

# The perceived psychosocial and economic impact of Load-shedding in selected Small and Micro Medium Enterprises

Shaa'ista Banderker<sup>1,\*</sup>, Mineshree Naidoo-Chetty<sup>2</sup>

<sup>1</sup> Industrial Psychology Department, University of the Western Cape, Cape Town, South Africa

<sup>2</sup> Industrial Psychology Department, University of the Western Cape, Cape Town, South Africa, Orcid: [orcid.org/0000-0003-2914-8714](https://orcid.org/0000-0003-2914-8714)

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## Abstract

Load-shedding in South Africa has significantly impacted businesses, from large franchises to small, micro and medium-sized enterprises (SMMEs). This crisis has forced many to reduce operations or close entirely. This study aimed to understand the perceived psychological, social, and economic impact of load-shedding on employees in selected SMMEs in the Western Cape. Using a qualitative approach, nine participants were interviewed through semi-structured interviews. Data was analysed using thematic analysis. Findings revealed that participants were affected across all three themes: psychological, social, and economic. The nature of their work caused similar experiences and observations. Participants remarked that the pandemic severely affected their mental health, with majority experiencing high levels of stress and anxiety due to load-shedding frequency, affecting their businesses. The study thus provides insights into load-shedding's impact on SMMEs and suggests potential solutions for overcoming this 'epidemic.' The research highlights the critical nature of electricity for daily life and business advancement. It emphasises the need for SMMEs to explore options and recognise that they are not alone in facing these challenges. By examining the multifaceted impacts of load-shedding, this study contributes to understanding the broader implications of power irregularities on businesses and their employees.

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<sup>1</sup>\*Corresponding Author

<sup>2</sup> E-mail address: [minaidoo@uwc.ac.za](mailto:minaidoo@uwc.ac.za)

# 1. Introduction

## 1.1. Background

Before the arrival of electricity, humans depended on fire for illumination, warmth, and food preparation - basic necessities now often taken for granted. In this modern era, power is instantly available at the touch of a button or flip of a switch. Electricity has thus become an integral part to daily life, powering homes, workplaces, educational institutions, and commercial spaces, whilst shaping individuals' routines. Pretorius (2019) reported that by 2017, a significant majority of South African households – (84% or 13.7 million) - were connected to the electrical grid.

PwC (2021) reported that load-shedding had a severe impact on employment in South Africa, resulting in the loss of over a million jobs, including 275,000 in 2021 alone. This significant job loss was attributed to the ongoing power supply issues. As Steenkamp (2016) explains, "In South Africa, Eskom is the country's main electricity supplier. Since 2008, Eskom actively implemented load-shedding because of insufficient electricity supply to meet the demands of all its customers."

Accordingly, Winkler (2021) stated that Eskom acknowledged the likelihood of continued power supply interruptions over the next five years, attributing this to increased downtime of aging coal plants and reactive strategic planning in establishing new power facilities. This ongoing crisis has forced many businesses to either close down or significantly reduce their operations and workforce to remain viable.

Despite the provision of load-shedding schedules, businesses continue to be adversely affected. The impact of load-shedding on South Africa's economy has been severe. According to Steyn (2019), "The economy shrank by 3.1% due to the blackouts experienced", as reported by the South African Reserve Bank. The severe impact of load-shedding on South African businesses is evident in recent economic data. The short-term effects are equally stark, Bensch (2019) noted that just three days of Stage 4 load-shedding resulted in an estimated R12 billion loss to the South African economy, with small businesses bearing the brunt of this impact. Furthermore, Rosen (2020) reported that the World Bank reduced South Africa's economic growth forecast for 2020 to less than 1%, citing electricity supply issues as a primary factor affecting various aspects of the economy.

Blackouts significantly impact SMMEs, particularly small clothing businesses. Existing research primarily focuses on employer-specific factors (Schoeman & Saunder, 2019). Dewa et al. (2020) note that load-shedding leads to manufacturing shutdowns, increased downtime, decreased productivity, and equipment damage. Many small manufacturers lack capital for alternative power sources, making such investments challenging due to limited income. Veness (2020) observes that businesses have found it nearly impossible to withstand blackouts just as the economy was showing signs of recovery.

