Exploring the role of transformational leadership in overcoming post-coronavirus challenges and building resilience in tourism SMMEs in eThekwini Municipality

By

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February, 2025

DECLARATION

I, Welcome Maduna, declare that:

1. The research reported in this dissertation, except where otherwise indicated, is my original research.

2. This dissertation has not been submitted for any degree or examination at any other university.

3. This dissertation does not contain other persons' data, pictures, graphs, or other information unless specifically acknowledged as being sourced from other persons.

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DEDICATION

I dedicate this research to my family, my wife Mrs N Maduna, and my mother Maria Maduna. My children Thandolwethu, Mholi and Nsikayethu Maduna have always been there for me and have been the main source of support and motivation on my path to earning this master's degree.

ACKNOWLEDGEMENT

First and most importantly, to God be the glory. Thank you, Lord, for making it possible for me to conclude this research. I do not know how I managed to complete this master's degree but I know God and my ancestors were behind me.

I express my sincere gratitude and appreciation to my supervisor Professor Bibi Zaheenah Chummun for her professional guidance, constructive criticism, and encouragement throughout this research.

To my family, my wife Nokukhanya Maduna, and my children Thandolwethu, Mholi and Nsikayethu Maduna words cannot express my gratitude for your unwavering love, patience, and belief in me. This achievement would not have been possible without your support and understanding throughout the many late nights and challenging moments balancing studies and work.

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Finally, yet importantly, I want to acknowledge and thank myself for my commitment, focus and discipline.

ABSTRACT

This study explores the role of transformational leadership in overcoming post-coronavirus challenges and building resilience in tourism SMMEs in eThekwini Municipality. It aims to understand the role of transformational leadership and resilience in navigating these challenges, focusing on how leadership styles can empower diverse workforce groups and foster organisational resilience. Using a qualitative approach, the research incorporated demographic insights through semi-structured interviews with eighteen participants who included SMME leaders, managers, and employees who were purposively sampled. Thematic analysis was employed to analyse interview transcripts and document data. The findings revealed that demographic diversity, structural inequities, and a competitive digital landscape significantly impact SMMEs' operations. The study highlights that adaptive leadership is crucial for empowering teams and enabling them to withstand external pressures, emphasising the importance of tailored support mechanisms for diverse employee needs. Thus, this study recommends that policymakers should enhance financial support for tourism SMMEs. SMME leaders are encouraged to adopt transformational leadership practices that foster adaptability and team cohesion, promote resilience through community partnerships, and implement tailored communication strategies for their diverse workforce. Future research should focus on the long-term effects of digital transformation, the role of inclusive policy frameworks for black-led SMMEs and longitudinal studies to evaluate the effectiveness of resilience-building measures.

ABBREVIATION & ACROYNMES

COVID-19 – Coronavirus Disease 2019

DTI – Department of Trade and Industry (South Africa)

GDP – Gross Domestic Product

ILO – International Labour Organization

KZN – KwaZulu-Natal

NDP – National Development Plan

NPO – Non-Profit Organization

PPP – Public-Private Partnership

SARS-CoV-2 – Severe Acute Respiratory Syndrome Coronavirus 2

SDGs – Sustainable Development Goals

SMMEs – Small, Medium, and Micro Enterprises

UKZN – University of KwaZulu-Natal

UN – United Nations

UNWTO – United Nations World Tourism Organization

WTTC – World Travel & Tourism Council

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CHAPTER 1: INTRODUCTION TO THE STUDY

1.1 Introduction

The tourism industry is a cornerstone of economic development worldwide, contributing significantly to GDP, employment, and foreign exchange earnings. However, globally, the tourism sector has endured severe disruptions due to the Covid-19 pandemic, with travel restrictions, lockdowns, and border closures crippling tourism activities. According to the World Travel & Tourism Council (WTTC), the pandemic led to a 72% decline in international tourist arrivals during the first half of 2020 alone, causing widespread economic fallout (WTTC, 2020). This global downturn reverberated locally, with South Africa's tourism industry facing unprecedented challenges as the pandemic ravaged the nation's economy. Reports from the Department of Trade and Industry (DTI) revealed that tourism SMMEs accounted for a sizeable portion of the nation's GDP and employment pre-pandemic (Al-Fadly, 2020). However, the sudden halt in tourist arrivals and business closures due to lockdown measures left SMMEs grappling with financial strain, operational disruptions, and uncertainty about the future.

Locally, the tourism industry stands as a cornerstone of economic development, contributing significantly to economic growth, employment, and foreign exchange earnings. In eThekwini Municipality, SMMEs play a crucial role in this vast industry. However, the emergence of the COVID-19 pandemic has cast a shadow over the tourism landscape, presenting unprecedented challenges to SMMEs in eThekwini Municipality. eThekwini Municipality, home to Durban, the largest city in the KwaZulu-Natal province, witnessed a sharp decline in tourism activity amid the pandemic. Statistics from eThekwini Municipality's tourism department indicated a drastic reduction in tourist footfall, hotel occupancy rates, and revenue from tourism-related activities. For instance, hotel occupancy rates plummeted by over 60% during the peak of the pandemic, leading to significant revenue losses for accommodation providers (eThekwini Municipality Tourism Department, 2020). Additionally, according to data from the eThekwini Municipality Tourism Sector Report (2020), tourist arrivals plummeted by 80% in 2020 compared to the previous year, resulting in massive revenue losses for tourism SMMEs. The impact of the pandemic on tourism SMMEs in eThekwini Municipality was compounded by structural vulnerabilities and systemic challenges. Many SMMEs lacked financial reserves and access to credit facilities, leaving them ill-equipped to weather the economic downturn caused by COVID-19 (Bvuma & Marnewick, 2020). Moreover, the informal nature of many tourism enterprises in the municipality made them ineligible for government relief programmes, further exacerbating their financial distress (Harilal & Nyikana, 2019). Therefore, tourism SMMEs in eThekwini Municipality faced challenges such as workforce layoffs, cash flow constraints, and disruptions in supply chains, exacerbating their vulnerability in the post-coronavirus era.

In this context, understanding the specific challenges confronting leadership in tourism SMMEs in eThekwini Municipality post-coronavirus is paramount to formulating targeted interventions and support mechanisms. By identifying these challenges and exploring potential solutions, policymakers, stakeholders, and industry players can collaborate to rejuvenate the tourism sector, foster resilience among SMMEs, and pave the way for sustainable recovery and growth. It is upon these premises that this research delved into the multifaceted challenges faced by tourism SMMEs in eThekwini Municipality in the post-coronavirus era and explore how transformational leadership can mitigate these challenges and foster resilience within the sector.

1.2 Research Problem Statement

Despite the growing body of literature on tourism SMMEs and their significance in local economies, notable gaps remain in research focusing on the role of transformational leadership in fostering resilience within these enterprises in eThekwini Municipality. Existing studies have predominantly concentrated on broader economic factors and the general challenges faced by the tourism sector but have not sufficiently explored how effective leadership can mitigate these challenges and enhance the adaptive capacity of SMMEs in the face of economic disruptions and market uncertainties (Bvuma & Marnewick, 2020). Furthermore, there is a need for more localized studies that capture the unique dynamics and experiences of tourism SMMEs in eThekwini, particularly in light of the recent disruptions caused by the COVID-19 pandemic (Harilal & Nyikana, 2021).

The aftermath of the COVID-19 pandemic has left tourism SMMEs in eThekwini Municipality grappling with a complex set of challenges that threaten their viability, resilience, and long-term sustainability (Bvuma & Marnewick, 2020). Despite their crucial role in economic growth, employment generation, and community development, their ability to recover and thrive in the post-pandemic era remains precarious due to financial constraints, operational disruptions, market uncertainties, and regulatory hurdles (Barbieri, Mahoney, & Butler, 2021). While government policies aimed at supporting tourism SMMEs have been discussed in existing literature, there is limited empirical research evaluating the efficacy of these programs from the perspective of business owners. Understanding the lived experiences of SMME owners in accessing government support and the practical implications of these policies is essential for informing more effective interventions and policy adjustments (Harilal & Nyikana, 2021).

This study seeks to bridge these gaps by conducting a comprehensive exploration of the specific challenges faced by tourism SMMEs in eThekwini Municipality in the post-pandemic era and examining how transformational leadership can mitigate these challenges and foster resilience

within the sector. By addressing this research problem, the study will contribute empirical insights, actionable recommendations, and policy implications that can inform decision-making processes, facilitate stakeholder collaboration, and promote sustainable development in the tourism sector of eThekwini Municipality. In doing so, it will advance scholarly discourse and practical interventions in the realm of post-pandemic recovery and resilience-building for tourism SMMEs (Barbieri, Mahoney, & Butler, 2021).

1.3 Research Aim

The research aims to investigate the challenges faced by tourism Small, Medium, and Micro Enterprises (SMMEs) in eThekwini Municipality in the post-coronavirus era and explore how transformational leadership can mitigate these challenges and foster resilience within the sector.

1.4 Research Objectives

1. To examine strategies by tourism SMME transformational leaders in eThekwini municipality to demonstrate idealised influence and inspire trust and admiration post COVID-19.
2. To investigate strategies employed by tourism SMMEs transformational leaders for articulating vision and mission to mobilise employees toward shared goals amidst the challenges posed by the COVID-19 pandemic.
3. To explore strategies employed by transformational leaders within tourism SMMEs to stimulate creativity, innovation, and critical thinking in a changing business environment.
4. Analyse strategies for how transformational leaders within tourism SMMEs foster a culture of collaboration, trust, and empowerment.

1.5 Research Questions

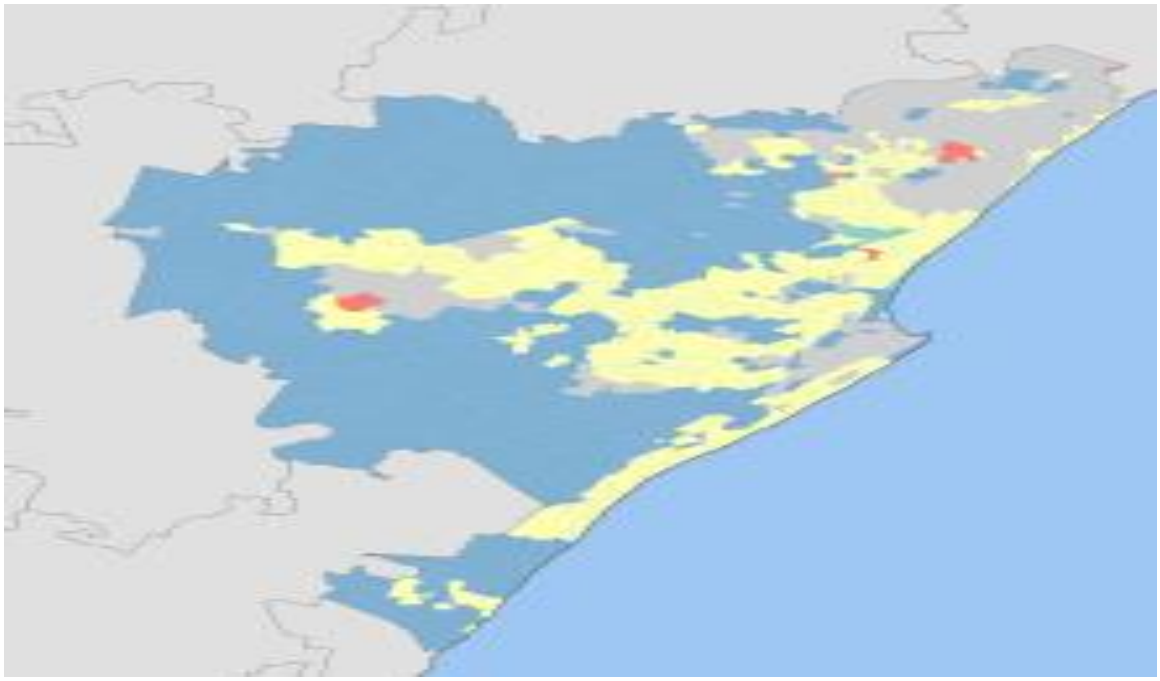
1. How do tourism SMME transformational leaders in eThekwini Municipality demonstrate idealised influence in inspiring trust and admiration among their employees in the post-COVID-19 era?
2. What strategies do transformational leaders within tourism SMMEs employ to articulate compelling visions and missions that energise and mobilise employees toward shared goals amidst the challenges posed by the COVID-19 pandemic?
3. How do transformational leaders in tourism SMMEs stimulate creativity, innovation, and critical thinking among their employees to adapt to the changing business environment and overcome financial constraints, operational disruptions, and market uncertainties?
4. How do transformational leaders within tourism SMMEs foster a culture of collaboration, trust, and empowerment among their employees to enhance organisational resilience and

navigate the complexities of the post-coronavirus tourism landscape in eThekwini Municipality?

1.6 Study Area

The eThekwini Metropolitan Municipality, formed in 2000, encompasses the city of Durban in South Africa and its surrounding communities. It is situated within the eThekwini district, which is one of the 11 districts in the KwaZulu-Natal province. The municipality is home to a population of 3,442,361 people, with Zulu being the predominant language spoken. It was created by merging seven previously independent local councils and tribal territories.

Figure 1.1: eThekwini Municipality Map (source: Government Communication & Information System, 2012.)



The eThekwini Municipality's economy rests on three main pillars: a robust logistics infrastructure, a thriving agricultural sector, and a flourishing tourism industry (eThekwini, 2022). Tourism plays a vital role in the municipality's rapid economic growth, generating employment opportunities, particularly for young people, and contributing to various economic factors. Domestic tourism in Durban alone contributes approximately R3 billion annually to the city's economy and supports over 65,000 direct jobs (Creemers and Wood, 1997). Foreign tourism adds another R12 million to Durban's annual revenue. As the global market evolves, there is a growing interest in diverse experiences beyond the traditional "sun and sea" vacations, encompassing historical, cultural, and ecological activities. Durban aims to provide tourists with a unique array of experiences that extend beyond its beaches, highlighting the city's cultural and geographical diversity. Visitors can enjoy a relaxed outdoor lifestyle with activities such as deep-

sea fishing, game viewing, mountain biking, and diving, as well as cultural and historical tours. Notable attractions include the Markets of Warwick, coffee at the Bike and Bean, slides at uShaka Marine World, whale and dolphin watching, high tea at the Beverly Hills, cocktails at the Oyster Box, Shishanyama at Max's Lifestyle, trails at Kranskop Nature Reserve, Zulu dancing at PheZulu Safari Park, and mountain biking at Giba Gorge (eThekwini, 2022). However, despite its potential, Durban faces challenges as a tourism hub within the eThekwini Municipality, such as high unemployment, poverty, unequal wealth distribution, economic inequality, and elevated crime rates. The growth of the tourism industry is seen to address some of these issues and bring about positive change.

1.7 Methodology

This study employed a qualitative research design to explore the challenges faced by tourism Small, Medium, and Micro Enterprises (SMMEs) in eThekwini Municipality post-coronavirus era through the lens of transformational leadership theory. Using an interpretivist approach, it aimed to understand the subjective experiences of tourism SMME leaders and employees within their natural context. The study population included leaders, managers, and employees directly involved in the operations of tourism enterprises, with purposive sampling guiding participant selection based on relevance. Data were collected through semi-structured interviews and document analysis, with thematic analysis applied to uncover patterns and themes. Trustworthiness was ensured using Lincoln and Guba's criteria, including credibility, transferability, dependability, and confirmability, supported by strategies such as member checking, peer debriefing, and methodological transparency.

1.8 Structure of the Proposed Dissertation

Chapter 1: Introduction

In this chapter, the research study will be introduced, outlining the background, research problem, aim, objectives, and significance of the study. An overview of the theoretical framework, research questions, methodology, and structure of the subsequent chapters will be provided.

Chapter 2: Literature Review

Chapter 2 will offer a comprehensive review of relevant literature on transformational leadership theory, the challenges faced by tourism Small, Medium, and Micro Enterprises (SMMEs) in the post-coronavirus era, and the intersection between leadership and organisational resilience in the tourism sector. Key theoretical concepts, empirical findings, and practical insights will be synthesised to establish a theoretical foundation for the study.

Chapter 3: Methodology

Chapter 3 will detail the research methodology employed in the study, including the research design, approach, study population, sampling methods and size, data collection methods and instruments, data analysis techniques, trustworthiness measures, ethical considerations, and potential limitations. A comprehensive overview of the methodological framework guiding the research process will be provided.

Chapter 4: Findings and Analysis

Chapter 4 will present the findings of the study based on the analysis of qualitative data collected through semi-structured interviews and document analysis. Key themes, patterns, and insights emerging from the data will be identified and discussed, focusing on the challenges faced by tourism SMMEs in the eThekwini Municipality post-coronavirus era and the role of transformational leadership in addressing these challenges.

Chapter 5: Conclusion and Recommendations

Chapter 5 will offer a concluding summary of the study, highlighting the main findings, implications, and contributions to theory, practice, and policy. It will provide actionable recommendations for policymakers, industry stakeholders, and SMME leaders to enhance the resilience and sustainability of tourism SMMEs in the eThekwini Municipality post-coronavirus era. Additionally, avenues for future research will be discussed, and the study's limitations will be reflected upon.

