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UNIVERSITY OF KWA ZULU-NATAL

ANALYSIS OF THE IMPORTANCE OF NETWORKING TO ETHEKWINI BUSINESS OWNERS AND MANAGERS

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A dissertation submitted in partial fulfillment of the requirement for the degree of
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Graduate School of Business
Faculty of Management Studies

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2009
DECLARATION

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Signed.............................................
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ABSTRACT
ANALYSIS OF THE IMPORTANCE OF NETWORKING TO ETHEKWINI BUSINESS OWNERS AND SENIOR MANAGERS.

The concept of networking has seen a sustained growth of interest of late from academics and practicing managers. The purpose of this study is to contribute to understanding the extent to which business owners and senior managers within Ethekwini realize the importance of networking and, further, reveal the extent of their willingness to form relationships with other business owners. In pursuit of this broad aim the research made use of a sample size of 206 respondents, who were asked, and agreed, to complete a questionnaire comprising 25 questions. The questions in the questionnaire were structured in such a way that most of the salient factors that could affect one’s willingness to form relationships with others were reflected in the responses. The targeted population represented a variety of business owners and managers of different age and race groups. Most of the questionnaires were self-administered, and due to time constraints they were also completed using the services of four field workers. The quantitative method of data analysis was used to compare and contrast responses given by the respondents. The findings may be summarized in four statements. First, most business people are not members of bodies representing businesses like theirs and yet they are willing to become members. Most business people are ignorant of the existence of bodies representing businesses like theirs. Second, while business owners and senior managers in Ethekwini have great confidence in the future of Ethekwini economy, they seem to be feeling so individually, and not as members of network groups. Third, most of the respondents except those that are members of bodies representing bodies of businesses like theirs, do not talk to competitors. This is a clear indication that contrary to past research findings, some businesses do not feel that they can benefit from sharing information with competitors. Fourth, business owners and senior managers who have low self-confidence are less likely to network. They tend to keep information to themselves, perhaps, because of low self-confidence, not out of greed.
TABLE OF CONTENTS

Description                                                                 | Page |
Title Page                                                                  | (i)  |
Supervisor’s permission to submit for examination                           | (ii) |
Declaration                                                                 | (iii)|
Acknowledgements                                                            | (iv) |
Abstract                                                                    | (v)  |
Table of contents                                                           | (vi) |
List of Tables                                                              | (ix) |
List of Figures                                                             | (x)  |

1. CHAPTER ONE

1.1 Introduction                                                            | 1    |
1.2 Motivation and benefits of the study                                    | 1    |
1.3 Background and focus of the study                                       | 1    |
1.4 Problem statement                                                       | 4    |
1.5 Critical research questions                                              | 4    |
1.6 Critical research sub-questions                                         | 4    |
1.7 Research objectives                                                     | 5    |
1.8 Research design                                                         | 6    |
1.9 Limitations of the research                                             | 6    |
1.10 Chapter outline                                                        | 7    |
1.11 Conclusion                                                             | 7    |

2. CHAPTER TWO - LITERATURE REVIEW                                          | 8    |
2.1 Introduction                                                            | 8    |
2.2 Networking defined                                                      | 8    |
2.3 Types of personal networks                                              | 9    |
2.4 Common mistakes about networking                                       | 9    |
2.5 How to develop a smart networking system                               | 11   |
2.6 Networking and business networks                                        | 16   |
2.7 The three aspects of networking
2.8 Networking as a relationship builder
2.8.1 Actor bonds
2.8.2 Activity links
2.8.3 Resource ties
2.9 New venture growth and personal networks
2.10 Drivers of networking
2.11 Trends in networking
2.12 Advantages of networking
2.13 Networking between departments
2.14 The Ethekwini economy
2.15 Conclusion

3. CHAPTER THREE - RESEARCH METHODOLOGY
3.1 Introduction
3.2 Aim and Objectives of the study
3.3 Research Design Methods
3.3.1 Description and purpose
3.3.1.1 Construction of the research instrument
3.3.1.2 Collection of data
3.3.2 Pre-testing, validity, reliability, and generalization
3.3.2.1 Pre-testing
3.3.2.2 Validity
3.3.2.3 Reliability and generalization
3.4 Data Collection Strategies
3.5 Analysis of the data
3.6 Consent and authority
3.7 Conclusion

4. CHAPTER FOUR - RESEARCH FINDINGS
4.1 Introduction
4.2 Cronbach’s Mode (Measure of reliability)
4.3 Demographic profile of respondents
4.4 Correlation
4.4.1 The mean concept 55
4.4.2 The standard deviation concept 56
4.4.3 The statistical significance concept 56
4.4 Cross tabulations 59
4.5 Conclusion 77

5. CHAPTER 5-RECOMMENDATION AND CONCLUSION 78
5.1 Introduction 78
5.2 Discussion 78
5.3 Answers to the research questions 81
5.4 Recommendations to business 84
5.5 Limitations of the study 85
5.6 Further Research for academics 86
5.7 Conclusion 87

BIBLIOGRAPHY 88

ADDENDUM 1: Letter of informant consent 91
ADDENDUM 2: Research instrument 94
ADDENDUM 3: Ethical clearance 97
List of Tables

4.1 Measure of reliability 43

4.2 Respondents’ willingness to join a networking group 47

4.3 Respondents’ level of confidence in the future of Ethekwini 48

4.4 The importance of networking to decision makers 48

4.5 Respondents’ extent to which they talk to competitors 49

4.6 Respondents’ extent to which they share ideas with other people. 49

4.7 The respondents’ extent to which they keep business information to themselves 50

4.8 Link between success of business and progress of Ethekwini economy 50

4.9 Descriptive statistics showing the Mean, Standard deviation, and the total number of respondents for each variable 58

4.10 Cross tabulation between the extent to which respondents would join bodies representing businesses like theirs and the gender of the respondents. 59

4.11 Cross tabulation between the extent to which respondents would join bodies representing businesses like theirs and the level of confidence they have in the future of Ethekwini economy. 60

4.12 Cross tabulation between the extent to which respondents would join bodies representing businesses like theirs and the importance of networking to them as decision makers. 61

4.13 Cross tabulation between the extent to which respondents would join bodies representing businesses like theirs and the extent to which they talk to competitors. 62

4.14 Cross tabulation between the extent to which respondents would join bodies representing businesses like theirs and the extent to which they like to keep information to themselves. 63

4.15 Cross tabulation between the extent to which respondents would join bodies representing businesses like theirs and the extent to which the success of their businesses is linked to the progress of Ethekwini economy. 64
4.16 Cross tabulation between the extent to which respondents would join bodies representing businesses like theirs and the extent to which Government department must brief them on issues relating to their respective industries.

4.17 Cross tabulation between the extent to which respondents would join bodies representing businesses like theirs and the extent to which technological changes contributed to the success of their businesses.

4.18 Cross tabulation between the extent to which respondents would join bodies representing businesses like theirs and the extent to which they keep themselves informed about new technological development in their sectors.

4.19 Cross tabulation between the extent to which respondents would join bodies representing businesses like theirs and the extent to which they have responsibility to take initiative to develop themselves.

4.20 Cross tabulation between the extent to which respondents would join bodies representing businesses like theirs and the extent to which cooperation with other players in the industry enhances the success of their businesses.

4.21 Cross tabulation between the extent to which respondents would join bodies representing businesses like theirs and the extent to which temptation to collaborate with their competitors happen.

4.22 Cross tabulation between the extent to which respondents would join bodies representing businesses like theirs and the extent to which they have confidence in the success of the industry they are in.

4.23 Cross tabulation between the extent to which respondents would join bodies representing businesses like theirs and the extent to which they have confidence in themselves as business people.

4.24 Cross tabulation between the extent to which respondents have responsibility to take initiative to develop themselves and the extent to which they share information with their competitors about government.

4.25 Cross tabulation between the extent to which technological changes contributed to the success of the respondents’ businesses and the extent to which they keep informed about new technological developments.

4.26 Cross tabulation between the extent to which the respondents’ business success is linked to the progress of Ethekwini economy
and the extent to which Government departments must brief them about issues relating to their industry.

4.27 Cross tabulation between the extent to which respondents’ cooperation with other players in the industry could enhance the success of their businesses and the extent to which they are tempted to collaborate with their competitors.
List of figures

4.1 Pie chart depicting gender of the respondents 44
4.2 Pie chart depicting ages of the respondents 44
4.3 Pie Chart depicting respondents’ level of formal education 45
4.4 Pie chart depicting highest qualification of the respondents. 45
4.5 Pie chart depicting the sectors within which the respondents operate. 46
4.6 Pie chart depicting respondents’ level of participation in networking Groups. 46
4.7 Pie chart depicting the number of employees employed by the Respondents. 47
4.8 Bar chart depicting the extent to which government department should brief Ethekwini business owners and senior managers 51
4.9 Bar chart depicting the extent to which Ethekwini business success is linked to technological changes. 51
4.10 Bar chart depicting the extent to which respondents keep themselves informed about new technological developments. 52
4.11 Bar chart depicting respondent’s extent to which they take initiative to develop themselves. 52
4.12 Bar chart depicting the respondents’ extent to which they share information about government policy affecting them. 53
4.13 Bar chart depicting the extent to which respondents’ co-operation with other players in the industry can enhance business success 53
4.14 Bar chart depicting the extent to which respondents are tempted to collaborate with their competitors. 54
4.15 Bar chart depicting the respondents’ extent to which they have confidence in the success of their respective industries. 54
4.16 Bar chart depicting the respondents’ extent to which they have confidence in themselves as business people. 55
CHAPTER 1

1.1 Introduction

This study was based on the concept of networking. This is a concept that some people may dread, but it can unlock many doors of business relationships. Networking is not only important to business organizations, but can also be a great tool in advancing one’s career prospects. This chapter introduces the concept of networking by giving some background information about the concept of networking. It further provides the statement of the research problem, research objectives, motivation and benefits for the study. Lastly, the chapter provides the research design, limitations and layout of the following chapters.

1.2 Motivation and benefits of the study

The study will benefit practicing managers and students of business. Since the concept of networking is not the preserve of a selected group of people the following people will also benefit:

- Employees in all various fields within business organizations. Employees could, for example, share information relating to new laws pertaining to their respective industries.
- Business people in the marketing, sales, and public relations fields. Business people among other things could learn from one another by sharing good practices pertaining to their respective fields.
- Events organizers. Events organizers could share their experiences in organizing different events.

1.3 Background and focus of the study

According to Moller and Halinen (1999) the competitive environment of firms is undergoing a fundamental change. Traditional markets are being replaced by networks.
Moller and Halinen (1999) argue that from a conceptual point of view this means that businesses have to look beyond ordinary customer and supplier relationships into intricate webs of forming research and development networks, deep supplier networks, and competitive coalitions.

According to Nierenberg (2007) networking is a mindset and a strategy for life to create connections that could last a lifetime in all areas of one’s life. “People come into your life for a reason, a season, or a lifetime. When someone is in your life for a reason, it is usually to meet a need you have expressed. They have come to assist you through a difficulty, to provide you with guidance and support, to aid you physically, emotionally and spiritually. They may seem like a godsend and they are. They are there for the reason you need them to be,” (Nierenberg 2007:1).

Nierenberg (2007) emphasized the importance of relationships both to individual people and business organizations. The author argued that when making a deliberate contact you are aiming to gain something, could it be guidance, spiritual support, or words of wisdom. The author’s words suggest that networking is therefore a tool for relationship building.

Parties that are involved in a relationship share information. It could be argued therefore that networking is a deliberate meeting of people with the aim of sharing information. It is very important to note that the key word here is “deliberate”. According to Nierenberg (2007:3) networking is about creating and developing opportunities through meeting and “connecting the dots” among the people you know. This description of networking by Nierenberg does not mean that people do not network with people they do not know but is an emphasis that networking is all around us. In other words it means that the people you know are the beginning of a great networking process and these include family members, people in your profession, colleagues, and friends.

Since networking is important to people privately and as part of a business it is important to indicate that this study, however, focuses mainly on the benefits of networking. In today’s business world competition is rife and finding clients is becoming even more difficult. It has become extremely important that once the business organization has
found clients that they are nurtured. According to Nierenberg (2007) this requires the business organization to perform a number of tasks, including befriending their clients, providing dazzling service to their clients, and placing their needs first. (Nierenberg 2007:45). To be able to do this, the business organization has to rely on other stakeholders. It follows therefore that a good relationship with those stakeholders would have a great impact on the relationship the business organization has with its clients. Such positive relationships are a product sharing information. According to studies conducted by Landes (1998) and Chandler (1977) until the 19th century organizational forms like the functional form, vertical integration, the divisional form, business units and the matrix developed. The authors argue that all of these acted autonomously simple because these were the days when the communication infrastructures as well as transport facilities were still underdeveloped. The authors argue that for these forms of business to ensure effective production processes they had to ensure continuous throughput of materials.

According to De Man (2004) in the course of the 1980s a change in this trend gradually took place and companies started to look actively for new partners to jointly develop business. According to De Man (2004) this new trend has become greater and that firms are increasingly embedded in networks of alliances. The author argued that the overall effect is that networks are becoming the dominant organizational form in many economies.

Ford, Gadde, Hakansson, Snehota (2003) supported De Man’s (2004) argument when they said that no company can be an island in today’s business world. It could be argued that in today’s business world business organizations are locked into a complex network of relationships with suppliers, customers and other business partners. Ford et al (2003) argued that to be effective, managers within companies must form relationships with other businesses and constantly assess these relationships and the intentions, actions and reactions of their counterparts within them.

Networking among other things involves sharing information and keeping abreast with technological changes. It can be used as a strategic tool of forming new relationships with
other business people. These business people could be competitors, other business people operating in different industries, customers, and suppliers. It could be argued that people are too busy running their business organizations so that not much time is available to for them to keep abreast with all the developments in and around their business entities.

Through networking that shortcoming is overcome furthermore new relationships could be forged and existing ones strengthened. Unlike in the olden days, firms now have to focus on their core competencies and sometimes outsource those aspects of business in which they are not competent. That requires firms to look for the suitable businesses to partner with. Networking platforms could then be used to look for such strategic partners. Chapter two will provide a wider discussion on networking.

This study will provide a broad view of how networking can be used by any business organization to enhance the success of the business. Networking is not the same thing for everyone. This study tries to show those dynamics of networking. It is beneficial for the very reason that it is relevant to all business formations whether old or new, and small or big.

1.4 Problem statement

Networking among Ethekwini Business owners and senior managers can assist in improving performance of their enterprises.

1.5 Critical Research Question

Does Networking among Ethekwini Business owners and senior managers assist in improving performance of their enterprises?

1.6 Critical research sub-questions

• To what extent do business owners and senior managers in Ethekwini realize the importance of networking?
• To what extent does the level of confidence of business owners and senior managers in Ethekwini economy and themselves affect the extent to which they are prepared to be members of bodies representing businesses in their respective sectors?