Business chambers (2020) predict that SMMEs will struggle to survive as power disruptions continue. While load-shedding's effects on households and businesses are well-documented, research on its psychological, social, and economic impacts on SMMEs is limited. This study aims to address this gap by examining these effects on SMME employees in the Western Cape.

The paper will provide some background in terms of the study. Furthermore, empirical evidence to support the research will be discussed. The methodology section describes how the research was conducted by presenting the design, sampling strategy, data collection procedures, and methods used for qualitative data analysis. The findings present evidence obtained from the thematic analysis by further establishing and examining the understanding of the research objectives. And finally, recommendations are made with a conclusion.

## **1.2. Problem Statement**

In 2020, South Africa's fashion designers contributed at least R1 billion to gross domestic product (GDP) and play a significant role in helping to rejuvenate manufacturing and create jobs and skills (Le Guern, 2020).

The South African Government initiated Eskom's load-shedding measures, declaring it a national emergency (Palmi, 2008). ReDress Consultancy-SA (2021) reported that power cuts severely impact clothing manufacturers, fashion designers, and boutiques, exacerbating challenges in an industry already struggling with cheaper imports, low-profit margins, and declining retail turnover. Notably, apparel representative bodies have been relatively silent about load-shedding's effects on the sector. Despite these challenges, the fashion industry remains a crucial economic contributor. Palmi (2008) notes that in KwaZulu-Natal, textiles account for 15% of the manufacturing sector, while clothing contributes 27%. Similarly, in the Western Cape, the apparel sector significantly bolsters the provincial economy.

Load-shedding has significantly impacted various sectors, with retail being one of the most affected. Key consequences include, loss of operating hours, particularly during peak trading times, reduced sales, which are crucial for annual turnover and overall decline in retail performance during load-shedding periods. The manufacturing and production sectors have also experienced severe effects such as disrupted production cycles, insufficient production volumes to cover overheads and rapid progression to unprofitable scenarios (Botha, 2019). As Rosen (2020) notes, these factors have created challenging and often unsustainable conditions for businesses in these sectors.

Load-shedding has thus had a substantial impact on both households and businesses in South Africa. Despite this, there still seems to be a notable lack of research specifically examining the

psychological, social, and economic consequences of load-shedding on SMMEs. This study therefore aims to address this gap by focusing on SMME employees in the Western Cape. Furthermore, this study will add to the body of knowledge on how SMMEs can overcome such challenges by identifying what businesses can do to remedy the crisis, while pursuing alternatives. This leads us to the following research question, which is to understand the economic and psychosocial impact that load-shedding has on SMMEs, such as small clothing boutiques in the Western Cape

### **1.3. Research objectives**

The research questions above are translated into these objectives below:

1. To determine the perceived psychological impact of load-shedding on employees in selected SMMEs
2. To determine the perceived social impact of load-shedding on employees in selected SMME organisations
3. To determine the perceived economic impact of load-shedding on employees in selected SMME organisations
4. To explore coping strategies and techniques employed by these organisations to reduce the impact of load-shedding

## **2. Literature Review**

The evolution of electricity's importance over centuries has made it indispensable for many businesses, particularly SMMEs. In the 21st century, reliable electricity is a critical resource for daily business operations. Oseni and Pollitt (2015) note that "A significant 50% of sub-Saharan African firms recognised electricity as a major constraint to their business operations." In developing countries like South Africa, limited access to electricity has emerged as a primary obstacle for numerous business activities. A distinctive relationship exists between electricity and corporations, with energy supplies significantly impacting economic activities. Electricity's role is particularly crucial in production processes, making it essential for various industry types, especially in the service sector.

