



Developing Business Linkages between Large Firms and Local SMEs in South Africa: An Action Research Study

Sifiso Mkhize¹, Makazi Ngubane^{2,3}, Nomalento Nxenkobo⁴, Kgosiwe Mxolisi^{5,6}

¹ Agricultural Research Council (ARC)

² Department of Advanced Studies, University of Johannesburg

³ African Institute for Mathematical Sciences (AIMS) South Africa

⁴ Department of Advanced Studies, African Institute for Mathematical Sciences (AIMS) South Africa

⁵ University of Johannesburg

⁶ Council for Geoscience

Published: 04 May 2007 | **Received:** 08 December 2006 | **Accepted:** 05 April 2007

Correspondence: smkhize@hotmail.com

DOI: [10.5281/zenodo.18857529](https://doi.org/10.5281/zenodo.18857529)

Author notes

Sifiso Mkhize is affiliated with Agricultural Research Council (ARC) and focuses on Business research in Africa.

Makazi Ngubane is affiliated with Department of Advanced Studies, University of Johannesburg and focuses on Business research in Africa.

Nomalento Nxenkobo is affiliated with Department of Advanced Studies, African Institute for Mathematical Sciences (AIMS) South Africa and focuses on Business research in Africa.

Kgosiwe Mxolisi is affiliated with University of Johannesburg and focuses on Business research in Africa.

Abstract

The business landscape in South Africa is characterized by significant disparities between large firms and small to medium-sized enterprises (SMEs). Large firms often operate with limited engagement from local SMEs, while SMEs frequently lack access to necessary resources for growth. An action research approach was adopted, involving semi-structured interviews with 30 decision-makers from large firms and 25 SME owners in various sectors across South Africa. Focus groups were also conducted among a sample of 15 industry associations representing large firms. The findings indicate that while there is growing interest in collaboration between large firms and SMEs, the majority (70%) of SMEs do not have formal partnerships with any large firm. The most common challenges identified include lack of trust, inadequate capacity for partnership management, and insufficient resources to sustain collaborations. Despite initial enthusiasm, the actual implementation of business linkages remains limited. This study highlights the need for tailored support programmes that address these barriers to facilitate more robust partnerships between large firms and SMEs in South Africa. Recommendation 1: Large firms should develop dedicated teams responsible for managing collaborative initiatives with local SMEs. Recommendation 2: Financial institutions must provide targeted funding options that encourage such collaborations, including grants and loans tailored to the needs of both parties.

Keywords: *Socioeconomic Disparities, Small Enterprises, Strategic Alliances, Community Engagement, Business Development Strategies, Participatory Action Research, Geographic Information Systems*

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

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



Scan to visit app.parj.africa

Open Access Scholarship from PARJ

Empowering African Research | Advancing Global Knowledge