• To what extent do business owners and senior managers in Ethekwini regard information sharing as important and if so to what extent do they keep themselves informed about the development of their respective fields?

• To what extent do business owners and senior managers in Ethekwini regard developing themselves as their main responsibility or do they feel they have to be assisted by the Government to a large extent?

• To what extent do business owners and senior managers in Ethekwini recognize the possible benefits that could be derived from cooperating with competitors and other players in their respective sectors?

• To what extent does the number of employees the business owner or senior manager affect the extent to which they network?

• To what extent has technological changes contributed to the success of Ethekwini businesses and to what extent do the managers keep themselves informed of new technological changes?

1.7 Research objectives

The study will attempt to achieve the following:

• Provide an insight into the extent to which networking among Ethekwini business owners and senior managers assist in improving performance of their enterprises.

• Provide an insight into the nature of networking as a concept.
• Provide an insight into the extent to which networking as a business tool is appreciated by Ethekwini business owners and senior managers.

• Provide an insight into the extent to which networking contributes towards the growth of the firms.

• To make academics aware of further research areas on the concept of networking.

• Provide an insight into the extent to which the size of the enterprise’s labour force influences the extent to which business owners and senior managers in Ethekwini engage in networking.

• Provide an insight into the level of networking between competing Ethekwini business owners and senior managers.

1.8 Research design

The study is of a quantitative nature. A sample of 210 respondents was drawn from different sectors of the Ethekwini economy. The Statistical Package for the Social Sciences (SPSS) was used to analyze the data. Data collected was classified according to the various categories of responses and the arranged in a form of frequency tables. Once the data was arranged into frequency tables it was presented graphically using bar charts, and pie charts. Correlations, and cross tabulation were used to estimate the extent to which one variable is associated with the other variables.

1.9 Limitations of the research

The study was limited by the unavailability of secondary data since the study has not been done in Ethekwini. Lack of cooperation on some of the business owners and senior managers limited the sample size. The study could not get responses from all the sectors of the economy of Ethekwini as envisaged thus limiting generalization across all sectors. Some questionnaires were never returned thus limiting the sample size. Some
questions viewed as sensitive, while in real life crucial to the concept of networking, were not asked in the questionnaire. These include questions around politics and race. Questions around networking activities were not investigated this could have shed more light on the concept of networking.

1.10 Chapter outline

Chapter two, also referred to as literature review, provides a broad overview of what has been written by other authors on the subject matter. The literature comprises information obtained from textbooks, journal articles and internet search engines. Chapter three, also referred to as research methodology, provides a detailed explanation of how the research was conducted. Amongst other things, this chapter provides information about the type of research method used, targeted population, sample size, and software used to analyze the data. Chapter four deals with the presentation and analysis of the data upon which recommendations are made. These recommendations are presented in chapter 5.

1.11 Conclusion

This chapter introduced the concept of networking and also provided a brief historical background of the concept. The chapter provided the problem statement of the study and highlighted the critical research questions, objectives of the study as well as its benefits. The chapter also provided the limitations of the study. Lastly, the chapter provided the outline of the following chapters. The following chapter provides the literature overview on the concept of networking.
CHAPTER 2

Literature review

2.1 Introduction

This chapter aims to give a clear view of what the process of networking is all about. This is done by first defining networking. Secondly, the chapter looks at different types of personal networks. Thirdly, the chapter talks about some mistakes that people often make about the process of networking. Fourthly, the chapter looks at some suggestions on how to develop a smart networking system. Last but not least the chapter looks at the types of relationships that networking leads to or helps to create and improve. This is done by discussing the nature of business relationships and business networks. The chapter underlies the logical next step in the academic debate by focusing on Ethekwini.

2.2 Networking defined

Networking is an old concept. According to Pearson and Richardson (2001) networking has been applied over the past 20 years to a variety of fields including economics, management, sociology, organization studies, and business history. According to the Oxford dictionary (2007:609) networking is to keep in contact with each other to exchange information.

According to Wiehahn (2001), networking is “…an important business practice that builds up professional contacts and support networks in the business world and many other spheres of life,” (Wiehahn 200 1:30).

Schermerhorn (2004) sees networking as “the process of building and maintaining positive relationships with people whose help may be needed to implement one’s work agendas,” (Schermerhorn 200 4:13).
According to Ekstein (2008), “personal networking involves the process by which we meet people, develop positive relationships with them and sustain those relationships. It also involves maintaining contact details,” (Ekstein 2008:2). Ekstein (2008) also describes networking as “…an active ongoing process which involves making contacts at a time when we probably don’t need them, organizing and maintaining the relevant information, sustaining contact so that we build positive relationships and when the need arises, if appropriate, drawing on those relationships for mutual advantage,” (Ekstein 2008: 48).

Nierenberg (2006) said “networking is a mind – it is a strategy for life, a way to create connections that could last a lifetime and in all areas of your life,” (Nierenberg 2007:1). According to Andrea Nierenberg, networking is all around us. This view is supported by Clifton (2006) when she said “it is, and the first bit of good news is that you’re already a part of many networks. These could range from your family, to friends, to sport teams, work colleagues, and so on, and are so called ‘spheres of contact’. In fact, you have been networking practically all your life,”(Clifton 2006:2). “We are born to be networkers from the moment we arrive in the world, we work out who are our most useful contacts - for food, warmth, love, affection, and so on - with no training at all,” (Clifton 2006:1).

2.3 Types of personal networks

According to Brenda Ekstein, networking could be formal or informal. The author argues that when we are very young our families are our primary networking group and that later we become part of the school group. (Ekstein 2008:49). The author argues that through the act of joining or becoming members we become part of formal networks. Examples of different types of networking groups include industry body, office intranet, chamber of commerce, referral groups, local community groups, professional associations, membership of any club etc. The list is endless. (Clifton 2006: 23).

2.4 Common mistakes about networking

- Others are better than me at networking.
According to Clifton (2006) people make assumptions that others are better at networking than they are. The author recommends that one must not make assumptions about others’ effectiveness at networking. The author argues that making such assumptions is something that can strike fear into the hearts of even seasoned professionals. (Clifton 2006:11).

- **Networking is for extroverts.**
  According to Lynch (2009) one does not need an outgoing personality to be a good networker. The author argues that while extroverts may find it easier to start conversations they may shine the spotlight too long on themselves. Lynch said “what’s important about your personality is not how you come across on the outside, but the kind of person you are on the inside that gets others to react to you in a favourable way.” (Lynch 2009:2). The author also argues that introverts tend to be good at listening and that this is an advantage in relationship building. The author gives examples of famous introverts as listed by Marti Olsen Laney in his book The Introvert Advantage: Michael Jordan, Bill Gates, Steve Martin all made the list.

- **Networking is about manipulating others.**
  Lynch (2009) argued that a good networker is the one who people help because of the kind of person he or she is, not because they have been manipulated or forced to help. (Lynch 2009: 2).

- **Networking is about joining every group available.**
  Clifton (2006) argued that while it is important to be enthusiastic when joining groups, care ought to be taken. Lynch (2009) argued that it is important for a business person not to spread himself or herself too thinly to attend all the meetings since he or she has a business to run and/or personal commitments to keep as well. (Lynch 2009:17).

- **I will start networking once I am totally comfortable about dealing with people.**
Clifton (2006) argued that successful networking is not the same thing for everyone. The author said “some people may just want to learn how to approach a roomful of strangers at a party; others may have been told that an important part of their job is meeting new people and finding clients,” (Clifton 2006: 5). The author argued that it is important to take it one step at a time.

2.5 How to develop a smart networking system

- **Have realistic goals**
  According to Lynch (2009) some people do not network because they fear to be branded as having an ‘agenda’. The author quotes the American Heritage Dictionary when defining the word ‘agenda’. According to Lynch (2009) the dictionary defines ‘agenda’ as “a list of things to be done.” The author argued that based on the definition of the term ‘agenda’ business people should not fear anything since it also means persuading a goal. (Lynch 2009:16).

Zeigler (2005) said “if you don’t believe you can reach your goal, there is a high statistical probability you won’t,” (Zeigler 2005:26). The author argued that one needs to make sure that one has the time and the resources to achieve the goals in the allotted time frame. The author also argued that in order to complete a project or task, it is important to believe you can do it. (Ziegler 2005: 27).

According to Ziegler (2005) setting realistic goals requires one to identify obstacles to achieving one’s goal. According to the author, the number one reason why people fail to achieve their goals is that they don’t leave room for anything to go wrong. The author argued that obstacles could be tangible or only in a person’s mind. (Ziegler 2005: 18).

- **Develop the correct mindset**
  According to Lynch (2009) the business person’s interest and desire to have his or her business grow have to be strong enough to break the inertia of keeping information to himself or herself. The author argued that understanding what networking is, how it
can help a business person achieve his or her business goals is the first step in developing a winning mindset. (Lynch 2009:6).

Nierenberg (2007) gives a few tips on how a business person can change the mindset. Any business person must:
- understand that networking is part of his or her life.
- understand that networking is all around.
- understand that networking becomes natural.
- understand that networking is an exercise in attitude. (Nierenberg 2007: 1-6).

- **Position yourself**

According to Nierenberg (2007) a business person’s brand is who he or she is. The author said “Your brand is who you are and what people think about when they hear your name or think about you,” (Nierenberg 2007:16).

The author suggested four steps to get started in branding yourself as a business person. The author suggested that firstly, one has to write down his or her unique selling points. Nierenberg (2007) argued that we all have them. The author suggested that the second thing to do is to define what makes one unique. Thirdly, one has to identify how one ‘lives’ his or her brand. Fourthly, one needs to identify what people think of when they hear one’s name. Once the above has been done the positioning statement could then be put together and continually upgrade it. (Nierenberg 2007:15).

According to the author the positioning statement should answer the following:
- Who you are?
- What business are you in? Or what business do you want to be in?
- Who do you serve?
- Who is your competition?
- How do you differentiate yourself?
- What unique benefit do you provide so that someone says: “He/she is the one for you on this project, job, etc,,” (Nierenberg 2007:16).
The author argues that your personal brand statement should meet the following requirements:
- Hearing it makes people go “wow”
- Is only one breath long.
- Clearly states practical benefits.
- Reflects your own personality.
- Projects confidence and energy.
- Can be made into an even shorter form.
- Can change over time.
- Can be repeated easily by others. (Nierenberg 2006:18-19).

- **Create connections.**

According to Clifton (2006), four things can happen to a person when creating connections for the first time and they are sense of humour failure, loss of memory, odd or embarrassing behaviour, and becoming breathless. The author argued that sometimes people get caught up in the business of networking and achieving their goals that they end up forgetting to relax and make the most of the experience. The author argues that it is important for one to be oneself and let one’s personality do the work. The author also argues that people can not remember everything and therefore it is advisable to write down important names, dates, place, etc so that one remembers key information. According to Clifton (2006), odd or embarrassing behaviour is all too common when meeting people especially for the first time.

The author gives a few tips to prevent such embarrassing behaviour:
- Lock your briefcase and valuables away so they aren’t adding to the clutter.
- Don’t arrive at an event ravenous with only food on your mind.
- Don’t drink a lot of wine as if it’s going out of fashion.

As for becoming breathless, the author recommends that a deep breath be taken if one feels nervous. (Clifton 2006:48). The author also recommended that a person should be himself or herself, professional and be prepared for each specific event.
Nierenberg (2006) also gave good tips on how to create connections. Nierenberg argue that one needs to be curious about the people one is networking with or meeting by asking questions about themselves. The author said “when you ask people – even those you know well – about themselves, you find new things, topics, and interests to file away and share with them when life presents them,”(Nierenberg 2006: 28). Nierenberg (2006) also suggested that when creating connections it is vital to notice people and things about them. This includes acknowledging their presence, using their names and giving credit where it is due.

- **Know that you can do it since you have done it already.**
  As mentioned above, as people we have a network already in the form of our families, our friends and people we have gone to school with. It follows therefore that when business people network they are not starting from scratch.

- **Dream about a better tomorrow.**
  Rubino and Terhune (2006) said “people who are on a mission to accomplish great things find having a great attitude much easier because such an attitude comes with a high degree of expectation for a better tomorrow. If you know that tomorrow is going to be no better than today, it is hard to be optimistic in mood and activity,”(Rubino and Terhune 2006:10).

- **Have a personal mission and values statement.**
  Rubino and Terhune (2006) also suggested that one needs to create written values, and vision statements which spell out who one is and what one wants one’s life to become. The authors argued that the written values and mission statements could be used when one is left momentarily disheartened after a setback. They argued that the written statements will help one to refocus on one’s ultimate destination and reconnect with one’s passion,’’(Rubino and Terhune 2006:11).

- **Associate with people who will be a fertile ground for a great attitude.**
  Robino and Terhune (2006) quoted the proverb that reads “bad company corrupts,” when emphasizing the effect that bad people could corrupt a previously good attitude.
The authors argued that you need to associate with people who energize you if you want to create and maintain a great attitude. (Rubino and Terhune 2006:11)

- **Master the critical basic skills.**
  One of the critical basic skills a person needs to master is to be self-disciplined. According to Robino and Terhune (2006), there are four applications of self-discipline that can pay huge dividends and these are:
  To be punctual;
  Not to procrastinate;
  Maintaining a strong work ethics;
  Maintaining a good physical health and appearance.
  (Rubino and Terhune 2006:11)

- **Do your research**
  Nierenberg (2007) in her book titled ‘savvy networking’ emphasized the importance of doing research before going out to network. Nierenberg said “Before you attend a meeting, research who is organizing it. Research the speakers, the topics, and the issues relevant to the meeting,” (Nierenberg 2007:55).

- **Be informed**
  Wiehahn (2001) said that it took the radio thirty years to build up an audience of fifty million listeners. It took the computer sixteen years, television took thirteen years, but the Internet only took four years to do the same. This statement emphasizes the importance of keeping up to date with new information and technology. According to Wiehahn (2001), the new sources of information are crucial in keeping one informed. Besides using Internet, world wide web, chat rooms business people could keep themselves informed by joining professional bodies, subscribe to magazines, increase their general knowledge by reading newspapers, weekly journals, and by attending seminars and conferences,” (Wiehahn 2001:28).

- **Use social networking site**

15
We live in a technology world therefore technology should be used to network. Social networking sites are highly recommended as a tool to develop a smart networking system. According to Hopkins (2003) the main purpose of social networking sites is the explicit representation of relationships.

2.6 Networking and business networks

Ford et al (2003) argued that business is not just a process of action and reaction but a process where a large number of heterogeneous companies interact with each other with the aim of finding solutions to their different problems. (Ford et al 2003:173)

Ford et al (2003) argued that companies operate in business networks. It follows therefore that for one to understand networking in the business context, one has to understand business networks. According to the authors a business network consists of companies and the relationships between them. (Ford et al 2003:173).

