Management Capacity within Small to Medium Tourism Enterprises (SMTEs) in the Eastern Cape Province

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Abstract
The small to medium tourism enterprises (SMTEs) are recognised as significant contributors to the development of the local and regional economies and create much needed entrepreneurial ventures. Universally, SMTEs play a significant role in the tourism sector. Management of these enterprises by owners and managers seems to face challenges. This paper examines the factors impacting on management capacity with specific focus on the SMTEs in the Eastern Cape Province, South Africa. A systematic random sampling technique was utilised to choose a sample of 320 business respondents from the 2012 database of the Eastern Cape Parks and Tourism Agency, comprising of formally registered small tourism businesses. A total of 310 usable questionnaires was finally obtained. In this study descriptive and inferential statistics were applied. Descriptive statistics were captured to highlight the owners’ characteristics and to consolidate their measurement scores. Utilising inferential statistics, the study undertook an investigation into relationships between demographic variables, business characteristics and factors impacting on management capacity within SMTEs were undertaken. The paper elucidates that a significant relationship was found between business characteristics and demographic variables. Furthermore, skills development, strategic and management knowledge and business leadership factors were compared with the qualifications group. This study adds to the body of knowledge in a predominantly less researched phenomenon of management capacity within SMTEs.

Keywords: Management capacity, factors, small businesses, tourism, entrepreneurship

Introduction and background
In South Africa, small to medium tourism enterprise development is regarded as an affordable strategy to address the country’s geographical socio-economic challenges. Furthermore, it is imperative given the dire straits within which the economy currently finds itself to promote entrepreneurial initiatives so as to unlock the country’s economic potential. In the past decade it has been largely acknowledged by the tourism industry that small to medium tourism enterprises (SMTEs) make a significant contribution to the economy (World Travel Tourism Organization, 2013).

Researchers such as Bloom and Van Reene (2010) suggest that the importance of management development cannot be overemphasised in gaining an improved understanding of the practices of a thriving small to medium tourism enterprises (SMTEs), in order to help enhance performance results of SMTEs in general. Continued management development practices in SMTEs are thus vitally important for the sustainability of such businesses within the tourism industry (Breen, Bergin-Seers, Jago & Carlsen, 2005).
Scott and Mole (2012) postulate that management capacity is a phenomenon that includes leadership, policy and strategy, customer focus, data and analysis, human resource focus, process management and business results. As such, management capacity is amongst the significant contributors, if not the most significant, to existence, growth and sustainability in almost every nation. It is a challenge to overestimate the significant of management capacity in order for the SMTEs to grow and develop holistically, and those who downplay the importance of this fundamental component are making an enormous mistake. It is these SMTEs that create the majority of employment opportunities and are likely to continue doing.

In South Africa, since 1994 and the advent of democracy, a new tourism policy on tourism development has been introduced in order to usher the growth of the nation’s SMTEs and to take a different course in the tourism industry (White Paper on Tourism Development, 1996:11). The continuous growth of SMTEs in South Africa is envisaged in the coming years (Venter, 2003) and their importance is thus evident for this country. The growth and development of tourism industry is the key focus of South Africa’s government developmental trajectory. Creating a conducive environment through a national, regional and local policy framework for SMTE growth is a central focus in this context. The White Paper states that initiatives have been developed to create an environment in which previously disadvantaged communities can participate in the mainstream economy. SMTEs are, however, inextricably linked to high failure rates, and it has been projected that their failure rate in South Africa is in the range of 70 and 80 percent (Moodie, 2003; Ryan, 2003). The lack of success of these enterprises are thus envisaged, often because they lack management capacity.

The United Nations World Tourism Organization (UNWTO) (2016) indicates that the tourism industry is a main foreign exchange earner and a pillar of industry for a large number of nations around the world. In a developing economy it plays a pivotal role. The Statistics South Africa Annual Tourism Satellite Account for South Africa (2018) reports that tourism received more employment opportunities than manufacturing over the period of five years from 2012 to 2016. The report further highlights that, in both formal and informal employment, one in every twenty-three people are directly employed in the tourism sector. This therefore projects the industry as one of the top economic development sectors, not only by its virtue of contributing to the economy of the country, but because of the ability to create sustainable employment, especially in the SMTE environment. The industry contributes 2.9 percent to the Gross Domestic Product (GDP) of the South African economy. In 2005, Saayman and Olivier (2005) identified that this industry was the biggest within the global context, and the fourth biggest industry in the context of South Africa after mining, agriculture and trade in terms of the number of employment opportunities. However, SMTEs are not enjoying success, this could be attributed poor business support structures, communication, and lack of access to information, management development, managerial competence, and experience.

