



Evaluating Small, Medium and Micro-Enterprises' Ethical Management Practises to Ensure Efficient Business Decision-Making in the eThekweni Municipal Area

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Abstract

The underlying assumption of this study is that the democratic government of South Africa has used a variety of programmes to support the growth of SMMEs. This is because this industry can promote the economy of the nation. This study looked at the possibilities of SMME managers and business owners in terms of how they use their understanding of ethical management to make decisions that will help their companies thrive economically. The basis for this study was the human behaviour of SMME managers, operators, and business owners in connection to how they might support economic growth and thrive in a competitive market by employing ethical management practices to make good decisions. Simple random selection was used to collect study data from several SMMEs in the eThekweni Municipal Area. The survey received responses from 200 entrepreneurs in total, making up the study's sample. Statistical Package for the Social Sciences (SPSS) Version 28 was used to collect, analyse, and produce the descriptive statistics from this data. The study's key findings were that, for SMME owners, managers, and employees to succeed in their chosen industry, they must be informed about how to run their businesses with fundamentals of trustworthiness and values of honesty, integrity, fairness, accountability, loyalty, and empathy. The respondents' responses revealed some limiting issues, such as the incapability to prioritise the legal requirements and ethical principles that govern their behaviour, which has an impact on their capacity to make wise decisions. The major recommendation is that aspiring business owners must equip themselves with knowledge about how to deal with the shifting hazards they may

face while operating as well as how to develop emergency plans that can lessen this issue. Additionally, this might be an avenue for further study.

Subject Areas

Ethics

Keywords

Competence, Entrepreneurs, Sustainable Development, Decision-Making and Ethical Management

1. Introduction

The scope of ethical management for decision-making is greater than is generally believed. The likelihood of ethical issues is influenced by factors such as increased productivity, better efficiency, sustaining quality employees, preserving consumer trust, and improved backer trust (Kolk 2016 [1]; Mayanja and Perks 2017 [2]). According to Dion (2017) [3] and Hassmiller and Bilazarian (2018) [4], ethical issues can arise at different levels, including the individual, business, organisation, and national levels. According to Suriyankietkaew and Kantamara (2019) [5], ethical issues at the organisational level are frequently connected to financial fraud, forgery, dishonesty, surcharging of expenditures and purchases, phoney repayments, and a sign of decreased proceeds. These problems result in a blatant and direct loss for business owners, financiers (lower return on invested capital), and customers (inflation on goods and services). Therefore, corruption advances.

The reputation of the companies may be damaged, and the company may suffer, claim Schaefer and Bouwmeester (2021) [6]. According to Abildgaard, Nielsen, and Sverke (2018) [7] and Hawkins (2021) [8], employees can suffer from moral issues such as discrimination, unfairness, inequality, poor well-being, and a lack of safety. Aside from other factors, bias may also exist based on a person's age, gender, race, or ethnicity. Other considerable problems that put firms in a precarious position, include operative delinquency, unreliability, and violation of service laws, as determined by management (Ermasova 2021) [9]. As a result, numerous employees are at risk.

This paper will investigate how entrepreneurs' business decisions are impacted by their understanding of ethics and how it should be managed. The objectives shall:

- Assess if SMME managers comply with the legal standards of conduct in running their businesses;
- Establish if SMME managers can form ethical ideas of a larger vision for the common good;
- Analyze whether the ethical attitudes of SMME managers influence the people they direct;

- Ascertain whether the managers can achieve goals from their values; and
- Determine whether SMME managers can achieve greater efficiency in decision-making with their ethical values.

2. Conceptual Framework

This study is instituted on views that have been around for centuries about what constitutes appropriate behaviours and decisions in the workplace. Understanding that people who think about ethics have strongly held beliefs about the appropriate course of action is crucial.

