesses is considered the most important component of this model (Dhanah 2016). According to Mahembe (2011), a recent report by Abor & Quartey (2010) states that 91 per cent of the established corporate organizations in South Africa are SMMEs, which allocate between 52 and 57 per cent of Gross Domestic Product and are responsible for roughly 61 per cent of jobs. The word 'SMME' refers to a wide range of companies – anything is mentioned, from zero-growth micro-enterprises (usually hiring only a few subsistence-level employees) to fast-growing medium-sized enterprises (Makhoali, 2016). Consequently, the function these companies perform in the emerging world and the obstacles they encounter are also radically different. Micro-enterprises also deal with rapidly changing sales, red-tape difficulty, shortage of expertise and skills. Medium-sized businesses face such barriers as the inaccessibility of adequate quantities of vulnerability resources, exposure to infrastructure and reliable energy supplies (Fjose, Grünfeld & Green 2010). In this study, we shift our consideration to small, medium, and micro-enterprises (SMMEs) and how they operate and are identified within the framework of South Africa.

According to the South African National Small Business Act, Act 102 (Republic of South Africa 1996), small enterprises are categorized by the number of active employees and the gross annual revenue produced by the company in the field in which it exists. These small enterprises are classified as follows: an extremely small micro-business hires five or fewer workers and has an annual gross estimated turnover of no more than R0.15 million, a micro-business hires six to 10 workers and has an annual gross estimated turnover of no more than R3 million, a medium-sized business hires 11 to 50 workers and has an annual gross estimated turnover of no more than R15 million. For the main objective of this review, small businesses employing between 5 and 50 workers with a cumulative annual turnover of not more than R15 million and operating within the retail segment of the economic development will be considered. The White Paper on National Strategy for Development and Promotion of Small Business in South Africa (the Republic of South Africa. Department of Trade and Industry 1995) divides small enterprises into the four categories: subsistence companies, micro-enterprises, small and medium-sized businesses. They are momentarily described as follows:

Categories of Small Businesses in South Africa

- **Survivalist enterprises:** These entities are characterized as businesses engaged in activities operated by people who cannot find a well-paying job nor join the financial sector of their

preference. Such practices produce revenue that falls well short of the minimum requirements. Little money is expended, and there is almost no professional training required in this specific sector. Very minimal prospects for development into a profitable enterprise are accessible.

- **Micro enterprises:** This term applies to quite small companies, sometimes including only the founder, several family representatives and, at most, one or two paid workers. Such businesses typically do not engage in formalities such as corporate licenses, value-added tax (VAT) licensing, formal company facilities, working licenses and/or financial accounting. Almost all micro-enterprises have restricted capital reserves. The managers of such businesses have only limited technological or marketing acumen. Nevertheless, almost all micro-enterprises are moving towards feasible small enterprises.
- **Small enterprises:** These entities comprise the majority of existing SMMEs, employing between five to 50 workers. These businesses are typically dominated by the manager or, ultimately, managed by the proprietor or the society. They are expected to conduct their business activities from industrial or commercial properties, to be tax-registered and to comply with certain specific licensing criteria.
- **Medium enterprises:** These enterprises are often regarded as being essentially proprietor or founder-controlled, even though share ownership or local governance foundations could make their structure more complicated. These businesses hire an upper limit of 200 staff, and roughly have R5 million capital (except for cash). Medium-sized businesses face challenges and limitations that cannot be overcome by conventional market forces and actions of private corporate companies.

It is important to note at this stage that what is deemed to be a 'small' enterprise in the different sectors of the economy can vary based upon the nature of the operation conducted, as illustrated by Mahembe (2011:23).