Globalisation, increasing competition, and advances in technology require organisations to consider management capacity as a priority for enhancing SMTE performance in order to gain maximum revenues. Scott and Mole (2012) write that researchers have linked the failure of SMEs to the lack of management capacity and argue that entrepreneurs in the nascent stages of business ventures emphasise entrepreneurial activity. They further assert that the lack of management capacity poses a threat to the survival of SMTEs.

Management capacity has been recognised as a contributing aspect in the evolution projections of an SMTE; however, some researchers have discovered the association to be insignificant. Consequently, some recent studies have indicated a positive association within management development and growth of the SMTE. However, the Eastern Cape SMTE sector is experiencing difficulties in this regard (Scott & Mole, 2012). The challenge thus is to improve management capacity to enable SMTEs to prosper.
In an effort to promote the longevity and success of SMTEs, it is imperative to gain greater understanding into the growing importance of, and factors influencing, management capacity or the lack thereof in the Eastern Cape Province.

**Problem statement and aim**

Understanding the reasons for lack of management capacity is necessary in order to comprehend the factors that contribute to the failures and successes of SMTEs. The Eastern Cape Socio Economic Consultative Council (ECSECC) (Annual Report, 2011, 2013) states that the growth patterns in the Eastern Cape Province are similar to those at national level. As a result, numerous questions arise as to what it takes for SMTE owners/managers to deal effectively with such a lack of management capacity. The Eastern Cape Province has experienced growth on the periphery of the national economy (ECSECC, 2011-2013).

The National Development Plan (NDP) (2011) argues that SMTE firms will play a significant role in creating employment opportunities. While some work has been done, according to the NDP (2011), in relation to identifying tourism as a key strategy to unlock entrepreneurial development opportunities in the province through SMTEs, the Eastern Cape Province is still at the bottom of the ladder.

Scott and Mole (2012) have identified the development of performance of SMTE owners and managers as a priority. In the literature review, lack of management capacity has been identified as critical to the lack of growth and development that leads to the lack success of SMTEs. Hence, there appears to be a lack of management capacity required to develop and grow SMTEs in South Africa, and particularly in the Eastern Cape Province. What is further significant for the research is that very few other studies have focused on the lack of management capacity and models of implementation for SMTEs. Thus, there is also a void in knowledge, with particular reference to business performance, in relation to establishment of SMTEs of South Africa. Moreover, no research could be found that proposed a simplistic model of management capacity to be used by SMTEs in South Africa. This study investigated the factors impacting on the lack of management capacity within the SMTEs.

The question, therefore arises, is the lack of management capacity within SMTEs in the Eastern Cape Province the cause of their failure?

**Research objectives**

It is imperative to understand the factors that inhibit to SMTE’s success, and the lack of growth and development of management capacity, and to understand what goes into creating and maintaining successful tourism ventures. While anecdotal evidence on guidelines for successful SMTEs has been identified, no strong empirical evidence supports these assumptions. Few, if any, guidelines or empirical evidence exist as to how to successfully manage SMTE businesses within the South African context. In order to answer the research question the following research objectives set.

- to undertake a detailed theoretical investigation into the functioning of SMTEs in South Africa;
- establish a profile of SMTEs in the Eastern Cape Province (e.g. number of employees, qualifications, training undertaken, annual turnover and total gross income); and
- explain the factors influencing the successes and failures of SMTEs

**Research methodology**

This paper adopts a descriptive design and a quantitative approach. The quantitative research, based in the positivist social sciences paradigm, adopts a rational approach to the research process (De Vos, 2001). The qualitative research approach was employed in the context of this paper.
The utilisation of descriptive research was identified to be suitable for the purpose of this paper. Descriptive research dealt with intricate factors people's opinions pertaining to management capacity. For example, in this paper the focus was on factors influencing management capacity within SMTEs in the Eastern Cape.