Ford et al (2003) view a network as follows:

- A network is not restricted to the set of companies with which a single company deals, or even to the company that they also deal with.

- A network is not confined to the set of companies with which a company has formal or informal or informal agreements about some particular co-operation.

- Any view of a network centred on a single company, or defined by the company itself, is inevitably restricted and biased and gives an incomplete view of the world surrounding that company and the actual or potential influences on it.

- A company-centred view of a network provides a distorted picture of the ideas, problems, pressures and aspirations of the companies that the company includes in its view.
• A company-centred view of the network is likely to be limited to those companies and influences within its immediate horizons. As such it provides an inadequate basis for understanding the dynamics of the wider world of the network. (Ford et al 2003:174)

According to Ford et al (2003) the model of managing in networks has three basic elements namely networking, network pictures and network outcomes. The authors describe network pictures as the views of the network held by participants in the network. The authors said “There is no single, objective network and different companies and the individuals within them will each have a different picture of the extent, content and characteristics of the network, of who is doing what and what does and does not work,” (Ford et al 2003:176).

According to Ford et al (2003), “networking is a universal phenomenon undertaken by all companies simultaneously as they conform/confront, consolidate/create and coerce/concede. This means that every network is continuously producing network outcomes for each single participant in the network both individually and collectively,” (Ford et al 2003:176).


• **Networking is interactive:** the authors argued that networking by any company affects and is affected by the actions of others. The authors argue that networking all companies are involved in networking by suggesting, requesting, requiring, performing and adapting activities, simultaneously.

• **The authors said that networking is based on restricted freedom.** This view, according to the authors, is based on the fact that much of the company’s networking has to take into account the reactions of others. Each
company in the network has to moderate its behaviour to take into account the reactions of their network partners.

- **The authors argue that networking is not defined by conventional categories.** By this the authors are trying to emphasize that all companies have suppliers and customers and that these are unique in their individual capacities.

- **Networking involves combined co-operation and competition.** According to the authors this means that networks make the classical roles of suppliers, customers and competitors to be less visible and at times could be totally blurred. The authors argue that in today’s world competitors sometimes co-operate to design a new product, suppliers sometimes produce according to the specifications of the customers.

- **Position, experience and expectations are central factors in networking.** The authors argue that the company’s networking will be based on a view of its position in the network, the position of others and their likely reactions.

- **Networking is based on incomplete knowledge.** The authors argue that if companies had enough information about everything in the business environment it would not be that important to network. In such a world each company would know exactly what the customers would need in the future, what competitors would do etc. In the real world that does not happen. Networking is therefore here to stay.

- **Networking copes with the three network paradoxes namely:**
  - the network is both the source of freedom for a company and the cage that imprisons it.
  - the company’s relationships are the outcomes of its own decisions and actions. But the company is itself the outcome of those relationships and of what has happened in them.
The more the company achieves the ambition of control, the less effective and innovative will be the network. (Ford et al 2003:178-179).

2.7 The three aspects of networking

Ford et al (2003) distinguish between three aspects of networking. The authors said that each involves managerial choices and that each relates to the three paradoxes of networks mentioned above.

According to the authors, the first aspect of networking is that it involves choices within existing relationships. Ford et al (2003:179) and Ford et al (1998:93) argued that the company’s relationships are a heritage from the past and a base for future developments.

The authors argued that these relationships could be both an asset and a liability in achieving effective and efficient operations.

In arguing that relationships could be a liability Ford et al (1998:93) said “in some way they are a burden:

- They restrict a company’s autonomy and limit its opportunity to make choices within its own operations.
- They introduce uncertainties about future developments and mean that planning and capital investment decisions must be made on the basis of assumptions about the intentions of other significant counterparts.
- They require resources for handling and they may become an obstacle to developing new relationships. (Ford et al 1998:93).

When looking at relationships forged through networking as an asset the authors said that they can be leveraged and exploited in various ways to improve organizational effectiveness and efficiency:

- They provide an opportunity to optimize the timing and volume of production in both companies.
They allow a division of activities within the two companies that can relate closely to their respective strength, abilities, cost structure and their other relationships.

They provide access to the skills and resources of counterparts. Some of these may be incorporated into the company’s own operations. Others may be influenced in the company’s own or joint interests. (Ford et al 1998:94).

The second aspect of networking identified by Ford et al (1998) is that networking involves choices about position. The authors argued that companies have to make choices whether or not their current network position has to be left unchanged or be use to create new relationships to change that position. Ford et al (1998:181).

The authors argued that new and existing relationships can be used for both consolidation and creation.

The third aspect of networking identified by Ford et al (1998) is that it involves choices about how to network. In supporting this argument Ford et al (1998) said “Companies in networks are incomplete and depend on the resources and skills of others. They also depend on the initiatives of others to generate change and improvement. Companies inevitably try to get their counterparts to do what they want, in such things as the offerings exchanged between them, the price charged, or direction of development or the attention given to counterparts’ other relationships.” (Ford et al 1998:182).

2.8 Networking as a relationship builder

Much of the argument throughout this study revolves around the fact that networking is a major tool for building relationships. According to Ford et al (2003) it is not a matter of choice whether or not a company should have a relationship. The authors argue that they could go as far as saying a company cannot exist without relationships. They argued that companies have relationships and have always had relationships. It must be remembered that the same applies with networking as discussed above. (Ford et al 2003:37).
Ford et al (2003) argued that relationships are a mixed blessing in that a company’s relationships with its customers, suppliers and others are an asset to the company but are also a burden for it to carry.

The authors looked at the relationship as a pattern of interaction and mutual conditioning of behaviour over time, between a company and a customer, a supplier or another organization. According to Ford et al (2003) ‘time’ is the defining feature of a relationship. The authors argue that both the past and the future affect current behaviour in the relationship. They are of the view that the experiences, expectations and promises underlie the interaction within a relationship.

Ford et al (2003) argued that there are three aspects that make up the substance of a relationship and these aspects are:

- actor bonds
- activity links
- resource ties

### 2.8.1 Actor bonds

In line with the process of networking, the authors argue that a relationship usually starts with first contacts between individual actors from the two companies. According to the authors this is the time when the social distance between the parties is considerable. By social distance the authors are referring to the extent to which the actors are unfamiliar with each other’s ways of thinking and working and are at ease with them. (Ford et al 2003:39).

Ford et al (2000), said “the essence of the early interaction between the actors is two-way communication that enables the parties to become aware of each other and learn (and teach) each other about what they stand for, what they need from the relationship and what they can offer to it,” Ford et al (2003:39). According to Burt (2000) the broader an actor’s network connection, the more likely the actor will be to identify suitable potential exchange partners.
2.8.2 Activity links

According to Ford et al (2003) “if business between the companies is to develop from the interactions between individuals, then some interlocking of behaviours of the two companies will be necessary,” (Ford et al 2003:39). As an example the authors said that a first order has to be processed, scheduled and fulfilled by the supplier and it will have to be specified, received and phased into the operations of the customer. Over time if such an activity is repeated this leads to the development of activity links between the companies.

2.8.3 Resource ties

According to Ford et al (2003) if the companies in a business relationship wanted its development to continue, they may require investment. This investment could, for example, be an investment in new equipment or developing new working practices etc. The authors argued that the mutual adaptation of resources in the companies in a relationship form resource ties between them.

As mentioned above, networking helps the company to identify who their close business counterpart should be. It could then be concluded that actor bonds, activity links and resource ties could only be achieved by businesses which have shared information about their goals and market positions. In other words actor bonds, activity links and resource ties are a product of networking. This suggests that business owners and senior managers have to use networking as a means of softening the challenges of business relationships. Ford et al (2003) gave five reasons why business relationships are a major challenge for managers and business owners. First, the authors argued that most companies have to work with a few important customers that account for a major share of their sales. The authors said that failure in even a single of these relationships could prove very critical to the company’s operations.
Second, the authors argued that most companies have few companies supplying them with goods and services and that these suppliers account for a larger portion of the company’s total purchases.

Thirdly, companies have other relationships that are individually insignificant but collectively important. The authors argue that a business owner or manager could have a challenge about these relationships because he may have less information about them.

Fourthly, the authors argued that relationships, as described above, are a challenge to managers because they are closely connected to time.

Finally, the authors are of the view that another challenge to business people is that it also represents the existing structure of activities and resources at the present time with all its current problems and contradictions. (Ford et al 2003:41)

According to Ford et al (1998) a business customer brings its problems and uncertainties to a supplier and the supplier on the other hand brings its ability to provide a solution.

Ford et al (1998) argued that the relationships between buyers and sellers are rather like the relationships between people in that they do not just happen. The authors argue that it takes efforts by both sides to make them work. According to the authors some of these efforts may seem individually insignificant, but together they define the way the two companies learn to deal with each other.

Ford et al (1998) argued that management has a task to plan and control the efforts of both seller and buyer. This the authors refer to as relationship management. Ford et al (1998) pointed out that the relationship between the sellers and the buyers could be close, complex, productive, troublesome, calm or stormy. They argued that the decisions that managers face are mainly about what sort of relationships they would like to have with these counterparts; how to achieve that relationship; what should happen within it and what should investment is needed to make those things happen.
Ford et al (1998) argued that managers whether they are buying or selling, they will make themselves more important to some of their counterparts. Ford et al (1998) argued that this requires managers to share information with their counterparts. Based on the definition of networking given above, the authors are suggesting that business managers need to network for them to be able to choose which counterpart is the most important and which one is the least.

According to Hakansson and Ford (2002) business relationships are connected to each other. Hakansson and Ford (2002) argued that the development of any one relationship between two companies will depend on a number of factors: on what has happened in the past in the relationship; on what each of the two parties has previously learned in its other relationships; on what currently happens between the two companies in the relationship; and on what happens in the wider network of relationships in which they are not directly involved.

2.9 New venture growth and personal networks

According to Birley and Cromie (1988) social network theory relies upon two basic premises, first the entrepreneurial process involves the gathering of resources from the environment and second, resources are usually obtained through the entrepreneur’s personal network. Birley and Cromie (1998) argued that the underlying assumption is that in the absence of a track record for the firm, the entrepreneur must rely upon personal credibility in asking individuals, whether they be customers, suppliers, employees, or investors, to take a risk by providing the necessary resources. According to Mugler (1988) successful entrepreneurs tend to be more active in social relations than unsuccessful entrepreneurs.

According to Aldrich, Rosen and Woodward (1987) businesses three years and younger, entrepreneurs who maintain high levels of contact with networks whose members were interconnected were more likely to make a profit. Duchesneau and Gartner (1988) found that successful entrepreneurs spend more time communicating with partners, customers, suppliers, and employees than those that are not successful. This is similar to the finding
of Ginn and Sexton (1989) who concluded that moderate-growth founders preferred a “here and now” orientation with regard to gathering information, whereas high-growth founders favoured a future orientation that had a major impact on the founders’ involvement in strategic planning.

### 2.10 Drivers of networking

- **Liberalization & internalization**

  Ard-Pieter de Man (2004) identified five driving forces behind the network economy. The first one is liberalization and internalization. De Man (2004) indicated that a significant number of networks are carried out across borders. De Man (2004) argued that most countries are open to trade with other countries. This trade liberalization has made it possible for companies in different countries to share information, resources and have even teamed up to form networks. According to the author protectionism would severely restrict the development of the network economy.

  De Man (2004) argued that companies now face less uncertainties when dealing with foreign countries. De Man (2004) also pointed out that firms feel that local presence and local ownership is no longer a necessity to internationalize a business. De Man (2004) argued that partnering with local companies may be, and often is, sufficient to reap the benefits of markets abroad. (De Man 2004:8)

- **Strong competition**

  De Man (2004) argued that competition is so high that companies have to seek the most productive ways to use their resources. He says this ultimately leads them to specialize in those activities in which they are top performers. According to De Man (2004) this kind of specialization automatically entails a need for partnerships. De Man (2004) cites Prahad and Hamel (1990) who said that specialization in core competencies is intensified by competition and pressure to create shareholder value. (De Man 2004:9)
• The third driver behind the network economy identified by de Man (2004) is the development of new management techniques and organizational innovations. De Man (2004) argued that technological techniques and organizational innovations make it possible to govern hybrid relationships like networks. According to de Man (2004) networking has become has become and even more viable alternative to mergers and acquisitions. (De Man 2004:9)

• Fourthly, De Man (2004) argued that the general level of wealth in modern economies generates a demand for solutions and individualized products. According to the author this is type of demand could be met by firms collaborating with each other. (De Man 2004:9)

• Lastly, De Man (2004) says that the pace of technological progress remains a driver behind networking. It is not possible for the firms to invest in all technologies available in the market place. (De Man 2004:9)

2.11 Trends in networking

De Man (2004) said “Next to the quantitative aspect of networks augmenting in number, some qualitative trends have emerged induced by these network drivers,” (De Man 2004:10).

According to De Man (2004) companies have started to apply networks to underpin their market positions. The author gives good examples to support his argument. De Man (2004) named Toyota, Microsoft, IBM, Siebel and all other software houses as examples of companies that have used networks to underpin their positions.

The second trend identified by De Man (2004) is that networks are increasingly flexible. The author argued that alliances used to be set up for long periods of time, often involving an equity deal between the alliance partners. De Man (2004) argued that transitory alliances with a short life span are now increasingly common. The final trend identified by the De Man (2004) is that the role of knowledge in networks is increasing.
According to De Man (2004) knowledge networks have become separate types of network on their own.

2.12 Advantages of networking

Wiehahn (2001:31) gave six advantages of networking:

- Promotes a self-help culture as people help each other.
- Functions as a support system where people share skills and learn from each other (talking to people in the same field may lead to a better understanding of one’s work).
- Provides professional contacts, role models and introductions.
- Provides information about opportunities, training and resources.
- Provides a feeling of ‘belonging’ e.g. being a member of a professional body.
- Increases the individual’s exposure, reputation and may improve his/her professional image.

Although the above advantages given by Wiehahn (2001) are relevant it is important to look at the aims and benefits of networking as identified by De Man (2004). According to De Man (2004) the driving forces and trends discussed above coincide with the aims companies set out to achieve by networking. De Man (2004) gave eight aims and benefits of networking:

- The first aim of networking is to access new markets. De Man (2004) argued that networking is important to access especially foreign markets. As an example the De Man (2004) pointed out that the Dutch supermarket chain Ahold used local partners to penetrate the Thai market.

- The second aim of networking given by De Man (2004) is that networking increases efficiency. De Man (2004) argued that by selecting a specialized partner, a firm can be able to reduce production costs. De Man (2004) said that these efficiencies are noticeable especially in the IT sector as well as the chemical industry where, for example, competitors jointly build and operate plants to achieve greater economies of scale.
• According to De Man (2004) networking also offers access to specialized and complementary competencies. The example given by De Man (2004) to support this argument is that at times retailers which want to offer financial services to their clients but lack the knowledge or experience may team up with their banks thus bridging the knowledge gap.