To gain insight into the economic and psychosocial impact that load-shedding has on SMMEs, this study will examine the irregularity of load-shedding along with its history and impact in addition to power alternatives. This examination serves to assist in understanding the plight of small business employees and the challenges they have experienced due to load-shedding.

## **2.1. Understanding power irregularity (load-shedding)**

Over the past decade, South Africa has experienced a surge in electricity demand due to significant economic expansion (Trace, 2020). When electricity supply falls short of meeting consumer needs, load-shedding is implemented. This practice involves public utilities deliberately interrupting power supply to specific areas as a last-resort measure to maintain balance between electricity generation and consumption. For most businesses in South Africa, this manifests as scheduled power outages orchestrated by Eskom, the national electricity provider (Winkler et al., 2020).

Unfortunately, load-shedding will continue to be a necessary measure to safeguard South Africa's electrical power system for the foreseeable future. This situation will persist until Eskom, the national power utility, can significantly increase its generation capacity through its new build program or achieve substantial reductions in national electricity demand (Swilling, 2021).

## **2.2. The impact of load-shedding in South Africa**

Load-shedding has plagued South Africa for over a decade, with the first occurrences dating back to 2007 (Niselow, 2019). The crisis has evolved through various stages since then. At the onset of democracy, only 50.9% of households had access to electricity (Africa News Agency, 2016). By 2016, a community survey conducted by Statistics South Africa reported that electricity connectivity had dramatically increased to 92.7% of the population. However, in 2019, the situation deteriorated due to a combination of factors: inadequate maintenance of existing infrastructure, problematic construction of new power stations, and allegations of state capture affecting power resources (Ateba et al., 2019; Niselow, 2019). This has had severe implications as South Africa lost billions owing to load-shedding. The blackouts caused a multitude of challenges (Head, 2019).

## **2.3. SMME's and power supply**

South Africa grapples with widespread unemployment, currently affecting over 29% of its population (Statistics South Africa, 2019). Small, Medium, and Micro Enterprises (SMMEs) play a vital role in addressing this issue, promoting equitable income distribution, and fostering economic growth (Fatoki, 2014). While micro-enterprises dominate the business landscape in South Africa, and SMMEs have contributed significantly to job creation, the sector faces substantial challenges (Woodward et al., 2011). Despite their importance, more than 70% of SMMEs fail within 5-7 years of establishment. This high failure rate stems from various factors, including, inadequate infrastructure, poor business planning and management, lack of experience and marketing skills, limited access to funding and markets, non-compliance with regulations, insufficient government support and

challenges posed by globalisation (Bushe, 2019). Additional obstacles include intense competition from larger corporations, a rapidly evolving business environment, deficient managerial and entrepreneurial skills, and a fragmented business framework. Moreover, the ongoing load-shedding crisis and frequent power outages further exacerbate the difficulties faced by SMMEs in South Africa (Fatoki, 2014; Abor & Quartey, 2010).

Mokwena, (2021) has noted with the onset of load-shedding, many small businesses are warning that their survival remains in the balance. Many SMME owners struggle financially to secure backup power solutions like generators, leaving them exposed when blackouts occur during business hours. Even brief power outages lasting 2-3 hours during operational times can significantly impact their economic performance. The lack of reliable electricity puts SMME owners in a precarious position, risking substantial financial losses. Leboea (2017), indicated that these infrastructural deficiencies contribute to inadequate service delivery, further hindering SMME operations. It's crucial to understand that load-shedding affects all SMMEs indiscriminately, regardless of their size or sector. The impact of these power disruptions extends beyond individual businesses, negatively affecting the South African economy as a whole.

## **2.4 Power alternatives during load-shedding**

Load-shedding has become a long-term national concern in South Africa, prompting many citizens to seek power alternatives. Those with financial means have adopted these alternatives to power both their homes and businesses (Omarjee, 2021).

Some examples of power alternatives are –

A UPS (Uninterruptible Power Supply) is a single unit containing rechargeable batteries. Typically connected directly to a home or business's main power distribution source, a UPS automatically activates during load-shedding events, providing seamless power transition (McFarlane, 2021).

