

An Analysis of Business Intelligence's Effects on MSMEs' Corporate Governance

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Abstract

This intelligence study was undertaken in response to the current rapid evolution of organisations. Business intelligence is expected to play a critical role in assisting decision-makers across their whole work process. This explains why business intelligence has become so important to workplace management. The system's potential benefits could not be realised in the absence of effective governance implementation. As a result, acquiring a business intelligence governance framework, which is a component of corporate governance, is appropriate. The purpose of this study is to find out how much entrepreneurs in the eThekweni Municipality see business intelligence as a vehicle for ensuring efficient corporate governance in the area where they do business. Furthermore, the study looked into how SMME operators and administrators used business analytics to establish efficient corporate governance within their unique domains of competence. The inquiry looked into the barriers to implementing business intelligence in the development and operations of SMMEs.

Keywords- Business Intelligence's Effects on MSMEs' Corporate Governance

Introduction

Corporate governance is becoming increasingly important in today's market-driven economy. Regardless of the size or amount of influence of the stakeholder, corporate governance should ensure transparency that promotes their welfare [1]. Van Meerkerk and Edelenbos (2014) [2] describe governance as the rules, decisions, regulations, and standards put in place to impact the behaviour of businesses. Efficient governance

ensures that all members of an organisation follow suitable and transparent decision-making procedures, protecting the interests of dealers, clients, employees, owners, and managers. According to Majeed, Aziz, and Saleem (2015) [3,] corporate governance is the essential framework consisting of policies, standards, and practises that serve as an organization's oversight mechanism. Any organisation or company that creates standards ensures that individuals' rights and obligations are carried out correctly. It is the responsibility of management to operate in the best interests of all stakeholders within the framework of a well-established organisation with ethical governance. Good corporate governance enables businesses to instill trust in their stakeholders and the environment. Furthermore, it encourages economic viability (buyers and sellers) by providing market players with a long-term investment opportunity. On the contrary, when uncompromising corporate governance undermines a company's reputation and commitment to shareholders (Majeed, Aziz, and Saleem 2015) [3,] its financial well-being may suffer. Mainela, Puhakka, and Sipola (2018) [4] suggest that in order to thrive in the modern world, companies and individuals must have the intelligence to adhere to the principles that govern their existence, behaviour, and way of life.

The purpose of this study is to find out how much entrepreneurs in the eThekweni Municipality see business intelligence as a vehicle for ensuring efficient corporate governance in the area where they do business.

- Determine whether SMME owners are capable of making more educated business decisions.
- Determine how well managers handle pressure in the workplace.
- Determine whether the owners of SMMEs are aware of how to meet the needs of their customers.
- Evaluate the managers' competence to carry out protocols that aid staff analytical reasoning.
- Evaluate SMME operators' capacity to respond flexibly to their surroundings and identify prevalent business patterns.

2. Theoretical background

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According to Brackett, Rivers, and Salovey (2011) [5,] intelligence is a fundamental feature of humans. Humans use their brains to perform a wide range of complex tasks, such as discerning real-world events, launching fulfilling personal journeys, and creating imaginative solutions to problems. Intelligent people have cognitive representations of instinct, self-awareness, empathy, expressive rationality, analysis, planning, creativity, intense thought, and problem-solving abilities [5]. Furthermore, intellect denotes an individual's passion for information acquisition, ingenuity, and ability to adjust flexibly to changing situations or societal difficulties. According to Brackett, Rivers, and Salovey (2011) [5,] intelligence can provide users with the ability to appraise opinions, which can serve as the foundation for developing effective planning and decision-making processes. As a result, a leader with a high level of intelligence can demonstrate a more dramatic expression of the transformational leadership style. This suggests that extraordinarily intelligent beings may be able to govern and administrate more precisely in culturally varied situations. According to Emmerling and Boyatzis (2012) [6,] intelligence refers to a person's ability to perceive and coordinate situational events or to carry out actions using their perception, knowledge, and abilities. Intelligence serves several purposes, including self-awareness, interpersonal control, behaviour management, and public illumination. According to the authors, intelligence improves collaboration, maintains effective leadership, minimises conflict, and stimulates innovation and creativity. According to Keung and Rockinson-Szapkiw (2013) [7], intelligence is the ability to conduct and act brilliantly in a variety of situations. The authors distinguish four types of intelligence in humans: metacognitive, cognitive, motivational, and behavioural. Someone with metacognitive intelligence is more open to the public and capable of understanding them. Cognitive intelligence is characterised by enlightened information and a grasp of the similarities and differences between things. Motivational intelligence is the degree to which an individual strives to gain