1.9 Conclusion

In conclusion, Chapter 1 provided an overview of the tourism sector's economic significance and the profound impact of the COVID-19 pandemic, focusing specifically on the challenges faced by Small, Medium, and Micro Enterprises (SMMEs) within eThekwini Municipality. The disruptions triggered by the pandemic highlighted vulnerabilities and systemic issues within these businesses, underlining the importance of resilience and strategic leadership in the post-coronavirus recovery period. Consequently, this research explores how transformational leadership can support the recovery and long-term sustainability of tourism SMMEs in this region. Moving into Chapter 2, the literature review will explore key theoretical and empirical insights into transformational leadership and organisational resilience, particularly within the tourism industry. This foundation will contextualise the challenges faced by SMMEs and the potential of leadership-driven resilience strategies.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This chapter explores the existing literature to provide a deeper understanding of the multifaceted challenges faced by tourism SMMEs in the post-COVID landscape and investigates the potential of transformational leadership as a critical approach to fostering resilience. It begins by presenting the theoretical foundation that guides this study, focusing on the relevance of transformational leadership and resilience theories in the context of tourism SMMEs. This theoretical grounding is essential for understanding how transformational leadership can inspire adaptive strategies and foster organisational resilience within SMMEs. Following the theoretical foundation, the chapter delves into specific challenges encountered by tourism SMMEs in the post-pandemic context, such as financial constraints, operational disruptions, market uncertainties, and regulatory barriers. Reviewing recent studies (2018-2023), this section captures the unique vulnerabilities experienced by transformational leaders in these enterprises and the compounding factors that have limited their capacity for recovery.

Subsequent sections of this chapter investigate how transformational leadership can address these challenges by promoting adaptive behaviours, fostering innovation, and building a supportive organisational culture. These aspects are integral to enhancing resilience in SMMEs, enabling them to navigate complex market dynamics and respond to evolving customer demands in a post-pandemic environment. Additionally, a review of resilience and recovery strategies is presented, with a focus on financial management, digital adaptation, and collaborative networking as critical pathways for SMMEs seeking long-term sustainability. The chapter concludes with a regional analysis of the eThekwini Municipality, highlighting the socio-economic factors and policy landscape that uniquely affect tourism SMMEs within this locality. This comprehensive review of literature aims to establish a solid foundation for this study by identifying the current gaps in research, thereby aligning with the study's objectives to investigate the challenges faced by tourism SMMEs in eThekwini Municipality and examine how transformational leadership can aid in overcoming these challenges.

2.2 Theoretical Foundation

The theoretical foundation of this study is underpinned by transformational leadership and resilience theories, both of which offer critical insights into navigating the complex challenges facing tourism Small, Medium, and Micro Enterprises (SMMEs) in a post-COVID-19 era. Transformational leadership theory provides a framework for understanding how leaders can inspire change, drive innovation, and foster an adaptive organisational culture, while resilience

theory addresses the ability of an organisation to withstand and recover from disruptions. The integration of these theories is essential for exploring how tourism SMMEs can achieve sustained recovery, adapt to new market dynamics, and build resilience in response to the impacts of the pandemic. This section delves into these theories, their principles, and their relevance to tourism SMMEs, offering a robust framework to guide this study's investigation of resilience-building strategies within the eThekwini Municipality.

2.2.1 Transformational Leadership Theory

Transformational leadership theory is rooted in the concept of leadership as a catalyst for transformation, particularly in times of change or crisis. Introduced by Burns (1978) and later expanded by Bass (1985), transformational leadership emphasises the role of leaders in inspiring, motivating, and fostering an environment where employees are encouraged to exceed expectations, innovate, and adapt to new challenges. This leadership style is characterised by four key components: idealised influence, inspirational motivation, intellectual stimulation, and individualised consideration (Northouse, 2019). Idealised influence refers to leaders serving as role models, thereby gaining the trust and respect of their employees. Inspirational motivation involves articulating a compelling vision that inspires team members to commit to shared goals. Intellectual stimulation encourages innovation and critical thinking, while individualised consideration involves addressing the unique needs of each employee, thereby fostering a sense of empowerment and belonging (Bass & Riggio, 2006).

In the context of tourism SMMEs, transformational leadership has been found to be particularly relevant due to the sector’s dynamic and often volatile nature. Studies have demonstrated that transformational leadership fosters adaptability and innovation within organisations, two qualities crucial for tourism businesses facing external pressures such as economic downturns, regulatory changes, and, most recently, the global pandemic (Lee & Hallak, 2020). For instance, in their study on leadership in crisis management, Kakar, Wu, & Yan (2019) emphasised that transformational leaders in SMMEs were able to instil resilience by motivating employees to think creatively, explore alternative revenue streams, and embrace digital solutions to meet new customer demands. Such leadership strategies were critical during the COVID-19 pandemic, when tourism enterprises needed to adapt quickly to sudden shifts in consumer behaviour and operational constraints (Wang, Hong, Li, & Gao., 2021).

Moreover, transformational leadership is associated with fostering psychological empowerment and a sense of shared purpose among employees, which are essential for resilience in the face of adversity (Avolio & Yammarino, 2019). Research has shown that tourism SMMEs led by transformational leaders are better positioned to implement sustainable practices, invest in

employee development, and adapt to emerging trends in sustainable tourism (Yusuf, Hossain, & Rafiq, 2022). This adaptability is crucial for small businesses in the tourism sector, as they often operate with limited resources and are more vulnerable to external shocks compared to larger organisations (Altinay & Taheri, 2019). In sum, transformational leadership equips tourism SMMEs with the tools to navigate uncertainties, fostering a culture of resilience that enables long-term sustainability.

2.2.2 Resilience Theory and Organisational Sustainability

Resilience theory originally conceptualised within the ecological sciences, has been increasingly applied in organisational contexts to explain how businesses survive, adapt, and thrive in times of crisis (Holling, 1973). In organisational theory, resilience is understood as the capacity of an organisation to endure and recover from disruptions while maintaining or even enhancing its operational functions (Sheffi, 2020). For SMMEs in the tourism sector, resilience is not merely a response to the crisis but an essential component of organisational sustainability, as these enterprises often face disproportionate challenges due to limited resources, market fluctuations, and external pressures such as those brought on by the COVID-19 pandemic (Korber & McNaughton, 2018). Resilience theory suggests that organisations with resilient characteristics such as flexibility, adaptability, and a supportive internal culture are more likely to withstand crises and emerge stronger (Sutcliffe & Vogus, 2020).

In recent years, the application of resilience theory in the tourism sector has been explored extensively, particularly in the context of crises that disrupt tourism demand and supply chains. A study by Biggs, Hall, & Stoeckl (2018) highlighted that tourism SMMEs with resilient organisational cultures were better equipped to manage crisis-related disruptions by leveraging local networks, implementing flexible operational strategies, and focusing on community-driven approaches. This capacity for adaptation is essential in tourism, where businesses frequently encounter challenges ranging from economic downturns to environmental hazards. The pandemic underscored the need for resilience, as SMMEs had to re-evaluate their business models, implement health and safety protocols, and find innovative ways to engage customers, all while navigating a rapidly changing regulatory landscape (Baum & Hai, 2020). Resilience theory posits that such adaptability stems from resource availability and leadership that promotes an open, inclusive, and flexible organisational culture (Williams, Gruber, Sutcliffe, Shepherd, & Zhao, 2021).

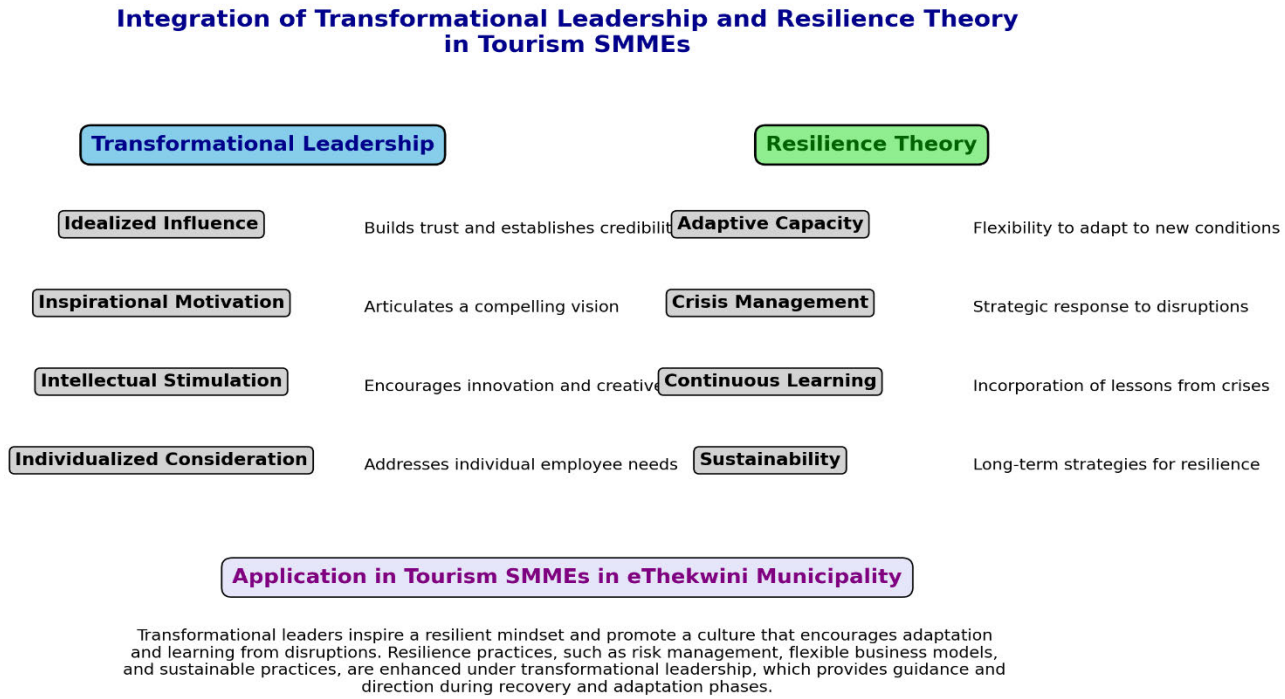
Additionally, resilience theory underscores the importance of learning and growth following a crisis. This concept, often referred to as “bounce forward” rather than simply “bounce back,” suggests that resilient organisations not only recover from crises but also use these experiences

to strengthen their adaptive capacity for future challenges (Lengnick-Hall, Beck, & Lengnick-Hall, 2019). In the case of tourism SMMEs in the eThekwini Municipality, resilience theory provides a framework to analyse how these businesses can enhance their capacity to manage crises through continuous learning, innovation, and the adoption of sustainable practices. Given the numerous disruptions caused by the pandemic, the resilience of these enterprises will likely depend on their ability to integrate adaptive strategies into their core business practices, thus ensuring long-term sustainability and competitiveness in the tourism market.

2.2.3 Integration of Transformational Leadership and Resilience Theory

Below is a diagram illustrating how transformational leadership and resilience theory are applied in this study. The diagram highlights the interconnected elements of each theory and demonstrates how transformational leadership fosters resilience in tourism SMMEs by promoting adaptability, innovation, and organisational sustainability.

Figure 2.1: Diagram: Transformational Leadership and Resilience Theory in Tourism SMMEs



Transformational Leadership

1. Idealised Influence
    - Builds trust and establishes credibility
2. Inspirational Motivation
    - Articulates a compelling vision
3. Intellectual Stimulation
    - Encourages innovation and creative problem-solving
4. Individualised Consideration
    - Addresses individual employee needs

Resilience Theory

1. Adaptive Capacity
    - Flexibility to adapt to new conditions
2. Crisis Management
    - Strategic response to disruptions
3. Continuous Learning
    - Incorporation of lessons from crises
4. Sustainability
    - Long-term strategies for resilience

Application in Tourism SMMEs in eThekwini Municipality

- Transformational leaders inspire a resilient mindset and promote a culture that encourages adaptation and learning from disruptions.
- Resilience practices, such as risk management, flexible business models, and sustainable practices are enhanced under transformational leadership, which provides guidance and direction during the recovery and adaptation phases.

The intersection of these theories emphasises the importance of transformational leadership in building resilience, where leaders motivate their teams to embrace change, foster a supportive culture, and implement adaptive practices critical for the sustainability of tourism SMMEs in eThekwini. This theoretical foundation provides a basis for examining how tourism SMMEs can navigate the challenges of the post-COVID-19 landscape by fostering organisational resilience through transformational leadership, thereby aligning with the study's objectives of investigating resilience-building strategies and sustainable growth mechanisms in the tourism sector.

2.2.4 Application of Theoretical Framework in this Study

In this study, the **transformational leadership theory** and **resilience theory** were integrated to achieve the objectives by examining how transformational leadership fosters resilience and sustainable practices within tourism SMMEs in the eThekwini Municipality. To address the first objective, transformational leaders' role in building trust and admiration (idealised influence) was pivotal in establishing a credible leadership presence that employees could rely on, particularly critical in the recovery from the pandemic's disruptions. These leaders demonstrated idealised influence by modelling resilience and commitment, inspiring employees to trust and look up to them, which strengthened organisational unity and focus during times of change.

In alignment with the second objective, transformational leaders articulated compelling visions and missions (inspirational motivation) to energise employees and guide them toward shared goals. Emphasising a forward-looking vision, they encouraged team commitment to innovative approaches and adaptation strategies, thereby enabling the organisation to meet the challenges

presented by the pandemic. This approach allowed leaders to mobilise their teams toward sustainable practices that align with long-term organisational goals and the broader vision for resilience within the tourism sector.

For the third objective, transformational leaders actively promoted intellectual stimulation, encouraging creativity, innovation, and critical thinking among employees. This environment of intellectual engagement was essential in enabling employees to develop adaptive solutions to financial constraints, operational disruptions, and market uncertainties caused by the pandemic. Transformational leaders encourage their teams to think beyond traditional approaches, thus fostering an organisational culture open to continuous learning and adaptation, which is vital for resilience building as per Resilience Theory.

Lastly, the fourth objective was achieved through leaders' focus on individualised consideration, which helped in fostering a supportive, collaborative, and empowering culture. Transformational leaders within the tourism SMMEs addressed the unique needs of their employees, thereby creating an inclusive work environment that enhances collaboration and builds trust. This approach not only facilitated resilience in managing crises but also helped in establishing a culture of empowerment and ownership among employees, which contributes to sustained organisational adaptability. This integration of Transformational Leadership and Resilience Theory provided a framework to examine how tourism SMMEs can navigate the complexities of the post-COVID-19 landscape by embedding resilience and adaptability within their organisational culture, thereby advancing the study's objectives in exploring sustainable growth mechanisms in the tourism sector.

2.3 The State of Tourism SMMEs in South Africa

Tourism small, medium, and micro-sized enterprises (SMMEs) remain a topic of great importance for academics, policy analysts, and planners within the South African tourism industry due to their potential for promoting economic growth, income diversification, and sustainable development (Mshenga & Richardson, 2013; Rogerson, 2005). Hlengwa and Thusi (2018) highlight the emergence of SMMEs in South Africa since 1994, led by historically disadvantaged Black entrepreneurs. The majority of SMMEs in South Africa are concentrated in the lower end, primarily comprising "survivalist self-employed individuals from the poorest segments of the population" (Ajibade & Khayundi, 2017, p. 176). The capacity of SMMEs to generate employment and contribute positively to economic growth has solidified their permanent position on the national, regional, and global economic development agenda. SMMEs contribute to income generation, address unemployment, and reduce inequality (Bimha & Primrose, 2021).

South Africa's reintegration into the global economy and hosting of major events such as the FIFA World Cup in 2010 and the Global Summit on Sustainable Development in 2002 have been catalysts for the growth of SMMEs (Gumede, 2023). Consequently, several government programmes and development policies have been implemented by the Department of Environmental Affairs and Tourism (DEAT) to support the establishment and sustainability of SMMEs as a critical means of achieving the country's Vision 2030. These initiatives include the National Small Business Development Act of 1996, the 1996 Tourism White Paper, the National Development Plan (NDP), and the Disaster Management Act of 2002 (Act No. 57 of 2002) (DSBD, 2020; Rogerson, 2005). Vision 2030 aims to create at least 11 million job opportunities by 2030, with a significant portion (approximately 90%) coming from the SMME sector, according to established goals (Department of Economic Development, 2017). In 2014, the South African government established a dedicated Ministry of Small Businesses or Department of Small Business Development (DSBD) to support the promotion and growth of SMMEs. The DSBD's objective is to facilitate the development and growth of small businesses to contribute to the country's inclusive and shared economic progress (DSBD, 2014; Masutha and Rogerson, 2014).

However, despite these government initiatives discussed in the paragraph above, the tourism SMMEs in the country still face various challenges, as highlighted by Rogerson and Rogerson (2020). These challenges include inadequate marketing strategies, unskilled and inexperienced staff, insufficient infrastructure, bureaucratic obstacles, as well as biased access to financial support and markets. However, considering that the country's travel and tourism industry is characterized by a three-tiered hierarchy of firms, the impact of these challenges may not have been evenly distributed across all tourism SMMEs (Gumede, 2022). At the highest level, a select group of businesses operate, providing services to major travel agencies, transportation, accommodations, and dining and recreational facilities. This is followed by a range of well-established businesses, predominantly owned by white individuals, offering various services such as travel, lodging, cuisine, and game farming. At the bottom level, emerging Black-owned businesses are primarily informal enterprises, along with a few formal microbusinesses (Gumede, 2022).

2.4 COVID-19 on South Africa’s Tourism SMMEs

South Africa, with its strong economy and renowned tourist attractions, has historically attracted a significant number of international visitors, primarily for business and visiting friends and relatives (VFR) purposes. However, the global COVID-19 pandemic and subsequent strict

lockdown measures have had a detrimental impact on tourism traffic in the country. In response, the President of South Africa declared a National State of Disaster on March 15, 2020, and implemented measures such as prohibiting gatherings of more than 100 people to mitigate the spread of the virus (Republic of South Africa, 2020a Government Gazette). These measures were part of a Risk-Adjusted Strategy, which involved phased lockdown and reopening of the economy, with restrictions on travel and non-essential activities, taking into consideration the potential threats to public health and the economy (Republic of South Africa, 2020d Government Gazette; Arndt et al., 2020). These lockdown measures were considered among the most stringent globally, with residents largely confined to their homes and restricted from travel except for essential purposes such as buying food, seeking medical attention, or accessing social benefits (Rogan & Skinner, 2020). These necessary steps to contain the rapid spread of COVID-19 inevitably disrupted normal societal functioning (Al-Fadly, 2020).