To provide a framework for understanding how people can lead morally upright lives, Aristotle (about 350 BCE) [10] developed the Virtue Theory. His appraisal of virtue emphasises the value of virtuous abilities rather than prescriptive rules. This quality-based approach to ethics assumes that people can develop virtue via practice. People can develop ethical and principled characters by practising traits like honesty, openness, bravery, fairness, kindness, abstinence, devotion, etc. When faced with ethical dilemmas, people are more likely to choose the appropriate course of action if their virtues are sharpened. Therefore, virtue principles aid in educating people on what it is to be a decent person. Without any clear rules for resolving ethical dilemmas, it gives people a manual for living. Aristotle asserts that by observing and imitating moral behaviour, a person might be inspired to act with virtue.

The utilitarianism theory was developed by Jeremy Bentham (1789) [11] with the idea that actions should be judged as acceptable or bad based on how much they increase or decrease societal comfort or usefulness. As an ethical theory, utilitarianism separates right from wrong by emphasizing the results of behaviour. This method describes how someone decides fairly about an incident or their response to an attitude. When a behaviour or a group's behaviour enhances societal satisfaction or enjoyment, it is regarded as good or proper. Utilitarianism asserts that the morally best course of action is the one that will result in the greatest amount of gain for the greatest number of people, under Bentham's theory. Bentham (2007) [12] found that if the effects of behaviour are right, then the action is right. Inversely if the effects are dishonest, the action is immoral.

Through the Social Justice Theory, Marx (1961) [13] employed distributive justice to argue how a state of social justice would lead to a better society. According to Karl Marx, the foundation of social justice is the establishment of introspection via empathy, teamwork, and an equitable society free from anger and repression, where people are not subject to any form of alienation. Karl Marx defined social justice as the kind that depends on the power that manages groups that are subject to injustice and that defines people's lives in terms of political, economic, social, cultural, legal, and ethical dimensions. All aspects of life, including material and spiritual things, are subject to social justice in society. Accordingly, justice is not just applicable to the wealthy but also to the destitute, to officials as well as to regular citizens. The pursuit of social justice implies the need to address issues by working to make unfair social institutions more equit-

able. Marx's central thesis is that people's continued existence and the evolution of their demands depend on resourceful behaviours in which people fervently participate in altering their surroundings. Extremely equitable social structure design is necessary for the application of social justice. An unfair social structure is the root cause of any social injustice.

Immanuel Kant's (1998) [14] deontological insight claimed that pursuing moral behaviour more effectively than achieving the proper results is to have sincere intentions and abide by just laws. The author claims that following one's obligations, adhering to rules of ethics, and being committed lead to ethical action. Argumentative thought explains this commitment. Kant believed that everyone is equally responsible for their commitment, which is not just owed to specific groups of people. To uphold the inherent fairness of all persons, Kant uses the concept of "universalizing" as a way of unbiased belief. People are treated equally in this perspective. To determine if a particular law or behaviour is moral, individuals should be able to apply the fundamental principle of equality to it. Kant believes that there are two universal proportions of action in his search for the norm of behaviour. They are consistency and reversibility. The pursuit of reversibility is the first prerequisite for an action to be universal. A person would be making objective decisions if they chose a course of action without knowing what will happen as a result. This suggests that a person would select an action that would be the most equitable to all parties involved, not just himself. Deontology also implies that one must conduct morally, prioritise duty or commitment, and give moral weight to the inherent fairness of others. Consistency seeking is the second prerequisite for a behaviour to be universal. According to this classification, the author stated that if someone is dishonest, they should be willing to admit that lying is acceptable. Nevertheless, lying would be useless if individuals were dishonest since nobody would trust one another. Deception even becomes more likely because honesty is completely accepted by society and is practised. This suggests that deceit cannot be applied to all situations since it depends on the preexistence of honesty. According to Kant, ethics must originate from people's general capacities for thought, and people's propensities for thought are what give them moral significance. Kant also proposes that ethical rules should address humans as a cohesive group in addition to his discoveries. People must be viewed as tools, not as ends. Leaders must avoid using others for their benefit or advantage when developing ethical rules.

