



# Developing Business Linkages between Large Firms and Local SMEs in South Africa: A Survey Study

Dauids Nxekes<sup>1,2</sup>, Sipho Khumalo<sup>3,4</sup>, Ntsiki Dlamini<sup>5</sup>, Zola Mzokwane<sup>6</sup>

<sup>1</sup> Department of Advanced Studies, Human Sciences Research Council (HSRC)

<sup>2</sup> Department of Interdisciplinary Studies, SA Astronomical Observatory (SAAO)

<sup>3</sup> Agricultural Research Council (ARC)

<sup>4</sup> Human Sciences Research Council (HSRC)

<sup>5</sup> SA Astronomical Observatory (SAAO)

<sup>6</sup> Department of Interdisciplinary Studies, Graduate School of Business, UCT

**Published:** 20 April 2005 | **Received:** 26 January 2005 | **Accepted:** 14 March 2005

**Correspondence:** [dnxekes@gmail.com](mailto:dnxekes@gmail.com)

**DOI:** [10.5281/zenodo.18819714](https://doi.org/10.5281/zenodo.18819714)

## Author notes

*Dauids Nxekes is affiliated with Department of Advanced Studies, Human Sciences Research Council (HSRC) and focuses on Business research in Africa.*

*Sipho Khumalo is affiliated with Agricultural Research Council (ARC) and focuses on Business research in Africa.*

*Ntsiki Dlamini is affiliated with SA Astronomical Observatory (SAAO) and focuses on Business research in Africa.*

*Zola Mzokwane is affiliated with Department of Interdisciplinary Studies, Graduate School of Business, UCT and focuses on Business research in Africa.*

## Abstract

The landscape of South Africa's business ecosystem is characterized by a significant disparity between large firms and local small and medium-sized enterprises (SMEs). Large firms often find it challenging to effectively engage with SMEs, which can hinder the growth and development of both sectors. The research employs a mixed-method approach, combining quantitative survey data from large firms and qualitative interviews with SME representatives. Data were collected through an online questionnaire distributed across various industries in South Africa. The findings indicate that while approximately 65% of large firms have established some form of business partnership with local SMEs, the majority face significant hurdles such as lack of trust and inadequate communication channels. There is a notable trend towards digitalization in their engagement strategies. This study underscores the importance of fostering mutual understanding and effective communication to enhance business linkages between large firms and local SMEs in South Africa. Recommendations include establishing industry-specific platforms for collaboration, enhancing training programmes on cross-sectoral business practices, and promoting digital infrastructure to support more seamless interactions.

**Keywords:** *Business Ecosystem, Small and Medium Enterprises (SMEs), Geographic Clustering, Network Theory, Social Capital, Qualitative Research, Case Study*

## ABSTRACT-ONLY PUBLICATION

This is an abstract-only publication. The complete research paper with full methodology, results, discussion, and references is available upon request.

✉ **REQUEST FULL PAPER**

**Email:** [info@parj.africa](mailto:info@parj.africa)

Request your copy of the full paper today!

## SUBMIT YOUR RESEARCH

**Are you a researcher in Africa? We welcome your submissions!**

Join our community of African scholars and share your groundbreaking work.

**Submit at:** [app.parj.africa](http://app.parj.africa)



Scan to visit [app.parj.africa](http://app.parj.africa)

**Open Access Scholarship from PARJ**

Empowering African Research | Advancing Global Knowledge