**The Research Instrument (Questionnaire)**

A questionnaire was administered and provided data which are analysed. The questionnaire included questions related to the different elements of management capacity.

**Data Analysis**

The computer software package, Statistical Packages for Social Sciences (SPSS), was used to input and analyse the quantitative data. This package made it easy to access descriptive statistic.

**Sample Size**

The sampling frame for the research was provided by the Eastern Cape Parks and Tourism Agency (ECPTA), the government agency responsible to market the tourism businesses in the Eastern Cape Province. For the purpose of this study, a sample of 320 SMTEs was drawn from this sampling frame. It was highlighted earlier that evolving SMTEs are increasingly located in the precinct of the two metropoles of Buffalo City Metropolitan Municipality and Nelson Mandela Bay Municipality.

**An Overview of the Small, Medium and Micro Enterprises Sector**

The promotion of Small, Medium and Micro Enterprises (SMMEs) is priority area for many governments around the world. The underpinning factor for the promotion of SMMEs is the prospect that this sector presents economic opportunities in relation to job opportunities and poverty eradication. Many developed countries have invested time and resources, in an effort to address the gaps that could stifle the growth and development of the SMME sector. Different policy programmes and initiatives have been presented in this respect in South Africa to ensure that a conducive environment is created for this sector to thrive, and to address socio-economic challenges (Amra, Hlatshwayo and Mcmillan, 2013).

Since 1994, South Africa’s unemployment rate has escalated, and remained in the range of what is likely 37 percent, with the latest official projections from Stats SA being 26.6 percent (1Q2016). The lack of job opportunities, poverty and inequality has been, and still remain, one of South Africa’s key area of great concern. One of the strategies that have been adopted by government, academics and policy-makers of South Africa to address this challenge is the inculcation and promotion of a culture of entrepreneurship and small venture creation (Vallabh, 2014).

The benefits of entrepreneurship may vary and can include increasing productivity levels, and enhancing the socio-economic status of citizens. Economic growth and development is fundamentally important, as it increases employment opportunities, especially in developing economies, such as South Africa’s. In this context, the SMME sector is identified as the engine of growth that can potentially uplift communities that are trapped in the triple threat of unemployment, poverty and inequality.

Chimucheka (2013) argues that the phenomenon of small business is different, and hinges on the stage of economic growth annually. Chimucheka (2013) points out that, globally, the size of an entity is the criterion mostly accepted in SMME research. In Chile, for example, businesses are generally categorised based on their annual turnover, whereas in South Africa, companies are classified by turnover, gross asset value and the number of employees.
SMTEs are defined as those businesses that operate within the scope of the tourism economy, employing up to 100 employees, including sole operators without any staff (Tassiopoulos, 2011). The SMTE sector in South Africa has been identified by the government as the key industry to unlock economic opportunities. Various state institutions, such as the Small Enterprise Development Agency (SEDA), the Tourism Enterprise Partnership (TEP), and the Eastern Cape Development Corporation (ECDC) have been mandated to support and promote the growth of the SMTE sector - especially post 1994.

Management capacity in SMTEs is imperative to the economic growth of South Africa, and specifically in the Eastern Cape Province, due to the assistance it can provide to job creation, poverty alleviation and economic growth. SMTEs are strategically positioned to play an important role in propelling the Eastern Cape Province economy to new heights. SMTE formations in the tourism and hospitality industry form a central part of the tourism economy and potential to provide a significant number of much-needed jobs (Vallabh, 2014).

Globally the SMTE sector is highly disjointed, and is beset by a lack of management capacity, compounded by lack of communication amongst government and private sector stakeholders. Additionally, although stakeholders have initiatives that seek to develop business tourism in South Africa, they often work in isolation from one another, and there is general confusion as to the roles each stakeholder should be playing. This leads to failure and discontinuation of these enterprises (Tassiopoulos, 2011).