To claim that values may be effectively employed to cope with a variety of personal and professional problems, Josephson (2012) [15] introduces the core value analysis and decision process. According to his analysis, when asked what kinds of skills they value in others or themselves, people may mention wealth, authority, competence, good disguise, intelligence, or other positive traits. They may as well list qualities like fairness, courage, perseverance, tenacity, loyalty, and integrity. Similar characteristics unite the potentials in the second list. This suggests that they are distinctively ethical traits. In contrast to the characteristics listed in the beginning, they are seen as having ethical potential. The author's

research has identified six key principles that people frequently want to be associated with, or how they anticipate others to act when they do so. These include dependability, honour, accountability, fairness, compassion, and citizenship. People's relevance as characters with these unchangeable potentials is well established. Individuals frequently remember the past terrible things they did rather than any previous deeds they accomplished. When an accident occurs, a corporation's or an institution's good reputation is priceless. Virtuous standing has immeasurable value when a mistake is made for a corporate company or institution. The time to work on or improve the image is limitless. Although it might be challenging to ration ethics, modern businesses and organisations have noticed that there is a market for them. Strict repercussions may befall companies that do not give corporate ethics much consideration. The reputations of businesses may not be able to recover when this happens repeatedly. But aggressive pursuit of the image is required.

Considering the aforementioned, successfully managing the ethics that dictate the attitude to existence in a company is one of the greatest difficulties to leading a better life as an individual or established organisation. The impact of discrimination, harassment, unethical accounting, health and safety, abuse of leadership authority, nepotism and favouritism, and corporate espionage calls for ethical management as a measure to control behavioural attitudes, the extravagant use of resources, and create a healthier environment (Aguinis 2019) [16]. Entrepreneurs and managers should hold those who act unethically accountable while also modelling ethical behaviour.

3. Ethical Management

According to Ferrero and Sison (2014) [17], ethical management refers to the fundamental principles of corporate conduct that organisations must strictly uphold in their interactions with local communities, customers, suppliers, and employees. Honesty, integrity, justice, and trustworthiness are a few examples of these values. The legal, ethical, and socio-environmental responsibilities of organisations are of considerable value, in addition to their pursuit of profits, even though businesses are always working to establish a stable relationship with all stakeholders. The legal, ethical, and socio-environmental responsibilities of organisations are of considerable value, in addition to their pursuit of profits, even though businesses are always working to establish a stable relationship with all stakeholders. Businesses face dangers to their very existence and growth as they become uncontrollable in carrying out these responsibilities. The crucial guiding principles of moral management avert dangers and strengthen the very life of firms by redistributing business revenues to customers, employees, and organisations.

According to Kim *et al.* (2015) [18], ethical management is a style that deals with moral convictions, social behaviour in businesses, management issues, corporate social responsibility, and organisational governance. Managers develop a

sense of moral responsibility through their management governance structure. Daily ethics have no other purpose at the workplace except to serve the needs of civic relations, which might be considered a setting where they have no place. The authors contend that people who have faith in what they are doing and trust in the company they work for are more likely to be persuaded and to work more shrewdly. This has the result of making the company work harder to earn the loyalty and dedication of its staff (Kim *et al.* 2015) [18].

The belief that moral leaders will affect their subordinates' behaviour by serving as role models for them, according to Ferreira, Jalali, and Ferreira (2018) [19], emphasises the significance of ethics in terms of control. The authors contend that moral leaders make judgements in a just and honest manner. They establish a just and moral organisation, pay attention to the thoughts of their subordinates, participate in their decision-making process, and as a result, share control. Moral leaders foster an atmosphere of mutual respect and encourage followers' ideas. In these work environments, employees and followers are free to express their opinions and feel secure (Ferreira, Jalali, and Ferreira 2018) [19].

The discussion above demonstrates how ethical management is a crucial foundation for SMME endeavours to succeed. SMME employees must be trustworthy and uphold the principles of honesty, integrity, fairness, accountability, loyalty, and empathy to succeed in their chosen field of work and positively contribute to economic development.