Generators are straightforward machines that produce electricity when power from the local grid is unavailable. They typically run on natural gas, propane, or diesel fuel. These devices are commonly employed in large-scale operations or facilities, such as shopping centers and hospitals, where continuous power supply is crucial (Critical Power, 2021).

Solar power systems integrate energy from multiple sources: the grid (Eskom), solar panels, and batteries. When sunlight reaches the solar panels, it's converted into electricity for the designated area. On cloudy days or during periods of low sunlight, the system's batteries serve as a backup power source (Virtual Sense Power, 2022).

Despite having these alternatives lower-income households often lack access to such options, forcing them to rely on candles or endure periods of darkness. This disparity has led to lost business hours and limited functionality at home for many. As noted, "Frequent or long-lasting power outages are thought to constrain the economic wellbeing of households and businesses by reducing the output from existing electrical appliances and discouraging investments in new welfare-improving and income-generating ones" (Trace, 2020).

### 3. Research Methodology

This study adopted an interpretive phenomenological qualitative research approach for the following reasons. The first being able to provide valuable insights to small business owners and to facilitate a deeper understanding of load-shedding's impact. The qualitative methodology was chosen to gather rich, detailed data and to examine the issue from the participants' perspectives. This approach allows for an in-depth exploration of the experiences and perceptions of those directly affected by load-shedding in small businesses.

#### 3.1. Participants and setting

This study focused on small businesses particularly vulnerable to load-shedding due to limited access to alternative power sources. The research targeted high-level personnel, including business owners and supervisors, operating in the Cape Town area. Nine participants were selected to ensure comprehensive data collection. Three participants each from three different boutiques. Selection was based on willingness and availability to participate. Furthermore, the sampling approach utilised a non-probability method with a combination of purposive and referral sampling. This sampling strategy was chosen to align with the study's aims and objectives. The COVID-19 pandemic presented challenges in finding interviewees, making this method particularly convenient for the researcher.

**Table 1.1: Demographic information of participants (n = 9)**

Participant (P)	Gender A	Age	Job title	Educational Level
Participant 1	Female	27	Business co-owner	Degree – BSc in Oral Hygiene
Participant 2	Female	50	Business co-owner	Degree – B.A. in Fashion Design
Participant 3	Female	24	Business co-owner	Matric
Participant 4	Female	55	Business owner	Diploma – secretarial course
Participant 5	Female	34	Supervisor	Degree

Participant 6	Male	32	Designer/owner	Diploma – design and sewing
Participant 7	Female	42	Business co-owner	Degree – B.A. Fashion Design
Participant 8	Female	31	Business co-owner	Degree – BTech Human Resource Management
Participant 9	Female	38	Supervisor	Matric

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### 3.2. Data collection and procedure

This study employed semi-structured interviews for data collection. Due to COVID-19 restrictions, the study used a dual approach, an online platform for remote interviews in addition to face-to-face interviews for participants who preferred in-person interaction. By utilising this method provided the researcher the opportunity to gain in-depth exploration of the load-shedding crisis impact on small clothing boutiques. Furthermore, it allowed for probing for detailed responses and building rapport with participants. This approach provided a consistent framework and protocol across all interviews.

The interview guide was developed collaboratively by the authors of the paper. The interview guide assisted in identifying focus areas when conducting the interviews. Eight questions were presented to the interviewees, including “How did load-shedding impact your place of work/ your business? Why has this been the case—why do you think it has had such an impact?” and “How did load-shedding impact your clientele?”

### 3.3. Trustworthiness considerations

The study-maintained consistency by following a standardised procedure for all interviews thereby enhancing trustworthiness through this uniform approach. The face-to-face interviews were audio recorded while online interviews were screen recorded. Participants were assured that the data would be kept safe to ensure confidence. Furthermore, to ensure the credibility and reliability of their research, the team implemented several strategies as recommended by Lincoln and Guba (1985).