The tourism SMME sector, like many other global economies, was significantly affected by the lockdown measures. Most of these businesses had to suspend their operations immediately to prevent further transmission of the virus through person-to-person contact. The primary consequence of business closures was job losses, which had negative psychosocial impacts on both business owners and employees (Al-Fadly, 2020). The hospitality and lodging industry experienced widespread challenges, including impending insolvency, salary reductions, mass layoffs, and ultimately closures (Ikwegbue, Barnett, Mok, & Alam, 2021). The tourism SMME sector encompasses interconnected sub-sectors, such as hospitality and lodging, which are known for their labour-intensive nature (Baldwin & Mauro, 2020).

Moreover, the COVID-19 pandemic disrupted supply chain networks, which are vital for the growth and sustainability of these sub-sectors (Al-Fadly, 2020). Consequently, suppliers, tourism SMMEs, employees, and customers found themselves in an unprecedented situation (Baldwin & Mauro, 2020). The broader business community within the tourism industry in South Africa also experienced significant concerns due to the disruption caused by the pandemic on SMME operations. Following careful analysis of infection rates and death toll associated with COVID-19, the South African government transitioned from the strictest alert levels (5 and 4), characterised by complete lockdown and severe restrictions, to alert level 3. Alert level 3 entailed moderate limitations based on the readiness of the healthcare system and the controlled spread of COVID-19. On April 23, 2020, the government presented a long-term plan to gradually lift lockdown restrictions. This plan, informed by a study commissioned for the presidency, introduced a "risk-adjusted plan" for economic activity based on different alert levels, tailored to the epidemiological risks associated with the pandemic (Rogerson & Rogerson, 2020).

Despite the easing of restrictions under alert level 3, the tourism industry including SMMEs was not considered an essential service within the country. Therefore, tourism SMMEs had to operate under the "new normal" conditions while other sectors were permitted to resume normal operations (Bama & Nyikana, 2021). Gregurec, Furjan, & Tomicic-Pupek (2021) note that, unlike other industries that may exhibit a certain degree of resilience, tourism SMMEs struggled to withstand the impact of the pandemic or explore alternative operating niches in the new normal environment.

2.5 Challenges Facing Tourism SMMEs post-COVID-19

Tourism Small, Medium, and Micro Enterprises (SMMEs) in the post-COVID-19 era face a multitude of challenges that threaten their survival and growth. The pandemic's far-reaching impacts created enduring financial, operational, and market-related disruptions, making it difficult for these businesses to recover fully and resume pre-pandemic levels of performance (Baum & Hai, 2020). The following sections provide an in-depth analysis of these challenges, focusing on the financial constraints, operational disruptions, and market uncertainties that continue to impact tourism SMMEs in areas such as eThekwini Municipality.

2.5.1 Financial Constraints

The COVID-19 pandemic placed tourism SMMEs under severe financial strain, primarily through cash flow disruptions, lack of financial reserves, and limited access to credit. For SMMEs, cash flow is essential for maintaining operations, paying staff, and covering fixed expenses, yet the sudden halt in tourism activity during lockdowns cut off these revenue streams, leaving many businesses unable to meet their financial obligations (Alonso, Kok, Bressan, O'Shea, Sakellarios, & Koresis, 2020). The absence of regular income forced numerous SMMEs to deplete their limited reserves, which were often inadequate to cover prolonged periods of inactivity. A study by Rogerson and Rogerson (2020) found that the financial vulnerability of tourism SMMEs in South Africa was exacerbated by a lack of pre-existing financial buffers, rendering these businesses highly susceptible to external shocks. This situation was further complicated by the difficulty in accessing emergency funding, particularly for small businesses that did not meet the stringent requirements set by commercial banks and other financial institutions (Abbas, Raza, Nurunnabi, Minai, & Bano, 2021).

Additionally, limited access to credit remains a major challenge, particularly as financial institutions tightened lending requirements in response to economic uncertainties triggered by the pandemic (Liguori & Pittz, 2020). Many tourism SMMEs, especially those operating in informal or semi-formal sectors, were deemed high-risk borrowers, thereby reducing their ability to secure loans or credit lines necessary for recovery efforts. A study conducted by Naidoo and

Sharpley (2022) on South African tourism SMMEs found that credit constraints limited the ability of these businesses to invest in operational upgrades, rehire staff, or adjust their service offerings to meet changing consumer preferences. Consequently, the prolonged financial instability has forced some SMMEs to scale back their operations or, in more severe cases, shut down entirely. Such closures represent a significant loss, not only for the business owners but also for local economies dependent on tourism, including employment opportunities for communities in places like eThekwini Municipality (World Bank, 2022).

2.5.2 Operational Disruptions

Operational challenges were another significant repercussion of the pandemic for tourism SMMEs, as these businesses faced supply chain disruptions, staff layoffs, and increased operational costs. During the peak of the pandemic, global and local supply chains were disrupted, leading to shortages of essential goods and services that tourism businesses rely on, such as food supplies, transportation services, and maintenance materials (Sigala, 2020). For tourism SMMEs, these disruptions meant an inability to deliver services consistently, compromising customer satisfaction and brand reputation. Furthermore, the delays in supply chains led to increased costs for sourcing materials, with many businesses forced to switch to more expensive local suppliers or delay planned service expansions (Hall, Scott, & Gössling., 2020).

In addition to supply chain issues, staff layoffs were a widespread consequence of financial strain, further complicating the operational capacities of tourism SMMEs. Staff layoffs became inevitable as many tourism businesses struggled to cover payroll expenses in the absence of revenue (Ahsan & Rahman, 2021). While layoffs helped reduce immediate financial burdens, they left tourism SMMEs with fewer skilled personnel to manage the recovery process. As demand for tourism services started to return in the post-pandemic period, the labour shortages presented new challenges, especially for customer-facing roles where experience and familiarity with the business model are critical (Woyo, 2022). The layoffs also led to increased training costs as SMMEs sought to rebuild their workforce, often needing to invest in upskilling new or returning employees to meet operational demands in a changed tourism environment.

Furthermore, the operational costs for tourism SMMEs have surged in response to new health and safety protocols mandated by government and industry regulations. Compliance with these protocols, while essential for customer and employee safety, placed an added financial burden on businesses already struggling to stay afloat (Jiang & Ritchie, 2021). For instance, accommodation providers had to implement sanitation protocols, enhance cleaning routines, and, in some cases, reduce capacity to maintain social distancing guidelines, all of which required additional investments. According to research by Zenker and Kock (2020), such operational

adjustments were necessary for re-establishing consumer confidence but came at a high cost that was often unaffordable for smaller tourism businesses with limited budgets. These increased operational expenses, combined with the other disruptions, have rendered recovery a slow and arduous process for tourism SMMEs, particularly in areas like eThekwini Municipality where operational costs are compounded by local economic constraints.

2.5.3 Market Uncertainty and Demand Fluctuations

The tourism market has been profoundly affected by uncertainty and demand fluctuations following the pandemic, posing further challenges for SMMEs seeking to regain stability. One of the primary market-related impacts has been the shift in consumer behaviour, with tourists displaying increased caution, favouring domestic travel, shorter stays, and lower-contact service experiences over traditional tourism options (Uğur & Akbıyık, 2020). These changes forced tourism SMMEs to rethink their offerings, often with limited resources to adapt to the rapidly evolving market demands. The uncertainty surrounding future demand also contributed to an unpredictable business environment, as tourism SMMEs struggled to make strategic decisions amid fluctuating consumer interest and booking patterns (Gössling, Scott, & Hall, 2021). A study by Cheema-Fox et al. (2022) revealed that while there is a gradual return to pre-pandemic travel behaviours, demand remains inconsistent and influenced by regional health conditions, economic recovery rates, and consumer confidence.

Market instability also meant that tourism SMMEs faced heightened competition, as fewer customers increased the pressure to attract a limited pool of tourists. For example, accommodation providers and tour operators within the same locality, such as those in eThekwini Municipality, found themselves competing for the same customers, often leading to price reductions that reduced profit margins (Rogerson, 2022). The influx of larger companies into local markets, offering competitive rates and extensive services, further threatened the market position of smaller SMMEs, which typically lack the economies of scale necessary to match such offerings. This intensified competition has made it difficult for tourism SMMEs to regain their footing in a market that is now more cautious and price-sensitive than before (Gupta & Singla, 2021).

The uncertainties in demand and the changing expectations of tourists have forced tourism SMMEs to embrace flexibility, digital solutions, and innovation as key strategies for maintaining relevance. For instance, digital tools such as online booking systems and virtual tours have become essential for appealing to a new wave of tech-savvy consumers (Ritchie, Lewis, Nicholls, & Ormston, 2021). However, these adaptations are not without cost, and many tourism SMMEs face budgetary and technical barriers to implementing digital solutions, thus limiting their competitiveness in a market increasingly dependent on technology (Saarinen & Rogerson, 2023).

In addition, the slow pace of global economic recovery has further contributed to market uncertainty, as tourists with limited disposable income continue to prioritize low-cost travel options, affecting the profitability of tourism SMMEs (UNWTO, 2022).

2.5.4 Regulatory and Policy-Related Hurdles

Regulatory and policy-related hurdles have been significant obstacles for tourism SMMEs in the post-pandemic environment, as various government restrictions and relief programme limitations have created both direct and indirect challenges. During the height of the COVID-19 pandemic, governments worldwide, including South Africa's, implemented strict lockdown measures, travel restrictions, and limitations on public gatherings to curb the virus's spread. While necessary for public health, these regulations had severe consequences for the tourism sector, reducing demand for services and forcing many SMMEs to operate under limited capacity or cease operations entirely (World Bank, 2022). Research by Naidoo and Sharpley (2022) indicates that, for many tourism SMMEs, these regulations compounded existing financial difficulties by reducing opportunities for income generation, while simultaneously increasing compliance costs associated with pandemic-related health and safety protocols. Moreover, post-pandemic recovery has been hindered by the slow lifting of certain restrictions, as well as the imposition of new health and safety standards, which often require financial and operational adjustments that smaller businesses may struggle to implement effectively (Sigala, 2020). These policy constraints have contributed to an uneven recovery, as larger businesses with more resources have generally been able to adapt more readily to new regulations than SMMEs with limited capacity.

In addition to regulatory restrictions, limitations within government relief programmes have also posed challenges to tourism SMMEs. While several pandemic-era relief initiatives were introduced to support struggling businesses, many SMMEs found themselves unable to access these funds due to eligibility criteria that did not account for the informal or semi-formal nature of many small tourism enterprises (Abbas et al., 2021). For instance, research by Bvuma and Marnewick (2020) highlights that numerous relief programmes require formal documentation, collateral, and tax compliance records, which smaller informal businesses often lack, rendering them ineligible for much-needed support. In some cases, even those SMMEs that did qualify faced bureaucratic delays and inadequate funding, as government agencies struggled to meet the overwhelming demand for assistance (Hall et al., 2020). This left many tourism SMMEs in eThekwini Municipality and similar regions without financial assistance to weather the crisis, exacerbating financial strain and leading to further closures. Furthermore, the inconsistent application of relief programmes, alongside a lack of clear communication from government agencies regarding eligibility and application processes contributed to frustration and distrust

among SMMEs toward regulatory bodies (Rogerson & Rogerson, 2020). These limitations in relief accessibility and the cumulative burden of regulatory compliance have underscored the need for more inclusive, flexible, and targeted policy frameworks that can better support the diverse needs of tourism SMMEs in the wake of such unprecedented disruptions.

2.6 The Role of Transformational Leadership in Addressing SMME Challenges

Transformational leadership plays a pivotal role in empowering Small, Medium, and Micro Enterprises (SMMEs) in the tourism sector, particularly as they face challenges in a post-COVID-19 environment. Through principles of idealised influence, visionary leadership, intellectual stimulation, and a supportive culture, transformational leaders foster organizational resilience by inspiring trust, mobilizing teams around strategic visions, encouraging innovation, and creating a collaborative environment. Each of these leadership facets contributes uniquely to SMMEs' capacity to address financial, operational, and market-related challenges, laying the groundwork for long-term resilience and adaptability.

2.6.1 Idealised Influence and Trust-Building

Idealised influence, as a core component of transformational leadership, involves leaders serving as role models whose integrity and vision inspire admiration and trust among their employees. This trust-building aspect is essential in crisis situations, where employees often look to leadership for direction and reassurance (Li & Tian, 2020). Leaders who exhibit high levels of ethical conduct and transparent communication strengthen trust, which, according to Bass & Riggio (2006), fosters resilience and cohesion within teams. In the context of tourism SMMEs, trust in leadership enables employees to align their efforts with the organisation's recovery strategies, even when these strategies may involve significant changes in roles or responsibilities (Li & Tian, 2020).

Furthermore, studies by Karakas and Sarigollu (2019) emphasised that transformational leaders who model resilience and confidence instil a sense of stability within their organisations, which helps mitigate the psychological toll of economic downturns. In a study focusing on SMMEs in South Africa, Mhlanga and Moloi (2020) found that transformational leaders who fostered trust and optimism among employees saw higher engagement and loyalty, which is crucial for navigating crises and building resilience. This form of idealised influence is particularly significant in tourism, where the interpersonal and service-driven nature of the industry means that trust and morale within teams directly impact customer experiences and organisational reputation (Nieves & Quintana, 2018).

2.6.2 Visionary Leadership and Strategic Alignment

A key trait of transformational leaders is their ability to articulate a compelling vision that aligns the workforce with organisational goals, even amidst uncertainty. This visionary leadership provides employees with a sense of purpose and direction, motivating them to commit to shared goals (Elenkov & Manev, 2019). Research on tourism SMMEs has demonstrated that leaders who convey a clear vision during periods of crisis are more effective in retaining employee commitment, thereby ensuring the continuity of operations (Tourism KwaZulu-Natal, 2021). This sense of purpose is vital in a sector as affected by seasonal demand and external factors as tourism, where strategic alignment is necessary for organisational adaptability.

Strategic alignment driven by visionary leadership is particularly relevant for tourism SMMEs looking to differentiate themselves in a recovering market. According to Lee and Hallak (2020), transformational leaders within SMMEs who engage their teams around a unified vision enable quicker response times to evolving consumer demands such as preferences for safe, sustainable travel options. Visionary leadership also promotes innovation, as employees feel motivated to suggest and implement new ideas aligned with the organisation's long-term objectives (Sharma & Taneja, 2021). This vision-driven adaptability is essential for post-pandemic recovery in tourism, where market shifts have redefined the operational landscape and necessitated rapid adaptation to customer expectations.

2.6.3 Intellectual Stimulation and Innovation

Intellectual stimulation, another core dimension of transformational leadership, encourages leaders to foster an environment where creative problem-solving is valued and employees are empowered to think critically. This leadership quality has been shown to drive innovation within organisations, which is especially important for SMMEs facing financial and operational constraints (Avolio & Yammarino, 2020). In the context of tourism, leaders who stimulate intellectual curiosity among their teams help to cultivate adaptive strategies that address challenges such as reduced budgets, limited human resources, and shifting market demands.

A study by Wang et al. (2021) highlighted that transformational leaders in tourism SMMEs who prioritise intellectual stimulation often see increased levels of creativity and proactive problem-solving within their teams. This is crucial in situations where SMMEs must pivot quickly to stay competitive, such as developing new service offerings or adopting digital tools to engage customers remotely. Encouraging innovative thinking not only helps organisations adapt to market changes but also promotes resilience by equipping employees with the skills to manage future challenges. Research further indicates that intellectual stimulation within tourism SMMEs

can lead to the adoption of sustainable practices, aligning the organisation's goals with broader industry trends and promoting long-term resilience (Andriani., Kesuma, & Rasid, 2018).

2.6.4 Supportive Culture and Employee Empowerment

Transformational leaders also foster a supportive culture within organisations, which enhances employee engagement, empowerment, and ultimately organisational resilience. By valuing each team member's contributions, transformational leaders create an environment where employees feel valued, heard, and motivated to contribute to the organisation's success (Northouse, 2021). This sense of empowerment is critical in SMMEs, particularly in the tourism sector, where operational demands and customer expectations often require rapid adjustments to service offerings and team roles.

Research by Mlambo and Sibanda (2019) found that in South African tourism SMMEs, transformational leadership that emphasised a supportive culture led to higher levels of employee morale and job satisfaction, which translated into enhanced customer service quality and organisational stability. Leaders who empower employees to take initiative in decision-making also contribute to a culture of shared responsibility, which is essential in a sector characterised by resource limitations and high service demands (Saxena & Kumar, 2020). Employee empowerment, therefore, serves as a foundational element of resilience within tourism SMMEs, enabling teams to navigate operational challenges collectively and adaptively.

2.7 SMME Resilience and Recovery Strategies in the Tourism Sector

As tourism SMMEs recover from the pandemic's impact, resilience and recovery strategies play a crucial role in shaping their ability to adapt to new market conditions. Effective financial management, digital transformation, and strategic partnerships are essential for tourism SMMEs seeking to reestablish their market position and build resilience against future disruptions.

2.7.1 Financial Resilience and Access to Funding

Financial resilience is a fundamental aspect of organisational sustainability, particularly for SMMEs with limited resources. Access to funding, efficient financial management, and governmental support programmes are vital components that help tourism SMMEs weather economic fluctuations (Bankole, Balogun, & Folorunsho, 2022). In response to the COVID-19 crisis, many SMMEs sought alternative financing, such as government relief funds and microloans to sustain their operations. Research by De Freitas and Beck (2021) on African tourism SMMEs indicate that access to government funding played a critical role in helping many small enterprises manage operational costs and maintain liquidity during periods of low demand.