A Brief Historical Review of SMMEs in South Africa

As illustrated by Business Connexion (2004), during the colonial years, South Africa's small enterprise sector was ignored by decision-makers or deliberately hindered by oppressive policies in the context of Black owned/managed businesses. Besides, Mboniyane (2006) complains that in South Africa, in which small enterprises account for more than 80 per cent of the corporate market, the probability of their failure is high. On average, 50 per cent of the SMMEs that are launched will inevitably collapse with this probability in some areas being higher than 80 per cent (Macleod, 1995; referenced by Ladzani & Van Vuuren, 2002). The high failure rate probability among SMMEs is supported by the Global Entrepreneurship Monitor (2014) survey, which deplors the fact that the level of discontinuation within this sector of the industry far dominates that of start-ups, leading to an overall reduction of SMME activities and associated employment. However, Buckley (1998) notes that in the last quarter of the twentieth century, several new companies were formed and are still in operation. Although many of these company managers have demonstrated a great deal of optimism and interest in launching their venture, many global economies are still grappling with the high reduction percentage amongst SMMEs, with most of them lasting less than 3–5 years. Urban & Naidoo (2012) contend that despite being regarded as the bedrock of an economy and key drivers of economic growth, SMMEs suffer critical skills deficiencies, such as financial and marketing skills, which often endanger their sustainability. It is common knowledge that the mortality rate is higher in most African communities than in other communities. Hence, Bangladesh and Pakistan and many

other more entrepreneurially inclined nations are taking over SMMEs in the South African townships, previously owned by locals, and making great strides in some cases.

Entrepreneurial Leadership and SMME Success

The driving force behind the establishment of any business is prosperity or success. The game plan for accomplishing this success or prosperity is usually drafted and driven by the business's founders who generally assume the role of both manager and entrepreneurial leader. Solid EI is the common denominator necessary in both of these roles for increasing the venture's prospects of success. Management skills are generally advocated as the primary prerequisite for any business success, with leadership receiving minimal consideration, because, sadly, it is generally an implied requirement. Fortunately, however, leadership has received much greater attention in the recent past, and EI is one of the core attributes of an effective leader. For an entrepreneur with appropriate leadership qualities and management skills, the sky is the limit. Similarly, Abdul Razak (2010), as cited in Arham, et al., (2013), recommended that developing strong management is one of the key drivers for the success of SMMEs in the future. Research indicates that a lack of leadership and management competence is the main parameter causing the collapse of the majority of these enterprises.

Valdiserri & Wilson (2010) argued that management techniques and strategies are important to the achievement of smaller firms, while Hernez-broome & Hughes (2004) indicated that SMME owners ought to recognize the important role that effective leadership behaviours play in accomplishing their organizational aim and targets. For instance, Valdiserri & Wilson (2010) analyzed 48 local firms in West Virginia and Pennsylvania, USA and concluded that transactional and transformational leadership practices are closely related to the competitiveness and advancement of smaller firms. This research study aims to further expand the established research conducted on South African SMMEs by looking directly at the interpersonal skills of business people as members of their own companies, in terms of their management activities and the value of being emotionally aware (i.e. possessing a light level of EI) to attain organizational intentions and advancements. Abu Kassim & Sulaiman (2010) recommend that owing to the small size of SMMEs and their scarce resources, recognizing the leadership behaviour of their representatives is important in ensuring the further growth of such enterprises in developing countries. Emotional Intelligence (EI) has emerged as 'the secret tool' for both individual and career achievement.




Problem Statement and Underlying Aim of the Study

Do entrepreneurs have a belief in their ability to lead their team to organizational success? The failure rate of SMMEs is a grave concern for a developing economy such as that of South Africa. The unemployment rate is continually increasing due to rampant job-shedding across various economic sectors, compounded by the recent widespread COVID-19 pandemic. Reversing this situation will require more than just pumping resources into the (unemployment) problem. An urgent shift is needed in the approach and the attitude of entrepreneurs as managers and leaders of their organizations. Previous studies have shown a direct link between leaders' EI and important organizational outcomes with a direct bearing on performance (Olakitan 2014; Yukl 2010). Research results connecting interpersonal skills and EI in the managerial success of entrepreneurs are significant and lay the foundation of this research study. Good leadership is essentially undergirded by the necessity for leaders to possess high levels of EI regardless of the leadership style being investigated (Olakitan, 2014). The socio-economic imperative of SMMEs

is to have entrepreneurs who are not only equipped with tacit knowledge of business but also emotionally intelligent, so that they can navigate interpersonal demands and challenges, thereby prompting and inspiring a positive and prosperous outlook for the organization. Hence, the study explores the influence of T&D interventions as a mediating variable towards enhancing entrepreneurs' EI as a rallying force amongst the workforce to ensure sustainable business success.