The researchers ensured they possessed the necessary knowledge and skills to perform their roles effectively. They conducted one or two pilot interviews to refine their process, including the use of the interview protocol, time management, and overall interview execution. Regular debriefing sessions were held among all researchers involved in the study. These sessions allowed for reflection on the learnings and findings from the interviews. To enhance dependability, detailed drafts of the study protocol were continuously reviewed throughout the research process. The data collection process was meticulously recorded and tracked. For data analysis and coding, at least two researchers



were involved in coding the data. A third researcher was appointed to cross-check the coding, ensure alignment in themes, and resolve any discrepancies.

The analysis was conducted by the research team as a whole, bringing different viewpoints to the data interpretation. These measures collectively aimed to enhance the credibility, dependability, and overall quality of the research findings. Once all interviews were completed, the collected data was subjected to analysis.

### **3.4. Data Analysis**

Upon completion of all interviews, the process of transcribing the collected data was initiated. This study employed thematic analysis (Braun & Clarke, 2019). Each phase is sequential, and each phase is built on the previous phase. The recordings and transcripts from the interviews were transcribed verbatim. The transcription process facilitated the identification of recurring themes and patterns within the collected data.

### **3.5. Ethics**

Ethical clearance was obtained to conduct this study. Participants consented to use the information collected from interviews for the study. Participants were granted information about the study, confidentiality, anonymity, and rights to privacy. The consent forms provided participants with a comprehensive overview of the study and clear information about how their data would be used. Each interviewee provided permission to be recorded for this research.

## **4. Results and Findings**

The study asked participants to describe how load-shedding affected their businesses. Through semi-structured interviews, researchers gathered contextual information that set the foundation for deeper analysis. This approach assisted in establishing how each participant was affected by load-shedding.

Three main themes were further divided into sub-themes (Table 1.2).

**Table 1.2: Superordinate Themes and Subordinate Themes**

<b>Super ordinate themes</b>	<b>Subordinate themes</b>
Theme 1: Psychological	Well-being
	COVID-19
Theme 2: Social	Customer interaction

## Social support

Theme 3: Economic

Loss of clientele owing to load-shedding

Loss of production owing to load-shedding

Lost hours owing to load-shedding

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### 4.1 Psychological focus

Psychological focus examines participants' mental states during load-shedding periods. Marchetti-Mercer (2023) found that extended or recurring disruptions in essential services, including electricity, can trigger various mental health issues like depression, anxiety, and post-traumatic stress disorder. This research highlights load-shedding's negative impact on psychological well-being.

#### 4.1.1. Load-shedding and well-being

The study's results indicate that most participants experienced psychological distress due to the persistent uncertainty load-shedding introduced to their business operations. A significant number of respondents reported difficulties in adapting to and accepting their circumstances. Participant 1 and 3 indicated the following:

“Where do I begin, due to the lack of sleep by working overtime, this has caused me to have slight insomnia. My husband is trying to assist me there and here but there is only so much he can do. I do overwork and overstress myself a lot” (P1, female, business co-owner).

“Yes, major psychological consequences. I have gone into a depression as I chose this career path for myself and decided to not go study” (P3, female, business owner).

Levy (2021) describes load-shedding as a period of frustration and disappointment. While generators and backup inverters offer potential solutions, they are often impractical or cost-prohibitive for many businesses. Consequently, numerous enterprises face closure. Even when alternatives exist, their high costs are beyond reach for many business owners, exacerbating frustration and potentially leading to psychological issues such as anxiety, stress, or depression. Participants 2 shared the following sentiments:

“A lot of stress, anxiety and depression. Not knowing if I’m going to be able to make a monthly income has been super scary for me especially since I have been the main bread winner in my household (P2, female, business co-owner).

This underscores the severe impact of load-shedding on SMMEs. Dladla (2016) notes that electricity shortages led to decreased manufacturing output, further aggravating the already sluggish national and global demand. These factors have significantly affected many SMME owners, both in terms of their businesses and their mental well-being.