management expertise in a cross-cultural context. Behavioural intelligence is a skill that is regularly used to carry out suitable nonverbal and spoken acts in a particular state. The study's findings revealed a dynamic and positive relationship between cultural intelligence elements and transformational leadership among foreign college administrators. Leaders must be willing to embrace social intelligence as an essential component of transformation in order to identify and grow leaders who can instruct and exert control over others.

3. Business Intelligence

Istart, Stanisavijev, and Markoski (2015) [10] examine business intelligence (BI) in terms of systematic processes, information presentation, and the use of technology to obtain data for informed business decisions. Despite the fact that administrative monitoring of decision-making within an organisation is present, this sector of knowledge management is entrusted with helping individuals to make well-informed evaluations. Making decisions in an organisation, on the other hand, might be difficult. The consequences of these decisions may help or hurt the organization's profit producing capacity, market position, or corporate brand recognition. As a result, determining the best alternative course of action and ensuring efficient performance necessitates rigorous planning. Managers must have a plethora of information as well as ingenuity and imagination to enable good collaboration, organisational decision making, and meta-organizational decision making, as well as to make sensible judgements for themselves. According to the study's findings, business intelligence is an important component in current decision process modelling (Istart, Stanisavijev, and Markoski 2015) [10]. According to Paakkonen (2015) [11], business intelligence is a subset of knowledge management that focuses both explicit and implicit components. Its goal is to collect and analyse data so that it may be used to develop plans and make technologically sound judgements. This idea allows for the extraction of data from the

broadest variety of indicators possible, which is especially useful for monitoring the performance of products and services, as well as the organization's competitive edge. Understanding consumer behaviour, increasing visibility, converting activities into usable information, increasing productivity or job efficiency, acquiring market and sales intelligence, and competing intelligence are all examples of business intelligence applications. Regardless of environmental decisions, the author discovered that technological capability has a direct influence on the success of business intelligence.

4. The Business World

As previously said, business intelligence is vital since it enables organisations to make more educated decisions. Organisations can use BI to gather vital information for successful corporate governance. According to Lekhanya (2015) [13], corporate governance is a strategy that displays the standards, methods, and practises used to supervise an organization's operations administration. The goal of this strategy is to defend the stakeholders' concerns and well-being. Customers, suppliers, stockholders, the government, and financiers are just a few examples of these groups. According to the author, managers and operators must instill and promote behaviour that demonstrates transparency, accountability, dependability, and tolerance in order to avoid corporate scandals, fraud, and civil liability, which are catastrophic events, and to demonstrate good corporate citizenship. Corporate governance, according to Rahman and Bremer (2016) [14], is the assessment of the legislative structure and organisational structures that support the progress of entrepreneurship through their governance frameworks. A company's affairs must be conducted properly in order to increase shareholder value without jeopardising shareholder interests and to achieve business excellence through fairness and transparency. According to Hove-Sibanda, Sibanda, and Poe (2017) [15], corporate governance acts as a pathway to achievement that elevates the reputation of an individual, an organisation, or a community as a whole,

regardless of its magnitude. An influencer facilitates the "transposition of circumstances" in the context of small firms in order to handle challenges temporarily. The drive for corporate governance implementation in South Africa originates from the important contribution of small and medium-sized companies (SMMEs) to local poverty alleviation. Despite government aid for the expansion of SMMEs, failure rates continue to rise, particularly in the early phases of a company's existence. The outcome in question is caused by a lack of solid corporate governance. As a result, their ability to get critical capital for expansion is hampered. However, as the findings of the aforementioned study show, entrepreneurs may not always see corporate governance as a means to achieve organisational success.