Theoretical Framework

This study is anchored within two main complementary theories – namely the Theory of Planned Behaviour and the Emotional Intelligence (EI) Theory. According to Ajzen's Theory of Planned Behavior (TPB) (1991), entrepreneurship is defined as intentionally organized. Entrepreneurial motives, therefore, are considered to be the effort that an individual makes in order to perform an entrepreneurship development, thus, such an exertion encapsulates the three essential aspects that influence behaviour (Liñán & Chen 2009). Academia continues to claim that the TPB is an expanded version of the Moral Action Theory, with the introduction of a new element – perceived behavioural control (PBC). Although Salovey and Mayer (1990) define relational awareness as the “capacity to control individuals' own and others' self-awareness, to differentiate between these two entities, and to utilize knowledge to direct an individual's thoughts and behaviours”. Learning is justly considered a vital ingredient for cognitive theory, hence the commonly held view that past behaviour is a predictor of future behaviour. Therefore, it is paramount to highlight relational meaning between variables of interest including including entrepreneur's EI and business success and their mediating variable, namely: T&D interventions to bring about positive organizational change. The mediating role of training between the entrepreneur's EI and business success is depicted in Table 2 below.

Independent variable	Mediator	Dependent variable	Results
Entrepreneur's EI 	Training intervention 	Business success 	<ul style="list-style-type: none"> • Profitability • Growth • Job satisfaction

From the above Figure 1 it is the authors hypothesis that any marked business success especially for SMME is a function of a strong and healthy entrepreneur's emotional intelligence, a resultant effect of acquired capacitation or skills development/training.

METHODOLOGY

A study's methodological approach is generally defined and understood by numerous researchers (Creswell & Creswell, 2018; Leedy & Ormrod, 2015; Salkind, 2011) as the system of frameworks, processes and approaches a researcher stipulates to assess the research question being investigated.

Research Design, Population and Sampling

This paper adopted the positivist research paradigm, i.e. a quantitative approach (Leedy & Ormrod, 2015), and employed a descriptive cross-sectional design, to collect data (as mention from 196 randomly selected entrepreneurs from Marga Mangrove Metropolitan Area. The demographic data of the respondents is shown in Table 2 below. Cluster sampling was used, because data was collected from various types of SMMEs. Leedy & Ormrod (2015:42) define cluster sampling as “a sampling that subdivides the entire population into subgroups called clusters”. Simple random sampling was employed to draw units of analysis in all clusters and three units will be utilized for interviews in each of the three groups. The explanatory variables are the subjective intellect (EI) of the entrepreneur, and the response variable is the expected output of the SMME.

Data Collection and Analysis

A questionnaire was utilized to gather data from 196 randomly selected entrepreneurs. Both inferential and descriptive statistics will be utilized in this article to present the data using SPSS 2020. Cronbach's alpha and inter-item coefficient of correlation was used to assess the internal accuracy (consistency) of the measurement instruments, and descriptive statistics will be employed to interpret the results. Pearson correlation coefficients will also be utilized to determine the level to which each component is associated with the other. The explanatory variables are a probable source of another variable, while a response variable is an entity that is adversely affected by predictor variables, as illustrated by Leedy & Ormrod (2010). The explanatory variables measure the variability or alteration of an objective variable (Blanche, Durrheim & Painter, 2006). Multiple regression will be utilized to determine which mix of entrepreneurial interpersonal abilities demonstrated a greater difference in market performance.

Research Instrument

A semi-structured survey questionnaire that was divided into three parts was employed to collect data. The first part covers the respondents' demographic data. The second part measured EI, using the Emotional Competency Profiler (ECP) established by Wolmarans & Greeff (2001). The measure has 46 elements, which include aspects such as mental intelligence, self-esteem/self-respect, self-management, self-motivation, resistance to transition, interpersonal relationships and the alignment between the head and the heart. The method employs a seven-point Likert scale with a Cronbach alpha of 0.98. The third part of the questionnaire measures training transfer, with Kirkpatrick's (1976) four-level Training Evaluation Model used as the basis for constructing this section of the questionnaire. The scale has 24 items, and Cronbach's alpha of 0.97 was as reported by Naong (2010). This instrument was modified to suit entrepreneur leadership EI and adapted to the SA SMME context.

Validity and Reliability

Content and construct validity were assessed. Validity is defined as the extent to which a concept is accurately measured in a quantitative study (Brink, van der Walt & Rensberg, 2017). Cronbach Alpha was used to assess the scale's reliability.