4. Decision-Making

Decision-making, according to Brous, Janssen, and Vilminko-Heikkinen (2016) [20], is the rational process that leads to the selection of a viewpoint or a plan of action from a large pool of alternative possibilities to achieve the desired outcome. Decision-making in management is done to direct behaviour and commitment towards a near-term purpose. It comprises directing the organization's efforts and resources towards a specific course of action, which enables it to accomplish a set of predetermined goals.

A choice, according to Trieu (2017) [21], is an essential component of management tasks like organising, staffing, directing, and controlling. Every management task is carried out according to a decision-making standard. When managers confront issues and work to discover solutions, they gain two benefits. They benefit the company by coming up with a workable solution, and they also feel good about themselves. As a result, the manager is responsible for the organization's success, and a manager can only be successful if they can make good decisions (Trieu 2017) [21].

According to Chiheb, Boumahdi, and Bouarfa (2019) [22], decision-making is the process of choosing a course of action from a wide range of options to guarantee that the desired outcome is achieved. The goal of decision-making is to influence social behaviour and commitment in the direction of achieving anticipated goals. It entails dedicating the organisation and its assets to a particular

decision or course of action, and it can accomplish a specific goal. Making decisions is a form of symbolic planning. It includes choosing the best substitute out of a variety of substitutes to realise ideas. A decision denotes a conclusion or a resolve to act credibly in any situation. According to Chiheb, Boumahdi, and Bouarfa (2019) [22], making a decision is an act of will that is expressed through mental exertion.

It follows from the foregoing that decision-making is at the core of managerial activities. Entrepreneurs must practise effective planning, organising, leading, managing, coordinating, and dedication to reach a valuable conclusion. Any act of obscurity in decision-making may result in irresolution, a loss of confidence, and misunderstanding in the working system, which may result in their venture failing. Entrepreneurs must be intelligent enough to consider any conditions and decide quickly what action to take.

5. Methods

5.1. Research Design

According to Sekaran and Bougie (2009) [23], a research design is a comprehensive plan of how the study will be carried out. This study intends to investigate how knowledge of ethics and its management affects entrepreneurs' business decisions. A descriptive design was chosen for this study to define these characteristics. According to Saunders, Lewis, and Thornhill (2012) [24], a descriptive research design presents the traits of existing phenomena to address issues about the research subject. The research approach is also quantitative because information was gathered using a questionnaire on which participants provided documentation of their comprehension and was then assessed using quantitative tools.

5.2. Sample and Sampling Technique

Bell, Bryman and Harley (2018) [25] view a sample as a small number that typifies the whole form of the population under study. From the total number of listed registered SMMEs under the eThekweni Municipal Area, the random sampling technique was employed to select the sample for this study. The calculation thus include:

$$n = \frac{N}{(1 + N\alpha^2) \times 2}$$

where n = Sample size;

N = Total Population;

α = The degree of confidence level;

N = Number of SMMEs in the eThekweni Municipal area, which was 827 633 as obtained from (Yellosa 2021) [26].

The Degree of confidence level = 0.05 or 5%, as advised by (Khademi 2018) [27].

$$n = \frac{827633}{(1 + 827633(0.05)^2) \times 2}$$

$$n = \frac{827633}{(1 + 827633 \times 0.0025) \times 2}$$

$$n = \frac{827633}{2060.5575 \times 2}$$

$$n = \frac{827633}{4121.115}$$

$$n = 200$$

From the calculation above, a sample size of 200 was employed for an equitable appraisal of the variables under study.

5.3. The Research Instrument

A structured questionnaire with a 5-point Likert scale was used to collect the data for this study since it is affordable and makes it easier to collect information from a large number of participants. The survey's 5-point Likert scale contains responses for strongly disagree, disagree, undecided, agree, and strongly agree. Fundamentally, the choice of this sort of instrument is based on simplicity of use and was primarily a common analytical strategy that makes it simple to apply data evaluation to statistical evaluation (Sekaran and Bougie 2009) [23]. The question requested the respondent to mark a cross (X) next to the characteristic that best characterised them. Managers and operators of SMMEs were personally given the questionnaire. Also included was the consent letter that sought the contributor's approval and laid forth the rationale for the research. This letter also offered the respondents the right and assurance that any information they gave would be treated in the strictest confidence and the ability to withdraw from the study if they felt uncomfortable. The questionnaire was recovered in the same way that it had been distributed and was kept in a carton to prevent tampering or alteration until the time of appraisal.