5. Techniques

5.1. Research Structure

This study's research design was quantitative and descriptive in nature. The administration of a standardised questionnaire, which participants completed to express their perspectives, was used to collect data. A descriptive technique was chosen for the goal of examining the issues under research due to its ability to describe the characteristics of the current situation and provide prospective remedies (Wiid and Diggines 2013) [16]. The information and data were analysed using a number of quantitative analytical tools, resulting in their transformation into a quantitative format. A probability sampling design was used to ensure that identified SMMEs had a known and equal chance of selection. Furthermore, basic random sampling was used to ensure that everyone in the population had an equal chance of being evaluated (Thomas, Nelson, and Silverman 2015) [17].

5.2. Demographics of interest

The target population, as described by Smith and Albaum (2012) [18], is the whole set of noted entities, whether humans or objects, that compose the universe under examination. This study's survey included the complete SMME operator population in the eThekwini Municipal Area.

5.3. As an example

According to Thomas, Nelson, and Silverman (2015) [17], a sample is a fractional portion of the elements that comprise a population or universe. A sample was taken from the universe using the inventory of SMMEs registered with the eThekwini Municipal Municipality. A sample size of 200 was chosen to allow for an unbiased evaluation of the constructs under consideration.

5.4. Data Collection

Using a structured questionnaire as the study instrument, a substantial amount of data was collected about the business intelligence used by SMME managers and operators in the eThekwini Municipal area.

5.4.1. The Research Device

A structured questionnaire with a 5-point Likert scale was used as the data collection instrument. The questionnaire was chosen because it would allow for the extraction of a large amount of data from the participants in a relatively efficient manner (Zucker 2009) [19]. The survey questionnaire included response options such as strongly disagree, disagree, uncertain, concur, and strongly agree to facilitate data quantification using SPSS version 25.0. To reduce any biases in the participants' responses to the study's inquiries, they were also addressed in plain English that was easily understandable (Walliman 2011) [20]. If an email address was provided, the questionnaire was forwarded to the owners of SMMEs. When the SMME operators' email addresses could

not be found, a physical copy of the questionnaire was delivered and collected in the same manner.

5.4.2. Questionnaire implementation

The study's sample size was 200 responses received from an initial distribution of 250 questionnaires. The evaluation's results were obtained from the aforementioned responses. A standardised questionnaire with a five-point Likert scale was used for the investigation. The questionnaire was useful since contributor data was acquired at a low cost. The questionnaire was primarily distributed to SMME managers and operators. A letter detailing the rationale for the research was attached, requesting the participant's agreement. The letter also stated that if the volunteers experienced any difficulty, they could opt out of the study. They were also assured that the information they submitted would be kept strictly confidential. There were no names on the surveys that were retrieved. Following delivery, the survey was housed in a container to reduce the danger of tampering or alteration.

5.4.3. The examination of data

The Statistical Package for the Social Sciences (SPSS 25) was used to collect and evaluate the data. Descriptive statistics were also obtained using acceptable quantitative analytical approaches. Cross-tabulations, frequencies, and percentages are some examples. Furthermore, dispersion and central tendency measurements were used to give a more comprehensive analytical framework for the data collected. Inferential statistics used analyses of variance (ANOVA) and t-tests to acquire the information needed to draw conclusions from the data.

6. Conclusions and Discussion

6.1. The outcomes that resulted

In this research, we look at the findings of a data analysis of 200 SMMEs' creative thinking, teamwork, effective planning, coordinating, and managing abilities, as well as their aptitude for sound decision-making. According to the study's findings, SMMEs in the eThekweni Municipal area rely heavily on business intelligence and have made significant achievements in the field; this should be maintained.