Data Analysis and Interpretation

Table 3 RESPONDENTS' DEMOGRAPHIC VARIABLES		
Demographic variables (n = 196)	Frequency	%

Gender	Male	120	61.2
	Female	76	38.7
Age	21–35 years	94	47.9
	36–45 years	73	37.3
	46–55 years	17	8.7
	> 56 years	12	6.1
Highest qualification	Below matric/Gr. 12	44	22.4
	Grade 12 certificate	97	49.5
	Post-school certificate/diploma/degree	55	28.1
Entrepreneur's field of study/expertise	Accounting/finance	22.5	11.5
	Marketing/HR	31.6	16.1
	Engineering	36.5	18.6
	Teaching	42.5	21.7
	Tourism/hospitality	35.5	18.1
	Law	18.4	9.4
	Other	9.2	4.6
Ownership	Owner/entrepreneur	182.7	93.2
	Manager	13.4	6.8
Work experience	1–3 years	26.7	13.6
	3–5 years	95.7	48.8
	5–10 years	53.2	27.1
	10–20 years	4.6	2.3
	More than 20 years	16.7	8.2
Working experience as owner/manager	1–3 years	21.8	11.1
	3–5 years	100.0	5.1
	> 5 years	164.3	83.8

From Table 3 above, it is evident that male respondents are in the majority (61.2%). Most of the respondents are young to middle-aged, with 52% having only Grade 12, followed by 28% with a post-school qualification. Teaching, followed by engineering, and then marketing/HR are the most common professions studied by the respondents. Most of the respondents have 3–10 years' work experience, while almost 84% claim to have more than five years' work experience as either a business owner or manager. A sizeable number of respondents (47%) could very easily represent a cohort of unemployed graduates, as well as those augmenting their meagre salaries through 'moonlighting', for example, accounting professionals pursuing private consulting opportunities after hours.

Business characteristics		Freq	%
Form of business ownership	Sole proprietorship	113.7	58
	Partnership	29.4	15
	Private company	52.9	27
Registered/unregistered	Registered	174	89
	Unregistered	22	11
Number of employees	1–5	139.16	71
	6–10	37.24	19
	11–20	5.88	5
	More than 20	2	1
Location of business	Urban	168.56	86
	Semi-urban	21.56	11
	Unsure	5.88	3

	Less than a year	0	0
Number of years as a going concern	Between 1 and 7 years	137.2	70
	Between 8 and 15 years	45.8	23
	Between 16 and 23 years	13.72	7
	24 years or more	0	0
	Business annual turnover	Less than R150 000	9.8
	R150 000–R3 000 000	162.7	83
	R3 000 000–R15 000 000	23.5	12
	R15 000 000–R30 000 000	0	0
	R30 000 000 or more	0	0
Business sector	Retail sector	82.3	42
	Service industry (internet cafes, tax consultants, doctors, lawyers, mechanics, etc.)	68.6	35
	Hairdressing salons	21.6	11
	Butcheries and chesanyamas (i.e. barbecues)	17.6	9
	Other (e.g., car wash, etc.)	5.9	3

Table 4 above shows that 58% of the respondents' businesses are in the form of a sole proprietorship, followed by 27% of private companies, and most (89%) of the businesses are registered. A total of 86% are located in urban areas, with a small number (11%) in semi-urban areas. The results reveal that the majority (70%) of these businesses have been in operation for between one and seven years. This duration represents quite a steady improvement on already documented evidence (Arham et al., 2013; Global Entrepreneurship Monitor, 2014) that shows that the majority of SMMEs tend to survive for less than five years, on average. The study results indicate that the overwhelming majority (83%) of the respondents' businesses generate between R150 000 and R3 000 000 annual turnovers and mainly operate within the retail and service sectors.

Test of Hypothesis

The primary hypothesis of this study was tested employing a myriad of statistical tests, specifically Statistical Package for Social Sciences (SPSS: 21.00s version) computer software. Both descriptive statistics (frequency distribution, mean, standard deviation) and simple linear regression were utilized to test the following research hypothesis:

H₁: The extent to which training and development (T&D) affects emotional intelligence (EI) of entrepreneurs is not significant.

