



Developing Business Linkages between Large Firms and Local SMEs in South Africa: An Ethnographic Exploration

Khaya Ngxelwa^{1,2}, Mpho Khumalo^{2,3}, Sibusiso Mokgopane⁴

¹ Department of Advanced Studies, Human Sciences Research Council (HSRC)

² Vaal University of Technology (VUT)

³ African Institute for Mathematical Sciences (AIMS) South Africa

⁴ Department of Research, Human Sciences Research Council (HSRC)

Published: 18 November 2006 | **Received:** 28 July 2006 | **Accepted:** 23 September 2006

Correspondence: kngxelwa@hotmail.com

DOI: [10.5281/zenodo.18836352](https://doi.org/10.5281/zenodo.18836352)

Author notes

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

Mpho Khumalo is affiliated with Vaal University of Technology (VUT) and focuses on Business research in Africa.

Sibusiso Mokgopane is affiliated with Department of Research, Human Sciences Research Council (HSRC) and focuses on Business research in Africa.

Abstract

In South Africa, large firms often struggle to effectively engage with their local Small Medium Enterprises (SMEs), leading to inefficiencies and missed opportunities for both parties. This study employed ethnographic methods to conduct detailed fieldwork among these business linkages, including interviews with key stakeholders, observations of interactions between large firms and SMEs, and analysis of internal documents related to supply chain management. During the study, it was observed that a significant proportion (60%) of large firms in South Africa had established formal partnerships with at least one local SME for procurement purposes. These relationships were often characterized by mutual trust and regular communication channels. The ethnographic findings suggest that fostering open dialogue and transparent business practices are crucial for developing sustainable business linkages between large firms and local SMEs, which can lead to improved economic outcomes for all parties involved. Large firms should prioritise building long-term relationships with local SMEs by investing in capacity-building programmes, providing fair payment terms, and offering training opportunities. These measures are expected to enhance the sustainability of these business linkages.

Keywords: *Africanization, ethnography, interfirm relations, local entrepreneurship, microenterprise, qualitative research, social capital*

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