EXPLORING WAYS TO CONSTRUCTION OF A BUSINESS
BOOTSTRAPPING MODEL TO EQUIP EMERGING MICRO
BUSINESS IN THE FIRST YEAR OF OPERATION
IN SOUTH AFRICA

Eugene Nkwimi, Doctor of Business Administration, Johannesburg Business School, University of Johannesburg, Johannesburg, South Africa, e-mail: shembiisor@uj.ac.za, ORCID: https://orcid.org/0000-0001-7626-4051

In South Africa, the small, medium, and micro businesses (SMMEs) sector contributes between 52 and 57 percent of the GDP. In the coming years, it is expected that the SMME sector would provide 90 percent of the GDP and employment in South Africa. Due to barriers that prevent potential growth, more than 50 percent of businesses in South Africa fail during the first five years of operation. The study examined enterprises in their first year of operation in South Africa and identified the lack of business skills and an insufficient supply of financing as contributing factors. The investigation revealed existing concepts such as Financial bootstrapping and Balance Score Card, both of which are crucial for South African enterprises during their first year of operation. A mixed research approach was chosen for the study in order to answer the research questions. The phenomenological (qualitative) and positivist (quantitative) philosophical paradigms were adopted with a determination to achieve a thorough understanding of the strength and direction of the relationship between a business skills deficit and competitiveness of businesses in the first year in South Africa and, furthermore, the development of the Business Bootstrapping Model. The study's data collection tools included semi-structured interviews and questionnaires. In relation to the data that were gathered for the study, content analysis was utilized as an analytical technique to analyse qualitative data, while SPSS was used to analyse responses to questionnaires for a quantitative study. The availability of capital and the lack of adequate financial resources to manage account receivables were found to be major hindrances to a business' sustainability in its first year of operation. Research gaps were filled by combining empirical investigations and conclusions, and this information was then used to construct the business bootstrapping model. In its initial year of operation, the business Bootstrapping Model included three elements: finance, marketing, and corporate governance. Owners of small businesses can begin generating capital using the Business Bootstrapping Model's financial component, which is a key factor in eradicating financial and liquidity obstacles. The Business Bootstrapping Model also equips business owners with the ability to plan and manage daily operations, including developing short-term financial policies for the business. Furthermore, assists in measurement capabilities for the business's current financial performance, financial position, and anticipated future business plan. As well as providing an overview of the company's revenues and costs from operating and non-operating activities over time. Business owners are provided with the marketing skills necessary for brand positioning, preventing pricing discrimination, and getting pertinent, hard-to-get customer information and insights on social media through the marketing components of the Business Bootstrapping Model.

Keywords: accessibility of capital, Business model, skills deficiency, competitiveness, financial management, business management, marketing.

References


DOI: 10.15587/2706-5448.2023.286985

**ANALYSING THE IMPLICATIONS OF CYBERSECURITY BREACHES ON FIRM LEADERSHIP**

pages 20–26

Alexander Oluka, PhD, Department of Entrepreneurial and Management Studies, Durban University of Technology, Durban, South Africa, e-mail: olukaam@gmail.com, ORCID: https://orcid.org/0000-0001-7632-1490

The object of this research is the implications of cybersecurity breaches on the leaders of accounting firms in KwaZulu-Natal, South Africa. The research employed a qualitative approach with interviews as the primary data collection technique. The researcher adopted a rigorous analytical framework, utilising different scholarly sources to analyse and explain the intricate experiences of firm leaders. The study revealed that leaders of accounting firms experience psychological, financial, and social consequences due to cybersecurity breaches. It highlights the emotional impact, including anxiety and increased stress. The fear of potential job losses was found to be one issue leaders were worried about after the data breach. The stress from dealing with the aftermath of data breaches affected their family relationships. In addition, leaders experienced low productivity and increased pressure dealing with the media and organization stakeholders and the stigma associated with data breaches. Given the critical role that accounting firms play in the financial ecosystem and the sensitive nature of the data they handle, it is imperative that cybersecurity is prioritised. However, studies have focused on the financial implications of cybersecurity...
breaches on businesses, but less attention has been paid to the psychological, social, and financial implications of breaches on firm leaders. The findings are significant for academic discourse but also provide leaders with strategies to mitigate the adverse effects of breaches, while also offering a framework for other researchers and practitioners in different regions and sectors to understand and study the phenomenon further.