**Knowledge management and skill capability within SMTEs**

Knowledge management and skill capability are imperative in order to enable small tourism businesses to thrive. The lack of experience, knowledge and skills amongst managers can potentially cause an impediment to the small business sector (De Coning, 1988). Therefore, the managers cannot simply rely on business intuition, is not sufficient in the context of managing an SMTE. In this context, it is pertinent to note that the tourism industry is dynamic, and at times can be volatile. Thus the skills of owners and managers ought to serve as the driving force behind the tourism enterprises (De Coning, 1988).

Managers of these businesses must be knowledgeable, and skilled enough to face the challenges that are brought about by the unexpected changes within the business environment. Therefore, management knowledge in the small tourism business context refers to the degree to which small business owners are aware of management concepts and principles. De Coning (1998) further espouses the integration of concepts and principles must be integrated into the running of tourism businesses.

Herrington (2015) contends that managerial weaknesses have been identified as often being the contributing factor to the failure of small businesses. It has also been noticed (Herrington, 2015) that the persons who own or runs smaller businesses are seemingly less educated. In this light, the South African government has undertaken to provide support to these small businesses to help them thrive. This situation compelled the government of South Africa to formulate the Small Business Development Ministry in 2014 in an endeavour to address this conundrum. Furthermore, the establishment of the new ministry seeks to address the triple threat challenges namely; unemployment, poverty and inequality in the context of South Africa. The lack of success of these small enterprises further exacerbates the slow pace of economic development and high unemployment rate, particularly in South Africa.

Even though the SMTEs have been identified as the priority for job creation in South Africa, the development of their own management abilities, skills and professionalism are lacking. Several studies that have been conducted by Tassiopoulos (2010), Tustin (2015) and the ECMCBPR (2006) reveal that fairly high level of informal management and skills development takes place among SMTEs. These authors argue that SMTEs should take a more formal and structured approach towards management development.
The age, gender and educational qualifications are recognised as the important factors that can contribute significantly to business performance. However, there are some notable differences between the older and younger people in relation to their gender and educational qualifications and their approach to business related issues. In some instances, the work undertaken by senior personnel can produce better results than the younger employees because of the experience factor, for example the senior personnel can mentor and guide to the young entrepreneurs. Conversely, it can be argued that young people can be aggressive in their entrepreneurial approach which can lead to creating more employment opportunities. The modern studies indicate that these factors can be the determinants to the performance of the business.

In recent years globalisation has been responsible for the constantly changing business environment, having business management skills is an essential part of being able to meet business challenges on a daily basis. Strategy and knowledge have been suggested to be the most important resources that add value to the business. The development of effective business leaders through talent management programmes such as management training, strategic planning and business leadership add significant value to the business management capacity of the business.

Findings

Qualifications in relation to the business existence

In order for a business to emerge successfully, various factors must be considered, such as education, skills and training. Skills and training determine the direction the SMTE will take in an endeavour to achieve the predetermined goals. Table 1 depicts qualifications of owners/managers in relation to length of business existence.

Table 1: Educational qualifications of SMTE managers

<table>
<thead>
<tr>
<th>Educational qualification</th>
<th>Less than 3 months</th>
<th>Between 3 and 42 months (or 3.5 years)</th>
<th>More than 43 months (or 3.5 years)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade 10 or Lower</td>
<td>2</td>
<td>2</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>%</td>
<td>14.3%</td>
<td>14.3%</td>
<td>71.4%</td>
<td>100%</td>
</tr>
<tr>
<td>Grade 12 or Matriculation</td>
<td>1</td>
<td>42</td>
<td>69</td>
<td>112</td>
</tr>
<tr>
<td>%</td>
<td>0.9%</td>
<td>37.5%</td>
<td>61.6%</td>
<td>100%</td>
</tr>
<tr>
<td>National Diploma</td>
<td>2</td>
<td>25</td>
<td>57</td>
<td>84</td>
</tr>
<tr>
<td>%</td>
<td>2.4%</td>
<td>29.8%</td>
<td>67.9%</td>
<td>100%</td>
</tr>
<tr>
<td>Degree</td>
<td>3</td>
<td>20</td>
<td>27</td>
<td>50</td>
</tr>
<tr>
<td>%</td>
<td>6.0%</td>
<td>40%</td>
<td>54%</td>
<td>100%</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>0</td>
<td>7</td>
<td>24</td>
<td>31</td>
</tr>
<tr>
<td>%</td>
<td>0.0%</td>
<td>22.6%</td>
<td>77.4%</td>
<td>100%</td>
</tr>
<tr>
<td>Any other qualification</td>
<td>0</td>
<td>3</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td>%</td>
<td>0.0%</td>
<td>21.4%</td>
<td>78.6%</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>8</td>
<td>99</td>
<td>198</td>
<td>305</td>
</tr>
</tbody>
</table>
In order to establish whether there was a correlation between the level of education of the owner/manager and the number of years a business can survive, a cross tabulation Chi-square test was carried out. The Chi-square test indicated that the relationship between these two variables was statistically significant (Chi-square = 19.192, df = 10, p = 0.038). The results in Table 1 indicated that qualifications of owners/managers play a significant role in the survival of an SMTE. The findings demonstrate that 78.6 percent of those managers with postmatric educational qualifications can potentially help run a successful business. These were the owners/managers of businesses that had existed for more than 43 months (or 3.5 years). Out of the SMTE owners and managers that participated in the study, 77.4 percent had a postgraduate qualification and said they manage businesses that have existed for more than 43 months (or 3.5 years). The argument has been presented that managers with higher qualifications can steer an SMTE in the right direction. This result is underpinned by Deakins et al., 2012) who say that qualifications and management capacity brings about success in small businesses.