6.2. Discussion

Table 1: Descriptives

	Mean	Std. Deviation
Handling pressure	1.58	0.368
I can handle work stress in a manner that will not affect my health	1.57	0.536
Undergoing excessive stress in my workplace does not make me overreact	1.65	0.608
Accepting support from my team members and family enables me to manage stress	1.60	0.577
Making the environment conducive for working has enabled my staff to work to their maximum capacity	1.55	0.538
I set myself challenges and take risks to ensure the realization of my objectives.	1.54	0.520

The findings in Table 1 show that a large proportion of respondents were likely to strongly agree with the assertions about decision making, as the total mean score (M = 1.55) was less than 2.4. As a result, the findings suggested that SMME owners demonstrated competence and made prudent judgements that benefited their businesses.

Table 2: Customer Satisfaction

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	Mean	Std. Deviation
Customer satisfaction	1.52	0.398
I can withstand of competition from my business rivals by satisfying the needs of my customers	1.56	0.537
Satisfying my clients has boosted my profitability margin	1.51	0.540
Understanding the needs of my clients has boost my productivity level	1.54	0.583
Treating my customers well and respecting them has earned me their loyalty	1.50	0.549
I can retain my customers by meeting their demands and concerns	1.52	0.584

According to Table 2, the majority of respondents strongly agreed with the assertions about pressure management, as evidenced by the total mean score ($M = 1.58$) being less than 2.4. According to the report, the majority of SMME owners had a solid foundation and knew stress management. Based on the results in Table 6, it is possible to conclude that nearly all participants strongly agreed with the opinions of customer satisfaction, as demonstrated by the total mean score ($M = 1.52$). The accompanying results show that managers can meet client needs by employing business intelligence.

Table 3: Analytical Workforce

	Mean	Std. Deviation
Analytical Workforce	1.53	0.339
I assign and delegate responsibility for tasks and goals' achievement to improve skills efficiency of my staff	1.51	0.521
I impart knowledge to my staff as a way of adding value to their lives	1.48	0.501
I ensure periodic assessment of my employees to highlight their strengths and help in rectifying their mistakes	1.53	0.575
I maintain a cordial relationship with my team members by inspiring them to attain common objectives	1.58	0.535
I share insight and innovative ideas with my staff about how to be more productive without fear	1.55	0.519

According to Table 3, the majority of respondents ($M = 1.53$) agreed with the assertions appraising the analytical workforce, as the mean point was less than 2.5. Finally, the aggregate data pertaining to the analytical workforce support the premise that SMME managers have the power to influence the business practises that fostered the formation of the analytical workforce.

7. Conclusion

The following are some of the study's key findings: a) Gender equivalence is connected with the fact that women who establish their own enterprises perform remarkably well. b) The study's findings revealed that young people were enthusiastically adopting entrepreneurial practises, which have the potential to eliminate unemployment, criminal activity, and other forms of dishonest behaviour due to a link between these issues and a scarcity of business ventures. c) Education, according to respondents, is currently vital for entrepreneurs since it cultivates managers' and entrepreneurs' critical thinking abilities regarding the knowledge and skills required to properly navigate their professional objectives. d) The entrepreneurs believed that they had made friendly contacts with the local community and that they had met the needs of their clientele on time. The unique ideas of both company owners and their clients contributed to the improvement of the community. e) Executives and their personnel may now recognise both the barriers to their growth and the difficulties facing their surroundings. f) Entrepreneurs with competence and understanding in the field of information technology benefited from the ability to manage a variety of duties. Attending meetings and interviews, establishing safety measures, and, above all, minimising expenses such as overhead, administrative, and other financial outlays are examples of ways to generate revenue. Furthermore, the spread of information technology has allowed for more widespread dissemination to a bigger populace. g) Employees whose families are now financially supported have seen an increase in their quality of life as a result of

SMME initiatives. h) Despite this, the owners of the businesses found sporadic difficulties in adapting to the environment in which they operated.

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