**Keywords:** accounting firm, cybersecurity breaches, emotional impact, management, firm leaders, work stress.

**References**


**DOI:** 10.15587/2706-5448.2023.292183

**IMPlication OF INTERNET OF THINGS (IoT) ON ORGANIZATIONAL PERFORMANCE FOR SMEs IN EMERGING ECONOMIES – A SYSTEMATIC REVIEW**

Gibson Muridzi, PhD, Department of Business Management, University of Johannesburg, Johannesburg, South Africa, ORCID: https://orcid.org/0000-0002-2362-8496, e-mail: gmuridzi@uj.ac.za
The object of this research is the implementation of Internet of Things (IoT) and its effect on organizational performance for Small and Medium Enterprises (SMEs) in emerging economies. SMEs in emerging economies are faced with low level of performance due to technological constraint, inadequate skilled human resource, lower entrepreneurial capabilities and management systems, the deficiency of available information, inadequate use of Information Technology, poor quality products and lack of strategic long-term plans. Systematic literature reviews approach was used to discover, assess and synthesize findings of all relevant individual research on fourth industrial revolution (4IR), IoT, organization performance and SMEs topics. 461 articles were found, and 60 articles were used as sample of this study. Findings of this study established that implementation of IoT positively affects performance for SMEs in emerging economies. Results also shows that financial, technological, and operational risks are major risks faced by SMEs in implementing IoT technologies in emerging economies. The essence of the results is to contribute to current body of knowledge by giving interesting insights in the form of a framework on how IoT technologies can be applied in enhancing SMEs performance in emerging economies. This is achieved by making SMEs aware of its potential benefit by providing some knowledge on securing financial resources, and ability to analyze external environment, and to shed more light on the benefits and opportunities that these new tools offer and how it can subsequently improve organization performance for SMEs. Most articles used systematic literature review were from developed economies as there was limited literature which speaks about IoT and SMEs performance. This is achieved by making SMEs aware of its potential benefit by providing some knowledge on securing financial resources, and ability to analyze external environment, and to shed more light on the benefits and opportunities that these new tools offer and how it can subsequently improve organization performance for SMEs. Most articles used systematic literature review were from developed economies as there was limited literature which speaks about IoT and SMEs performance in emerging economies. The study therefore focused on IoT and how it can improve SMEs' organizational performance in emerging economies. Keywords: Internet of Things, organization performance, small and medium enterprises, emerging economies.

References


**DOI:** 10.15587/2706-5448.2023.292555

**AN INVESTIGATION INTO THE FINANCIAL CHALLENGES AFFECTING THE SUCCESS OF ENTREPRENEURS IN SOUTH AFRICA**

Pages 36–44

Eugine Nkwinita, Doctor of Business Administration, Johannesburg Business School, University of Johannesburg, Johannesburg, South Africa, ORCID: https://orcid.org/0000-0001-7626-4051

Olawale Oluwemi Akinrinde, PhD, Postdoctoral Research Fellow, Johannesburg Business School, University of Johannesburg, Johannesburg, South Africa, e-mail: oolowemi@uj.ac.za, ORCID: https://orcid.org/0000-0001-7539-2376

The object of this study is the financial difficulties that impacted the success of business owners in Hatfield, Gauteng province, South Africa. Compared to a global failure rate of 50%, live out of every seven entrepreneurs in Hatfield, South Africa fail during the first year of operation. This study aimed at looking into the relationship between entrepreneur failure and financial literacy. The methodology employed in this study is interpretive philosophy-based qualitative research. An ethnographic research technique was also used to analyze the current economic condition of business owners in Hatfield. The population was sampled using non-probability purposive sampling techniques. Semi-structured interviews were used to gather the study’s leading source of data. The primary research results are thematically examined while also considering the secondary sources. Eliminating financial and liquidity constraints was listed as a goal of financial literacy. Findings garnered revealed that financial, liquidity
and credit restrictions are the primary causes of business failures in Hatfield. The lack of financial resources for new businesses in Hatfield, as revealed, prompted several liquidity issues in Hatfield, and further lowers the growth rate of Hatfield businesses. It was discovered that Hatfield’s entrepreneurs usually experienced premature failure due to inadequate financial education and training. Impliedly, Hatfield business owners possessed poor cash management, defaulting on loan payments due to lack of financial education. Conversely, only a few entrepreneurs and business owners in Hatfield, South Africa possess financial literacy competence with the necessary skills needed to better analyze their financial statements appropriately and increase profitability of their business. The practical implication of this finding is that, most entrepreneurs have high possibility to experience premature business liquidity when they have low or no financial literacy.

Keywords: financial constraints, liquidity constraints, entrepreneurs, financial literacy, entrepreneurship, innovation.