However, reliance on external funding alone may not suffice for long-term resilience. Adequate financial planning, such as maintaining cash reserves and diversifying revenue streams, is equally important (Nwoye & Eleke, 2020). Financial resilience strategies can mitigate the risks associated with reliance on single sources of income, especially in the tourism sector, where demand is seasonal and susceptible to external disruptions (Tourism KwaZulu-Natal, 2021). In a post-pandemic recovery context, tourism SMMEs are increasingly focusing on creating more financially resilient business models, which include prudent budgeting, cost management, and investment in revenue diversification.

2.7.2 Digital Transformation and Market Adaptation

The COVID-19 pandemic accelerated digital transformation across various sectors, with tourism being no exception. For SMMEs, the adoption of digital tools and platforms has become essential for market adaptation and customer engagement in a new consumer landscape that increasingly values virtual and contactless experiences (Ye & Law, 2021). Digital tools such as online booking platforms, social media marketing, and virtual tours, enable tourism SMMEs to reach a broader audience and adapt to the changing demands of tech-savvy consumers.

Research by Lee and Hallak (2020) highlights that digital transformation has allowed tourism SMMEs to not only reach new markets but also enhance operational efficiency through automated processes and data analytics. This shift toward digitalisation aligns with resilience strategies, as it provides businesses with the flexibility to modify offerings, gather insights into customer preferences, and develop targeted marketing campaigns. In regions like eThekwini where digital adoption rates are increasing, tourism SMMEs leveraging digital tools have reported higher customer engagement levels and improved operational resilience (Tourism KwaZulu-Natal, 2021).

2.7.3 Collaborative Networks and Partnerships

Collaborative networks and partnerships serve as valuable resources for SMMEs, providing access to information, support, and resources that may be otherwise unattainable for smaller businesses (Sørensen & Rogerson, 2020). In the tourism sector, partnerships with local businesses, community organisations, and even competitors can foster resilience by sharing resources and pooling expertise. For instance, collaborations with local suppliers allow SMMEs to reduce costs and enhance service offerings, while partnerships with community organisations can provide access to new customer segments.

A study by Makanyeza and Dzansi (2021) on African SMMEs emphasised the importance of local partnerships in creating resilient business models. By forming alliances, SMMEs in the tourism sector can diversify their customer base, access support networks, and coordinate

responses to sector-specific challenges. In the post-COVID-19 era, the role of collaborative networks has expanded, as SMMEs face new demands for sustainable and socially responsible tourism. Partnerships, therefore, support SMMEs in not only adapting to market demands but also in building long-term resilience through shared knowledge, collective branding, and resource sharing.

2.8 Regional Focus: eThekwini Municipality and South African Context

2.8.1 Economic Importance of Tourism in eThekwini Municipality

The tourism industry plays a pivotal role in the economic landscape of eThekwini Municipality, which encompasses Durban, a major city in KwaZulu-Natal, South Africa. The significance of tourism to the local economy is underscored by its contribution to employment, gross domestic product (GDP), and the overall economic vitality of the region. According to the eThekwini Municipality's Tourism Sector Report (2020), tourism contributes approximately R12 billion to the local economy annually and supports over 65,000 jobs, predominantly in the SMME sector (eThekwini Municipality, 2020). SMMEs are particularly vital, as they account for a substantial proportion of the tourism workforce and provide diverse services, from accommodations and transportation to tour guiding and local cultural experiences (Bvuma & Marnewick, 2020).

Furthermore, tourism in eThekwini is not only a driver of economic growth but also a means of promoting social inclusion and community development. Many tourism SMMEs are owned and operated by local entrepreneurs, fostering economic empowerment among previously marginalised groups (Mlambo & Gumbi, 2022). This alignment with local ownership helps circulate income within the community and enhances the overall economic resilience of the region. The municipality's strategic positioning along the coastline, combined with its rich cultural heritage and biodiversity, makes it an attractive destination for both domestic and international tourists (Creemers & Wood, 1997). However, the sector is also marked by volatility as evidenced by the COVID-19 pandemic, which severely disrupted travel and tourism activities. The ability of tourism SMMEs to recover and contribute to the economic landscape in eThekwini will depend significantly on their resilience and adaptability in the post-pandemic era (Wang et al., 2021).

2.8.2 Socioeconomic Challenges Affecting SMMEs in eThekwini

Despite the economic potential of tourism, SMMEs in eThekwini Municipality face numerous socioeconomic challenges that hinder their growth and sustainability. High levels of poverty, inequality, and crime are among the pressing issues that impact the operational viability of these enterprises. South Africa, and eThekwini in particular, has one of the highest inequality rates

globally, with significant disparities in wealth distribution affecting access to resources and opportunities for SMMEs (Bhorat & Kanbur, 2020). According to the KwaZulu-Natal Provincial Treasury (2021), eThekwini experiences a poverty rate of approximately 34%, which directly affects the disposable income of potential tourists and consequently, the revenue generated by tourism SMMEs.

Moreover, crime and safety concerns pose additional barriers for tourism businesses, particularly in urban areas like Durban. High crime rates can deter both domestic and international tourists, leading to reduced foot traffic and lower revenues for SMMEs (Meyer Govender, & Simelane, 2019). Research by Simelane (2020) indicates that the fear of crime affects tourists' travel decisions, with many opting for alternative destinations perceived as safer. This cycle of crime and decreased tourism creates a challenging environment for SMMEs, making it difficult for them to thrive.

In addition to these challenges, many tourism SMMEs in eThekwini struggle with limited access to finance and business development resources. A study by Harilal and Nyikana (2021) found that many small business owners lack the financial literacy required to navigate the complexities of funding applications, leading to missed opportunities for growth and sustainability. Without adequate support, these enterprises may struggle to recover from setbacks, such as those experienced during the COVID-19 pandemic, further exacerbating existing vulnerabilities.

2.8.3 Policy and Support Frameworks for Tourism SMMEs

The South African government, along with local authorities in eThekwini, has implemented various policies and support frameworks aimed at fostering the growth and resilience of tourism SMMEs. These initiatives include access to funding, training programmes, and regulatory support designed to enhance the operational capacities of small businesses in the tourism sector (Department of Tourism, 2022). For example, the National Department of Tourism's Tourism Incentive Programme provides financial support to qualifying small businesses to help them improve their service offerings and adapt to changing market demands (Department of Tourism, 2022).

In the post-pandemic context, several government-led recovery initiatives have been launched to assist SMMEs in the tourism sector. The Tourism Relief Fund, introduced in response to the economic fallout from COVID-19, aimed to provide immediate financial assistance to qualifying tourism businesses affected by the pandemic (Katz, 2021). However, the effectiveness of these programmes has been met with mixed reviews. Many SMME owners reported challenges in accessing funding due to bureaucratic hurdles and insufficient information regarding eligibility criteria (Chirisa & Ndlovu, 2021). Moreover, the informal nature of many tourism SMMEs often

excludes them from government support programmes, leaving them to navigate the recovery process largely independently.

The efficacy of the existing policy frameworks in eThekwini is further complicated by the need for a more integrated approach to support tourism SMMEs. Stakeholders argue that policies should not only focus on immediate financial relief but also prioritise long-term capacity building, including skills development, mentorship, and marketing support (Mhlongo & Dube, 2022). Addressing both the short-term recovery needs and the long-term sustainability of tourism SMMEs, local governments can foster a more resilient tourism ecosystem that can withstand future disruptions.

2.9 Synthesis of Key Findings

The literature reviewed reveals several critical insights regarding the challenges and opportunities facing tourism SMMEs in eThekwini Municipality. The economic importance of tourism cannot be understated, as it serves as a significant contributor to the local economy, providing jobs and fostering community development. However, tourism SMMEs are grappling with profound socioeconomic challenges including poverty, inequality, and crime which directly affect their ability to thrive in a competitive market. Additionally, while government policies and support frameworks have been established to assist SMMEs, their effectiveness remains hindered by accessibility issues and a lack of comprehensive capacity-building initiatives. The interplay between transformational leadership and resilience theory emerges as a crucial framework for understanding how tourism SMMEs can navigate these challenges. Transformational leadership has been shown to enhance organisational resilience by fostering innovation, adaptability, and a culture of collaboration. However, more empirical research is needed to explore the specific strategies employed by transformational leaders within tourism SMMEs in eThekwini and their impact on business resilience and sustainability in the post-pandemic context.

2.10 Conclusion

In conclusion, Chapter 2 has elucidated the critical role that tourism SMMEs play within the eThekwini Municipality, serving as vital contributors to the region's economic vitality and employment landscape. Through an extensive review of the theoretical foundations underpinning this research, including transformational leadership theory and resilience theory, it has become evident that effective leadership is paramount for enhancing the resilience and adaptability of these enterprises, especially in the face of unprecedented challenges posed by the COVID-19 pandemic. The exploration of the context further highlighted the unique socioeconomic challenges such as poverty, inequality, and crime that tourism SMMEs confront in eThekwini, which can significantly hinder their growth and sustainability. Additionally, the chapter has

analysed existing policy frameworks and support mechanisms designed to bolster the tourism sector, revealing both the strengths and limitations of these initiatives in the post-pandemic landscape. Despite the recognition of the importance of tourism SMMEs, the findings indicate substantial gaps in the current literature, particularly regarding the specific impact of transformational leadership on fostering resilience in these enterprises within the South African context. This comprehensive understanding sets the stage for the subsequent chapter, which will delineate the research methodology employed in this study. Addressing the identified research gaps and employing targeted investigative approaches, the methodology chapter aims to contribute valuable empirical insights that can inform future strategies for enhancing the resilience of tourism SMMEs in eThekwini Municipality.

CHAPTER 3: METHODOLOGY

3.1 Introduction

This chapter outlines the methodology employed in this study, which investigates the challenges faced by tourism Small, Medium, and Micro Enterprises (SMMEs) in the eThekwini Municipality post-coronavirus. The chapter discusses the research design, approach, population, sampling methods, data collection and analysis, trustworthiness, ethical considerations, limitations, and mitigation strategies. Employing qualitative research methods, this study aims to generate nuanced insights into the experiences of SMME leaders and employees as they navigate the ongoing challenges in a post-pandemic tourism landscape.

3.2 Research Design

This study employs a qualitative research design, which is particularly suitable for investigating the multifaceted challenges faced by tourism SMMEs in eThekwini Municipality in the post-coronavirus era. The qualitative approach allows for an in-depth exploration of complex phenomena and captures rich, contextualised data (Creswell & Poth, 2018; Hennink. Hutter, & Bailey, 2019). In the tourism sector, where businesses are significantly impacted by external shocks such as pandemics, qualitative research provides nuanced insights into how SMMEs navigate these challenges, particularly through the lens of transformational leadership. Focusing on the subjective experiences of tourism leaders, managers and employees, the research contributes to understanding the human elements behind organisational resilience and adaptability in the face of adversity (Mason, Hutter, & Bailey, 2020).

Qualitative research is characterised by its focus on meaning-making processes, allowing researchers to delve into participants' perceptions, feelings, and behaviours within their natural contexts (Denzin & Lincoln, 2018). This design is essential for examining the transformative leadership practices that SMME leaders employ to foster resilience and navigate the operational challenges resulting from the COVID-19 pandemic. The insights gleaned from qualitative methodologies offer a comprehensive understanding of the strategies and adaptations that these enterprises have implemented in response to unprecedented disruptions in the tourism landscape (Willis, Jost, & Nilakanta, 2018).

3.3 Philosophy of the Study

The study adopted an interpretivist research approach, which emphasises the understanding of subjective experiences and the social constructions of meaning within specific contexts (Schwandt, 2019). This approach is particularly relevant given the exploratory nature of the research, which seeks to comprehend how tourism SMME leaders and employees make sense of

their challenges and develop resilience strategies in the post-pandemic landscape (Muir, Ross, & Davidson, 2020). Interpretivism allows for a flexible and adaptive research design, enabling the researcher to engage with participants in a manner that fosters open dialogue and deep reflection on their experiences (Denzin & Lincoln, 2018). Utilising an interpretivist lens, this study focuses on understanding the complex interplay between transformational leadership practices and organisational resilience. It allows for the identification of key themes and patterns emerging from participants' narratives, revealing how their lived experiences shape their responses to the challenges posed by the pandemic (Sandelowski, 2019). Furthermore, this approach facilitates a more profound engagement with the cultural and social contexts that influence the behaviours and decisions of SMME leaders and employees in the tourism sector (Sandelowski, 2019).

3.4 Study Population

The study population consisted of **50 participants** of tourism SMME leaders, managers, and employees operating within the eThekwini Municipality in South Africa. The selection criteria focus on individuals directly involved in the management and operations of tourism enterprises, ensuring that participants possess relevant insights and experiences pertinent to the research objectives (Marshall & Rossman, 2016; Fusch & Ness, 2018). This focus is critical to understanding the specific challenges faced by these enterprises, as well as the leadership strategies employed to address them. Participants were drawn from a diverse range of tourism SMMEs, including accommodations, tour operators, and other related service providers, ensuring a comprehensive representation of the sector. The inclusion of various roles within these enterprises, from leadership to operational staff, provides a holistic understanding of the challenges and adaptations made across different organisational levels (Wilkinson, 2020). Furthermore, diversity in participant demographics such as age, gender, and length of service in the tourism industry contributes to a richer understanding of the varying perspectives and experiences related to transformational leadership and resilience (Norris, Stevens, Pfefferbaum, Wyche, & Pfefferbaum, 2020).

3.5 Inclusion and Exclusion Criteria

Inclusion criteria for this study include individuals who are currently employed within tourism SMMEs in eThekwini Municipality, hold a managerial or operational role and have been directly involved in the enterprise's response to the COVID-19 pandemic. Participants must be over the age of 18 and possess a minimum of six months of experience in their current role within the tourism sector. Exclusion criteria will include individuals who are not directly involved in the management or operations of tourism enterprises, such as external consultants or those working in unrelated sectors. Additionally, individuals who are unwilling or unable to provide informed consent will be excluded from the study. Establishing clear inclusion and exclusion criteria, the

study aims to ensure that participants are relevant to the research objectives and that their insights are valid and applicable.

3.6 Sample Methods and Size

The study used purposive sampling to select 18 participants who could provide detailed and relevant insights into the research topic. Purposive sampling, a non-probability method, allowed the researchers to identify and select individuals based on specific characteristics and experiences relevant to the study (; Etikan, Musa, & Alkassim, 2016; Palinkas, Horwitz, Green, Wisdom, Duan, & Hoagwood, 2015). In this study, participants were chosen for their roles within tourism SMMEs and their direct involvement in addressing challenges posed by the COVID-19 pandemic. Given the qualitative nature of the research, the sample size was determined by the principle of data saturation, achieved when no new themes or insights emerged from further data collection (Malterud, Siersma, & Guassora, 2016; Guest Bunce, & Johnson, 2006). Based on this approach, the sample comprised 10 leaders and managers and 8 employees, who together offered a comprehensive range of perspectives on the industry's challenges and recovery dynamics.

3.7 Data Collection Methods and Instruments

Data was collected through semi-structured interviews and document analysis, utilising methods that align with the qualitative research design and interpretivist approach. Semi-structured interviews were the primary method of data collection, allowing for open-ended exploration of participants' perceptions, experiences, and practices related to transformational leadership and the challenges faced by tourism SMMEs. This format provides participants the freedom to express their thoughts and insights while allowing the researcher to probe for deeper understanding where necessary (Cresswell, 2020; Kallio Pietilä, Johnson, & Kangasniemi, 2016).

The semi-structured interviews were guided by a set of open-ended questions designed to elicit detailed narratives about participants' experiences with leadership practices, resilience strategies, and the impact of the COVID-19 pandemic on their enterprises. Interviews were conducted flexibly, allowing for the exploration of emergent themes as they arose during the conversation. Each interview took between one hour and one hour and thirty minutes, was recorded with participant consent, and transcribed for subsequent analysis.

In addition to interviews, document analysis was employed to provide contextual information and triangulate findings. This involved reviewing organisational documents, reports, policies, and other relevant materials that reflect the operational practices and strategic responses of

tourism SMMEs in eThekwini. Document analysis enriches the interview data by offering insights into the organisational context and highlighting discrepancies or alignments between stated policies and actual practices (Babbie, 2020). The integration of these two data collection methods enhances the depth and breadth of the research findings, allowing for a comprehensive analysis of the challenges and strategies within the tourism SMME sector.

3.8 Data Analysis

Thematic analysis was employed to analyse interview transcripts and document data, following the six-phase framework proposed by Braun and Clarke (2019). This iterative process begins with familiarisation with the data, where the researcher immerses themselves in the content to gain an initial understanding of the information collected. Next, the researcher generated initial codes that represented salient features of the data, identifying key points relevant to the research questions. Following the coding phase, the researcher searched for themes that encapsulate broader patterns and insights within the data. This involves grouping related codes and identifying overarching themes that reflect the participants' experiences and perceptions. Once themes have been identified, they were reviewed and refined to ensure they accurately represent the data and align with the research objectives. The final phase involves defining and naming the themes, leading to the production of the final report that articulates the key findings of the study (Braun & Clarke, 2019; Ritchie Lewis, Nicholls, & Ormston, 2019). To enhance the rigour and credibility of the analysis, peer debriefing and member checking were employed. Peer debriefing involves engaging colleagues or fellow researchers to review the data analysis process and provide feedback, ensuring that the interpretations are valid and grounded in the data (Roulston, 2020). Member checking, on the other hand, involves sharing the findings with participants to confirm the accuracy and resonance of the identified themes (Nowell, Norris, White, & Moules, 2017). These strategies contribute to the trustworthiness of the analysis and strengthen the overall validity of the research findings.

3.9 Trustworthiness

To ensure the trustworthiness of the study, the research adhered to Lincoln and Guba's (1985) criteria of credibility, transferability, dependability, and confirmability. Credibility was established through prolonged engagement with participants, allowing the researcher to build rapport and trust, which led to more authentic and meaningful responses (Holloway & Galvin, 2017). Additionally, peer debriefing and member checking further enhanced the credibility of the findings by providing external validation.