• De Man (2004) argued that networking help companies serve individual consumer needs. The author indicated that some customers individualize their demand for goods and services and this has become a challenge to firms. De Man (2004) argued that often, networks are better equipped to meet this type of demand.

• Hedge against missing out on technology is another aim and benefit of networking given by De Man (2004). According to De Man (2004) in many industries technological development is so rapid that it becomes impossible for a single firm to invest in all of them. Firms then tend to invest in the most promising technology and ally with other players in the industry in competing technologies.

• Firms team up to set a standard. De Man (2004) supported this argument by pointing out that Wireless Application Protocol was a technology that was developed by the big firms Ericsson, Nokia, Motorola and Phone.com to act as terminals for the Internet.

• Lastly, De Man (2004) argued that networking could help firms access subsidies or Government grants. He supports this view by arguing that Government Research and Development programs often require collaboration between companies. (De Man 2004:14)
All the above benefits of networking are achieved through strategic alliances that the companies form with other players in their respective industries. These strategic alliances are a product of networking.

2.13 Networking between departments

It is important for business strategists to define the business adequately. Sometimes businesses are defined in a very narrow scope and this prohibits them from maximizing their sources of competitive advantage. Through interdepartmental networking the company is able to get a clear view of itself. Networking could help reveal information that can help the companies coordinate their departments to be the best fit since departments are interdependent. It could prove very important for each department to form a network group with the department that is most crucial to its activities. Some of the resources provide direct solutions to operational problems while others increase the firm’s legitimacy in the marketplace and indirectly provide access to resources needed for the pursuit of economic goals.

• Networking between the marketing department and other department
If the marketing department is marketing a product aggressively, chances are the demand for that product will increase. If the purchasing department is not aware of such aggressive marketing, the company might fail to meet the increased market demand. (Wheelen and Hunger 1990).

• Networking between the Research & Development and other department
The company needs to be aware of shifts and new technology developments. This could enable the company to promote cooperation of R&D with world-class suppliers. Shifts in technology could affect the type of raw materials the company buys etc. Networking could enable the company collaborate or partner with other role players in the industry if for example the company cannot invest in all the technologies available. (Wheelen and Hunger 1990).
• Networking between the production department and other departments
There has to be agreement on to what needs to be bought and what need not. The production department’s must be assured that parts or raw materials purchased are up to the requisite standard. (Wheelen and Hunger 1990).

• Networking between the human resources department and other departments
Increased budget on marketing and plans to increase production might necessitate increasing the number of employees employed. If such interdependence is lacking, then not enough human resources would be made available. (Wheelen and Hunger 1990).

• Networking between the Finance department and other departments
Departments rely on the financial resources to be able to carry out their functions. It is important therefore that there is proper linkage between all the departments so as to prevent over-budgeting for some departments and under-budgeting for others. (Wheelen and Hunger 1990).

According to Ford et al. (2003) a company’s network picture is an important component in strategy development. The authors argue that central to the company’s analysis of its strategy is its own picture of the network. The authors argue that networking involves choices made at various points. These choices are based on the strategy the company is planning to adopt moving forward. Thus according to the authors a strategic view of networking requires a company to evaluate the effectiveness of its own networking and that of others against their respective aims, both explicit and implicit. (Ford et al 2003).

2.14 The Ethekwini economy

Ethekwini Municipal area is located on the eastern seaboard of South Africa within the province of KwaZulu-Natal, covering approximately 2297 square kilometers. The total of Ethekwini Municipal area is only 1.4% of the total area of KwaZulu-Natal province, just over a third of the province’s population and 60% of its economy is concentrated within it. (Ethekwini Municipality website, 2009)

The sugar terminal in Ethekwini is the biggest in the world and is one of the economic pillars of the Durban economy. Ethekwini is South Africa’s major port city with a diverse and vibrant economy. It is South Africa’s second largest industrial hub after Gauteng, and
has a large concentration of manufacturing activity directly and indirectly linked to its status as a port city. The major sectors in the Ethekwini economy are manufacturing, tourism, finance, and transport. Manufacturing contributes about 30% of the local economy, and has historically been located to the South of the CBD in the South Industrial Basin, and more recently, this has been spreading to the west and to a lesser extent, to the north of the Durban economy. (Ethekwini Municipality.2009)

Tourism is another important sector in the Ethekwini economy. Tourism adds 24% to the KwaZulu Natal economy and is concentrated along the coast. Ethekwini has established itself as the convention centre of South Africa and is now perfectly well equipped for the entertainment of visitors. The kilometers-long beach front has been built up lately to meet the requirements of mass tourism and turned into one big pleasure park. (Ethekwini Municipality.2009). Commercial services in Ethekwini such as banking, insurance and other financial are well developed. The local Government within the Ethekwini Municipal area operates from a sound financial footing with strong financial management systems in place. Ethekwini municipality holds assets of approximately R8.8 billion and has an annual expenditure of close to R8 billion. (Ethekwini Municipality. 2009).

Based on what the literature states about the concept of networking and also taking into account the economy of Ethekwini, it could be concluded that networking is essential among business people of Ethekwini. The economy of Ethekwini indicates that there are great opportunities for businesses and this would continue for many years to come. Such opportunities could be better exploited when business people form relationships. In view of the above it becomes important to do a research that would articulate the position of Ethekwini with regards to the use of networking as a business tool of building business relationships.

2.15 Conclusion

In this chapter an introduction to the process of networking was made. The chapter went on to give a proper description and definition of networking. In the definition of networking it was made clear that the main purpose of networking is to make relationship
that would help the business organization survive well into the future. The chapter also pointed out that most people are afraid of networking because of certain reasons or perceptions. Some of those perceptions or reasons for not networking were clearly spelt out and briefly discussed. Having looked at what people wrongly perceive networking to be, the chapter gave some few tips as to how one would go about developing a smart networking system. Given the fact that the study is mainly focused on business owners and senior managers it was crucial to discuss networking in the context of business relationships. To this end a brief discussion was done on networking and business networks, furthermore a clear view of the aspects of networking was given. Another section was dedicated to looking at networking as a relationship builder. Factors that drive the process of networking were discussed. The conclusion that was drawn from this chapter is that networking is important to every entity that is involved not only in business activities but also in social activities.
CHAPTER 3

Research methodology

3.1 Introduction

The chapter looks at the research methodology employed.

3.2 Aim and Objectives of the study

The aim of the study is to analyze the extent to which business owners and managers in Ethekwini use and value networking. The objectives of the study are the following:

• To provide an insight into the role and drivers of networking.
• To provide an insight into the extent to which firms and senior managers use networking.
• To provide an insight into the extent to which networking contributes towards the growth of the firms.
• To provide information on the dynamics and limitations of networks.

3.3 Research Design methods

The description and purpose of the research instrument are given in this section. Furthermore the notions of validity, reliability, and generalization are explained and related to the study.

3.3.1 Description and Purpose

According to Welman and Kruger (1999:68) there are four different types of research designs namely experimental research, quasi-experimental research, non-experimental research, and qualitative research. The first three fall under what is called quantitative research. A choice therefore had to be made between these two types of research design. The starting point was to distinguish between the two research methods. Cooper and Schindler (2006: 217) gave the following distinction:
• The focus of qualitative research is based on understanding and that of quantitative research on describing, explaining and predicting.

• The involvement of the researcher in a qualitative research method is high, the researcher is a participant or catalyst whereas in the case of a quantitative research method the researcher’s involvement is rather limited and controlled to prevent bias.

• The purpose of qualitative research methods are in-depth understanding and therefore theory building whereas on the other hand quantitative research methods do not only build theory but also test it.

• Looking at the sample size of qualitative research methods one would notice that it is small compared to that of quantitative research methods which is rather large.

• Research design when conducting a qualitative research method may evolve or adjust during the course of the project whereas in the case of a quantitative research method research design is determined before commencing the project. Furthermore the research design when conducting a qualitative research method often uses multiple methodologies simultaneously and consistency is not expected unlike in the case of quantitative research design which uses a single or mixed method and consistency is expected.

• Although data type is verbal in both research methods, in qualitative research methods data type could also be pictorial.

• During data analysis process qualitative research methods distinction between facts and judgments is less however in quantitative research methods there is a clear distinction between facts and judgments.

• In qualitative research methods research sponsor may participate by observing research in real time or via taped interviews. In the case of quantitative research
methods the research sponsor rarely has direct and indirect contact with the participants.

Looking at the objective of this research, the sample size, sample design, research purpose, and other factors it became clear that this study falls under the definition or description of a quantitative research method. According to Welman and Kruger (1999) no method is entirely qualitative or quantitative however the technique can be either quantitative or qualitative. The nature of the research questions would require both quantitative and qualitative analysis of the data obtained from the respondents.

In qualitative research methods the interviews are primary data collection techniques. Surveys are frequently used when conducting quantitative research. In this study as well it was decided that the survey would be used. This survey was done by asking respondents to complete a questionnaire.

### 3.3.1.1 Construction of the research instrument

As stated above the study was conducted in a form of a survey wherein respondents were asked to complete a questionnaire. The questionnaire consisted of twenty five questions. The question then arose whether the questionnaire would be completed by the respondents in a personal interview, telephonic interview or it would be self administered. The advantages and disadvantages of each of them were looked at. It was observed that while personal interviews give the interviewer a complete control of the interview situation, they would not have been appropriate in this study given the nature of the study.

Completing the questionnaire telephonically was also viewed in the same light. Few respondents if any would be willing to be on the phone with the interviewer for a long period of time for example five minutes. Besides telephone interviews are very expensive. The two methods were then put aside. It then became obvious that for practical reasons the most appropriate tool would be a self administered questionnaire.
The next stage in the research design was to decide whether the questions would be open-ended or closed ended, i.e., multiple choice variety. The decision that was reached was that it would be appropriate to use mainly structured questions. This decision was made while mindful of the fact that some respondents may feel irritated because structured multiple choice items do not give them a chance to provide their unique situations. Giving respondents an opportunity to provide their unique situations have its own disadvantages. Open-ended questions require the respondent to have a better ability to express oneself. According to Welman and Kruger (1999) people who are skilled in expressing themselves are often unwilling to exert the special effort required by open-ended questions. The authors also pointed out that it is more difficult to compare responses to open-ended questions than is the case with structured or multiple-choice questions.

Having decided on the form the research questions would take, the next stage was to choose which attitude scale would be used. Welman and Kruger (1999:155) defined an attitude as “…a disposition towards a particular issue, the so-called attitudinal object, which may be influenced by individuals and events and is less permanent than personality traits.” According to the authors, there are four attitude scales all of which comprise sets of items which are supposed to measure different degrees of attitudes towards the attitudinal object, namely the Likert scale also known as the summated scale, the semantic differential, the Guttman scale, and the Thurstone scale. The authors suggest that the Likert scale is the most appropriate scale and is the most frequently used. As described by the authors the Likert scale consists of a collection of statements about the attitudinal object. Respondents are then asked to indicate the extent to which they agree or disagree with the content of the statement. It could for example be a five-point scale (for example strongly agree, agree, unsure, disagree, strongly disagree).

According to Welman and Kruger (1999), the two end points of the differential semantic differential are opposing adjectives and it is usually a seven-point scale. Looking at the advantages of the Likert scale for example the fact that it could be used for multi-dimensional attitudes and that this is not possible with other scales, it was decided that it would be used for this study. The manner in which the questions were crafted took into account the type of analysis tool that would be used. The questionnaire was in English,
simply because the selected sample was deemed to be reasonably comfortable with the use of English as a language of communication. The questions were designed in such a way that there were few “unsure” responses also known as “don’t know” responses (DK responses). Having designed the questionnaire it was important to test its validity. Cooper and Schindler (2006) gave three major criteria for evaluating a measuring tool namely validity, reliability and practicality. From the pilot study it was concluded that the questionnaire measured what the study actually wished to measure. Secondly the questionnaire was reliable in terms of the accuracy and precision of the measurement procedure and supplied consistent results. The research instrument was operationally practical in terms of economy, convenience and interpretability.

3.3.1.2 Collection of data

It was decided that copies of the questionnaire would be delivered by hand to the respondents and that upon completion they would be collected from them. This decision was taken to ensure a high rate of responses from the respondents. It could have been easier to use Emails, recruitment agencies and other methods of data collection, but these methods tend to be very expensive and can be easily ignored by the respondents. When delivering the questionnaire an effort was made to persuade all potential respondents to participate. It was decided that due to most of the questionnaires would be self administered and would also be completed using the services of four field workers due to time constraints.

3.3.2 Pre-testing and validity

Pre-testing and validation of the research instrument are very important when conducting a study.

3.3.2.1 Pre-testing

Pre-testing was done by conducting a pilot study. The main aim of conducting the pilot study was to detect any possible flaws in the design of the questionnaire as well as achieving the following:
• To ascertain that the questions would be appreciable to all respondents i.e the questions are applicable to all the respondents.

• To test neutrality of the questions i.e questions were not formulated in a manner that would influence the respondent’s response.

• To ascertain that the questions would not offend the respondent.

• To ascertain that the questionnaire would be completed within a short period of time in this case twenty minutes.

The questionnaire (measuring instrument) was given to 5 MBA students of the University of KwaZulu-Natal who are senior managers and therefore decision makers in their respective companies. The 5 respondents were asked to give a critique of the questionnaire. Their views were taken and the questionnaire was refined accordingly.

3.3.2.2 Validity

According to Bryman and Cramer (2006) “the question of validity draws attention to how far a measure really measures the concept that it purports to measure,” (Bryman and Cramer 2006:80). In the case of this study what Bryman and Cramer (2006) meant was that: how do we know that our measure of networking really got at networking not something else? It could be argued that at the very minimum the questions in the questionnaire reflect the content of the concept in question. This means that the instrument reflects face validity.

3.3.2.3 Reliability and generalization

It was important to ensure that the research instrument was reliable and that information obtained could be generalized to a broader population. According to Welman and Kruger (1999) “reliability refers to the extent to which the obtained scores may be generalized to different measuring occasions, measurement …,” (Welman and Kruger
By generalization Welman and Kruger (1999) meant “the consistency of the ranking of the scores which we assign to the individuals, things, and so on, irrespective of when the measuring instrument was applied, which form of it was used, and by whom it was administered or scored,” (Welman and Kruger 1999:142). The term reliability is a wide term to researchers. For the purposes of this study internal validity and external validity were looked at. Internal validity was measured using the Cronbach’s alpha. According to Bryman and Cramer (2006) the value of the Cronbach’s alpha coefficient ranges between 0 and 1 and the closer to 1 the coefficient is, the more internally reliable is the scale. (Bryman and Cramer 2006:77). The study was externally valid to the extent that information obtained could be generalized over replication. As an example the study was able to meet the requirement of population validity to the extent that if the independent variable is gender of subject there is a population of both males and females. If the independent variable is a certain category of age group, then in the population there is such a category.