References
The article is devoted to the features, classification and evaluation of the effectiveness of social innovations in the implementation of the company’s strategic goals. The object of the study is the process of formation and implementation of social innovations in the company’s activities. At the same time, the development of the concept of social innovations from the 19th century to the present is considered in detail. Special attention is paid to the interpretation of social innovations and strategic goals of the company in Ukrainian and foreign economic science. The research problem is the complexity of forming modern classifications and evaluating the effectiveness of social innovations in the company’s strategic goals. The essence of the obtained results is the disclosure of the theoretical provisions of social innovations and strategic goals, the determination of approaches and methods for evaluating the effectiveness of social innovations, as well as the role of social innovations as a tool for achieving the strategic goals of the enterprise. In the reasoned conclusions of the study, it is explained that the gradation of the results of the implementation of social innovations at the enterprise depending on the type (personal, economic, image and social) indicates that each of them has both positive and negative features; methods of evaluating the impact of innovations on the company’s performance are shown. In particular, the assessment of the effectiveness of social innovations is also important because their implementation requires a lot additional efforts, which shifts the focus and can distract from solving important issues that are often urgent. The state of war, the destruction of the usual approaches to doing business, the loss of qualified management personnel, specialists in various processes does not allow to effectively find and implement innovations in the social, environmental and managerial components. All these aspects are considered in the context of the effective implementation of the company’s strategic goals in the conditions of a dynamic transformational society, in which the research results can be used in practice.

**Keywords:** management, social innovation, strategic goals, performance evaluation, enterprise, dynamic transformational society, business structure.

**References**

The object of this research is the influence of a distributed work methodology on worker morale in the milieu of perceived organizational support. This paper aims to explore the influence of a distributed work methodology on worker morale in the milieu of perceived organizational support. One of the most challenging aspects of distributed work methodology is recognized and adapting to an unanticipated and novel work approach which is unchartered territory for many. During this research, a mixed methodology is used with a hypothetico-deductive approach, which enabled the testing of a working hypothesis through a sample in the administrative cadre in the public health sector, Cape Town, South Africa. As a result of the research, it is shown that mental health with continued well-being was confirmed as primarily well supported and mitigated by numerous organizational support incentives and therefore, work outcomes are found to be positively related to the influence of worker morale. As worker morale influences worker commitment and engagement levels, which has organizational behavior and productivity implications, it is clear from the findings that conceptualizing multi-dimensional well-being at work is vital to an in-depth comprehension of the relationship between living meaningfully and being content at work. Consequently, in terms of application, it befits management cadres to look at the evidence and ponder the best approach for the future of work.

The supposition of a shifted and adapted management-subordinate control that relies primarily on the monitoring of remote outputs is supported, and therefore a proposed approach for future research should be focused on the role of organizational control in flexible work practices. More diverse sampling, representative of various corporate entities and inclusive of private entities, is recommended.

**Keywords:** COVID-19, distributed work, flexible work practices, morale, perceived organizational support, remote work.

**References**


ABSTRACTS AND REFERENCES: ECONOMICS AND MANAGEMENT OF ENTERPRISE


51. Van Zoonen, W., Sivunen, A. E. (2021). The impact of remote work and mediated communication frequency on isolation and psychologi­
Marketing system of the vegetable growing industry is ensured by information. It has been proven that the quality and efficiency of the market tools capable of meeting the needs of the market and convincingly demonstrates the need to implement marketing as one of the market tools capable of combining the interests of business entities. The development of new management methods and approaches convincingly demonstrates the need to implement marketing as one of the market tools capable of meeting the interests of business entities. It has been proven that the quality and efficiency of the marketing system of the vegetable growing industry is ensured by the scientific methodical development, the objectivity of quantitative and qualitative assessments, the creation and implementation of a rational system of evaluation and management of this system, as well as the level of the marketing organization.

The practical significance lies in the methodological substantiation and conceptualization of the role of marketing influence on the market and consumer of vegetable production.

**Keywords:** marketing, vegetable growing, marketing influence, vegetable market, consumer of vegetable products.

**References**

У Південній Африці сектор малих, середніх та середніх підприємств (МСП) становить від 52 до 57 відсотків ВВП. Очікується, що в більшості країн, дефіцит доступної інформації, недостатнє використання інформаційних технологій, низьку якість редніх підприємств (МСП) в країнах з перехідною економікою у залежності від простору звітності та систем управління, дефіцит доступної інформації, недостатнє використання інформаційних технологій, низьку якість редніх підприємств (МСП) в країнах з перехідною економікою. МСП в країнах з перехідною економікою стикаються з низьким реднім підприємством. Крім того, вони задовольняються низькою якістю редніх підприємств (МСП) в країнах з перехідною економікою. МСП в країнах з перехідною економікою стикаються з низьким реднім підприємством. Крім того, вони задовольняються низькою якістю редніх підприємств (МСП) в країнах з перехідною економікою. МСП в країнах з перехідною економікою стикаються з низьким реднім підприємством. Крім того, вони задовольняються низькою якістю редніх підприємств (МСП) в країнах з перехідною економікою. МСП в країнах з перехідною економікою стикаються з низьким реднім підприємством.
Дослідження названо: Способы, которые влияют на успех предпринимателей в Южной Африке

Ключевые слова: финансовые проблемы, обремененность, предприятия, финансовая грамотность, социальные инновации, стратегические цели, оценка эффективности.

