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Research Methods and Professional Practice
(RMPP_PCOM7E)
Unit 7 – Literature Review Outline

Use of Information Systems (IS) to transform Small Businesses in South Africa

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Introduction

The sections below will be written in paragraph format in the literature review, however for ease of illustration they are represented in bullet form.

The current state of small businesses in South Africa

- Small businesses are currently facing harsh economic conditions in South Africa amid post the covid-19 pandemic and related lockdown measures (UNDP, 2021) as well as the current energy crises (de Villiers, 2023).
- Small businesses play a vital role to the South African economy promoting economic growth and job creation.
- A definition of small businesses within a South African context will be stated (Pradhan et al., 2018) and (TIPS, 2023).
- Information Systems (IS) can provide various solutions and benefits to small businesses (Ndubisi & Iftikhar, 2012).
- The literature review aims to explore the use of information systems to transform small businesses in South Africa, by highlighting the benefits, challenges as well as present possible gaps in research around the use of IS.

Background of Information Systems

- Define IS from various sources - Stair and Reynolds (2016: 4) and Bourgeois et al. (2019) as well as Rainer and Prince (2021).
- IS are used in small businesses in the form of Customer Relationship Management (CRM) systems, Transaction Processing Systems (TPS), Enterprise Resource Planning (ERP) systems and many others (Rainer & Prince, 2021). When used efficiently and effectively these systems can provide businesses with a competitive advantage and numerous benefits.

Benefits and Challenges of IS

- Increasing efficiency through automation (Rainer & Prince, 2021), using Artificial Intelligence and Deep Learning (DL) techniques (Wang et al., 2018) as well as predictive and visual analytics (Akpan et al., 2020).
- Customer service, customer engagement, facilitating collaboration and communication can be improved by using CRM, ERP and Business Intelligent (BI) systems (Rainer & Prince, 2021).
- Enhance decision making processes allowing small businesses to respond swiftly to evolving market conditions (Ramaswamy, 2019).
- Challenges include, lack of infrastructure, specifically in rural areas, which can limit access to technology and the internet (Bvuma & Marnewick, 2020).
- Lack of skills and knowledge of employees to effectively use IS, limiting their ability to take advantage of its potential benefits.
- Complexity of the systems can serve as a barrier for adoption especially for businesses with limited technical expertise (Ramaswamy, 2019).

- Cost of implementing and maintaining IS can be a significant barrier for many small businesses (limited financial resources).

Possible Gaps in Research

The following areas could be identified as gaps in the research within a South African context:

- Research could examine the extent to which IS has a positive impact on small business performance and how this impact can be measured and evaluated.
- Assessment of how IS is used to support digital transformation in small businesses including the role of IS in facilitating digital innovation and the adoption of new technologies.
- Assessment of how IS has an impact on skills development in small businesses and the implications for workforce training and development.

Conclusion

- The use of IS to transform small businesses in South Africa can be effective, but requires careful planning, implementation, and ongoing support to ensure success.
- Small businesses must weigh the potential benefits and costs of adopting IS and be mindful of the potential risks and challenges that come with implementing these systems.
- Possible gaps in research areas can be explored.

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