#### **4.1.2. Load-shedding and the COVID-19 pandemic**

SMMEs have faced multiple challenges beyond load shedding. The onset of the COVID-19 pandemic in 2020 introduced additional pressures and obstacles, further intensifying the uncertainty for these businesses (Bruwer et al., 2020). Approaching load-shedding and the COVID-19 proved challenging for Participants. Some of the respondents indicated -

“...the main thing that has impacted customer facing interactions is the current pandemic.” (P8, female, business co-owner).

“We lost money, time and some clientele, I would say that is due to the COVID restrictions” (P9, female, supervisor).

Majority of participants reported that the combined effects of load-shedding and COVID-19 protocols negatively impacted their mental state, resulting in business losses. Many expressed feeling exhausted due to the disappointment and anxiety stemming from their inability to work and produce as usual.

“We are just over 2 years old and started in January 2020 just before the pandemic hit us, so the pandemic has really caused deep problems as we are a new business and need all the customers we can get” (P1, female, business co-owner).

Matewe and Samson (2021) report that many workers are under severe socioeconomic strain. Widespread job losses occurred as factories were unable to operate during load-shedding periods and lockdowns. These economic disruptions have had profound social, financial, and psychological consequences for the working class.

## **4.2. Social focus**

Social focus examines how participants navigate social interactions, including customer relationships and support from colleagues and family. For SMMEs, these interactions are vital. Laher et al., (2019) notes that the communication breakdowns caused by load-shedding pose a significant challenge.

### **4.2.1. Customer interaction**

Participants indicated customer interaction declined because of load-shedding and the COVID-19 pandemic. Many of the business owners had no choice but to move their businesses online. This had a

negative impact on their revenue as many of the customers want to come in and try on the garments. Seeing something online is very different to the actual item in front of you. This is what some of the participants indicated -

“It has a lot! Right now, I am not having a lot of customer-facing interactions due to COVID but load-shedding just puts the cherry on top -- When load-shedding occurred it would cause them not being able to see the clothing properly like the true colour or the print etc. (P1, female, business co-owner).

“Cavendish, unfortunately, does not have generators and when there is load-shedding we can only accept cash from clients since the card machines go offline -- Majority of customers do not carry cash and this causes an issue as many leave and decided to come back later or not at all” (P2, female, business co-owner).

Participants reported diminished social interaction with customers, noting fewer visits and appointments due to safety concerns related to the pandemic. Olajuyin and Mago (2022) corroborate this, emphasising that SMMEs rely heavily on electricity for service delivery and customer satisfaction. Load-shedding forced some businesses to turn away customers without cash. These findings support the notion that load-shedding significantly constrains SMME performance.

#### **4.2.2. Social support**

Waltower (2022) asserts that family and friends serve as the primary support system for business owners, helping them manage stress, maintain perspective, and enhance their businesses even during turbulent times. This study corroborates these findings, as most participants reported relying on close relationships to cope with the stress and anxiety stemming from load-shedding and its impact on their businesses.

“I have had a lot of stress and anxiety. I do rely on my business partner a lot. As she helps maintain my level of sanity when it comes to productivity” (P8, female, business co-owner).

“My husband is trying to assist me there and here but there is only so much he can do. I do overwork and overstress myself a lot” (P1, female, business owner).

“On the other hand, I have had a great support system and a loyal client base, so each month I just make ends meet” (P2, female, business co-owner).

Friedlander (2022) further supports this concept, stating that during challenging periods, emotional support from friends and family can help sustain business owners' enthusiasm and optimism for the future, assist in managing stress, aid in maintaining a positive outlook and also contribute to developing a healthy work-life balance.

### **4.3. Economic focus**

In the context of load-shedding, economic focus refers to how people earn a living daily (Mbovu et al., 2021). In a 2022 study, PriceWaterhouseCoopers (PWC) projected that loadshedding was going to cost South Africa 350 000 jobs (Writer, 2021b).