5.4. Analysis of the Data

The Statistical Package for the Social Sciences (SPSS) Version 28 was used to analyse the data. Similar to this, where appropriate, quantitative methodical tools were used to make sure that the data produced descriptive and inferential statistics, such as frequencies, percentages, and cross-tabulations. To give the gathered data a wider scope of analysis, metrics of central tendency and dispersion were also used. T-tests and analysis of variance (ANOVA) were employed to gather the information required to elicit reliable results from the observed data in the area of inferential statistics.

6. Results and Conclusions

Here, we list and discuss the findings from studies of data collected from 200

business owners. This focused specifically on whether they adhere to the legal standards that govern them, how well they can develop ethical ideas of a bigger vision for the common good if they can achieve goals using their values, and whether their values have a substantial result in their success or failure.

The majority of respondents concurred that their ability to understand and apply legal standards helps them to carefully monitor the internal operations of their company. Salazar (2016) [28] asserts that effective entrepreneurial leadership is increasingly crucial for ensuring that firms quickly adapt to changes in the current, swiftly shifting global economy. Entrepreneurial leaders strive to better the lives of others around them (Shaked and Schechter 2017) [29]. In the organisation they lead, they foster a sense of resolve and a mission that merits success. They set goals that boost confidence, foster teamwork, and broaden people's skill sets (Singo 2018) [30]. They care about their companies and the people they manage, which is the most critical factor. Latent or isolated to particular employees or divisions in a workplace, corporations' employees are a reservoir of untapped knowledge. This knowledge may be established, saved, and made accessible to a larger staff with the right governance frameworks in place, offering significant business benefits. According to Constantinescu and Kaptein (2020) [31], business owners and their employees need to be knowledgeable about ethics to make judgements that can improve the effectiveness of the work system. This is necessary to ensure proper behaviour and preserve order in the workplace. This will help business owners to carefully monitor their operations while also absorbing the spirit of restraint, ending ongoing conflicts of desire and giving literal needs the utmost priority (Wasim and Rehman, 2022) [32]. Employees can quickly make wise decisions when corporate ethics is the guiding premise. This improves morale at work and production.

A somewhat higher-than-average number of respondents claimed that projecting a straightforward attitude drew people with similar outlooks to the company. According to Amoozad Mahdiraji, Hafeez, and Razavi Hajiagha (2020) [33], people trust corporate leaders to be straightforward and truthful. Plainness is a crucial requirement for success as a leader now more than ever. A successful leader will believe that their team members will also be straightforward. Employees are far more likely to be trustworthy in return when they see that their leader is being honest with them. A straightforward leader will motivate their followers to have faith in them. As a result, they will act morally when given knowledge or requests to make of them. Being successful as a manager and having excellent corporate ethics both depend on this.

Respondents agreed that educating their personnel was a great approach to improving their quality of life. Knowledge sharing, according to Morawiec and Sotysik-Piorunkiewicz (2021) [34], is the management strategy that delivers information to those who fervently seek it out and disseminates it to users who could put it into practice for the benefit of the company. A business with a healthy information exchange will benefit from increased productivity and innovation po-

tential, among other things. They will find more effective ways to improve their operations and establish a learning community that cooperates, holds onto, and keeps collective knowledge.

Most participants concur that being able to make good decisions helps them conserve time and resources. According to Wahjoed (2021) [35], decision-making is a process in which important information is considered for potential outcomes and taken into account before a thoughtful choice is made. Organisational leaders set the goals for initiatives and carry them out. They can make better decisions by comprehending why these are essential. They are consequently more useful and satisfied at work. Entrepreneurs may make better judgements and deal with problems more realistically by using skills like effective time management, analytical thinking, active listening, research, teamwork, and adaptability. Following the guiding principles of an organisation can assist in attaining the objective that has been established for it.