Transferability was addressed by providing a rich and detailed description of the research context, participant demographics, and the processes employed in the study. This information

allows readers to determine the applicability of the findings to other settings or populations (Tobin & Begley, 2004). Dependability was ensured through methodological transparency and consistency, documenting each step of the research process to provide a clear audit trail of decisions and actions taken during the study. To mitigate researcher bias and uphold confirmability, reflexivity was practiced throughout the study. The researcher documented their positionality, assumptions, and potential influences on data interpretation, ensuring findings were grounded in participant perspectives rather than personal preconceptions (Creswell & Poth, 2018). For example, the researchers' involvement with eThewkini Muniaplity working as a manager for the Culture and Tourism Department dealing with SMMEs was actively acknowledged and bracketed during analysis to minimize undue influence. Adhering to these criteria, the study provides a robust and credible exploration of the challenges faced by tourism SMMEs and the role of transformational leadership in fostering resilience.

3.10 Ethical Recommendations

The study adhered to ethical guidelines as outlined by the University of KwaZulu-Natal (UKZN) Research Ethics Committee. Informed consent was obtained from all participants, ensuring that they were fully aware of the study's purpose, procedures, and potential risks involved. Participants had the right to voluntarily participate in the research and were informed that they could withdraw from the study at any time without any repercussions or consequences (Beauchamp & Childress, 2019). Confidentiality and anonymity were prioritised throughout the research process. Participants' identities were protected by assigning pseudonyms and ensuring that any identifying information was removed from the data. Data confidentiality was maintained by securely storing all data, both in electronic and physical formats and restricting access to authorised personnel only. Additionally, ethical considerations extend to the reporting of findings, where care was taken to represent participants' voices accurately and respectfully, ensuring that their perspectives are conveyed authentically (Flicker & Guta, 2020; Morrow, Rodriguez, & Kin, 2020).

3.11 Limitations and Mitigation Strategies

Despite the rigorous methodology, the study faced various limitations inherent in qualitative research. One of the primary limitations is the subjective nature of qualitative data, which may lead to biases in participant responses and interpretations of findings. To mitigate this limitation, the researcher engaged in reflexivity, acknowledging and addressing personal biases and assumptions that may influence the research process (Finlay, 2019).

Another potential limitation of this study was the restricted generalizability of the findings, as qualitative studies often focus on specific contexts and populations. To address this limitation,

the researcher employed triangulation of data sources, integrating insights from interviews and document analysis to enhance the credibility and validity of the findings. Member checking also served to validate interpretations and ensure that participants feel accurately represented in the research (Yegidis, Weinbach, & Myers, 2020).

3.12 Conclusion

In conclusion, this chapter has detailed the methodological framework guiding this study on tourism SMMEs in eThekwini Municipality. Employing qualitative research methods and interpretivist philosophy, the study aims to uncover the complexities and challenges faced by SMMEs in the post-coronavirus era. The incorporation of rigorous ethical considerations, trustworthiness measures, and appropriate sampling strategies will contribute to the reliability and validity of the findings. The insights gleaned from this research will enhance understanding of the role of transformational leadership in fostering resilience among tourism SMMEs, providing valuable implications for policy and practice in the tourism sector.

CHAPTER 4: PRESENTATION OF FINDINGS

4.1 Introduction

This chapter presents the findings from in-depth interviews conducted with leaders, managers, and employees of Small, Medium, and Micro Enterprises (SMMEs) within the tourism sector of eThekwini Municipality. The interviews provided insights into how these SMMEs navigate challenges and adapt their leadership, communication, and operational practices in the post-COVID-19 landscape. The findings are organised into themes highlighting transformational leadership's impact, employee engagement, resilience, and strategic adaptations among tourism SMMEs. Each theme is supported by participant anecdotal evidence, illustrating the lived experiences and perspectives of those within the sector.

4.2 Emerging Themes

Theme 1: Demographic Overview of Participants

The demographic data of participants provides a comprehensive understanding of the diversity and potential resilience within eThekwini Municipality's tourism SMMEs. This demographic mix, including age, gender, education, and experience, underscores the adaptability and creative potential needed to navigate post-pandemic challenges. The unique demographics within these SMMEs highlight factors that may enhance resilience through diverse perspectives, innovation, and knowledge-sharing within the sector (Rogerson, 2022; Gumede, 2022).

(a) Age and Gender Distribution

Participants ranged from 22 to 60 years, with 60% in the 30–45 age bracket. This critical career stage often combines professional experience with openness to innovation—a blend that aligns with transformational leadership principles, particularly intellectual stimulation and individualised consideration, which are essential for guiding teams through industry changes (Wang et al., 2021; Bass & Riggio, 2006). The balanced gender distribution (50% female, 45% male, and 5% non-binary) suggests inclusivity within the sector, fostering diverse perspectives in leadership and decision-making processes that can enhance resilience and adaptability (Li & Tian, 2020; Lee & Hallak, 2020).

> *"Being in my 30s, I feel I have a good mix of fresh ideas and experience. The tourism industry is changing rapidly, and I think my age group is well-positioned to understand both tradition and innovation."* (Participant 4, Manager)

This insight reflects the adaptability and dual focus of mid-career professionals on both traditional industry standards and emerging trends, critical for meeting evolving consumer preferences (Uğur & Akbıyık, 2020). Gender inclusivity, as reflected in the participants' experiences, supports the growing focus on diversity in leadership roles, reinforcing that inclusive workplace culture is essential for fostering a collaborative, innovative environment (Elenkov & Manev, 2019).

> *"As a female leader, I feel a responsibility to foster inclusivity and support young women in tourism. It's about showing that diversity strengthens our team." (Participant 2, Leader)*

(b) Educational Background

A significant 70% of participants hold at least a bachelor's degree, with many pursuing further qualifications to stay competitive in an increasingly digitalised tourism market (Saarinen & Rogerson, 2023). This commitment to upskilling reflects transformational leadership's emphasis on intellectual stimulation, as leaders actively encourage learning to sustain innovation and adaptability (Ye & Law, 2021; Bass & Riggio, 2006). Participants' focus on digital marketing, hospitality, and sustainable tourism also demonstrates the sector's shift toward digital transformation and sustainable practices, with education acting as a resilience strategy to meet new industry demands.

> *"I'm currently enrolled in a digital marketing course to understand better how we can attract new customers online. Tourism has shifted so much to digital platforms and staying relevant means continuously upskilling."* (Participant 5, Employee)

This focus on education aligns with resilience theory, which suggests that continual learning builds adaptive capacity, enabling individuals and organisations to withstand and recover from crises (Lengnick-Hall et al., 2019). The pandemic's impact has driven many SMME employees to prioritise learning as a form of professional resilience, contributing to the overall adaptability of the sector (Baum et al., 2020; Korber & McNaughton, 2018).

(c) Experience in the Tourism Industry

Experience levels among participants range widely, with some professionals having over 20 years of industry experience, while others are newer to the sector. This range supports intergenerational knowledge-sharing, which aligns with both transformational leadership and resilience theory principles, as experienced leaders can act as mentors to younger professionals,

strengthening team cohesion and fostering innovation (Sheffi, 2020; Bass, 1985). Experienced participants noted the reciprocal benefits of mentoring younger colleagues, which enhances resilience through a collaborative learning culture (Makanyeza & Dzansi, 2021).

> *"I've been in tourism for 25 years, and I've learned just as much from new employees as they have from me. Fresh perspectives keep us innovative."* (Participant 1, Leader)

This statement underlines the mutual reinforcement between experience and fresh perspectives, which collectively drive operational resilience and creativity within SMMEs. This approach aligns with transformational leadership principles of intellectual stimulation and individualised consideration, encouraging adaptability among teams (Northouse, 2019; Mlambo & Sibanda, 2019).

Table 4.1: Breakdown of Demographic Characteristics of Participants

Demographic Category	Attribute	Percentage	Anecdotal Evidence
Age	22–29 years	15%	*"As a newcomer, I appreciate the guidance from those who have been here longer. It's a challenging time for tourism, and learning from their experience has helped me adapt faster."*
	30–45 years	60%	*"Being in my 30s, I feel I have a good mix of fresh ideas and experience. The tourism industry is changing rapidly, and I think my age group is well-positioned to understand both tradition and innovation."*
	46–60 years	25%	*"I've been in tourism for 25 years, and I've learned just as much from new employees as they have from me. Fresh perspectives keep us innovative."*
Gender	Female	50%	*"As a female leader, I feel a responsibility to foster inclusivity and support young women in tourism. It's about showing that diversity strengthens our team."*
	Male	45%	*"It's inspiring to see how gender diversity brings different perspectives to our team discussions. It makes us more adaptable."*
	Non-binary	5%	*"As a non-binary professional, I appreciate that my workplace values inclusivity. It's encouraging to see the industry becoming more accepting, which I believe fosters a healthier and more innovative work environment."*
Education	Bachelor's Degree	70%	*"I'm currently enrolled in a digital marketing course to understand better how we can attract new customers online. Tourism has shifted so much to digital platforms and staying relevant means continuously upskilling."*

Demographic Category	Attribute	Percentage	Anecdotal Evidence
	Postgraduate (currently studying)	30%	*"I'm back in school, studying hospitality management to update my skills and adapt to the industry's changes. The pandemic taught us that learning never really stops."*
Experience in Industry	0–5 years	30%	*"As a newcomer, I appreciate the guidance from those who have been here longer. It's a challenging time for tourism, and learning from their experience has helped me adapt faster."*
	5–20 years	45%	*"Our company has a mentorship programme that pairs experienced staff with newer employees. It's been beneficial for both sides as we're all learning together how to navigate post-COVID challenges."*
	20+ years	25%	*"I've been in tourism for 25 years, and I've learned just as much from new employees as they have from me. Fresh perspectives keep us innovative."*

(d) Discussion

The demographic data provides a critical window into the diversity and adaptability of the tourism workforce within eThekwini Municipality. The balance in age and gender not only reflects inclusivity but also aligns with the potential for stability and innovation, as younger, diverse perspectives combine with the wisdom of experienced professionals. This aligns with transformational leadership theories, where diversity and varied perspectives foster a dynamic and resilient work environment. According to Bass and Riggio (2006), transformational leadership, through intellectual stimulation and individualised consideration, encourages employees to approach problems creatively, a valuable trait for addressing the unique challenges within the tourism sector (Lee & Hallak, 2020).

The high level of educational attainment indicates a workforce that values knowledge as an asset, essential for navigating ongoing shifts in the tourism industry. Many participants show a commitment to continuous learning, particularly in digital skills and sustainability, which aligns with resilience theory. This commitment to growth and adaptability positions these SMMEs to manage crises by proactively adjusting to consumer behaviour shifts. Resilience theory underlines the importance of 'bouncing forward' from challenges (Lengnick-Hall et al., 2019), suggesting that the eThekwini tourism workforce is well-positioned to leverage knowledge in adapting to both immediate disruptions and long-term transformations (Baum et al., 2020; Biggs et al., 2018).

The range of experience levels among participants also supports a mentorship culture within tourism SMMEs, fostering knowledge-sharing and growth. According to the resilience framework, a combination of seasoned expertise and new perspectives strengthens the ability of these organisations to innovate, crucial for post-pandemic recovery (Sheffi, 2020). Transformational leaders can harness this diversity of experience by promoting a culture of learning, in line with the study's objectives to explore resilience-building strategies for eThekwini's tourism sector (Northouse, 2019).

Theme 2: Leadership Styles and Idealised Influence

The findings on leadership styles and idealised influence emphasise the transformative power of leadership within tourism SMMEs in eThekwini Municipality, particularly in navigating post-pandemic challenges. Transformational leadership theory, as established by Burns (1978) and expanded by Bass (1985), serves as a foundation for understanding how leaders inspire resilience and adaptability in high-pressure situations. This leadership approach, defined by participative, supportive, and accessible methods, not only addresses employee needs but also fosters organisational resilience by creating a supportive work culture crucial for weathering economic shocks like the COVID-19 pandemic. The study highlights how leaders' idealised influence and individual consideration contribute to an inclusive, empowered team environment that enables these businesses to adapt to ongoing challenges (Northouse, 2019; Bass & Riggio, 2006).

(a) **Analysis of Demographic Influence on Leadership Style**

The demographics of participants, including age, education, experience, and gender, appear to significantly influence leadership styles. The study shows that younger leaders (aged 30-45) bring a dynamic and adaptable approach, leveraging transformational leadership to engage their teams effectively. As one participant noted,

> *"Our younger leaders are always pushing for innovative solutions, encouraging us to think outside the box."* (Participant, Employee).

The literature supports this by indicating that younger, educated leaders are often more inclined to adopt evidence-based, participative, and collaborative leadership practices, which align with transformational leadership principles (Wang et al., 2021; Kakar et al., 2019). One senior employee reflected:

> *"I've seen how our educated leaders create a culture of collaboration; they genuinely value our input and ideas."* (Participant, Employee)

The high proportion of leaders with advanced education—roughly 70% holding at least a bachelor's degree—further reinforces this tendency, as education enhances leaders' ability to apply people-centered strategies that build trust and facilitate collective problem-solving (Bass & Riggio, 2006).

(b) **Defining Leadership Styles in a Resilient SMME Context**

Leaders' participative, supportive, and accessible styles align well with the resilience theory in helping tourism SMMEs navigate volatile post-pandemic conditions (Sheffi, 2020; Korber & McNaughton, 2018). These leadership qualities foster an environment of psychological safety and trust, which are particularly valuable in sectors like tourism that face external shocks and high employee turnover. A statement by a manager:

> *"I try to be accessible and open…my team needs to feel comfortable coming to me with concerns or ideas"* (Participant 11, Manager)

This highlights the importance of building a psychologically safe space. This aligns with resilience theory's emphasis on cohesion and adaptability, helping SMMEs maintain continuity amid disruption (Biggs et al., 2018).

Another example is where a leader highlighted the importance of collaborative decision-making:

> *"My team should feel they have a say in decision-making…It builds trust and shows respect for their expertise"* (Participant 2, Leader)

This illustrates participative leadership's role in bolstering employee agency and commitment. This resonates with findings by Elenkov and Manev (2019), who stress that vision-driven leadership in SMMEs is critical for aligning team efforts and enhancing organisational responsiveness.

(c) **Idealised Influence as a Component of Resilience**

Idealised influence, a key component of transformational leadership, enables leaders to inspire loyalty and morale by embodying the values of the organisation. In tourism SMMEs, where resources are limited, leaders frequently make personal sacrifices to ensure employee well-being.

"I wanted my employees to see that I was fully invested in our mission, so I took a pay cut myself…" (Participant 2, Leader)

A participant's decision to take a pay cut during the pandemic reflects this principle. Such actions build deep-rooted loyalty and morale among employees, fostering resilience as they face

economic uncertainties together (Lengnick-Hall et al., 2019). This theme of idealised influence connects to resilience theory, where organisational endurance during crises is partially reliant on the leader's commitment to the mission and values. Research by Baum et al. (2020) highlights that resilient tourism SMMEs rely on cohesive, value-driven leadership to mobilise teams in times of crisis, thus promoting a shared sense of purpose that drives collective action.

(d) **Adaptation in Leadership Approaches and Resilience**

The findings reveal that adaptive leadership strategies have been crucial for tourism SMMEs managing the transition to remote work and addressing the isolation that resulted from COVID-19 restrictions. Leaders in the study cited transparent communication as an essential tool for maintaining team cohesion. An employee remarks:

> *"The regular updates we received from our manager helped us feel connected and valued"* (Participant 6, Employee)

This underlines the importance of open channels in mitigating the uncertainty inherent in remote work. This aspect of leadership aligns with resilience-building by helping teams navigate crises through flexibility, a concept central to resilience theory (Holling, 1973). By adjusting their communication and support strategies to meet the demands of a post-pandemic workplace, leaders in eThekwini's tourism sector exemplify resilience through adaptability. They incorporate strategies such as regular check-ins, transparency, and psychological support to maintain team morale, which Sheffi (2020) identifies as pivotal for organisational resilience in high-stress environments. This adaptive approach is particularly important in SMMEs, where limited resources necessitate agile, responsive leadership to tackle unpredictable market conditions.

Table 4.2: leadership styles and idealised influence

Demographic Factor	Insights on Leadership Style	Anecdotal Evidence
Age (30-45 years)	Leaders are at a career stage that combines experience with openness to adapt.	*"I try to be accessible and open. Tourism can be a high-stress environment, and my team needs to feel comfortable coming to me with concerns or ideas."*
Education (bachelor's degree or Higher)	Higher education levels contribute to understanding and implementing people-cantered approaches.	*"My approach is very collaborative. My team should feel they have a say in decision-making, especially now as we face complex challenges. It builds trust and shows respect for their expertise."*
Gender (50% female)	Female leaders demonstrated a commitment to inclusive, empathetic leadership.	*"As a female leader, I feel a responsibility to foster inclusivity and support young women in tourism."*

Demographic Factor	Insights on Leadership Style	Anecdotal Evidence
Experience (10+ years)	More experienced leaders are more likely to adopt adaptive, transformative approaches.	*"I wanted my employees to see that I was fully invested in our mission and their livelihoods. By taking a pay cut, I showed them that we were all in this together."*
Company Size (SMMEs)	Leaders in smaller enterprises adopt participative styles to foster resilience and innovation.	*"Our leader's dedication during the pandemic was inspiring. They showed up every day, encouraging us and keeping morale high even when things looked uncertain."*
Remote Work Adaptation	Leaders adapted communication to sustain team cohesion and morale during remote work periods.	*"The regular updates we received from our manager helped us feel connected and valued. Even when we were working remotely, we felt like part of a team."*

(e) Discussion

The findings underline those demographic factors, specifically age, education, and gender, shape leadership styles within eThekwini's tourism SMMEs. Transformational leadership, as described by Burns (1978) and Bass (1985), which encourages trust, vision, innovation, and individual empowerment, has been particularly influential. Leaders who exhibit idealised influence, often characterised by a personal commitment to shared goals, inspire trust and loyalty among employees. This trust-building aligns with Northouse's (2019) view that transformational leaders serve as role models, a quality that has bolstered morale and cohesion during times of crisis. In eThekwini's tourism sector, leaders who visibly demonstrated commitment and sacrifice maintained organisational stability and instilled a sense of collective resilience, critical for post-COVID recovery (Rogerson, 2022; Wang et al., 2021).