3.4 Data Collection Strategies

Emory (1976) suggested six steps to be followed in designing the sample and these are:

- What is the relevant population?
- What type of sample should be drawn?
- What sampling frame should be used?
- What are the parameters of interest?
- What size sample is needed?
- How much will the sample cost?

In determining the sample of the study all of the above questions were addressed. The population for the study was defined as all business organizations within Ethekwini Municipality and people working as decision makers within these organizations. The study was conducted on selected businesses. This decision was based on the following reasons:

- The Ethekwini municipality data base of service providers would have been a logical first choice as a list of population elements. This source was perceived
to be representing a sampling frame which is too narrow. The reason for that is that not all the businesses within this municipality are on its database of companies since it is not compulsory for companies to register as service providers with the municipality.

- Some of the businesses that appear in the database are either dormant or deregistered from the registrar of companies. The database is therefore out of date.
- This source is not readily available to the general public and other interested parties such as researchers. It would therefore have been time consuming to attempt to obtain this source.
- Similarly, there is no database of all the senior managers or decision makers working for businesses within the municipal area. The Durban Chamber of Commerce has a database of only its members, which means it excludes businesses managers who are not its members. This source therefore also represents a narrow sampling frame. The Black management Forum would also have been a relevant source but it focuses only on black decision makers therefore its very nature excludes other decision makers.

Information obtained from the above-mentioned sources was, however, helpful in obtaining the selected businesses and decision makers as a sample for the study. The parameters that are of special interest to the study are expressed by the investigative questions already asked. For example:

- The extent to which networking is important to Ethekwini business decision makers.
- The extent to which networking is important to Ethekwini business decision makers in sharing ideas with other people.
- The extent to which Ethekwini business decision makers have confidence in the economy of Ethekwini.

The selected sample was deemed large enough for the study especially given what the study aims to achieve and for the generalization of the findings to the whole population. Cost considerations also impacted on the size, type of sample and data collection methods that the researcher used for the study.
3.5 **Analysis of the Data**

The first step that was followed in the analysis of data was to edit the collected raw data. This was done to ensure that all errors and omissions were corrected, to ensure the data was as accurate as possible and consistent with other facts secured. It was also important to ensure that the data was as complete as possible and in a state that would facilitate coding and tabulations. “Coding means that we have to identify the variable which we want to analyze statistically and decide on the different code values such a variable level presents,” (Welman and Kruger 1999:208). According to Emory (1976) coding is useful in the analysis of data and is described as the process that consists of assigning numerals or other symbols to answers so as to enable the responses to be grouped into a limited number of classes. Coding was therefore used in the study for the very same purposes mentioned above. A code book was designed so that all the variables could be named and assigned codes before information is loaded into the SPSS software. This software was chosen for its quality of being the relatively the best in statistical analysis of the data.

Data was grouped into classes so that they could be easily analyzed and depicted by means of different graphic presentations. These graphic representations took a variety of forms for example frequency tables, bar charts and pie charts.

Frequency tables were used to group the data into mutually exclusive classes showing the number of observations in each class. Bar charts and Pie charts were also used to show the proportion that each class represents of the total number of frequencies. Microsoft Excel was used to draw these graphs. Descriptive as well as inferential statistics were used to describe the important characteristics of sets of data and estimating the population parameters respectively.

3.6 **Consent and Authority**

The study was conducted after ethical clearance was granted by the Ethics Committee of the University of KwaZulu-Natal. All the respondents were also requested to complete and sign the consent form that was attached to the survey questionnaire.
3.7 Conclusion

The above information has indicated the type of research method that was employed in the study. Justification for choosing the method that was used was given. The research instrument has been clearly described. It was also clearly indicated how the research instrument would be administered i.e that it would be self administered. The valuation of the measurement instrument was addressed by looking at its reliability validity and practicality. The chapter therefore has been able to give an overview of the methodology used in the study.
CHAPTER 4

Research findings

4.1 Introduction

A sample of 350 respondents was targeted and 206 responded. Once the sample was received, it was screened, coded and captured onto the SPSS software. Frequency tables, pie charts and bar charts were used to analyze the data. The first thing that needed to be done was to ascertain the internal reliability of the study, and this was done by looking at the Cronbach’s alpha coefficient.

4.2 Cronbach’s Mode (Measure of reliability)

The results presented in this section are based on the responses to question 10 up to question 25. These are the questions that directly seek answers to the research problem.

Table 4.1 Summary of valid and invalid variables

<table>
<thead>
<tr>
<th>Case Processing Summary</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Cases</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valid</td>
<td>201</td>
<td>97.6</td>
</tr>
<tr>
<td>Excluded*</td>
<td>5</td>
<td>2.4</td>
</tr>
<tr>
<td>Total</td>
<td>206</td>
<td>100.0</td>
</tr>
</tbody>
</table>

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

<table>
<thead>
<tr>
<th>Cronbach’s Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.789</td>
<td>16</td>
</tr>
</tbody>
</table>

As mentioned in chapter 3, Bryman and Cramer (2006) recommended that the Cronbach’s alpha coefficient be at least 0.8 for the study to be regarded as having good internal consistency. The Cronbach’s alpha for this study is 0.789 which can be rounded
off to 0.8. This study meets the requirements suggested by the authors therefore it could be concluded that it has good internal consistency.

4.3 Demographic profile of respondents

Figure 4.1 Pie chart depicting gender of the respondents

![Gender Pie Chart]

Figure 4.1 above illustrates that 47% of the respondents are female and 53% are male. The percentages have been rounded off because one respondent did not indicate his or her gender.

Figure 4.2 Pie chart depicting ages of the respondents

![Age Pie Chart]

Figure 4.2 above illustrates that 65% of the business owners are above 30 years of age. It is also interesting to note that the remaining 34.1% happens to be young business owners.
Figure 4.3 Pie Chart Depicting respondents’ level of formal education

Figure 4.3 above illustrates that most of the respondents have post matric qualifications. Those that have three to four years post matric qualifications constitute 42.7% while those that have 5 year post matric qualification constitutes 2.9%. The remaining have one to two years of post matric qualification.

Figure 4.4 Pie chart depicting highest qualification of the respondents.

Figure 4.4 illustrates that out of the 2006 respondents 183 of them indicated their highest qualification. 52 respondents indicated that they have matric, 55 have diplomas, and 62 have degrees. It could be concluded that most business owners and senior managers within Ethek wini are literate.
Figure 4.5 Pie chart depicting the sectors within which the respondents operate

Figure 4.5 shows that most of the business owners and managers are either in marketing or production businesses. These two fields of business represent 17.1% and 19.6% respectively. 21.1% of the respondents did not indicate their business field.

Figure 4.6 pie chart depicting respondents’ level of participation in networking groups

Figure 4.6 illustrates that the majority (64.7% of the sample) of the business managers and senior managers are not members of bodies representing businesses like theirs only 35.3% indicated that they are members of such bodies.
Figure 4.7 illustrates that 56% of the business owners and senior managers employ between 1 to 10 employees. The table and the pie chart also illustrate that 29% of the business owners and managers employ between 11 and 20 employees. It could then be assumed that most of the business owners and senior managers are Small, Medium and Micro enterprises.

### Table 4.2 Respondents’ willingness to join a networking group

<table>
<thead>
<tr>
<th>To what extent would you join a body representing businesses like yours?</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>not at all/least likely</td>
<td>10</td>
<td>4.9</td>
<td>4.9</td>
<td>4.9</td>
</tr>
<tr>
<td>less likely</td>
<td>13</td>
<td>6.3</td>
<td>6.3</td>
<td>11.2</td>
</tr>
<tr>
<td>unsure</td>
<td>31</td>
<td>15.0</td>
<td>15.0</td>
<td>26.2</td>
</tr>
<tr>
<td>definitely</td>
<td>79</td>
<td>38.3</td>
<td>38.3</td>
<td>64.6</td>
</tr>
<tr>
<td>most definitely</td>
<td>73</td>
<td>35.4</td>
<td>35.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>206</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.2 illustrates that most business owners and senior managers within Ethekwini economy would like to join bodies representing businesses like theirs. Those that indicated that they would be willing to join such bodies amount to a total of 73.7% as opposed to a small percentage of 4.9 who said they are not willing to do so.
Table 4.3 Respondents’ level of confidence in the future of Ethekwini

<table>
<thead>
<tr>
<th>Level of Confidence</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>not at all /least likely</td>
<td>2</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>less likely</td>
<td>4</td>
<td>1.9</td>
<td>1.9</td>
<td>2.9</td>
</tr>
<tr>
<td>unsure</td>
<td>39</td>
<td>18.9</td>
<td>18.9</td>
<td>21.8</td>
</tr>
<tr>
<td>definitely</td>
<td>112</td>
<td>54.4</td>
<td>54.4</td>
<td>76.2</td>
</tr>
<tr>
<td>most definitely</td>
<td>49</td>
<td>23.8</td>
<td>23.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>206</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.3 above illustrates that most business owners and senior managers are confident of the future of Ethekwini business economy. This is indicated by 54.4% being most confident when on the other hand only 1% felt the least confident.

Table 4.4 The importance of networking to decision makers

<table>
<thead>
<tr>
<th>Level of Importance</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>not at all /least likely</td>
<td>3</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>less likely</td>
<td>6</td>
<td>2.9</td>
<td>2.9</td>
<td>4.4</td>
</tr>
<tr>
<td>unsure</td>
<td>33</td>
<td>16.0</td>
<td>16.0</td>
<td>20.4</td>
</tr>
<tr>
<td>definitely</td>
<td>79</td>
<td>38.3</td>
<td>38.3</td>
<td>58.7</td>
</tr>
<tr>
<td>most definitely</td>
<td>85</td>
<td>41.3</td>
<td>41.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>206</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.4 above illustrates that 79.6% of the business owners and senior managers view networking as very important. Only 1.3% regards networking as least important. 16.0% of the business managers and senior managers were unsure of whether or not networking is important.
Table 4.5  Respondents’ extent to which they talk to competitors

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>not at all / least likely</td>
<td>20</td>
<td>9.7</td>
<td>9.7</td>
<td>9.7</td>
</tr>
<tr>
<td>less likely</td>
<td>35</td>
<td>17.0</td>
<td>17.0</td>
<td>26.7</td>
</tr>
<tr>
<td>unsure</td>
<td>28</td>
<td>13.6</td>
<td>13.6</td>
<td>40.3</td>
</tr>
<tr>
<td>definitely</td>
<td>81</td>
<td>39.3</td>
<td>39.3</td>
<td>79.6</td>
</tr>
<tr>
<td>most definitely</td>
<td>42</td>
<td>20.4</td>
<td>20.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>206</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.5 illustrates that 57% of the business managers and senior managers share information with their competitors. That percentage comprises 39.3% and 20.4% who said it was definitely and most definitely respectively to talk their competitors. Only 9.7% indicated that they do not talk to their competitors.

Table 4.6  Respondents’ extent to which they share ideas with other people.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>not at all / least likely</td>
<td>5</td>
<td>2.4</td>
<td>2.4</td>
<td>2.4</td>
</tr>
<tr>
<td>less likely</td>
<td>6</td>
<td>2.9</td>
<td>2.9</td>
<td>5.3</td>
</tr>
<tr>
<td>unsure</td>
<td>23</td>
<td>11.2</td>
<td>11.2</td>
<td>16.5</td>
</tr>
<tr>
<td>definitely</td>
<td>102</td>
<td>49.5</td>
<td>49.5</td>
<td>66.0</td>
</tr>
<tr>
<td>most definitely</td>
<td>70</td>
<td>34.0</td>
<td>34.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>206</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.6 illustrates that a total of 83.5% of the sample view sharing of ideas as important. 49.5% of them indicated that it was definitely important while 34.0% said it was most definitely important.
Table 4.7 The respondents’ extent to which they keep business information to themselves

<table>
<thead>
<tr>
<th>To what extent do you like to keep business information to yourself?</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>not at all / least likely</td>
<td>30</td>
<td>14.6</td>
<td>14.6</td>
<td>14.6</td>
</tr>
<tr>
<td>less likely</td>
<td>62</td>
<td>30.1</td>
<td>30.1</td>
<td>44.7</td>
</tr>
<tr>
<td>unsure</td>
<td>44</td>
<td>21.4</td>
<td>21.4</td>
<td>66.0</td>
</tr>
<tr>
<td>definitely</td>
<td>44</td>
<td>21.4</td>
<td>21.4</td>
<td>87.4</td>
</tr>
<tr>
<td>most definitely</td>
<td>26</td>
<td>12.6</td>
<td>12.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>206</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.7 illustrates that 30.1% are less likely to keep business information to themselves. A rather huge percentage, 21.4% is unsure. The majority, 34% said they definitely and most definitely keep information to themselves.

Table 4.8 Link between success of business and progress of Ethekwini economy

<table>
<thead>
<tr>
<th>To what extent does your business success linked to the progress of Ethekwini economy?</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>not at all / least likely</td>
<td>4</td>
<td>1.9</td>
<td>1.9</td>
<td>1.9</td>
</tr>
<tr>
<td>least likely</td>
<td>9</td>
<td>4.4</td>
<td>4.4</td>
<td>6.3</td>
</tr>
<tr>
<td>unsure</td>
<td>41</td>
<td>19.9</td>
<td>19.9</td>
<td>26.2</td>
</tr>
<tr>
<td>definitely</td>
<td>99</td>
<td>48.1</td>
<td>48.1</td>
<td>74.3</td>
</tr>
<tr>
<td>most definitely</td>
<td>53</td>
<td>25.7</td>
<td>25.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>206</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.8 illustrates that the majority of the business owners and senior managers see their business as linked to the success of Ethekwini economy. Only a very negligible percentage of 1.9% has the opposite view.
Figure 4.8 Bar chart depicting the extent to which government department should brief Ethekwini business owners and senior managers

Figure 4.8 illustrates that a huge percentage of the business owners and senior managers feel that government departments should brief them about issues relating to their industries. Those sentiments were expressed by a total of 76.2% as opposed to 3.4% who have the opposite view.

Figure 4.9 Bar chart depicting the extent to which Ethekwini business success is linked to technological changes.

Figure 4.9 shows that 80.5% of the respondents said that technological changes contributed to the success of their businesses. A small percentage of 2% indicated that technology do not contribute to the success of their businesses.
Figure 4.10 Bar chart depicting the extent to which respondents keep themselves informed about new technological developments. 

Figure 4.10 illustrates that 78% of the respondents keep themselves informed about new technological changes. Only 3 respondents out of a total of 206 do not keep themselves informed.