#### **4.3.1 Loss of clientele owing to load-shedding**

Seinker (2019) highlights the severe impact of load-shedding on small businesses. Many SMMEs lack the financial resources to invest in alternative power sources during rolling blackouts. Power outages lasting three to four hours have proven detrimental to numerous small businesses. The inability to operate during these periods results in significant financial losses and a decline in clientele. Participant 3 share their sentiments:

“Yes, there has been an economic impact. Not being able to make garments or make something on time because of COVID and on top of that load shedding makes our customers not want to come by.” (P3, female, business owner).

There was also the fact that due to not being able to meet the customer demands, many of the participants had to turn clients away. Participant 8 stated the following -

“Load-shedding has caused a huge disruption to our productivity which has caused a delay in our orders and having to turn some clients away and not bringing in our standard revenue” (P8, female, business co-owner).

As a result of load-shedding, raw materials are not supplied on time by suppliers, which causes a delay in the small business production process, which leads to a lack of trust and a decline in customer loyalty, which results in a loss of finances (Mabunda et al., 2023).

#### **4.3.1. Loss of production owing to load-shedding**

Writer (2021a) asserts that load-shedding has a dual impact on small businesses in South Africa. This claim is corroborated by the study's findings, as every participant confirmed that load-shedding adversely affected their business operations and significantly reduced their productivity

“Due to not being able to produce and losing time, our revenue has been impacted severely. At this point, I take a limited amount of orders just in case I cannot fulfil customer’s wishes. This has resulted in me losing income but it is keeping our business afloat. Because we cannot manufacture at our normal rate we cannot take a lot of customer orders as we won’t be able to complete them on time. The less orders we can process the less money that comes in” (P2, female, business co-owner).

“Due to us running and operating our own factory, this has most definitely impacted us. We are predominantly an Online business and every order placed is custom-made. We work with a strict weekly lead time, so when we experience load-shedding (some days 4 hours) this severely affects our production Time and our lead time to get orders to customers” (P5, female, supervisor).

The study's findings align with Makgopa and Mpetsheni's (2022) assertion that load-shedding negatively impacts operations across all businesses, including SMMEs. Ryan (2022) further emphasises the severity of the situation, suggesting that load-shedding has created significant problems and concerns for businesses and is likely to remain a challenge for most businesses for at least the next decade.

#### **4.3.2. Lost hours owing to load-shedding**

Bromhall (2022) notes that load-shedding frequently compels businesses to close for significant portions of the day, leading to multiple consequences that ultimately impact revenue and profits. This study's findings corroborate this assertion, as participants reported that load-shedding negatively affected their productivity, resulted in lost manufacturing hours and caused a decrease in income

“Load-shedding has impacted our productivity levels as we are not able to process and manufacture orders at our normal rate. Especially if it goes on for a week. That’s 10 hours lost.” (P4, female, business owner).

“Load-shedding has impacted my business immensely” (P2, female. Business Co- Owner).

Our productivity has been slowed down due to the many hours of load-shedding occurring” (P7, female, business co-owner).

According to Mukoki (2019), the present durations of load shedding have a devastating unfavourable effect on businesses. The longer these load shedding episodes remain, the longer the recovery process will be for the economy. Participant 5 indicated the following:

“We are predominantly an online business and every order placed is custom made -- this severely affects our production time and our lead time to get orders to customers” (P5, female, supervisor).

The Consumer Goods Council of South Africa (CGCSA) made it clear to the public that the longer load shedding lasts, the tighter the grip it has on the economy of South Africa.

## **5. Recommendations**

The research findings have led to several recommendations.

### **5.1. Recommendations for small, medium, and micro enterprises**

The study's findings suggest several strategies to address the load-shedding crisis. The primary recommendation is to secure alternative power sources, such as generators or UPS systems. Seinker (2019) advocates for solar energy as a long-term solution for small business owners, particularly given evolving technology.

Another proposed solution is cloud computing. For clothing boutiques, cloud-based systems can enable effective stock management and order tracking, ensuring access to crucial documents even during load-shedding. Bierman (2021) notes that cloud solutions enhance efficiency and negate the need for frequent backups. This approach allows SMMEs to safeguard their data, preventing losses during power outages.