Table 5			
DESCRIPTIVE STATISTICS			
	Mean	Std. Deviation	N
Training and Development (T&D)	1.6721	.93464	196
Emotional Intelligence	1.9152	.66285	196

Table 6			
MODEL SUMMARY^a			
		T&D	EI
Pearson Correlation	Training & Development	1.000	.819
	Emotional Intelligence	.819	1.000

Sig. (1-tailed)	Training & Development	.	.000
	Emotional Intelligence	.000	.
N	Training & Development	196	196
	Emotional Intelligence	196	196

Model	R	R Square	Adjusted R Square	Std. error of the Estimate	Durbin-Watson
1	0.819 ^a	0.799	0.696	0.90879	0.046
Predictors: (Constant), T&D					
Dependent variable: emotional intelligence					

Model	Unstandardised Coefficients		Standardised Coefficients	T
	B	Std. Error	Beta	
1 (Constant)	2.671	0.106		24.892
T&D interventions	1.465	0.051	0.819	18.896

a. Dependent variable: emotional intelligence (EI)

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	67.107	1	66.107	81.109	0.000 ^a
Residual	631.006	603	0.812		
Total	689.103	601			

Data from the Tables 5 – 9 above shows that the regression sum of squares (67.107) is less than the residual sum of squares (631.006), and, thus, indicative that more of the variation in the dependent variable is not explained by the model. The significance value of the F statistics (0.000) is less than 0.05, meaning the variation is not due to coincidence. The R – correlation coefficient value of 0.819, indicates the degree of significance T&D has on EI of SMME entrepreneurs. The R square shows that 79.9% of the variation of impact is explained by the model. With the linear regression model, the error of estimate is high, with a value of approximately 0.90879. The Durbin Watson statistical value of .046 shows no serial correlation. The T&D coefficient of 0.515 represents a positive significance between T&D and EI, and, thus, indicative of a statistical significance (with $t = 24.892$), hence, the rejection of the null hypothesis.

No.	Statements	Mean	Standard deviation	Std error mean
1.	Emotional literacy	4.16	.901	.087
2.	Self-esteem/self-regard	4.00	.967	.072
3.	Self-management /self-control	4.24	.913	.104
4.	Self-motivation	4.19	1.201	.112

5.	Change resilience	4.09	1.066	.134
6.	Interpersonal relations/sociability	4.35	.925	.109
7.	Integration of head and heart	4.12	1.031	.021

Table 10 above reveals that over 66% of the entrepreneurs expressed relative satisfaction with their level of EI, despite the inherent challenges that come with any business start-up. This view is more common (52%).

among female respondents than among male respondents. The mean score of 4.16 shows that the combined ratings of the entrepreneurs' EI were high in relative terms. The mean ratings for the assessment categories ranged from 4.16 to 4.35 on a seven-point scale, which indicates that the majority of respondents perceived their level of EI positively, and is, therefore, pertinent to the success the SMMEs are striving for. The high mean ratings also indicate that the majority of these entrepreneurs view their competency or ability to deal with interpersonal issues as steadily improving. With developmental interventions, sustained business success cannot fail. Previous studies have shown a direct link between the EI of leaders and important organizational outcomes as having a direct bearing on performance (Bradberry & Su, 2006; Olakitan, 2014; Yukl, 2010).

REFLECTIONS AND DISCUSSION OF EMPIRICAL FINDINGS

This paper postulated that T&D interventions play a mediating role between an entrepreneur's EI and business success. The contention was that an efficient entrepreneurial leadership hinges on sound EI, which can result in attaining the desired business outcomes. The underlying hypothesis of this study was tested using simple linear regression to establish the degree to which T&D interventions affect the EI of SMME entrepreneurs, with a computed result ($r = 0.819$; $F = 81.109$; $t = 24.892$; $p < 0.05$). Consequently, the null-hypothesis was rejected and the alternate hypothesis was accepted, leading to an inference that the degree to which T&D interventions affect EI of SMME entrepreneurs is not significant.

RECOMMENDATIONS AND CONCLUSION

This study advocated and revealed that T&D interventions are a necessary enabler towards sustained SMME growth and success. Investing in oneself is a vital step towards unlimited growth. Further results of this study confirm that those entrepreneurs who possess a post-school qualification, and, are involved with SMMEs that have been in existence for more than seven years, are more successful than those owners'/managers without tertiary qualifications and training. Further, this result is a positive and encouraging sign for growth potential and sustainability. It is prudent, therefore, to prioritize an entrepreneur's EI to predict performance in the workplace through investment in human capital development. Undoubtedly, when employees perform effectively, they feel positive, which, in turn, fuels their energy to accomplish more; and a high EI correlates with a positive attitude, and happier employees are generally physically and mentally healthier because they can cope with both the 'highs and lows' of life.

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