According to the findings of this study, business owners, managers, and their staff are all ethically driven. Entrepreneurs, managers, and their staff have been empowered by the influence of ethical management to make prominent decisions that benefit both their business and their business. The study's pertinent conclusions include:

1) Gender

In actuality, gender equality is close to being achieved because there are now many more female entrepreneurs than there are male entrepreneurs (**Figure 1**). The SMME sector's dominance by men, as stated by Meunier, Krylova, and Rammalho (2017) [36], is a typical problem for female entrepreneurs. According to Solesvik, Iakovleva, and Trifilova (2019) [37], women entrepreneurs experienced discrimination due to their appearance. Unlike their male counterparts, they were not given the same voice or power to make decisions (Cruz-Ros, Garzon, and Mas-Tur 2017 [38]; Alene 2020 [39]). It's crucial to understand that those who identify as coloured, indigenous, or disabled encounter these issues more frequently. One of the main reasons for this is that in the traditionally male-dominated social sector, entrepreneurial success has typically been distinguished by the creation of initiatives that follow a franchise model, judging impact based on the amount that affects laws and processes, and influencing mindsets, attitudes, and strategies. Frequently, these kinds of influences.

2) Age

The results (**Figure 2**) indicate that young people are enthusiastic about small and medium-sized enterprises, which is a major push towards ending crises of unemployment, job loss, misconduct, and other unethical views. According to Bansal, Garg, and Sharma (2019) [40], the dynamism of younger generations might be attributed to the ephemerality of variables like unemployment as well as their reluctance to work under anybody. Other causes cited by Bansal, Garg, and Sharma (2019) [40] include socioeconomic inequality and the unequal allocation of environmental resources.

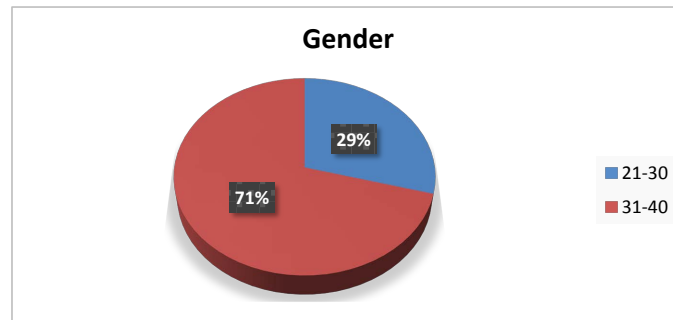


Figure 1. Respondents' gender spread.

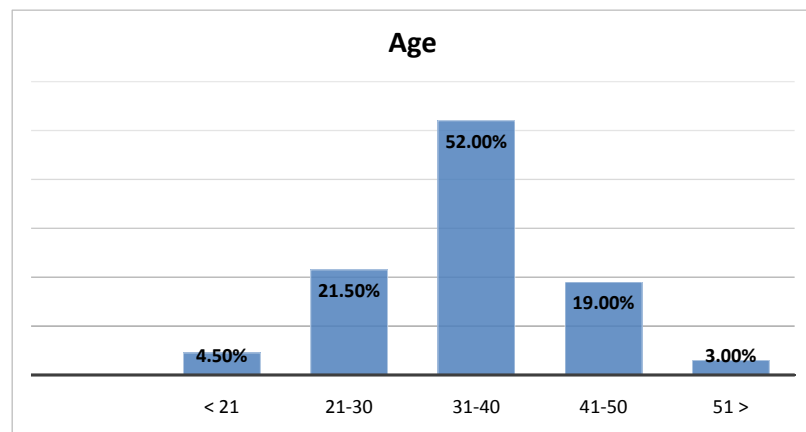


Figure 2. Respondents' age.