Additionally, SMMEs could consider shared office spaces. Simply (2019) suggests that despite the additional cost, the productivity gains may justify investing in a hot desk within a generator-equipped shared office. This arrangement can help maintain productivity, meet deadlines, and generate income, potentially offsetting the extra expense.

Implementing flexible working hours is another recommended strategy. Unlike large corporations, SMMEs have the advantage of being able to adjust their schedules. Simply (2019) proposes that employers could align electricity-dependent tasks with power-on hours and schedule non-electric work during load-shedding periods. This approach allows SMMEs to distribute their daily operations across different times. For many, planning the workday around the load-shedding schedule may prove to be the most cost-effective solution.

## **6. Conclusions, Limitations and Future Research**

The primary objective of this study was to examine how load-shedding affects employees in SMMEs, with a focus on clothing boutiques in Cape Town, South Africa. Makgopa and Mpetsheni (2022) note that SMME businesses and their landlords are the principal parties affected by load-shedding, with most South African SMMEs unable to function during outages. The research findings, as reported by participants, emphasised through three main themes.

Theme 1: Psychological focus examines the impact of load-shedding on participants' mental health and well-being. The study found that participants reported significant psychological effects from load-shedding. There were also shared common experiences amongst participants that resulted in stress, anxiety, and insomnia. Despite these challenges, participants' responses suggested a degree of resilience and hope for continuing and progressing through difficult times.

Theme 2: Social focus examined how load-shedding affected participants' social interactions. The study reported that many participants experienced a decline in customer-facing interactions due to frequent store closures during load-shedding periods, however despite these challenges, participants relied heavily on support from family and friends to cope with the turbulent situation.

Theme 3: Economic focus refers to the financial impact of load-shedding on participants. The study indicated that participants experienced significant economic effects. This included sharp declines in turnover and income, loss of productivity and diminished clientele along with the inability to afford alternative power sources. A notable observation was that most participants expressed a profound sense of loss and displayed unconscious changes in their tone when discussing economic impacts

The research clearly demonstrates that load-shedding has negatively impacted South African SMMEs in psychological, social, and economic dimensions. Recognising the severity of business owners' struggles is crucial, as many people may not fully grasp the extent of hardship local businesses are enduring (Mbovu et al., 2021).

This research took place during a particularly challenging period in South Africa, coinciding with a national lockdown. These circumstances compelled the researcher to adopt alternative research methods. Additionally, due to time limitations, financial constraints, and the nationwide lockdown, the study's scope was restricted to SMMEs within the clothing sector in Cape Town, Western Cape.

The study's limitations include the study having a small sample size, preventing generalisation of findings. There was also the use of non-probability sampling, making it challenging to assess the sample's representativeness of the broader SMME population. Furthermore, qualitative research is based on participants' subjective experiences, this could have limited scope to three clothing boutiques during the COVID-19 pandemic, potentially influencing responses.

Recommendations for future research should include expanding the study to other provinces for comparative analysis. Adopting a mixed method approach that incorporates quantitative methods to complement the subjective nature of qualitative research should be considered. Further research can be conducted on the impact of load-shedding on other clothing boutiques or another SMME sector. It would be ideal to exploring how SMMEs can progress and adapt during load-shedding periods, particularly considering advancing technology. Finally, the research should shift focus from solely



examining the impact to also investigating how technology can positively address the load-shedding crisis.

Given that this study was conducted during a globally challenging period due to COVID-19, which caused widespread disruptions affecting individuals in various ways, the researcher recommends, conducting follow-up interviews post-pandemic to assess the consistency of participants' responses, as the epidemic may have influenced their initial feedback. Undertaking further research after the pandemic to explore aspects that may have been overlooked in the current study and to potentially gather more comprehensive information and responses to the research questions. This approach could provide a more nuanced understanding of the impact of load-shedding on SMMEs, independent of the pandemic's effects.

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