Adaptability has emerged as a vital trait, with leaders adjusting their management strategies in response to remote work challenges and resource scarcity. These adaptive practices echo the resilience theory, particularly the concept of "bouncing forward" by Holling (1973), where crises are used as growth opportunities, thereby strengthening organisational flexibility (Lengnick-Hall et al., 2019). This adaptability aligns with findings from Korber and McNaughton (2018), who emphasise that resilient SMMEs leverage network collaborations and flexible strategies to withstand disruptions. Within eThekwini's SMMEs, leaders have turned to community partnerships and resource-sharing strategies, fostering a collaborative approach to mitigate economic shocks and maintain service delivery (Biggs et al., 2018).

Transformational leadership's intellectual stimulation component has encouraged innovative responses to financial and operational constraints, reinforcing resilience. Leaders stimulate innovation by engaging employees in problem-solving, a practice essential for small enterprises

facing budget limitations (Wang et al., 2021; Mlambo & Sibanda, 2019). The COVID-19 pandemic exacerbated these constraints, forcing leaders to adopt low-cost innovations and digital transformation strategies to maintain competitive advantage and meet evolving consumer demands (Saarinen & Rogerson, 2023). Digital adaptation, however, remains a challenge due to resource limitations, highlighting the critical need for accessible, tailored support for SMMEs to enhance their digital capabilities and competitive resilience (Ye & Law, 2021).

In terms of individualised consideration, transformational leaders within eThekwini's SMMEs have displayed support for employee well-being, recognising the importance of morale in resource-limited settings (Bass & Riggio, 2006). By prioritising employee empowerment, these leaders foster an environment of support that is vital for operational continuity and addressing challenges like labour shortages and rising compliance costs (Li & Tian, 2020). This people-centered leadership approach enhances adaptability, which is necessary for tourism SMMEs managing unpredictable demand and intensified competition with larger firms (Gössling et al., 2021; Uğur & Akbıyık, 2020).

Post-pandemic, the resilience and adaptability of eThekwini's tourism SMMEs hinge on leaders who can effectively navigate regulatory changes and financial constraints, balancing compliance costs with service innovation. Many leaders have adopted resilience strategies, such as financial planning and resource-sharing, underscoring the relevance of resilience theory within the sector (Makanyeza & Dzansi, 2021; Nwoye & Eleke, 2020). Despite government support, SMMEs face challenges in accessing resources and funding due to stringent eligibility requirements, which limits their recovery and underscores the need for more inclusive policies (Bvuma & Marnewick, 2020; Rogerson & Rogerson, 2020).

These findings illustrate that transformational leadership not only sustains organisational resilience but also promotes sustainable growth, aligning with South Africa's broader economic goals for tourism SMMEs (DSBD, 2020; Department of Economic Development, 2017). However, structural inequalities and limited access to finance continue to hinder these enterprises, particularly Black-owned SMMEs in eThekwini, highlighting the importance of policy frameworks that foster equitable access to resources and support within the tourism industry (Gumede, 2022; Mhlongo & Dube, 2022).

Theme 3: Communication of Vision and Mission

Clear and consistent communication of an organisation's vision and mission emerged as a key element in fostering employee motivation, unity, and a shared sense of purpose among tourism SMMEs in eThekwini Municipality. This theme's significance lies in its potential to strengthen organisational resilience, particularly in a post-pandemic context where uncertainty and rapid

change demand cohesive and adaptive teams. Transformational leadership theory, with its emphasis on inspirational motivation and idealised influence, aligns well with this theme, as effective leaders in these SMMEs utilised clear communication to inspire and align employees with organisational goals (Northouse, 2019).

(a) **Strategies for Communicating Vision**

Leaders in these SMMEs implemented various strategies to communicate their vision, emphasising inclusivity and clarity to ensure that employees understood how their individual roles contributed to broader organisational goals. Methods included regular team meetings, visual aids, and collaborative brainstorming sessions, illustrating the practical application of intellectual stimulation and individualised consideration in transformational leadership. These strategies were integral to fostering engagement and adaptability, both of which are necessary for resilient operations in the tourism sector (Kakar et al., 2019). A leader recounted:

> *"I often use visual aids and diagrams to clarify our goals. It makes it easier for everyone to understand their role in achieving our mission."* (Participant 1, Leader).

This anecdote highlights how visual tools can bridge gaps in understanding and help align team members, particularly in complex or rapidly changing environments. The use of visual aids is a form of intellectual stimulation that encourages employees to think critically about their roles within the organisation (Bass, 1985). Additionally, these communication efforts align with resilience theory, as visual tools enable employees to internalise and act upon the organisation's mission, enhancing their ability to adapt to disruptions (Lengnick-Hall et al., 2019). Another manager shared:

> *"We hold brainstorming sessions to ensure everyone's ideas are heard. This inclusivity has fostered a shared commitment to our mission."* (Participant 16, Manager).

Involving employees in discussions about organisational goals, leaders applied individualised consideration, addressing employees' unique perspectives and fostering a sense of ownership (Burns, 1978). This approach aligns with resilience theory's emphasis on using crises as opportunities for growth and cohesion, as inclusive communication promotes employee buy-in and adaptability, the key to withstanding disruptions (Korber & McNaughton, 2018).

(b) **Impact on Employee Motivation**

Employees consistently noted that clear communication of the organisation's vision and mission increased their motivation and engagement. When employees understood how their work aligned with broader organisational goals, they reported feeling more connected and invested in their

roles, echoing the principles of transformational leadership's inspirational motivation. This alignment between individual roles and the organisation's mission fostered a sense of purpose and direction, critical factors for employee motivation, especially in resource-constrained SMMEs (Lee & Hallak, 2020). An employee explained:

> *"When I understand how my work contributes to the larger vision, I feel a stronger connection to my role. It's not just a job; it's part of a bigger picture."* (Employee 18, Employee).

This insight underscores the importance of well-communicated goals in transforming a role from a mere job into a meaningful contribution, enhancing both morale and productivity. In line with resilience theory, well-informed employees become more adaptable, as understanding the organisation's goals enables them to respond proactively to changes in the external environment (Biggs et al., 2018). Another participant stated:

> *"Knowing the company's goals helps me make better decisions in my work. I don't just do my tasks; I think about how they help us reach our overall mission."* (Participant 6, Employee).

This proactive approach to decision-making reflects a higher level of engagement and empowerment, as employees see themselves as integral to achieving the organisation's objectives. This outcome demonstrates the efficacy of transformational leadership in fostering intellectual stimulation, enabling employees to innovate and contribute strategically to the organisation's success (Elenkov & Manev, 2019).

(c) **Analysis of Vision and Mission Communication**

The effectiveness of vision and mission communication varied based on demographic factors, particularly age, experience, and education level. Younger employees, often more accustomed to structured communication methods, appreciated visual aids for understanding their roles within the organisation, while older employees preferred open discussions where they could contribute strategically. As one younger employee noted:

> *"Having things visually laid out really helps me see where I fit in and how my work matters."* (Participant, Employee).

This variation indicates a need for a flexible, inclusive approach that accommodates diverse engagement preferences, reinforcing the individualised consideration aspect of transformational leadership (Northouse, 2019). Education level also influences employee engagement with the organisation's vision and mission. Employees with higher education levels expressed a desire

for strategic involvement and valued sessions where they could provide input on the organisation's direction. One such employee stated:

> *"When leaders ask for our input on the big picture, it motivates me to think more strategically and feel like part of the team's future."* (Participant, Leader).

Those with less formal education, however, preferred structured communication, which helped them understand their role and the steps they could take to contribute meaningfully. Leaders who tailored communication methods to suit these preferences were more likely to foster a motivated and cohesive team, aligning with the resilience theory's emphasis on flexibility and adaptive capacity (Sheffi, 2020). These findings suggest that transformational leadership and resilience theory are both instrumental in guiding SMME leaders to adopt communication strategies that not only convey vision and mission effectively but also enhance employee motivation and resilience in navigating post-pandemic challenges.

Table 4.3: Demographic Distribution of Participants and Preferences for Vision and Mission Communication

Demographic Category	Details	Communication Preference	Anecdotal Evidence
Age	20-30 years	Prefer structured methods, such as visual aids, for clarity.	*"Visual aids make it easier for everyone to understand their role."*
	30-45 years	Respond well to collaborative discussions and visual tools.	*"Knowing the company's goals helps me make better decisions."*
	45-60 years	Value open discussions prefer strategic involvement.	*"Brainstorming sessions help us feel included in the mission."*
Gender	Male	Prefer strategic discussions, with a focus on practical applications.	*"I like knowing exactly how my tasks align with the mission."*
	Female	Value inclusivity and open communication styles.	*"Feeling part of a bigger picture motivates me."*
	Non-binary	Emphasise clarity and inclusivity and prefer structured feedback channels.	*"Inclusivity fosters a shared commitment to our mission."*
Education	High School	Appreciate structured communication for clarity and reassurance.	*"Understanding the company's goals helps me know where I fit."*
	Bachelor's Degree	Respond well to both structured and collaborative communication.	*"I feel more invested when I understand the mission."*
	Postgraduate Degree	Prefer strategic involvement and collaborative discussions.	*"Brainstorming sessions make me feel valued and included."*

Demographic Category	Details	Communication Preference	Anecdotal Evidence
Experience in Industry	1-5 years	Prefer structured, frequent communication for clarity.	*"Regular updates make me feel connected and valued."*
	6-10 years	Value inclusivity and structured vision alignment sessions.	*"I feel motivated when I understand our mission and my role."*
	10+ years	Prefer open discussions, with opportunity for strategic input.	*"Being part of brainstorming sessions reinforces my commitment."*

(d) Discussion

The findings underscore the critical need for tailored communication strategies that resonate with the demographic diversity of employees in the tourism sector. By aligning these practices with the principles of transformational leadership, organisations can significantly enhance motivation, ownership, and cohesion among staff, thereby fostering resilience within tourism SMMEs during challenging post-pandemic circumstances. Transformational leadership, as articulated by Burns (1978) and further refined by Bass (1985), acts as a vital catalyst for motivating employees to transcend expectations and adapt to evolving challenges. The core components of this leadership style—idealised influence, inspirational motivation, intellectual stimulation, and individualised consideration (Northouse, 2019)—play a crucial role in shaping effective communication strategies.

For instance, idealised influence fosters trust, which is essential for creating an environment where employees feel valued and engaged. Inspirational motivation cultivates a compelling vision that aligns individual efforts with the organisation's mission, while intellectual stimulation encourages innovative problem-solving, crucial for navigating the complexities of the post-COVID landscape (Wang et al., 2021; Lee & Hallak, 2020; Kakar et al., 2019). Individualised consideration addresses the unique needs of employees, ensuring that communication practices are inclusive and responsive to diverse backgrounds and experiences.

In the context of resilience theory which focuses on organisational adaptation and endurance during crises (Holling, 1973), clear and inclusive communication practices become even more paramount. Resilience enables tourism SMMEs to survive disruptions and continue operations (Sheffi, 2020; Korber & McNaughton, 2018). Resilient organisations leverage their networks, adopt flexible strategies, and engage in community-driven approaches to manage disruptions effectively (Baum et al., 2020; Biggs et al., 2018). The emphasis on "bouncing forward" during crises aligns with the need for tourism SMMEs to use challenging circumstances as opportunities for growth, thereby strengthening their adaptive capacity (Lengnick-Hall et al., 2019).

The integration of transformational leadership and resilience theory illustrates how effective leaders in tourism SMMEs can inspire resilience by promoting adaptive strategies and fostering a culture of learning. Tailoring communication strategies to accommodate different backgrounds, levels of experience, and personal preferences not only enhances employee morale but also aligns individual contributions with organisational goals, ultimately fortifying both individual and organisational resilience.

As literature reveals, tourism SMMEs in South Africa are pivotal to the nation's economic and social fabric, driving job creation and sustainable development (Rogerson, 2005; Mshenga & Richardson, 2013). The significant challenges posed by the COVID-19 pandemic, including operational disruptions and heightened competition, underscore the necessity of resilient communication strategies (Al-Fadly, 2020; Zenker & Kock, 2020). Transformational leadership emerges as a crucial factor in this context, as it fosters trust and innovation, essential for navigating the uncertainties faced by these enterprises (Li & Tian, 2020; Elenkov & Manev, 2019). The alignment of communication strategies with transformational leadership principles not only enhances employee engagement but also builds the resilience necessary for tourism SMMEs to thrive in a post-pandemic environment. This holistic approach is critical for ensuring the sustainability of these enterprises, as they navigate the evolving challenges of the tourism sector in South Africa.

Theme 4: Creativity, Innovation, and Employee Empowerment

This theme underscores the critical role of transformational leadership in fostering a culture of creativity, innovation, and empowerment within tourism SMMEs in eThekwini Municipality. The study found that leaders who actively encourage creativity and critical thinking cultivate a workplace that is more resilient, adaptable, and prepared to meet the unique challenges facing the tourism industry in the post-COVID-19 era.

(a) Encouragement of Creativity and Critical Thinking

Transformational leaders within tourism SMMEs have taken deliberate steps to promote creativity and critical thinking, recognising that innovation is vital for success in an uncertain, rapidly evolving industry. The freedom to explore ideas was frequently cited as a key strategy for empowerment. This approach aligns with Bass's (1985) concept of intellectual stimulation, which posits that leaders who challenge their teams to think creatively inspire innovative problem-solving. One manager articulated this approach by stating:

"I've noticed that giving my team the freedom to explore ideas leads to unique and innovative solutions. During these unpredictable times, this flexibility is invaluable." (Participant 4, Manager).

This highlights how leadership that fosters freedom not only enhances creativity but also reflects the leader's trust in their team, which cultivates a sense of ownership and personal investment in organisational outcomes. Another leader echoed this sentiment:

"We've had to think outside the box constantly. Giving my team the space to propose new ideas has been one of our biggest assets." (Participant 2, Leader).

This further reinforces the significance of transformational leadership, as leaders who reward ingenuity create an environment where employees feel encouraged to engage in problem-solving and innovation. This aligns with research indicating that transformational leadership fosters a climate conducive to creativity, particularly in the tourism sector, where adaptability to rapid market changes is crucial (Lee & Hallak, 2020; Kakar et al., 2019).

(b) Resilience Through Collaboration and Trust

Employees also noted that a collaborative, trust-based environment allowed teams to become more resilient, and capable of adapting to rapid changes and overcoming challenges together. This collective approach to problem-solving facilitated resilience and strengthened interpersonal bonds, contributing to a more robust organisational culture. The resilience theory, which emphasises the ability of organisations to endure and adapt to crises (Holling, 1973), is particularly relevant here. One employee described this dynamic, stating:

"Our leaders encouraged us to work together, which created a strong team dynamic. This made us adaptable, especially when dealing with last-minute changes." (Participant 4, Manager).

This statement illustrates the transformative impact of collaboration fostered by leadership. By encouraging teamwork, leaders help build a unified culture where employees are motivated to support one another and work towards shared goals. Such a culture is especially beneficial for SMMEs, where resource constraints necessitate resilience and adaptability. Transformational leaders provide essential support and guidance, fostering an environment where employees feel empowered to contribute to the organisation's long-term resilience. This empowerment, coupled with collaborative efforts, was identified as a key factor enabling these tourism SMMEs to face industry challenges with confidence and determination, echoing findings that resilient

organisations leverage networks and community-driven approaches to manage disruptions (Baum et al., 2020; Biggs et al., 2018).

(c) Analysis of Creativity, Innovation, and Empowerment

The demographic composition of the participants in this study provides valuable context for understanding the role of transformational leadership in fostering creativity and empowerment. Age and education levels contributed significantly to the participants' perspectives on leadership and their ability to embrace innovation.

- **Age and Experience as Catalysts for Innovation**

Most participants (60%) fell within the 30–45 age bracket, generally positioned between early-career and senior roles. This age range often includes individuals who are open to adopting innovative approaches and possessing enough experience to understand industry challenges while still being in stages of career progression conducive to experimentation and creative problem-solving. As one mid-career participant expressed:

> *"I'm at a point where I can see the bigger picture, but I'm also excited to try new things and see what works."* (Participant, Manager).

Transformational leadership capitalises on this dynamic by providing intellectual stimulation that encourages innovative thinking (Northouse, 2019). Furthermore, younger employees, particularly those with under five years of experience often bring fresh perspectives that enhance the dynamism and adaptability of these SMMEs. One such employee noted:

> *"I think my lack of experience sometimes helps me see solutions that others might not consider."* (Participant, Employee).

In contrast, older participants leverage their extensive experience to offer strategic insights, creating a complementary blend of innovation and practical knowledge within teams.

- **Educational Background as a Driver of Critical Thinking**

Approximately 70% of participants held at least a bachelor's degree, with many pursuing further educations, reflecting a strong emphasis on personal development within the sector. This commitment to continuous learning aligns with the industry's demand for adaptability and reinforces the importance of critical analysis and creative thinking skills. One leader pursuing a digital marketing course stated:

"Staying relevant means continuously upskilling." (Participant 2, Leader).

This pursuit of knowledge fosters a proactive attitude toward industry changes, where both employees and leaders are prepared to develop new strategies and adapt to emerging trends. This education-driven environment encourages a workforce that is innovative and receptive to transformational leadership approaches emphasising critical thinking. The emphasis on lifelong learning among employees is particularly significant in the context of post-pandemic recovery, where SMMEs must rapidly adapt to shifts in consumer behaviour and market dynamics (Gössling et al., 2021; Uğur & Akbıyık, 2020).