Table 2: The Age of the Owner/Manager in Relation to the Number of Full Time Employees

<table>
<thead>
<tr>
<th>Age</th>
<th>None</th>
<th>Up to 4 Employees</th>
<th>5 to 9 Employees</th>
<th>Uncertain/Does not know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>1</td>
<td>9</td>
<td>10</td>
<td>9</td>
<td>29</td>
</tr>
<tr>
<td>%</td>
<td>3.4%</td>
<td>31.0%</td>
<td>34.5%</td>
<td>31.0%</td>
<td>100%</td>
</tr>
<tr>
<td>25-34</td>
<td>2</td>
<td>33</td>
<td>31</td>
<td>25</td>
<td>91</td>
</tr>
<tr>
<td>%</td>
<td>2.2%</td>
<td>36.3%</td>
<td>34.1%</td>
<td>27.5%</td>
<td>100%</td>
</tr>
<tr>
<td>35-44</td>
<td>6</td>
<td>16</td>
<td>14</td>
<td>29</td>
<td>65</td>
</tr>
<tr>
<td>%</td>
<td>9.2%</td>
<td>24.6%</td>
<td>21.5%</td>
<td>44.6%</td>
<td>100%</td>
</tr>
<tr>
<td>45-54</td>
<td>5</td>
<td>10</td>
<td>22</td>
<td>10</td>
<td>47</td>
</tr>
<tr>
<td>%</td>
<td>10.6%</td>
<td>21.3%</td>
<td>46.8%</td>
<td>21.3%</td>
<td>100%</td>
</tr>
<tr>
<td>55-64</td>
<td>10</td>
<td>24</td>
<td>6</td>
<td>5</td>
<td>45</td>
</tr>
<tr>
<td>%</td>
<td>22.2%</td>
<td>53.3%</td>
<td>13.3%</td>
<td>11.1%</td>
<td>100%</td>
</tr>
<tr>
<td>65</td>
<td>7</td>
<td>13</td>
<td>3</td>
<td>4</td>
<td>27</td>
</tr>
<tr>
<td>%</td>
<td>25.9%</td>
<td>48.1%</td>
<td>11.1%</td>
<td>14.8%</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>31</td>
<td>105</td>
<td>86</td>
<td>82</td>
<td>304</td>
</tr>
<tr>
<td>%</td>
<td>10.2%</td>
<td>34.5%</td>
<td>28.3%</td>
<td>27%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The results in Table 2 indicate that 53, 3 percent of business managers/owners that are 55 to 64 years old claim that their business can create employment for up to four employees in the next five years while 48, 1 percent of those 65 and older make the same claim. However, 46, 8 percent of business managers/owners between the ages of 35 and 44 believe that their business can create employment for 5 to 9 employees in the next five years.
A cross tabulation and Pearson Chi-square test was undertaken to examine the relationship between the variables (Pearson Chi-square = 32.610, df = 15, P = 0.000). A significant relationship was identified between the variables. It can thus be seen that the business managers/owners at retirement age are conservative and are not inclined to make as much of an effort to create more employment opportunities. Their businesses seem to be rather sustainability mode.