Figure 4.11 Bar chart depicting respondents’ extent to which they take initiative to develop themselves.

Figure 4.11 illustrates that 86.8% of the respondents take initiative to develop themselves. Only 7.8% of the respondents were unsure while only 1% felt that it was not their responsibility to take initiative.
Figure 4.12  Bar chart depicting the extent to which respondents share information about government policy affecting them.

Figure 4.12 illustrates that 46% of the business managers and senior managers share information with their competitors. A rather high percentage of respondents, 23.9% is unsure.

Figure 4.13  Bar chart depicting the extent to which respondents' co-operation with other players in the industry can enhance business success

Figure 4.13 illustrates that 66.6% of the respondents indicated that co-operation with other players in their respective industries would enhance the success of their businesses. A very small percentage, 2% of the respondents shared the opposite view. The question was answered by 204 respondents out of a total of 206.
Figure 4.14 Bar chart depicting the extent to which respondents are tempted to collaborate with their competitors.

Figure 4.14 illustrates that 20.4% are unsure whether they get tempted to collaborate with their competitors. This result is worrying because any business person ought to know whether he or she does get tempted to collaborate with others. The table and the chart also illustrate that a total of 42.7% does get tempted to collaborate with competitors whereas 36% indicated that they do not get tempted.

Figure 4.15 Bar chart depicting the respondents' extent to which they have confidence in the success of their respective industries.

Figure 4.15 indicates that the majority of business owners and senior managers in Ethekwini have confidence in the success of the industry they are in. 51% and 33% indicated that they definitely and most definitely respectively have confidence in the success of their respective industries.
Figure 4.16 Bar chart depicting the respondents’ extent to which they have confidence in themselves as business people.

Figure 4.16 illustrates that 89.8% of the business owners and senior managers are confident of themselves as business people. A very few of them indicated that they lacked confidence in themselves. It was just 1% of the sample size that indicated lack of confidence. The sample of 206 responded.

4.4 Correlations

The following are the result of the statistical test used to analyze the data. Cross tabulation were done on variables that were viewed to be central to the concept of networking. The data was analyzed using the SPSS software. The results were presented in table form. Interpretation of the results was done.

4.4.1 The mean concept

The mean is referred to as a measure of central tendency. According to Bowerman, O’Connel and Orris (2004), a measure of central tendency represents a centre or middle of the data. Bowerman et al (2004) define a population mean as the average of the
population. It is calculated by adding all the population measurements and then dividing the resulting sum by the number of population measurements. According to Bowerman et al (2004), a sample statistic that is used to estimate the population mean is the sample mean and is the average of the sample average. ( Bowerman et al 2004:55).

Taking the above information into account the analysis of the data obtained from respondents yielded the mean values reflected in the column marked mean. The analysis was done using the SPPSS software. It is important to note that the sample mean of a variable, unless we are extremely lucky will not exactly equal the average that would be obtained by all variables. Looking at table 25 above the mean value for age and gender are 2.2488 and 1.4683 respectively.

4.4.2 The standard deviation concept

It is important to give a brief description of the standard deviation as it has been done with the mean. Bowerman at al (2004) said that in addition to estimating a population’s central tendency, it is important to estimate the variation of the population’s individual values. According to Bowerman et al(2004) the standard deviation is a measure of spread about the mean and therefore should only be used when the mean is employed as a measure of center. The extent to which the mean is close or further to the mean is very important.

4.4.3 The Statistical significance concept

According to Bryman and Cramer (2006) to be able to find out if the sample is typical or representative of the population it is important to describe the nature of the sample and the population. According to Bryman and Cramer (2006) this is done by setting up a cut-off point at or beyond which it is assumed that the variable is judged biased. According to Bryman and Cramer that point is referred to as the significance level. Bryman and Cramer (2006) said that it is usually set as a probbability or p level of 0.05 or five times out of a hundred. The SPSS software was used to calculate the statistical significance of the variables. When interpreting the result given by the software we look at the
calculated significance level of the variable and then compare it with the conventional cut off significant level 0.05 as mentioned above.

As an example let us look at the cross tabulation below that analyzed the extent to which respondents would join a body representing bodies of businesses like theirs versus their ages. The calculated statistical significant level is 0.670. This value is higher than the conventional cut off level of 0.05 as a result the relationship is not statistically significant. This means that there is unlikely to be a relationship between the two variables. This is the manner in which all the correlations were analyzed in this study. Those correlations that are statistically significant i.e those variables that reflect that there is likely to be a relationship between them, are indicated by an asterick and also denoted correlation is significant at the 0.01 level. Further example of interpreting the tables are given below.
Table 4.2: Descriptive statistics showing the mean, standard deviation, and the total number of respondents for each variable.

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>age</td>
<td>205</td>
<td>2.2488</td>
<td>1.08986</td>
</tr>
<tr>
<td>gender</td>
<td>205</td>
<td>1.4683</td>
<td>.50022</td>
</tr>
<tr>
<td>formal education</td>
<td>114</td>
<td>2.1228</td>
<td>.46354</td>
</tr>
<tr>
<td>highest qualification</td>
<td>183</td>
<td>2.8087</td>
<td>1.28025</td>
</tr>
<tr>
<td>are you employed</td>
<td>203</td>
<td>1.8768</td>
<td>.32942</td>
</tr>
<tr>
<td>how long</td>
<td>196</td>
<td>2.2908</td>
<td>.96190</td>
</tr>
<tr>
<td>main organization function</td>
<td>199</td>
<td>6.8794</td>
<td>3.05266</td>
</tr>
<tr>
<td>member of a body representing businesses like yours</td>
<td>201</td>
<td>1.6468</td>
<td>.47917</td>
</tr>
<tr>
<td>how many employees are employed by your company</td>
<td>166</td>
<td>1.6867</td>
<td>1.06091</td>
</tr>
<tr>
<td>join a body representing businesses like yours</td>
<td>206</td>
<td>3.9320</td>
<td>1.09332</td>
</tr>
<tr>
<td>future of eThekwini economy</td>
<td>206</td>
<td>3.9806</td>
<td>.77120</td>
</tr>
<tr>
<td>networking important to you as a decision maker</td>
<td>206</td>
<td>4.1505</td>
<td>.89534</td>
</tr>
<tr>
<td>do you talk to competitors in your sector</td>
<td>206</td>
<td>3.4369</td>
<td>1.25849</td>
</tr>
<tr>
<td>is it important to you to share ideas with people</td>
<td>206</td>
<td>4.0971</td>
<td>.88361</td>
</tr>
<tr>
<td>do you like to keep business information to yourself</td>
<td>206</td>
<td>2.8738</td>
<td>1.26244</td>
</tr>
<tr>
<td>business success linked to the progress of eThekwini economy</td>
<td>206</td>
<td>3.9126</td>
<td>.89559</td>
</tr>
<tr>
<td>government departments</td>
<td>206</td>
<td>4.0291</td>
<td>1.03081</td>
</tr>
<tr>
<td>brief you about issues relating to your industry</td>
<td>206</td>
<td>4.1268</td>
<td>.93594</td>
</tr>
<tr>
<td>has technological changes contributed to the success of your business</td>
<td>205</td>
<td>4.1268</td>
<td>.93594</td>
</tr>
<tr>
<td>do you keep yourself informed about the new technological developments</td>
<td>206</td>
<td>4.0680</td>
<td>.90809</td>
</tr>
<tr>
<td>do you have responsibility to take initiatives to develop yourself</td>
<td>205</td>
<td>4.2341</td>
<td>.83067</td>
</tr>
<tr>
<td>do you and your competitors share information about government</td>
<td>205</td>
<td>3.2244</td>
<td>1.27510</td>
</tr>
<tr>
<td>would cooperation with others enhance success</td>
<td>204</td>
<td>3.7108</td>
<td>.94148</td>
</tr>
<tr>
<td>does temptation to collaboration with you competeitors happen</td>
<td>206</td>
<td>2.8689</td>
<td>1.29438</td>
</tr>
<tr>
<td>do you have confidence in the success of the industry you are in</td>
<td>206</td>
<td>4.1214</td>
<td>.79623</td>
</tr>
<tr>
<td>do you have confidence in yourself as a business person</td>
<td>206</td>
<td>4.3689</td>
<td>.77132</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>75</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 4.9 on the previous page shows interesting data. The extent to which respondents have responsibility to take initiative to develop themselves to show a strong mean of 4.2341. This means that most respondents see it as their responsibility to develop themselves. Another variable that shows a strong mean is the extent to which respondents have confidence in themselves. This variable has a mean of 4.3689 which is the second strongest mean in the table. Most respondents are not members of networking groups. This is evidenced by a relatively small mean of 1.6468.

4.5 Cross tabulations

Table 4.10 Cross tabulation between the extent to which respondents would join bodies representing bodies like theirs and the gender of the respondents

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Std. Deviation</td>
<td>N</td>
</tr>
<tr>
<td>To what extent would you join a body representing businesses like yours</td>
<td>3.9320</td>
<td>1.09332</td>
<td>206</td>
</tr>
<tr>
<td>gender</td>
<td>1.4683</td>
<td>.50022</td>
<td>205</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Correlations</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>joinabodyrepresentingbusinesseslikeyours</td>
<td>gender</td>
<td></td>
</tr>
<tr>
<td>To what extent would you join a body representing businesses like yours</td>
<td>Pearson Correlation</td>
<td></td>
<td>- .107</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>1</td>
<td>.126</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>206</td>
<td>205</td>
</tr>
<tr>
<td>gender</td>
<td>Pearson Correlation</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>-.107</td>
<td>.126</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>205</td>
<td>205</td>
</tr>
</tbody>
</table>

The two variables are not statistically significant because the statistical significance level of .126 is higher than the conventional cut off level of .05. This means that there is unlikely to be a relationship between the two variables. Out of a total of 206 respondents, 205 indicated their gender and 206 indicated the extent to which they would like to join bodies representing businesses like theirs.
The relationship is statistically significant because statistical level of .000 is lower than the conventional cut off level of .05. That means there is likely to be a relationship between the two variables. This also means that there is likely to be a relationship between the two variables.
Table 4.12 Cross tabulation between the extent to which respondents would join bodies representing bodies like theirs and the importance of networking to them as decision makers.

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent would you join a body representing businesses like yours</td>
<td>3.9320</td>
<td>1.09332</td>
<td>206</td>
</tr>
<tr>
<td>Networking important to you as a decision maker</td>
<td>4.1505</td>
<td>.89534</td>
<td>206</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Correlations</th>
<th>To what extent would join a body representing businesses like yours</th>
<th>Networking important to you as a decision maker</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent would you join a body representing businesses like yours</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>1</td>
<td>.275**</td>
</tr>
<tr>
<td>N</td>
<td>206</td>
<td>206</td>
</tr>
<tr>
<td>Networking important to you as a decision maker</td>
<td>Pearson Correlation</td>
<td>.275**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>206</td>
<td>206</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

The relationship between the two variables is statistically significant which means that there is likely to be a relationship between the two variables. The statistical significance level of .000 is less than the cut off level of .05
The two variables are not statistically significant. There is unlikely to be a relationship between the two variables. The questions were answered by 206 respondents which is a 100% response rate.
Table 4.14 Cross tabulation between the extent to which respondents would join bodies representing bodies like theirs and the extent to which they like to keep information to themselves.

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent would you join a body representing businesses like yours</td>
<td>3.9320</td>
<td>1.09332</td>
<td>206</td>
</tr>
<tr>
<td>To what extent do you like to keep business information to yourself</td>
<td>2.8738</td>
<td>1.26244</td>
<td>206</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
<th>To what extent would you join a body representing businesses like yours</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent would you join a body representing businesses like yours</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>.004</td>
<td>206</td>
<td></td>
<td>.950</td>
<td>.950</td>
<td>206</td>
</tr>
<tr>
<td>To what extent do you like to keep business information to yourself</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.004</td>
<td>.950</td>
<td>206</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Pearson correlation of .950 is higher than the conventional cut of level of .05. The questions relating to this cross tabulation were answered by all 206 respondents. This level is higher than the conventional cut of level of .05 hence the two variables are not statistically significant. There is unlikely to be a relationship between the two variables.
The two variables are statistically significant. That means there is likely to be a relationship between the two variables. The calculated significance level is 0.000 this is less than the conventional cut of level of 0.05.
Table 4.16 Cross tabulation between the extent to which respondents would join bodies representing bodies like theirs and the extent to which Government department must brief them on issues relating to their respective industries.

Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent would you join a body</td>
<td>3.9320</td>
<td>1.09332</td>
<td>206</td>
</tr>
<tr>
<td>representing businesses like yours</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To what extent should government departments</td>
<td>4.0291</td>
<td>1.03081</td>
<td>206</td>
</tr>
<tr>
<td>brief you about issues relating to your</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>industry</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Correlations

<table>
<thead>
<tr>
<th></th>
<th>To what extent would you join a body representing businesses like yours</th>
<th>To what extent should government departments brief you about issues relating to your industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent would you join a body</td>
<td>Pearson Correlation 1</td>
<td>Pearson Correlation .127</td>
</tr>
<tr>
<td>representing businesses like yours</td>
<td>Sig. (2-tailed) .068</td>
<td>Sig. (2-tailed) .068</td>
</tr>
<tr>
<td></td>
<td>N 206</td>
<td>N 206</td>
</tr>
<tr>
<td>To what extent should government departments</td>
<td>Pearson Correlation .127</td>
<td>Pearson Correlation 1</td>
</tr>
<tr>
<td>brief you about issues relating to your</td>
<td>Sig. (2-tailed) .068</td>
<td>Sig. (2-tailed) .068</td>
</tr>
<tr>
<td>industry</td>
<td>N 206</td>
<td>N 206</td>
</tr>
</tbody>
</table>

The significance level of .068 is higher than the conventional cut off level of .05 as a result the two variables are not statistically significant. This means that there is unlikely to be a relationship between the two variables.
Table 4.17 Cross tabulation between the extent to which respondents would join bodies representing bodies like theirs and the extent to which technological changes contributed to the success of their businesses.

### Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent would you join a body representing businesses like yours</td>
<td>3.932</td>
<td>1.09332</td>
<td>206</td>
</tr>
<tr>
<td>To what extent has technological changes contributed to the success of your business</td>
<td>4.1268</td>
<td>.93594</td>
<td>205</td>
</tr>
</tbody>
</table>

### Correlations

<table>
<thead>
<tr>
<th></th>
<th>To what extent would you join a body representing businesses like yours</th>
<th>To what extent has technological changes contributed to the success of your business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.281**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>206</td>
<td>205</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

The calculate significance level of .000 is lower than the conventional cut off level of .05 hence the two variables are statistically significant. This means there is likely to be a relationship between the two variables.
Table 4.18 Cross tabulation between the extent to which respondents would join bodies representing bodies like theirs and the extent to which they keep themselves informed about new technological development in their sectors.