3) Legal standards

By adopting ethical principles and effective communication, entrepreneurs have successfully fostered positive relationships with those around them (**Table 1**). Knowledge sharing, according to Morawiec and Sotysik-Piorunkiewicz (2021) [34], is the management strategy that delivers information to those who fervently seek it out and disseminates it to users who could put it into practice for the benefit of the company. A business with a healthy information exchange will benefit from increased productivity and innovation potential, among other things. They will find more effective ways to improve their operations and establish a learning community that cooperates, holds onto, and keeps collective knowledge.

4) Ethical ideas

According to the respondents, ethical ideas have helped managers and business owners think more logically about the knowledge and skills needed to manage their functional activities (**Table 2**). Credibility is cited as the main tenet of trust-building by Meng and Berger (2019) [41]. Subordinates can identify a leader as a reliable source of information and decision-making when they believe them to be credible. The strong positive traits of honesty, integrity, fairness, transparency, competence, and results can help a leader establish confidence and respect with his subordinates and peers. Similarly, leaders can increase their credibility through their words and deeds by keeping up with changes in their field, prioritising respect over friendliness, encouraging others to pursue their careers,

Table 1. Legal standards.

		Frequency	Percent	Valid Percent	Cumulative Percent
	Disagree	1	0.5	0.5	0.5
	Neither	9	4.5	4.5	5.0
Valid	Agree	137	68.5	68.5	73.5
	Strongly Agree	53	26.5	26.5	100.0
	Total	200	100.0	100.0	

Table 2. Ethical ideas.

		Frequency	Percent	Valid Percent	Cumulative Percent
	Disagree	13	6.5	6.5	6.5
Valid	Neither	12	6.0	6.0	12.5
	Agree	127	63.5	63.5	76.0
	Strongly Agree	48	24.0	24.0	100.0
	Total	200	100.0		

making well-informed and considered decisions, and encouraging teamwork and collaboration.

5) Values

By upholding their values, business owners, managers, and employees may address environmental problems that arise within their organisations (Table 3).

6) Communication

Creating communication channels has made it safer for workers to express their opinions (Table 4). This has also improved SMME operators' organisational skills, allowed them to keep a large number of operational histories and accounts, reach clients wherever they may be, and enabled them to attend conferences, meetings, and interviews. The operations of SMMEs can also reduce a variety of operational, administrative, and other costs.

7) Decision-making

Managers and business owners can make wise choices that help them conserve resources and time (Table 5). Suriyankietkaew and Kantamara (2019) [5] discovered that when leaders run a business, the staff ethically imitates their behaviour. Employees can make wise decisions more quickly if they use business ethics as their guiding concept. This boosts output and general morale at work.

8) Ethical attitude

Entrepreneurs view encountering difficulties as a negative experience (Table 6). As a result, they do not like to deal with it or see it as a way to grab economic opportunities.

9) Motivation

Employees lack sufficient motivation to give their best throughout work hours (Table 7). Cruz-Ros, Garzon, and Mas-Tur (2017) [38] attest that encouraging employees to work productively encourages them to provide greater financial results. Many individuals are unaware, nevertheless, that a productive work style

also promotes increased job happiness, which has a good impact on employee engagement. Many issues could make it difficult for leaders to inspire their staff, making them less effective and contributing less to the bottom line. Poor leadership structures, uncertainty, disruptive emotions, and attribution mistakes are a few of these issues (Duarte and Lopes 2018) [42].

Table 3. Values.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.0	1.0	1.0
	Disagree	100	50.0	50.0	51.0
	Neither	22	11.0	11.0	62.0
	Agree	58	29.0	29.0	91.0
	Strongly Agree	18	9.0	9.0	100.0
	Total	200	100.0	100.0	

Table 4. Communication.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	23	11.5	11.5	11.5
	Neither	17	8.5	8.5	20.0
	Agree	127	63.5	63.5	83.5
	Strongly Agree	33	16.5	16.5	100.0
	Total	200	100.0	100.0	