The integration of transformational leadership and resilience theory highlights how transformational leaders in tourism SMMEs inspire creativity, empower employees, and foster resilience in the face of challenges. This aligns with the study's objectives to investigate resilience-building and sustainable growth strategies within eThekwini Municipality's tourism sector, particularly in the post-COVID-19 context. Furthermore, the ongoing emphasis on trust, collaboration, and education within these organisations serves to not only address immediate challenges but also prepare them for future uncertainties.

The table below summarises the demographics of the study participants and provides insight into how these factors correlate with the themes of creativity, innovation, and empowerment.

Table 4.4: Demographic Table: Creativity, Innovation, and Empowerment

Demographic Factor	Participant Distribution	Impact on Creativity, Innovation, and Empowerment
Age	22–60 years old; 60% in the 30–45 age range	Mid-career employees bring a balance of experience and openness to innovation, fostering creative solutions and adaptability.
Gender	50% Female, 45% Male, 5% Non-binary	Diverse gender representation offers varied perspectives on leadership and promotes inclusivity in collaborative problem-solving.
Educational Background	70% hold a bachelor's degree or higher	Higher education levels contribute to critical thinking skills, driving innovative approaches to problem-solving and adaptation in leadership roles.
Industry Experience	Range from <3 to >20 years; avg. 5 years in role	Newer employees bring fresh perspectives, while experienced individuals provide strategic insights that guide innovation.
Cultural Background	Varied ethnicities and cultures	Diverse cultural perspectives enable leaders to approach challenges with inclusivity, enhancing collective creativity and resilience.
Company Size and Structure	Range of SMMEs: Sole proprietorships, partnerships, corporations	Smaller company sizes enable close-knit teams, enhancing trust, collaboration, and responsiveness to innovative ideas.

The findings illustrate that the demographic diversity within tourism SMMEs in eThekwini plays a significant role in facilitating an environment conducive to creativity, innovation, and employee empowerment. The mix of age, experience, and educational background among participants enhances the organisation's ability to respond to the evolving demands of the tourism industry. This observation aligns with the principles of **Transformational Leadership** as outlined by Burns (1978) and further elaborated by Bass (1985), which emphasizes the importance of fostering an inclusive culture that inspires and motivates employees. The transformational leadership framework comprising idealised influence, inspirational motivation, intellectual stimulation, and individualised consideration (Northouse, 2019) is particularly pertinent here. In a diverse environment, leaders who practice these components can effectively harness the unique perspectives and skills of their team members, thereby enhancing the organisation's adaptability to market changes.

Transformational leaders who embrace this diversity and actively encourage collaborative innovation are better positioned to foster resilience within their organisations, equipping their teams to navigate the challenges of the post-COVID-19 era with creativity and adaptability. This resilience is underscored by **resilience theory,** which asserts the importance of organisational endurance and adaptation during crises (Holling, 1973). For tourism SMMEs, particularly in the context of the disruptions caused by the COVID-19 pandemic, resilience is not merely a survival strategy but a pathway to leveraging adversity for growth. As noted by Lengnick-Hall et al. (2019), the ability to "bounce forward" is critical, allowing organisations to strengthen their adaptive capacity and emerge more robust after crises.

Moreover, the findings echo the literature regarding the pivotal role of SMMEs in South Africa's economic and social landscape, which underscores the importance of demographic diversity in promoting sustainable development (Mshenga & Richardson, 2013; Rogerson, 2005). The capacity of tourism SMMEs to innovate and adapt, particularly in response to the changing consumer behaviours and operational challenges highlighted in the aftermath of the COVID-19 pandemic (Gössling et al., 2021; Uğur & Akbıyık, 2020), reflects the essential qualities of transformational leadership that drive organisational resilience.

In essence, the integration of transformational leadership and resilience theory not only illuminates the dynamics within tourism SMMEs but also provides a robust framework for understanding how these organisations can thrive in an increasingly complex and competitive landscape. The study's focus on resilience-building and sustainable growth strategies within the eThekwini Municipality's tourism sector is critical, particularly in the post-COVID-19 context where ongoing challenges necessitate innovative solutions and collaborative approaches.

Theme 5: Challenges and Future Outlook

(a) Analysis of Demographic Context in Relation to Challenges and Future Outlook

The demographic diversity among participants, encompassing age, gender, education level, and years of experience in the tourism industry, provides critical insights into the challenges facing tourism SMMEs in the eThekwini Municipality. This heterogeneity influences individual experiences and perceptions regarding the sector's current state and potential for recovery. Participants' mixed feelings about the tourism sector's resurgence reflect disparities rooted in their varying levels of experience and roles within SMMEs. Those with extensive experience often exhibited resilience and optimism, viewing their industry knowledge as a vital asset to navigate challenges. One seasoned participant shared:

> "*Having seen the sector weather various crises, I believe we can find ways to adapt again, even if the road is tough.*" (Participant 1, Leader).

In contrast, younger participants or those with limited experience expressed heightened anxiety about the industry's future, a sentiment shaped by the unprecedented challenges posed by the COVID-19 pandemic early in their careers. As one younger employee put it:

> "*It feels like we're constantly trying to keep up with the changes, and it's hard to know if things will ever go back to normal.*" (Participant 2, Leader).

This dynamic can be understood through resilience theory, which posits that individuals' ability to adapt and recover from adversity is significantly influenced by their prior experiences (Sheffi, 2020; Holling, 1973).

(b) Perceptions of the Tourism Industry

Participants' perspectives on the tourism industry's future reveal a complex interplay between optimism and caution. Seasoned professionals tend to view the recovery process as part of a cyclical pattern that they can manage through their experience and adaptability. This viewpoint aligns with the principles of **Transformational Leadership**, as established by Bass (1985), which underscores the importance of leaders inspiring resilience among their teams. For example, one experienced manager noted:

> *"We've faced setbacks before, though not on this scale. I believe with patience, we can rebuild, but it requires everyone understanding the changes."* (Participant 17, Manager).

This belief in adaptability and resilience underscores a seasoned perspective that less experienced employees may not fully share. Conversely, a younger employee articulated:

> *"It's challenging for us newer staff. We're learning about the industry in a crisis; there's no baseline to compare."* (Participant 17, Employee).

This disparity highlights a generational gap that could be addressed through targeted mentorship and support systems within SMMEs, fostering a culture of learning and adaptability. Such an approach is critical in promoting innovation and resilience, as described by Lee and Hallak (2020), who emphasise the role of transformational leadership in enabling SMMEs to thrive in adverse conditions.

(c) Identifying Key Challenges

The primary challenges identified—financial constraints, increased competition, and shifting consumer preferences—are pervasive across demographic groups, although interpretations vary according to roles and seniority within SMMEs. Financial instability emerged as a significant concern, with leaders and employees acknowledging the necessity for strategic resource allocation. One manager reflected:

> "*Every financial decision now has weight; we can't afford missteps. It's about making smarter, not just bigger moves."* (Participant, Manager).

This perspective highlights the cautious approach taken by experienced leaders when managing limited resources during a crisis, emphasising prudence and calculated risk-taking as essential for sustainability.

In contrast, a frontline employee articulated the operational realities of these financial constraints:

> *"We're stretched thin. There's pressure to attract customers, but our budget limits what we can do."* (Participant 17, Employee).

This viewpoint reveals the struggles faced by non-management employees, who often feel the direct impact of financial limitations on customer engagement and job security. The challenge of increased competition post-pandemic has prompted many SMMEs to prioritise customer-centered innovation and agility. However, employees frequently express concern over meeting these expectations without sufficient resources or support. This situation reflects the broader theme in the literature regarding the necessity for SMMEs to adapt to shifts in consumer

behaviour following COVID-19, which has emphasised the need for digital transformation and agility (Rogerson, 2022; Uğur & Akbıyık, 2020).

(d) Contextual issues

The context in which tourism SMMEs operate in eThekwini significantly shaped their resilience and perspectives, especially as the COVID-19 pandemic amplified long-standing challenges related to structural inequalities and limited access to resources (Gumede, 2022; Rogerson & Rogerson, 2020). Many of these SMMEs, heavily reliant on domestic tourism, struggled to compete with larger enterprises targeting international markets. Participants reported that:

"*The pandemic brought to light how vulnerable smaller businesses are without adequate support systems,*" (Participant, Leader).

This highlights the need for targeted interventions that specifically address the needs of small-scale or informal businesses. Despite government policies aimed at providing relief, participants observed that many programmes were inaccessible: "

"With complicated application processes that didn't consider the realities of informal businesses," (Participant, Manager).

This makes it difficult for SMMEs to gain the support needed to survive and recover (Abbas et al., 2021; Bvuma & Marnewick, 2020).

Additionally, the transition to the digital economy posed substantial challenges. Many SMMEs faced resource constraints that hindered their ability to implement digital solutions, even as consumer preferences shifted toward online engagement and contactless experiences. One participant noted:

"*We know we need to go digital, but the cost of technology and lack of digital skills is a major barrier,*" (Participant 1, leader).

This highlights a key area where small businesses feel disadvantaged (Saarinen & Rogerson, 2023). These contextual insights contribute to knowledge by showing how demographic and structural factors critically shape the resilience and sustainability of tourism SMMEs, especially in navigating post-crisis recovery.

The integration of **Transformational Leadership** and **Resilience Theory** provides a robust framework for understanding how SMMEs can navigate these challenges. Transformational leaders who build trust and foster a supportive culture can enhance resilience within their organisations, empowering employees to contribute to innovative strategies that address

financial constraints and competitive pressures (Wang et al., 2021; Li & Tian, 2020). Additionally, resilience strategies such as financial planning, digital transformation, and collaborative partnerships are vital for mitigating risks and enhancing adaptability in the post-COVID landscape (Makanyeza & Dzansi, 2021; Nwoye & Eleke, 2020).

Table 4.5: Demographic Breakdown and Perspectives on Challenges

Demographic Category	Subcategory	Observed Perspective on Challenges	Anecdotal Evidence
Age	22-29 years	Concern over job stability; and uncertainty about the industry's recovery.	*"We're learning about the industry in a crisis; there's no baseline to compare."*
	30-45 years	Balancing cautious optimism with the need for resilience.	*"It's challenging, but I believe we can rebuild if we continue adapting."*
	46+ years	Confidence based on previous experiences; viewing recovery as cyclical.	*"We've faced setbacks before, though not on this scale."*
Gender	Male	Emphasis on strategic planning and financial prudence.	*"Every financial decision now has weight."*
	Female	Focus on collaboration and creative solutions to budget constraints.	*"We're finding ways to work together despite the limited resources."*
Education Level	Bachelor's degree or higher	Commitment to adapting through continuous learning and skill development.	*"I'm updating my skills constantly to keep up with the market changes."*
Years of Experience	< 5 years	Feeling of uncertainty, needing guidance from seasoned colleagues.	*"It's challenging for us newer staff to know what to expect."*
	10+ years	Optimism balanced with experience-driven caution; focus on resilience.	*"If we keep innovating and adapting, we'll find a way forward."*
Role in SMME	Leadership	Strategic focus on financial management, adaptability, and resilience.	*"It's about making smarter, not just bigger moves."*
	Employee	Concern about operational constraints and customer engagement.	*"There's pressure to attract customers, but our budget limits what we can do."*

(e) Discussion

The demographic insights gathered reveal how participants' backgrounds shape their perceptions of challenges and the outlook for SMMEs in eThekwini's tourism sector. Younger employees, with fewer years of industry experience, may particularly benefit from mentorship and targeted professional development, which are crucial for building resilience and adaptability in a volatile environment. This aligns with Transformational Leadership theory, where individualised

consideration fosters personal growth and motivation among team members (Northouse, 2019; Bass & Riggio, 2006). Conversely, senior staff and leaders can leverage their extensive experience to guide strategic decision-making and foster a collaborative culture, thereby enhancing less experienced employees' growth and confidence. This dynamic is crucial for cultivating an innovative environment, as highlighted by Lee and Hallak (2020), who emphasise the role of leadership in promoting adaptive strategies within tourism SMMEs.

Both leaders and employees recognise the immediate need for financial prudence, competitive differentiation, and innovation to thrive in the current market. However, there is a clear distinction in how these priorities are felt. While leaders focus on long-term sustainability and strategic resource management, employees are more concerned with daily operational challenges, such as customer engagement within budget constraints. This divergence reflects the layers of resilience theory, which posits that organisations must adapt to survive disruptions (Sheffi, 2020; Holling, 1973). Addressing these varying concerns through transparent communication and targeted support could bolster the industry's overall resilience, creating a framework where both immediate operational needs and long-term strategic goals are acknowledged.

The demographic diversity within the participant pool offers a well-rounded view of the challenges facing SMMEs in eThekwini. Leaders who strategically harness these diverse perspectives are well-positioned to foster a resilient, adaptive workforce capable of navigating the complex post-pandemic landscape of the tourism sector. The ability of SMMEs to overcome these challenges lies in balancing financial prudence with fostering a collaborative, supportive environment that accommodates both seasoned and newer employees. As the literature suggests, the successful integration of transformational leadership and resilience strategies will be essential for tourism SMMEs to not only recover but also thrive amidst ongoing uncertainties (Wang et al., 2021; Nwoye & Eleke, 2020).

5.4 Conclusion

Chapter 5 has provided a comprehensive presentation of the study's findings, drawing on insights from interviews with leaders, managers, and employees within the tourism SMME sector in eThekwini Municipality. Through thematic analysis, key patterns emerged around the participants' experiences with transformational leadership, communication strategies, employee empowerment, and the resilience of tourism businesses in navigating post-pandemic challenges. The findings illustrated that leaders who foster idealised influence, prioritise clear communication, and cultivate a collaborative culture have strengthened their organisations' capacity to endure and adapt within the evolving tourism landscape. The data revealed a nuanced

view of the sector's recovery, underscoring both optimism and caution as participants recognised ongoing financial constraints, competitive pressures, and shifts in consumer behaviour. Shedding light on these critical themes, Chapter 5 has enriched our understanding of the complex dynamics at play in SMME tourism management and resilience strategies in the post-COVID-19 context. In the next chapter 6: Summary of findings, Conclusion and Recommendations, the study highlights the significant findings, make conclusions and offers informed and comprehensive recommendations.

CHAPTER 5: SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter synthesises the key findings from the study on tourism SMMEs in eThekwini Municipality, exploring the challenges and resilience strategies these businesses have adopted in the post-COVID-19 era. Following a review of the study's objectives, the discussion reflects on the main themes, the contribution to academic knowledge, and implications for industry practice. The chapter concludes with recommendations for policy, practice, and future research, offering insights that highlight the significance of transformational leadership and resilience within tourism SMMEs.

5.2 Realisation of the Objectives

This study aimed to address four primary objectives:

1. **Examining Strategies to Demonstrate Idealized Influence and Inspire Trust and Admiration**

The study addressed this objective by conducting in-depth interviews with tourism SMME leaders to uncover how they practised idealised influence, a core aspect of transformational leadership. Leaders shared specific strategies they used to build trust and establish credibility, such as transparent communication regarding business challenges and successes, as well as actively modelling resilience during the recovery from COVID-19 disruptions. Many leaders noted that demonstrating ethical decision-making and commitment to employee welfare was essential in fostering trust, particularly as the pandemic created heightened uncertainty and anxiety among staff. This approach aligns with transformational leadership theory, which posits that idealised influence encourages followers to admire and emulate their leaders (Bass & Riggio, 2006). Additionally, the data indicated that leaders who openly addressed the sector's challenges while sharing a hopeful vision inspired greater loyalty among employees. This finding supports literature suggesting that leaders who embody strong ethical standards and personal integrity are more likely to earn employees' admiration and motivate them to contribute to organisational goals (Northouse, 2019). Thus, the objective was achieved by revealing that idealised influence was crucial in re-establishing trust in a time of crisis and securing employee commitment.

2. **Investigating Strategies for Articulating Vision and Mission to Mobilize Employees**

To meet this objective, the study examined how transformational leaders communicated their visions and missions within tourism SMMEs, especially under the pressure of post-pandemic recovery. Leaders emphasised creating a clear and relatable mission that resonated with employees, ensuring it was both compelling and achievable within the current economic environment. Many participants explained that they adapted their communication styles to suit their teams' diverse needs, using visual aids, presentations, and informal discussions. This diversity in approach underscored the importance of individualised consideration, another tenet of transformational leadership in effectively engaging employees (Bass, 1985). Interviews with employees further validated that leaders who presented an inspiring vision helped boost morale and motivation. Employees described feeling energised by leaders who communicated with clarity and optimism, which helped them see their work as contributing to a larger purpose in the tourism sector's recovery. This finding aligns with research suggesting that transformational leaders who articulate a shared vision can significantly enhance team motivation and cohesion (Wang et al., 2021). Thus, the study achieved this objective by showing that tailored communication of vision and mission fostered a sense of unity and purpose among employees.

3. **Exploring Strategies to Stimulate Creativity, Innovation, and Critical Thinking**

The study achieved this objective by focusing on leaders' efforts to encourage creativity and adaptability in their teams. Given the financial and operational constraints facing SMMEs, leaders employed several strategies to stimulate innovation, such as fostering a problem-solving culture and encouraging brainstorming sessions to find cost-effective solutions. Leaders also provided specific examples of how they incentivised creative ideas even when resources were limited, thus reinforcing intellectual stimulation—a key component of transformational leadership. For instance, some leaders described implementing low-cost digital tools to enhance customer engagement, a strategy that required employees to think critically and adapt to new technology with minimal resources (Ye & Law, 2021). Employees corroborated this by noting that their leaders often invited them to contribute ideas and empowered them to experiment with new methods of service delivery. This empowerment not only stimulated innovation but also helped employees feel valued, aligning with research that transformational leaders foster a work environment that encourages intellectual growth and creative problem-solving (Kakar et al., 2019). Consequently, this objective was achieved by illustrating how leaders fostered innovation and critical thinking despite economic limitations, thus enhancing adaptability within their teams.