They will continue and they do think they can employ more people. It can therefore be argued that as you approach retirement, you are less likely to be entrepreneurial; instead you tend to become conservative and the entrepreneurial spirit diminishes. The Global Entrepreneurship Monitor (GEM) (2017:29) reports that there is a sharp decrease of entrepreneurial activity after the age of 54 amongst owners/managers and thus supports the findings of the current paper.

Owner/managers comparison of the qualification and factors analysis of variance (ANOVA)

The qualifications of the owners/managers of the small enterprises play a significant role in building the managerial skills whilst assisting the enterprise to bring the best out of its people and drive performance. The qualifications and development of managers are some critical components to help drive the strategy of the business. As the organisations continue to embed the strategy and drive ownership deeper within the organisation the managers require tools and skills to undertake this key responsibility. Management capacity plays an integral part of this process to ensure business success.

<table>
<thead>
<tr>
<th>Table 3: Analysis of variance results (ANOVA)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DESCRIPTIVES</strong></td>
</tr>
<tr>
<td><strong>Factor</strong></td>
</tr>
<tr>
<td>Factor Skills development (Skills Dev)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Factor Strategic and Management Knowledge (SM_Know)</td>
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<td></td>
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<tr>
<td></td>
</tr>
</tbody>
</table>
Educational levels play a meaningful role in this context as they broaden the scope of understanding the issues pertaining to running a successful business. With regard to the skills development factor and qualifications, the ANOVA test indicates a high mean score of 4.21. It can therefore be stated that skills development and qualifications are interdependent. The high mean score suggests a positive outlook between the two factors. Business skills enable managers to execute their jobs meticulously and effectively.

The strategic and management knowledge and qualification levels of the respondents indicated a high mean score of 4.10, as presented in Table 3. The high mean score implies that the strategic and management knowledge factor is acknowledged to be an essential aspect that relates to education when managing a small business. Management capacity programmes that are designed to enhance the managerial competencies of the entrepreneurs can be realised through education. Thus, the results of the study reveal a high mean score in the context of strategic and management knowledge and qualifications. The value of education in developing strategic thinking for SMTE owners/managers is imperative as it helps the manager to perform better.

The business leadership factor and qualifications showed an average mean score of 3.44 as per the ANOVA test. This implies that there is no strong disposition on the part of the SMTE owners to link business leadership and qualifications. On the other hand, business resources and qualifications proved to have a high mean score of 3.90, as indicated in Table 3. This can be attributed to the fact that the human resources of the enterprise are one of the most important components.

**Recommendations**

The findings of this paper will serve to enhance the knowledge of scholars and SMTE owners in the tourism industry and enable them to better understand the sector in the Eastern Cape Province. These findings serve as the basis for further research into management capacity within SMTEs by researchers. This data will be useful to scholars and SMTE owners alike in the tourism industry providing them within a better understanding of the factors that influence
the success or failure of SMTEs in the EC. In the broader context, this research provides a theoretical framework of the factors that can potentially assist entrepreneurs, policy makers and research in this field in SA.

Conclusion

The overview of the significance of the tourism sector in the economy and the role of small businesses in the Eastern Cape, it is hoped that it will assist researchers and potential owners/managers who wish to invest this developing sector. It is suggest that training and education programmes and mentoring are required by an entrepreneur to act on opportunities and manage a business effectively. The results of this paper provide interesting information pertaining to the educational qualifications of entrepreneurs and the number of jobs they can potentially generate. Furthermore, it can be concluded that the age of the owner/managers of these enterprises plays a significant role in the sustainability of the SMTEs.

The strategic and management knowledge and qualifications of owner/managers is identified as one salient factors towards business success, particularly in the early stage development of the enterprise. The understanding of the factors that relate to management capacity of SMTEs is pivotal for the growth of the enterprise. This paper has ascertained the profile of SMTE sector in the Eastern Cape, South Africa, which can play a significant role for future research. This paper adds to the body of knowledge in this less researched phenomenon of management capacity in small to medium tourism enterprises.

References