Table 5. Decision-making.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	.5	.5	.5
	Neither	4	2.0	2.0	2.5
	Agree	150	75.0	75.0	77.5
	Strongly Agree	45	22.5	22.5	100.0
	Total	200	100.0	100.0	

Table 6. Ethical attitude.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	3.5	3.5	3.5
	Disagree	63	31.5	31.7	35.2
	Neither	44	22.0	22.1	57.3
	Agree	60	30.0	30.2	87.4
	Strongly Agree	25	12.5	12.6	100.0
	Total	199	99.5	100.0	
Missing	System	1	.5		
	Total	200	100.0		

Table 7. Motivation.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	2	1.0	1.0	1.0
Disagree	100	50.0	50.0	51.0
Neither	22	11.0	11.0	62.0
Agree	58	29.0	29.0	91.0
Strongly Agree	18	9.0	9.0	100.0
Total	200	100.0	100.0	

7. Recommendations

These recommendations for business owners and managers are based on the study's well-founded findings:

7.1. Legal Standard

The following recommendations were made by SMME managers, business owners, and operators to solve the issue of "legal standards":

- SMMEs are urged to take into account fundamental rights in their operations, particularly the right to equality and the right to fair work practices. Failing to do so can result in some problems, including low employee productivity and business interruptions due to demonstrations. These are the problems that, if not addressed effectively, can lead to SMME failure, especially in South Africa where labour unrest is rampant.
- Adhering to legal requirements might be difficult, but with the careful blending of constraint and compensation, the company can encourage individuals to embrace good behaviour and activities that result in a positive work environment and satisfied clients.
- While motivation and retribution can lead to conformity, genuine adherence to the law depends on a personal desire to uphold moral principles. Entrepreneurs can encourage individuals to follow the rules that govern how their company is run because doing so will not only foster conformity but also cooperation among the staff and customers as well as the overall success of the company.

7.2. Ethical Ideas

- Businesses may support good employee behaviour by training and assisting staff in doing so.
- Reasonable intentions and announcements are not enough. Therefore, managers must both model and try to provide incentives for employees' ethical behavior.

7.3. Decision Making

- To prevent failures, managers and business owners must plan and organise their activities. Additionally, they must be wary of being overly opportunistic

and frequently question whether the novel ideas suit their capabilities and the overall vision of where the company is going. They must keep in mind that each new development has varying hazards. As a result, they must constantly assess the risks they face and develop emergency measures.

- If the operations of SMMEs are to continue to grow and develop, it is crucial to recognise and overcome the general obstacles associated with development. Fundamentally, they must vouch that the current course of action won't result in new problems down the road. Making the most of the prospects and fostering sustainable growth for the future will be made possible with the aid of effective leadership.

- Entrepreneurs and management must pay attention to new concerns and priorities as the business develops. Knowing what to focus on can be accomplished by identifying the essential drivers of progress. A methodical approach to administration places a focus on running the business, growing the workforce, and managing the organisation. Entrepreneurs must devise plans and methods that can make issues easier to handle in the future rather than treating them as one-time events.

- There are different resources needed to help business owners and managers launch a company than there are for it to grow. Business owners and managers must avoid deluding themselves into placing excessive value on their skills. Managers or business owners likely need coaching to help them gain the abilities and mindsets required of a growth leader. Entrepreneurs and managers must have the proper delegation skills, have faith in the team members or employees who have been given responsibilities, and relinquish daily control of all elements of the firm to grow it.

- As operations become more intricate, managers and business owners must hone their time-management abilities and learn to focus on what is important. Employees with the dexterity of operation might be vital when taking on new prospects. To fully take advantage of their possibilities, entrepreneurs must learn to listen and accept advice from others.

- Regularly reviewing and amending a business plan will help you comprehend how the market is changing and how you need to adapt your strategy. Entrepreneurs can identify the activities that need to be made to modify the business and the way it operates with the help of a timely strategy.

- Managers and business owners must commit to their goals, even if it means stepping outside of their comfort zone.

Conflicts of Interest

The authors declare no conflicts of interest.

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