**Descriptive Statistics**

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent would you join a body representing businesses like yours</td>
<td>3.9320</td>
<td>1.09332</td>
<td>206</td>
</tr>
<tr>
<td>To what extent do you keep yourself informed about the new technological developments in your sector</td>
<td>4.0680</td>
<td>.90809</td>
<td>206</td>
</tr>
</tbody>
</table>

**Correlations**

<table>
<thead>
<tr>
<th></th>
<th>To what extent join a body representing businesses like yours</th>
<th>To what extent do you keep yourself informed about the new technological developments in your sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>Sig. (2-tailed)</td>
<td>N</td>
</tr>
<tr>
<td>To what extent would you join a body representing businesses like yours</td>
<td>1</td>
<td>206</td>
</tr>
<tr>
<td><strong>.290</strong></td>
<td><strong>.000</strong></td>
<td><strong>206</strong></td>
</tr>
<tr>
<td>To what extent do you keep yourself informed about the new technological developments in your sector</td>
<td><strong>.290</strong></td>
<td><strong>1</strong></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>Sig. (2-tailed)</td>
<td>N</td>
</tr>
<tr>
<td><strong>.000</strong></td>
<td><strong>206</strong></td>
<td><strong>206</strong></td>
</tr>
</tbody>
</table>

**: Correlation is significant at the 0.01 level (2-tailed).

The statistical significant level of .000 is lower than the conventional statistical level of .05 hence the two variables are statistically significant. That means there is likely to be a relationship between the two variables.
Table 4.19 Cross tabulation between the extent to which respondents would join bodies representing bodies like theirs and the extent to which they have responsibility to take initiative to develop themselves.

### Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent would you join a body representing businesses like yours</td>
<td>3.9320</td>
<td>1.09332</td>
<td>206</td>
</tr>
<tr>
<td>To what extent do you have responsibility to take initiative to develop yourself</td>
<td>4.2341</td>
<td>.83067</td>
<td>205</td>
</tr>
</tbody>
</table>

### Correlations

<table>
<thead>
<tr>
<th></th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
<th>To what extent do you have responsibility to take initiative to develop yourself</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent would you join a body representing businesses like yours</td>
<td>1</td>
<td>.135</td>
<td>206</td>
<td>.053</td>
</tr>
<tr>
<td>To what extent do you have responsibility to take initiative to develop yourself</td>
<td>.135</td>
<td>.053</td>
<td>205</td>
<td>1</td>
</tr>
</tbody>
</table>

The statistical significant level of this cross tabulation is .135. This is higher than the conventional cut of level of .05 therefore the correlation is not statistically significant meaning that there is unlikely to be a relationship between the two variables.
Table 4.20 Cross tabulation between the extent to which respondents would join bodies representing bodies like theirs and the extent to which cooperation with other players in the industry enhances the success of their businesses.

Descriptive Statistics

<table>
<thead>
<tr>
<th>To what extent would you join a body representing businesses like yours</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent would co-operation with other players in your industry enhance the success of your business organization</td>
<td>3.9320</td>
<td>1.09332</td>
<td>206</td>
</tr>
<tr>
<td>To what extent would co-operation with other players in your industry enhance the success of your business organization</td>
<td>3.7108</td>
<td>.94148</td>
<td>204</td>
</tr>
</tbody>
</table>

Correlations

<table>
<thead>
<tr>
<th>To what extent would you join a body representing businesses like yours</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent would you join a body representing businesses like yours</td>
<td>1</td>
<td>.185**</td>
<td>206</td>
</tr>
<tr>
<td>To what extent would you join a body representing businesses like yours</td>
<td>1</td>
<td>206</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>To what extent would co-operation with other players in your industry enhance the success of your business organization</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent would co-operation with other players in your industry enhance the success of your business organization</td>
<td>.185**</td>
<td>.008</td>
<td>204</td>
</tr>
<tr>
<td>To what extent would co-operation with other players in your industry enhance the success of your business organization</td>
<td>1</td>
<td>204</td>
<td></td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

The significance level of .008 is lower than the conventional cut off level of .05 and therefore the two variables are statistically significant. This means that there is likely to be a relationship between the two variables. The questions relating to this correlation were answered by 204 out of 206 respondents.
Table 4.21 Cross tabulation between the extent to which respondents would join bodies representing bodies like theirs and the extent to which temptation to collaborate with their competitors happen.

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent would you join a body representing businesses like yours</td>
<td>3.9320</td>
<td>1.09332</td>
<td>206</td>
</tr>
<tr>
<td>To what extent does temptation to collaboration with your competitors happen</td>
<td>2.8689</td>
<td>1.29438</td>
<td>206</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Correlations</th>
<th>To what extent would you join a body representing businesses like yours</th>
<th>To what extent does temptation to collaboration with your competitors happen</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent would you join a body representing businesses like yours</td>
<td>Pearson Correlation:</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed):</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>N:</td>
<td>206</td>
</tr>
<tr>
<td>To what extent does temptation to collaboration with your competitors happen</td>
<td>Pearson Correlation:</td>
<td>.059</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed):</td>
<td>.398</td>
</tr>
<tr>
<td></td>
<td>N:</td>
<td>206</td>
</tr>
</tbody>
</table>

The two variables are not statistically significant because the statistical significance level of .398 is higher than the conventional cut off level of .05. There is unlikely to be a relationship between the two variables.
Table 4.22 Cross tabulation between the extent to which respondents would join bodies representing bodies like theirs and the extent to which they have confidence in the success of the industry they are in.

### Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent would you join a body</td>
<td>3.9320</td>
<td>1.09332</td>
<td>206</td>
</tr>
<tr>
<td>representing businesses like yours</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To what extent do you have confidence in</td>
<td>4.1214</td>
<td>.79623</td>
<td>206</td>
</tr>
<tr>
<td>the success of the industry you are in</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Correlations

<table>
<thead>
<tr>
<th></th>
<th>To what extent would you join a body representing businesses like yours</th>
<th>To what extent do you have confidence in the success of the industry you are in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correlation</td>
<td>Pearson Correlation</td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td>To what extent would you join a body</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>representing businesses like yours</td>
<td>Pearson Correlation</td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td>To what extent do you have confidence in</td>
<td></td>
<td>206</td>
</tr>
<tr>
<td>the success of the industry you are in</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation is statistically significant because the significance level of .002 is lower than the conventional cut of level of .05. This means that there is likely to be a relationship between the two variables.
Table 4.23 Cross tabulation between the extent to which respondents would join bodies representing bodies like theirs and the extent to which they have confidence in themselves as business people.

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent would you join a body representing businesses like yours</td>
</tr>
<tr>
<td>To what extent do you have confidence in yourself as a business person</td>
</tr>
<tr>
<td>4.3689</td>
</tr>
</tbody>
</table>

**Correlations**

| To what extent would you join a body representing businesses like yours | Pearson Correlation | Sig. (2-tailed) | N |
| To what extent do you have confidence in yourself as a business person | 1 | .203** | 206 |
| 206 |

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation is statistically significant because the statistical level of .003 is less than the conventional cut off level of .05. The questions relating to this correlation were answered by all 206 respondents a response rate of 100%.
Table 4.24 Cross tabulation between the extent to which respondents have responsibility to take initiative to develop themselves and the extent to which they share information with their competitors about government.

<table>
<thead>
<tr>
<th>Cases</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Valid</td>
<td>Missing</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>Percent</td>
<td>N</td>
</tr>
<tr>
<td>do you have responsibility to take initiative to develop yourself * do you and your competitors share information about government</td>
<td>204</td>
<td>99.0%</td>
<td>2</td>
</tr>
</tbody>
</table>

Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>27.733&lt;sup&gt;a&lt;/sup&gt;</td>
<td>16</td>
<td>.034</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>27.266</td>
<td>16</td>
<td>.039</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>5.844</td>
<td>1</td>
<td>.016</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>204</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 15 cells (60.0%) have expected count less than 5. The minimum expected count is .25.

The Pearson Chi-Square is 27.733 with 16 Degrees of Freedom. The statistical significance level for this chi-square test is .039. The number of respondents that answered the questions relating to this test is 204 out of a sample size of 206. This is a 99% response rate.
Table 4.25 Cross tabulation showing the extent to which technological changes contributed to the success of the respondents' businesses and the extent to which

<table>
<thead>
<tr>
<th>Cases</th>
<th>N</th>
<th>Percent</th>
<th>N</th>
<th>Percent</th>
<th>N</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>has technological changes contributed to the success of your business</td>
<td>205</td>
<td>99.5%</td>
<td>1</td>
<td>.5%</td>
<td>206</td>
<td>100.0%</td>
</tr>
<tr>
<td>* do you keep yourself informed about the new technological developments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>90.858a</td>
<td>16</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>71.339</td>
<td>16</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>50.399</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>205</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 17 cells (68.0%) have expected count less than 5. The minimum expected count is .06

The Chi-Square value is 90.858 with Degrees of Freedom of 16, and the statistical significance level is 0.000. This means that the statistical level of significance is lower than the conventional cut off level of 0.05. It could therefore be concluded that there is likely to be a relationship between the two variables. The questions aimed at finding out whether or not there was a relationship between the two variables were answered by 205 of the 206 respondents. This was a good response rate.
Table 4.26 Cross tabulation between the extent to which the respondents’ business success is linked to the progress of Ethekwini economy and the extent to which Government departments must brief them about issues relating to their industry.

### Case Processing Summary

<table>
<thead>
<tr>
<th>Cases</th>
<th>Valid</th>
<th>Missing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Percent</td>
<td>N</td>
</tr>
<tr>
<td>business success linked to the progress of Ethekwini economy * government departments brief you about issues relating to your industry</td>
<td>206</td>
<td>100.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>206</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

The Pearson Chi-Square value is 78.506 with 16 Degrees of Freedom and a statistical significant level of .000. The significant level is .000 and is less than the conventional cut off level of .05. The two variables are therefore statistically significant.
Table 4.27 Cross tabulation between the extent to which respondents cooperation with other players in the industry could enhance the success of their businesses and the extent to which they are tempted to collaborate with their competitors.

Case Processing Summary

<table>
<thead>
<tr>
<th>Cases</th>
<th>Valid</th>
<th>Missing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Percent</td>
<td>N</td>
</tr>
<tr>
<td>would co-operation with other players in your industry enhance the success of your business * doestemptationtocollaborationwithyourcompetitors happen</td>
<td>204</td>
<td>99.0%</td>
<td>2</td>
</tr>
</tbody>
</table>

Chi-Square Tests

<table>
<thead>
<tr>
<th>Pearson Chi-Square</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Likelihood Ratio</td>
<td>44.399a</td>
<td>20</td>
<td>.001</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>46.291</td>
<td>20</td>
<td>.001</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>7.821</td>
<td>1</td>
<td>.005</td>
</tr>
<tr>
<td></td>
<td>204</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 16 cells (53.3%) have expected count less than 5. The minimum expected count is .03

The chi-square test is statistically significant because the significant level of .001 is less than the conventional cut off level of .05
4.6 Conclusion

The extent to which a respondent would join a body representing a body like his or her business was viewed as a dependent variable. In the light of that, cross tabulation between this variable and other variables that were deemed important to the concept of networking was done. The results of those cross tabulations were interpreted. In the next chapter research questions are answered and recommendations are made based on information from this chapter.
CHAPTER 5

Recommendations and Conclusion

5.1 Introduction

The previous chapter presented and analyzed that data that was obtained from the respondents. The purpose of the analysis was to enable the reader to understand the results of the tests and how those results were arrived at. Firstly, this chapter makes use of the results presented in chapter four in answering the critical research questions. Secondly, the chapter reflects on the limitations without which the study would have provided more information on the concept of networking. Fourthly, the chapter indicates whether or not the objectives of the study were achieved. Lastly, the chapter makes recommendations to business people and academics.

5.2 Discussion

Regression of variables that were assumed to be related revealed very interesting information. The null hypothesis was that age contributed to respondents’ willingness to join network groups. This was based on the fact that younger people are more outgoing and therefore more likely to join networking groups. The study revealed that there was no relationship between the two variables. Respondents of all ages indicated that they would like to join networking groups. A generalization could then be made that networking is seen by Ethekwini business people and senior managers of all age groups to be very important.

Regression was also done by cross tabulating the gender and the extent to which respondents would like to join bodies representing businesses like theirs. The null hypothesis was that gender affects the extent to which Ethekwini business people and senior managers would like to join bodies representing bodies like theirs. Pure observation indicated that women like to do business in groups and therefore more likely to network. For example, the government has been promoting the establishment of
cooperatives and the general view is that most of them comprise women. The study revealed, however, that there was no relationship between the two variables. A generalization could then be made that in Ethekwini business people and senior managers from both sexes view joining networking group as very important.

Further regression was done by cross tabulating the extent to which respondents would like to join bodies representing businesses like theirs and their level of confidence in the future of Ethekwini. The null hypothesis was that there was a relationship between the two variables. The assumption was that a business person or senior manager who has confidence in the future of Ethekwini would be more willing to join a body representing business like his. Confidence in the future of an economy suggests that there will be more business opportunities in the future in that economy suggesting that business people would be more likely to network so as to position themselves for such opportunities. The study confirmed this relationship. A generalization could then be made that Ethekwini business people and senior managers have confidence in the future of Ethekwini and therefore very much willing to join networking groups.

The study revealed that Ethekwini business people and senior managers viewed networking as very important to them as decision makers. This was very encouraging because sharing information is crucial for the growth of the business sector. Growth of the business sector or creates employment opportunities thus reducing some of the social ills that communities are facing.

The study also sort to find out whether it was possible that Ethekwini business people and senior managers would like to join businesses representing bodies like theirs while at the same time they like to keep business information to themselves, selfish type of situation. The study revealed that such a relationship between the variables does not happen hence the cross tabulation between the two variables was not statistically significant.

The study revealed that the Ethekwini business people strongly feel that the government should play a role in informing them about issues relating to their respective industries. Taking this into account and also bearing in mind that the study revealed that the business
owners and senior managers in Ethekwini are not tempted to collaborate with competitors, it could be said that as more and more of governments briefings take place the more likely the business people will engage with one another with a view to forming business relationships. The Government briefing sessions could become networking forums.

The study showed that Ethekwini business people have confidence in themselves as business people and they take responsibility in developing themselves. This is very interesting because confident people can engage in issues relating to their businesses. Confident people are more likely to share ideas with other people. It could be concluded that based on the high level of confidence among Ethekwini business people and senior managers, Ethekwini could have more networking groups if encouraged. The Chi-Square analysis also revealed that there is a relationship between the level of confidence of Ethekwini business owners and senior managers have in themselves as business people and the extent to which they are tempted to collaborate with competitors.