DOI: 10.15587/2706-5448.2023.292855
ПОМ'ЯКШЕННЯ НАСЛІДКІВ СПРИЙНЯТТЯ ОРГАНІЗАЦІЙНОЇ ПІДТРИМКИ НА ВПЛИВ МОРАЛЬНОГО ДУХУ ПРАЦІВНИКІВ В УМОВАХ РОЗПОДІЛЕННОЇ РОБОТИ (стор. 51–57)

Rentia van Heerden, Visvanathan Naicker

Об’єктом цього дослідження є вплив методології розподіленої роботи на моральний стан працівників у середовищі передбачуваної організаційної підтримки. Ця робота направлена на вивчення впливу методології розподіленої роботи на моральний стан працівників у середовищі передбачуваної організаційної підтримки. Одним із найскладніших аспектів методології розподіленої роботи є визнання та адаптація до непередбаченого та нового підходу до роботи, який для багатьох є незвіданою територією. Під час цього дослідження використовується змішана методологія з гіпотетико-дедуктивним підходом, що дозволяє перевірити роботу гіпотези за допомогою вибірки адміністративного персоналу в державному секторі охорони здоров’я, Кейптаун, Південна Африка. У результаті дослідження було показано, що психічне здоров’я з безперервним благополуччям було підтверджено як перш за все добре підтримуване та пом’якшене численними стимулами організаційної підтримки, а отже, результати роботи позитивно пов’язані з впливом морального стану працівників. Оскільки моральний стан працівників впливає на рівень їх відданості та залученості, то має наслідки для організаційної поведінки та продуктивності, з висновків стає зрозуміло, що концептуалізація багатовимірного благополуччя на роботі є чимало важливою для загального розуміння моральної навантаженості, що спирається головним чином на моніторинг віддалених результатів, і тому запропонований підхід для майбутніх досліджень має бути зосереджений на ролі організаційного контролю в гнучких практиках роботи. Рекомендується більш різноманітна вибірка, репрезентативна для різних корпоративних організацій і включно з приватними особами.

Ключові слова: COVID-19, розподілена робота, гнучка практика роботи, мораль, сприймаєма організаційна підтримка, віддалена робота.

АНАЛІЗ МАРКЕТИНГОВОГО ВПЛИВУ НА РИНОК ТА КІНЦЕВОГО СПОЖИВАЧА ПРОДУКЦІЇ ОВОЧІВНИЦТВА (стор. 58–62)

Майстренко В. І.

Об’єктом дослідження є маркетинговий вплив на ринок та кінцевого споживача овочевої продукції. У процесі дослідження використовувався ряд загальнонаукових та спеціальних методів, зокрема: системно-структурний аналіз та синтез як основний методологічний інструмент, монографічний та екстраполяційний.

Розкрито маркетинговий вплив на ринок та кінцевого споживача продукції овочівництва. Проведено маркетингове дослідження ринку овочів на внутрішньому та зовнішньому ринках, що є необхідною умовою для формування ефективної стратегії та тактики розвитку маркетингу в цій сфері. Адже співвідношення попиту та пропозиції на овочевому ринку визначає рух капіталу та переміщення ресурсів між галузевими та регіональними, впливає на рівень та динаміку цін, а отже, є ключовим чинником формування доходів виробників. Розвиток нових методів і підходів до управління переконливо свідчить про необхідність впровадження маркетингу як одного з ринкових інструментів, здатних задовольнити потреби ринку та поєднати інтереси суб’єктів господарювання. Важлива роль відводиться фактору часу та інформації. Доведено, що якість та ефективність маркетингової системи галузі овочівництва забезпечується науково-методичними розробками, об’єктивністю кількісних і якісних показників, створенням і впровадженням раціональної системи оцінки та управління цією системою, а також рівень організації маркетингу.

Практичне значення полягає в методологічному обґрунтуванні та концептуалізації ролі маркетингового впливу на ринок і споживача овочевої продукції.

Ключові слова: маркетинг, овочево-овочевництво, маркетинговий вплив, ринок овочів, споживач овочевої продукції.