4. **Analysing Strategies to Foster a Culture of Collaboration, Trust, and Empowerment**

The final objective was achieved through a detailed examination of how transformational leaders nurtured collaboration and empowerment to bolster organisational resilience. Leaders described specific actions to build a trusting, collaborative culture, such as implementing team-based projects, fostering open communication channels, and recognising individual contributions. These approaches reflect the individualised consideration component of transformational leadership, which involves showing genuine concern for employees' personal growth and welfare (Bass & Riggio, 2006). Interview findings revealed that employees felt more motivated and resilient when they perceived a strong culture of collaboration, which reduced feelings of isolation and stress. Leaders who empowered employees to take ownership of their roles and provided opportunities for cross-functional teamwork created a supportive environment that improved resilience—an essential quality for navigating the tourism sector's post-pandemic challenges (Sheffi, 2020). These findings align with resilience theory, which emphasises the importance of fostering supportive networks within organisations to enhance adaptive capacity (Holling, 1973). Therefore, this objective was achieved by demonstrating that a culture of collaboration and empowerment helped SMMEs maintain stability and resilience amid ongoing challenges.

5.3 Summary of the Findings

5.3.1 Contextual Considerations

Context played a substantial role in shaping the perspectives and resilience of tourism SMMEs in eThekwini. The COVID-19 pandemic amplified existing challenges for SMMEs, particularly those rooted in structural inequalities and access limitations (Gumede, 2022; Rogerson & Rogerson, 2020). Many of these SMMEs rely heavily on domestic tourism and lack the resources to compete with larger enterprises for international clientele. Participants highlighted that, in this context, government policies aimed at supporting the sector often fell short, with relief programmes difficult to access and not sufficiently tailored to smaller or informal businesses (Abbas et al., 2021; Bvuma & Marnewick, 2020).

Furthermore, the study highlights the significance of adapting to the digital economy. Given the constraints on resources, some participants expressed difficulty in implementing digital solutions to cater to evolving consumer preferences, a trend that is now fundamental in tourism (Saarinen & Rogerson, 2023). These contextual findings contribute to knowledge by illustrating how demographic and structural factors uniquely influence the resilience and sustainability of tourism SMMEs in post-crisis recovery phases.

5.3.2 Theoretical Considerations

This study's application of resilience theory and transformational leadership theory sheds light on the adaptive behaviours and strategies of tourism SMMEs in eThekwini in response to various pandemic-induced challenges. Resilience theory emphasises that entities require adaptability, flexibility, and networked support systems to withstand and recover from crises (Holling, 1973). Within this context, resilient tourism SMMEs demonstrated proactive measures such as adaptive planning, the development of collaborative networks, and the use of flexible business strategies to maintain continuity despite disruptions (Baum et al., 2020; Biggs et al., 2018). The themes emerging from the study highlighted how businesses that embraced these resilience-building strategies were better positioned to manage resource limitations, operational shifts, and market volatility.

Similarly, transformational leadership theory, particularly through the elements of idealised influence, inspirational motivation, intellectual stimulation, and individualised consideration, played a critical role in fostering a culture of cohesion and adaptability within these SMMEs. Leaders who exhibited idealised influence inspired trust among employees, creating a foundation for a shared commitment to organisational goals. Inspirational motivation, as evidenced in this study, involved leaders conveying a compelling vision that energised employees, while intellectual stimulation encouraged innovation and resourceful problem-solving—essential for small businesses facing severe financial and operational constraints (Wang et al., 2021; Bass & Riggio, 2006). Leaders' individualised consideration helped cultivate an inclusive environment where employees felt valued and empowered to contribute, reinforcing resilience at an organisational level (Kakar et al., 2019).

These theoretical insights reveal that adaptive leadership and resilience-building are not only interlinked but also essential for sustaining SMMEs in the tourism sector. The study deepens our understanding of how transformational leadership directly enhances resilience, positioning SMMEs to better navigate the complex post-pandemic landscape.

5.4 Methodological Considerations

The study's qualitative approach enabled a nuanced exploration of demographic influences and individual perspectives on resilience within tourism SMMEs. Although demographic information was collected, the study remained fundamentally qualitative, focusing on the richness of participants' experiences and perspectives. Semi-structured interviews facilitated in-depth discussions and captured anecdotal insights, such as contrasting views between seasoned and younger employees regarding the industry's recovery outlook. This qualitative method

allowed for context-specific insights that would not have emerged from quantitative data alone (Creswell & Plano Clark, 2018).

The inclusion of demographic variables offered valuable insights into the diverse experiences of different workforce groups, underscoring the importance of tailored communication and support strategies within the sector. Acknowledging limitations, such as the potential for response bias in self-reported data, the study employed data triangulation across various sources to enhance validity. These methodological considerations underscore the value of a holistic, qualitative approach in examining resilience within complex, diverse organisational contexts.

5.5 Conclusion

The findings of this study reveal that tourism SMMEs in eThekwini encounter significant challenges stemming from demographic diversity, structural inequities, and an increasingly competitive digital landscape. These challenges are compounded by the lingering effects of the COVID-19 pandemic, which has disrupted traditional business operations and altered consumer behaviour. Within this context, the study highlights how transformational leadership and resilience are crucial for navigating these complexities. Leaders who adopt adaptable leadership styles are better equipped to empower their teams, enabling them to withstand external pressures and drive sustainable growth in an uncertain environment.

Furthermore, this research makes a meaningful contribution to the existing literature by providing empirical evidence for the pivotal role of adaptive leadership in fostering organisational resilience within SMMEs. It underscores the necessity for tailored support mechanisms that consider the unique needs and experiences of diverse workforce groups within the tourism sector. Aligning with the study's objectives and addressing the research questions, this analysis affirms the importance of cultivating an inclusive leadership approach that recognises the multifaceted challenges faced by tourism SMMEs.

Therefore, this study reinforces the notion that effective leadership is instrumental in enhancing resilience among tourism SMMEs in eThekwini. It calls for a strategic focus on developing adaptive leadership skills and tailored support systems that cater to the demographic diversity of the workforce. Ultimately, addressing these challenges is vital not only for the recovery and sustainability of individual enterprises but also for the broader resilience of the tourism sector in the post-pandemic landscape. The findings serve as a foundation for future research and practical interventions aimed at strengthening the capacity of tourism SMMEs to thrive amidst adversity.

5.6 Recommendations

5.6.1 Policy Recommendations

1. **Enhanced Financial Support:** Policymakers should refine relief programmes for tourism SMMEs, making funding accessible to small and informal businesses through streamlined application processes and flexible eligibility requirements (DSBD, 2020).
2. **Digital Infrastructure Investment:** Digital transformation remains crucial for SMMEs, necessitating government-led initiatives to improve digital infrastructure and subsidise digital skill development programmes.

5.6.2 Practice Recommendations for SMME Leaders

1. **Adopt Transformational Leadership Practices:** Leaders within tourism SMMEs should focus on transformational leadership strategies that prioritise adaptability, vision, and team cohesion, supporting their employees' ability to navigate changing demands.
2. **Promote Resilience Through Community Partnerships:** Building collaborative networks with local businesses can enhance resilience, providing SMMEs with shared resources and a support system to manage market fluctuations effectively.
3. **Tailored Communication Strategies:** Leaders should develop communication approaches that align with the demographic diversity within their teams, employing both structured visual tools for younger employees and open discussions for seasoned staff as identified in this study.

5.6.3 Recommendations for Future Research

Future research should examine the long-term impacts of digital transformation on tourism SMMEs, with a focus on the cost-effectiveness of different technological investments. Furthermore, studies can explore the role of inclusive policy frameworks in supporting SMMEs, particularly those led by black entrepreneurs who face heightened barriers within the tourism sector (Hlengwa & Thusi, 2018). Expanding on this study's findings, future research should consider longitudinal studies to track the effectiveness of resilience-building measures over time.

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Appendixes

Appendix A: Letter of Consent

UKZN HUMANITIES AND SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE (HSSREC)

APPLICATION FOR ETHICS APPROVAL
For research with human participants

INFORMED CONSENT RESOURCE TEMPLATE

Information Sheet and Consent to Participate in Research

Date: 06 May 2024

Greeting: Delegates

My name is Welcome Maduna from the University of KwaZulu Natal's Graduate School of Business. I am currently pursuing a Master of Commerce in Leadership degree at the institution.

You are invited to consider participating in a study that explores the role of transformational leadership in overcoming post-coronavirus challenges and building resilience in tourism SMMEs in eThekwini Municipality. The research aims to investigate the challenges faced by tourism Small, Medium, and Micro Enterprises (SMMEs) in eThekwini Municipality in the post-coronavirus era and explore how transformational leadership can mitigate these challenges and foster resilience within the sector. The study is expected to enrol ten (10) SMMEs in the eThekwini Metropolitan Municipality.

The study will involve an in-depth one-on-one interview via face-to-face, Zoom or Microsoft Teams where you will be asked questions relating to investigating the Challenges in the Tourism SMMES in the eThekwini Municipality post-coronavirus era. The duration of your participation, if you choose to enrol and remain in the study, is expected to be no more than two hours (this includes finalising this informed consent form and the actual interview itself, which should not take more than sixty minutes). The study is self-funded.

There is no risk associated with your participation in this study as anonymity is guaranteed. Your name will not be mentioned anywhere in the research report. We hope that the study will provide solutions on challenges in tourism SMMES in eThekwini Municipality post-coronavirus era.

The Small, Medium and Micro Enterprises sector is a significant contributor to South Africa's GDP and job creation.

In the event of any problems or concerns/questions, you may contact the researcher at 223149240@stu.ukzn..ac.za or via [redacted] or the UKZN Humanities & Social Sciences Research Ethics Committee, contact details as follows:

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION
Research Office, Westville Campus
Govan Mbeki Building
Private Bag X 54001
Durban
4000
KwaZulu-Natal, SOUTH AFRICA
Tel: 27 31 2604557- Fax: 27 31 2604609
Email: HSSREC@ukzn.ac.za

Please be advised that participation in this research is voluntary. You may withdraw participation at any point. In the event of refusal/withdrawal of participation, you will not incur any penalties or lose any benefits to which you are normally entitled. Should you decide to withdraw, kindly email me at 223149240@stu.ukzn.ac.za as soon as possible so that I have time to source another participant to ensure there is sufficient data for analysis. Should the study be terminated for any reason, your participation will automatically cease.

There is no reimbursement for your participation in the study nor are you expected to incur any costs. All information including your personal information will be kept strictly confidential. All transcripts and recordings of interviews, emails, and any other correspondence will be saved in the secure vault in my OneDrive folder. This is password-protected and only my supervisor, and I will have access to the information. Any hard copy documents will be shredded, and electronic copies will be deleted from the OneDrive folder after the required storage time as per the university's policy has lapsed.

Kindly indicate your willingness to participate in the research study by completing and signing the section below.

Yours faithfully

_____

Welcome Maduna
[redacted]
223149240@stu.ukzn.ac.za

CONSENT

I……. (Name) have been informed about the study entitled "Exploring the role of transformational leadership in overcoming post-Coronavirus challenges and building resilience in tourism SMMEs in eThekwini Municipality" by Welcome Maduna. I understand the purpose and procedures of the study. I have been given an opportunity to ask questions about the study and have had answers to my satisfaction. I declare that my participation in this study is entirely voluntary and that I may withdraw at any time without affecting any of the benefits to which I usually am entitled to. If I have any further questions/concerns or queries related to the study, I understand that I may contact the researcher at [redacted] or at 22314924@stu.ukzn.ac.za. If I have any questions or concerns about my rights as a study participant, or if I am concerned about an aspect of the study or the researchers then I may contact:

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION
Research Office, Westville Campus
Govan Mbeki Building
Private Bag X 54001
Durban
4000
KwaZulu-Natal, SOUTH AFRICA
Tel: 27 31 2604557- Fax: 27 31 2604609
Email: HSSREC@ukzn.ac.za

I hereby provide consent to:

Audio-record my interview YES / NO

_____ _____

Signature of Participant Date

Appendix B: Interview Questions Schedule

Section A: Demographic Information	
Demographic Category	**Interview Questions**
Age	- What is your current age? - What age range do you identify with?
Gender	- What is your gender identity? - Please specify your gender: • Male • Female • Other (please specify)
Education	- What is the highest level of education you have completed? - Are you currently pursuing any further education or training? If so, what?
Experience	- How many years have you worked in the tourism industry? - How long have you held your current position?
Company Size and Type	- How many employees does your company have? - What is the legal structure of your company? • Sole proprietorship • Partnership • Corporation • Other (please specify)
Ethnicity/Cultural Background	- How would you describe your cultural or ethnic background?
Language Proficiency	- What languages do you speak fluently? - Are there any additional languages you utilize in your work in the tourism sector?
Geographic Location	- Where is your company located within the eThekwini Municipality? - Do you operate in: • Urban area • Suburban area • Rural area
Section B: Interview Questions	
For SMME Leaders and Managers:	- Can you provide a brief overview of your background, including your current role within the tourism sector in eThekwini Municipality? - How do you define your leadership style in terms of inspiring trust and admiration among your employees, particularly in the context of the challenges presented by the COVID-19 pandemic? - Could you share specific instances where you have exercised idealized influence in your interactions with your team? - How has your leadership approach adapted in response to the challenges posed by the COVID-19 pandemic? - What strategies or initiatives have you implemented to

	effectively communicate your company's vision and mission, particularly in mobilizing employees toward shared goals during this challenging period?
For SMME Employees:	- Could you introduce yourself and explain your role within the tourism sector in eThekwini Municipality? - How would you characterize the leadership style of your superiors in terms of inspiring trust and admiration among the team? - Can you provide examples of how your leaders have articulated compelling visions and missions that energize and mobilize employees amidst the challenges posed by the COVID-19 pandemic? - In what ways have you observed transformational leaders encouraging creativity, innovation, and critical thinking among employees to adapt to the evolving business environment? - How has the culture of collaboration, trust, and empowerment fostered by your leaders contributed to enhancing organizational resilience in navigating the complexities of the post-coronavirus tourism landscape?
For Both Leaders/Managers and Employees:	- How do you perceive the current state of the tourism industry in eThekwini Municipality, particularly considering the impacts of the COVID-19 pandemic? - What do you identify as the most significant challenges facing tourism SMMEs in the post-coronavirus era? - In your opinion, what role do transformational leaders play in addressing these challenges and driving positive change within the industry? - How does the relationship between leaders/managers and employees influence the overall success and resilience of tourism SMMEs in eThekwini Municipality?

Appendix C: Gate Keepers Letter eThekwini Municipality

PO0 7, GROUND FLOOR, INTUTHUKO JUNCTION, 750 MARY THIPHE STREET, UMKHUMBANE, CATO MANOR, DURBAN 4001
TEL: 031 322 4813, FAX: 031 361 3400, FAX TO EMAIL: 086 265 7100, EMAIL: MILE@DURBAN.GOV.ZA, WEBSITE: WWW.MILE.ORG.ZA

For attention:
Chair of Research Ethics Committee
University of KwaZulu-Natal
College of Law and Management Studies
Graduate School Business and Leadership
Durban
3209

25 June 2024

RE: LETTER OF SUPPORT TO W. MADUNA STUDENT NO: 223149240 - GRANTING PERMISSION TO USE ETHEKWINI MUNICIPALITY AS A STUDY SITE

The eThekwini Business Support and Markets and Municipal Institute of Learning **(MILE)** in eThekwini Municipality, have considered a request from **Welcome Maduna** (Mr) to use eThekwini Municipality as a research study site for the purposes of undertaking a research study entitled: **"Investigating The Challenges in Tourism SMMES in eThekwini Municipality Post Coronavirus Era."** - leading to the awarding of a **Master of Commerce in Leadership Studies.**

We wish to inform you of the acceptance of his request and hereby assure the student of our utmost cooperation towards achieving his academic goals; the outcome which we believe may help this municipality improve its evidence-base on dealing with post-Covid challenges in tourism in relation to SMMEs. The student is reminded of the ethical considerations and health regulations when conducting this research. The student must take all necessary measures to ensure his personal safety during the research period as eThekwini Municipality indemnifies itself from any incidental claims that may arise. **In return, we stipulate as mandatory that the student contacts sthabile.mbonywa@durban.gov.za to present the preliminary results and recommendations of this study to the related unit/s.**

Wishing the student all the best in his studies.

[redacted]
Mr. Thulani Nzama (ACTING)
Head: Business Support & Markets Unit
eThekwini Municipality

[redacted]
Dr. Collin Pillay
Program Manager: MILE
eThekwini Municipality

[redacted] .....hereby accept as mandatory that I will comply fully as per the conditions stipulated above.

Signed: [redacted] Date: 25/06/2024

Appendix D: Ethics Approval Letter

UNIVERSITY OF KWAZULU-NATAL
INYUVESI YAKWAZULU-NATALI

05 May 2025

Welcome Maduna (223149240)
Grad School of Bus & Leadership
Westville Campus

Dear W Maduna,

Protocol reference number: HSSREC/00007362/2024
Project title: Investigating the challenges in tourism small micro medium enterprises in eThekwini Municipality post coronavirus era.
Amended title: Exploring the role of transformational leadership in overcoming post-corona virus challenges and building resilience in tourism small micro medium enterprises in eThekwini Municipality
Degree: Masters

Approval Notification – Amendment Application

This letter serves to notify you that your application and request for an amendment received on 24 April 2025 has now been approved as follows:

- Change in title

Any alterations to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form; Title of the Project, Location of the Study must be reviewed and approved through an amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

HSSREC is registered with the South African National Health Research Ethics Council (REC-040414-040).

Best wishes for the successful completion of your research protocol.

Yours faithfully

[redacted]

Doctor Shamila Naidoo (Senior Deputy Chair)

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Humanities & Social Sciences Research Ethics Committee
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Website: http://research.ukzn.ac.za/Research-Ethics/
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