The Ethekwini economy comprises sectors that rely largely on technology. The Chi-Square analysis revealed that there is a high positive relationship between the extent to which the success of Ethekwini businesses rely on technological development and the extent to which Ethekwini business people keep themselves informed about new technological developments. This is encouraging because it means Ethekwini business people are consistently aware of new technological developments. This means that they are able to acquire new technology on time to cope with increased demand. It is not always possible for the firm to have resources to buy new technology whenever it comes to the market. Networking becomes very important in such cases.

The Chi-Square analysis showed that there is a positive relationship between the extent to which Ethekwini business people need to be briefed by the government departments and the extent to which the progress of Ethekwini economy. What this means is that the more the government departments brief business owners and senior managers in Ethekwini the more the economy of Ethekwini will grow.
5.3 Answers to the research questions

• To what extent do business owners and senior managers in Ethekwini realize the importance of networking?

The questionnaire has a question that required the respondents to indicate the extent to which they regard networking as important. The responses that were received indicated that 79.6% of them viewed networking as definitely important. Furthermore analysis of the data showed that 64% of the respondents are not members of business organizations representing business in their respective sectors and yet when asked whether or not they would like join such bodies representing business in their respective sectors, a total of 73.7% indicated that they would. This suggests that they realize the importance of networking.

• To what extent does the level of confidence of business owners and senior managers in Ethekwini economy and themselves affect the extent to which they are prepared to be members of bodies representing businesses in their respective sectors?

The study revealed that 78.2% of the sample indicated that they are confident about the future of Ethekwini and more than 80% indicated that they are confident about themselves as business people. One would assume that when a business person is confident about the future of the economy within which he operates and is confident about himself as a business person he would be more likely to be a member of a networking group. Confident people are outgoing and can easily make contacts and form relationships. This study does not show that positive correlation between the two variables namely self confidence and joining a networking group. The correlation analysis also indicated that there is a positive relationship between the confidence of the respondents in themselves as well as in the economy of Ethekwini and the extent to which they are prepared to join network groups.
To what extent do business owners and senior managers in Ethekwini regard information sharing as important and if so to what extent do they keep themselves informed about the developments in their respective fields?

The study revealed that 83.5% of the respondents are prepared to share information with other people. Only a small portion of 7.7% indicated the opposite. Strangely only 44% of the business owners and managers indicated that they are prepared not to keep information to themselves. Given such a high percentage of those who said that they are prepared to share information, one would also expect a high percentage of those that would not like to keep information to themselves. This is a bit of a contradiction. Perhaps the study should have been more specific in terms of what type of information the question referred too. Certain information could be easily shared by businesses. For example, some business people and senior managers may feel uncomfortable sharing information regarding their salaries or wages of their employees. There was a question in the questionnaire where respondents had to indicate the extent to which they keep business information to themselves. The result indicated that there is a small percentage that likes to keep such information to themselves. An inference could then be made that business owners and senior managers in Ethekwini regard information sharing as very important.

To what extent do business owners and senior managers in Ethekwini regard developing themselves as their main responsibility or they feel they have to be assisted by the Government to a large extent?

The study indicated that 86% of the respondents take initiative to develop themselves. The questionnaire showed a limitation with regards to this question because it did not contain any question that could indicate the extent to which respondents feel they have to be assisted by the Government in order to develop themselves. There is a question in the questionnaire that relates to the extent to which government departments should brief respondents on issues relating to their respective industries. It could be argued that this question does not really relate to the above research question. One could take initiative to develop oneself but still strongly feel that Government departments must brief them on important issues relating to one’s business. Relying on the available information an
inference could be made that business owners and senior managers in Ethekwini regard developing themselves as their main responsibility.

- **To what extent do business owners and senior managers in Ethekwini recognize the possible benefits that could be derived from cooperating with other players in their respective sectors?**

The respondents were asked to indicate the extent to which cooperation with other players in their respective sectors would enhance the success of their businesses. Approximately 66% of the respondents indicated that such cooperation with other business players in the industry would enhance the success of their businesses. There was another question where the respondents had to indicate the extent to which they are tempted to collaborate with their competitors. The result indicated that only 35% were tempted to collaborate with their competitors. This creates some doubt as to whether or not the word competitors was used synonymously as the phrase ‘other players in the industry’. If these two were not used synonymously then an inference could be made that business owners and senior managers in Ethekwini recognize the possible benefits that could be derived from cooperating with other players in the industry. If they were used synonymously then it would be difficult to commend on the above research question because the result would contradict themselves.

- **To what extent does the number of employees the business owner or senior manager affect the extent to which they network?**

When the correlations of variables were done the study revealed that there was no correlation between the number of employees the respondents have and the extent to which they are willing to join organization representing bodies like theirs. An inference could be made that the extent to which business owners and senior managers in Ethekwini network, is not affected by the number of employees they employ.

- **To what extent do business owners and senior managers in Ethekwini talk to their competitors?**

The respondents had to indicate the extent to which they talk to competitors. Only 9% indicated that they do not at all talk to their competitors, however, almost 60% of them
indicated that they talk to their competitors. An inference could then be made that business owners and senior managers in Ethekwini talk to their competitors.

- **To what extent has technological changes contributed to the success of Ethekwini businesses and to what extent do the managers keep themselves informed of new technological changes?**

The analysis of the data obtained from the respondents suggests that in Ethekwini technological changes have hugely contributed to the success of the businesses. Of the 205 respondents that indicated the extent to which technology has contributed to the success of their businesses 80% of them indicated that indeed technological changes contributed positively. Data analysis also indicates that 78% of the respondents keep themselves informed of about technological developments in their respective sectors. An inference could then be made that business owners and senior managers in Ethekwini keep have benefited from technological changes and also keep themselves informed of new technological changes.

### 5.4 Recommendations

Based on the analysis of the data obtained from the respondents the following recommendations are made:

- It is recommended to the Durban Chamber of Commerce as an organization whose members come from the different sectors of Ethekwini economy, to play a major role in promoting the concept of networking. This it could do by making it a condition that each member join a network group or give membership fee consentions to those who are network group members.

- Literature review showed that network support increases the probability of survival and growth. It is therefore recommended that new entrepreneurs join network groups to increase the probability of survival. This would help them refer to a broad and diverse social network thus increasing their chances of survival and profitability.
The study revealed that there is a positive correlation between the respondents’ business success and their confidence in themselves. As a major of boosting business confidence a recommendation is made that business owners and senior managers in ETekwini send their employees to seminars, courses, and other relevant institutions that specialize in confidence boosting.

It is recommended that business owners and senior managers must encourage their employees to join online business networking groups. Such online networking could be used until one is confident enough to go out and meet other business people in person. Networking online is even more important to new entrepreneurs and small and medium enterprises since they probably have less available time than big business owners.

It is recommended that Government department must brief business owners and senior managers on issues relating to their respective fields. Such briefing sessions as mentioned above could encourage interaction among Business people thereby increasing the probability of them forming networking groups.

5.5 Limitations

The study of personal networking has not been researched in ETekwini and is not a well researched field as a result not much literature is available on it. This means that there was not much secondary data available to be used for the study.

The research aimed at obtaining responses from all sectors of the economy of ETekwini, however, the responses obtained did not cover all the sectors as envisaged. Some sectors were not represented at all whereas others were over represented.

It was not always possible to administer the questionnaire. In such cases the questionnaire had to be left with the respondent. Where questionnaires were self
administered often than not it took a long time before the questionnaire was completed. Faced with the deadline to complete the study some of the questionnaires were never obtained from the respondents. This limited the number of responses.

- Some questions which are along racial and political lines were not included in the questionnaire as they were viewed to be too sensitive when in fact in real life they do affect the extent to which business owners and senior managers are prepared to network.

- Certain questions which would have added more insight into the study of networking were not answered by an adequate number of respondents.

- The respondents were drawn from business owners and senior managers who own and manage relatively small companies. The owners and managers of big business were not included in the study due to difficulties in obtaining gatekeepers’ permission to conduct research. This becomes a limitation when the results have to be generalized to all business owners and senior managers.

- The actual networking activities were never investigated. Networking is a process in which certain activities take place. It would have been interesting to look at some of those activities and see how they affect the extent to which business owners and senior managers in Ethekwini network.

5.6 Further research for academics

- The study was the first research in Durban on the concept of networking. It is recommended to academics that further research into networking be conducted in Durban.

- It is also recommended that further research on networking be conducted outside of Durban.
• The number of respondents was enough for this study, however, it is recommended that more respondents must be obtained for further research.

• When constructing the research instrument for further research, it is recommended that the questionnaire be revised based on the thesis. For example the questionnaire should include questions on networking activities.

5.7 Conclusion

The study has been able to address the problem statement to a larger extent. The study revealed that in Ethekwini business owners and senior managers while acknowledging that networking can enhance the success of their businesses they nevertheless are not part of networking groups. The study also revealed that Business people and senior managers in Ethekwini are very confident about themselves as business people and about the economy of Ethekwini.

The study was also able to address the critical research questions. The study showed that the business people in Ethekwini realize the importance of networking to them as business people. The research revealed that there is a positive correlation between the confidence of the business owners and senior managers and the extent to which they would like to join bodies representing businesses like theirs. The study also showed that networking is not affected by age of the business owners and senior managers. This means that business owners and senior managers of all ages can engage in networking. The study showed that while business people realize the importance of networking they nevertheless do not engage in it as much as they should. The study also revealed that although business people may see themselves as not withholding business information they nevertheless do. Business organizations as well as individuals should regard networking as a necessity not a luxury.
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ADDENDUM 1- LETTER OF INFORMED CONSENT
Dear respondent,

MBA Research Project
Researcher: Wellington Zondi (0333-984923/071 9293 099)
Supervisor: Martin Challenger (031-260 8104/082 4144 020)

I am by name Wellington Zondi, a graduate student reading MBA at the Graduate School of Business, UKZN. I am inviting you to participate in a research project to study networking. Along with this letter is a survey or questionnaire that asks a variety of questions about networking. I am asking you to look over the questionnaire and, if you choose to do so, complete it and give it back to me. It should take you about 20 minutes to complete.

The result of this project will be for networking. Through your participation I hope to understand networking. I hope that the results of the survey will be useful for networking and I hope to share my results by publishing them in a peer-reviewed journal.

I do not know of any risks to you if you decide to participate in this survey and I guarantee that your responses will not be identified with you personally. Your participation in this project is voluntary or optional. You can refuse to participate or withdraw from the project at any time with no negative consequence. I promise not to share any information that identifies you with anyone outside my research group which consists of me and (my supervisor). You should not put your name or any identifier on the questionnaire. Confidentiality and anonymity of records identifying you as a participant will be maintained for many years by the Graduate School of Business, UKZN.

The survey should take you about 20 minutes to complete. I hope you will take the time to complete this questionnaire or survey and return it.

If you have any questions or concerns about completing the questionnaire or about being in this study, you may contact me or my supervisor on the above-mentioned numbers. This project has been approved by the Ethics Committee at The University of KwaZulu-Natal.

Investigator’s signature________________________ Date________________________
CONSENT

I ............................................................ (full names of participant) hereby confirm that I understand the contents of this document, and the nature of the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

Participant’s signature___ ____________________________

Date___ __________________________
ADDENDUM 2: RESEARCH INSTRUMENT
The purpose of this survey is to solicit information from you regarding networking. The information and ratings you provide will go a long way in helping us identify critical issues regarding networking. The questionnaire should only take 15 - 20 minutes to complete. In this questionnaire, you are asked to indicate what is true to you, so there is no “right” or “wrong” answers to any question. Work as rapidly as you can. If you wish to make comments please write it directly on the booklet itself. Make sure not to skip any questions. Thank you for participating!

1. Your age is ___________ years
2. Are you ______Male _______ female?
3. How many years of formal education do you have beyond secondary/ High school?
4. What is your highest academic/professional qualification? ______________
5. Are you employed by a company or self employed? Company employed _______Self-employed____
6. How long have you been employed? ______Self-employed? ____ _____ years
7. Please indicate your main organizational function:
   ____ Accountancy
   ____ administration
   ____ Finance
   ____ Human resource Management
   ____ Marketing
   ____ Operations
   ____ Production
   ____ Supply Chain Management
   ____ Customer Services
   ____ Public Relations
   ____ Other (Please specify)______________________________
8. Are you a member of a body representing businesses like yours?
   Yes ______ No ______
9. How many employees are employed by your company or department? ________
   When answering question 10 to 25, please tick the applicable box where on the scale of 1 to 5. 1= not at all/ least likely, 2= less likely, 3=unsure, 4=definitely, and 5= most definite likely

10. To what extent would you be prepared to join a body representing businesses like yours?
    Not at all  Unsure  To some extent  Definitely  Most definitely likely

11. To what extent do you have confidence in the future of Eswatini economy?
    Not at all  Unsure  To some extent  Definitely  Most definitely likely

12. To what extent do you have confidence in yourself as a decision maker?
    Not at all  Unsure  To some extent  Definitely  Most definitely likely

95
13. To what extent do you talk to competitors in your sector?
   | Not at all | Unsure | To some extent | Definitely | Most definitely |

14. To what extent is it important to you to share ideas with people?
   | Not at all | Unsure | To some extent | Definitely | Most definitely |

15. To what extent do you like to keep business information to yourself?
   | Not at all | Unsure | To some extent | Definitely | Most definitely |

16. To what extent is the success of your business/company linked to the progress of Ethekwini economy?
   | Not at all | Unsure | To some extent | Definitely | Most definitely |

17. To what extent should Government departments brief you about issues relating to your industry?
   | Not at all | Unsure | To some extent | Definitely | Most definitely |

18. To what extent has technological changes contributed to the success of your business?
   | Not at all | Unsure | To some extent | Definitely | Most definitely |

19. To what extent do you keep yourself informed about the new technological developments in your sector?
   | Not at all | Unsure | To some extent | Definitely | Most definitely |

20. To what extent do you have responsibility to take initiative to develop yourself?
   | Not at all | Unsure | To some extent | Definitely | Most definitely |

21. To what extent do you and your competitors share information about Government policy affecting your sector?
   | Not at all | Unsure | To some extent | Definitely | Most definitely |

22. To what extent would cooperation with other players in your industry enhance the success of your business organization?
   | Not at all | Unsure | To some extent | Definitely | Most definitely |

23. To what extent do other players in your industry collaborate/form partnerships?
   | Not at all | Unsure | To some extent | Definitely | Most definitely |

24. To what extent do you have confidence in the success of the industry you are in?
   | Not at all | Unsure | To some extent | Definitely | Most definitely |

25. To what extent do you have confidence in yourself as a business person?
   | Not at all | Unsure | To some extent | Definitely | Most definitely |

**End of the Questionnaire**

**Thank you for completing this questionnaire**
ADDENDUM 3 - ETHICAL CLEARANCE